2010-2011
REFERENCE DOCUMENT
AND ANNUAL FINANCIAL REPORT

2010-2011 Annual Report

CHAMPAGNE
Laurent-Perrier
MAISON FONDÉE
1812

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The present document was drawn up by the Issuer and is binding on its signatories

In this document, the term "Group" refers to Laurent-Perrier and its consolidated subsidiaries, and Laurent-Perrier" refers to the brand name under which Laurent-Perrier products are sold.
Words marked with an asterisk (*) refer readers to the glossary at the end of this document.
ISIN code for Laurent-Perrier: FR0006864484

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1. Business activities of the Laurent-Perrier Group

1.1. Laurent-Perrier: the history of a group close to its roots

1939: Marie-Louise de Nonancourt acquires Laurent-Perrier.
1949: Her son, Bernard de Nonancourt, becomes Chairman of Laurent-Perrier.
1958: Cuvée Grand Siècle launched.
1968: Cuvée Rosé Brut launched.
1978: Distribution subsidiary set up in the United Kingdom.
1983: Acquisition of a 34% stake in Champagne de Castellane.
1988: Laurent-Perrier acquires a majority interest in the Salon champagne house.
1992: Distribution subsidiary set up in Switzerland.
1998: Buy-back of the minority shareholdings in Champagne Laurent-Perrier (22%) and Laurent-Perrier (3%) held by United Distillers and Vintners (UDV).
1998: Creation of a United States subsidiary and a distribution branch in Belgium.
1999: Buy-back of minority shareholdings in Champagne de Castellane.
1999: Company listed on the Euronext Paris *Second Marché* stock exchange market.
2002: New presentation and packaging for the Laurent-Perrier range.
2004: Acquisition of Château Malakoff.
2005: Global launch of the Laurent-Perrier and Grand Siècle new visual identity.
2007: Japanese distribution contract signed with Suntory.
2008: German subsidiary created .
2008: New Grand Siècle campaign launched.
2009: Direct commercial present in Italy, Singapore and Dubaï.
2010: 29 October 2010 - Laurent-Perrier was deeply saddened to announce the death of Bernard de Nonancourt, Founder-Chairman of the Laurent-Perrier.
2011: Launch of new Brut Laurent-Perrier, Demi Sec and Millésimé packaging.

1.2. Group overview

1.2.1. Introduction

Under the energetic leadership of Bernard de Nonancourt (1920-2010), the Laurent-Perrier Group has become a leading champagne Group, selling nearly 12.6 million bottles of champagne in 2010-2011. Its worldwide market share is about 3.9%.

Amongst Négociants, it has an estimated worldwide volume market share of around 5.6% (source: Laurent-Perrier and CIVC*). The Group's products are sold under four main brands: Laurent-Perrier, Salon, Delamotte, and Champagne de Castellane, which are positioned across a price spectrum ranging from the upper-middle category to the premium and ultra-premium categories. The Laurent-Perrier Group ranks 4th worldwide by sales after the LVMH, Boizel Chanoine Champagne, and Vranken groups.

Laurent-Perrier also considers that it has gained a leading position in high value-added products such as rosé champagne, prestige cuvées and unsweetened Brut Nature.

The Group is controlled by the de Nonancourt family, which holds 56.98% of its capital and 68.98% of the voting rights. It is organised under three different types of legal entities:

- champagne houses, including in addition to Champagne Laurent-Perrier, Champagne de Castellane (Champagne de Castellane brand, Jeanmaire, Oudinot and Beaumet brands), the A.S. company (Salon and Delamotte brands) and Champagne Lemoine;
- distribution subsidiaries or subsidiaries or branches in France and several foreign markets: Germany, Belgium, the United States, Switzerland and the United Kingdom;

- vineyards, held either directly by Grands Vignobles de Champagne and Château Malakoff, or through real-estate companies (sociétés civiles immobilières), some of which have wine-growers as partners.

Two Economic Interest Groups (EIGs) whose members are companies belonging to the Group have been set up to maximise the Group's distribution and production capabilities. These EIGs are not consolidated because their earnings are integrated directly into the accounts of the EIG partner companies and they have no material assets.

The Group exports 62.6% of its sales to over 120 countries, including the UK, Belgium, Japan, Switzerland, the United States, Italy, Germany, Spain, the Netherlands, Luxembourg and Austria. In most of its export markets, Laurent-Perrier's products are mainly sold through specialised distribution channels (cafés, hotels and restaurants, wine merchants, and direct sales), with the notable exception of Belgium, where the Group has a strong foothold in major retail chains. In France, 75.6% of the volumes sold under the Laurent-Perrier brand name go through specialised and direct distribution network channels, with the remaining 24.4% being distributed through self-service retail channels suited to distributing the Group's champagnes.

1.2.2. Key figures for the last three financial years

	31.03.2009	31.03.2010	31.03.2011
Sales (million euros)	181.34	171.84	197.80
Export sales as % of total sales (million euros)	69.8%	64.3%	62.6%
Share of premium products in Laurent-Perrier brand sales	37.5%	35.0%	35.5%
Share of specialist channels in Laurent-Perrier brand sales in France	75.5%	75.7%	75.6%
Gross margin	57.6%	49,7%	45.7%
Operating income (million euros)	43.4	28,7	33.0
Return on Capital Employed (ROCE)	7.8%	4,9%	5.5%
Gearing (net debt/attributable shareholders' equity)	136.0%	142%	117%
Book value of inventory/net	143.0%	140%	148%
Return on Capital Employed (ROCE)	18.9	10.6	14,8

Net debt: "Long-term and short-term financial debt, plus other long-term debt, minus cash and cash equivalents".

Return on capital employed:
("Operating profit" / Capital employed)

Capital employed:
"Goodwill" plus "Net intangible and tangible assets" plus "Inventories and work in progress " plus "Trade receivables" plus "Other receivables" minus "Suppliers" minus "Tax and social security liabilities" minus "Other debt".

1.3. THE MARKET

1.3.1. From vine to wine

- **AOC surface area**

The champagne appellation covers a rated area of around 35,000 hectares. It was defined by the Act of 1927 which instituted the Appellation d'Origine Contrôlée (AOC*). At that time, the AOC surface area amounted to 35,208 hectares.

Subsequently, the smaller area classed as AOC gradually increased in size from 20,000 to 25,000 hectares by the end of the 1970s, and to 30,000 hectares at the end of the 1990s. It currently stands at around 35,280 hectares.

The demarcation of the champagne AOC area is based on three distinct ideas: the "zone d'élaboration", the "zone de production", and the "zone parcellaire".

The first of these, the "zone d'élaboration", concerns a set of villages where the different phases of making the product can take place: grape pressing, bottling, storage, packaging, etc.

The second, the "zone de production", concerns all the villages where vines with appellation status may be grown.

The third, the "zone parcellaire", corresponds to the list of plots of land recognised by the Institut National d'Appellations d'Origine (INAO) as being suitable for planting vines. You can, therefore, only find plots with champagne appellation status in villages situated in the "zone de production".
At present, of the 35,280 hectares with appellation status,34157 planted hectares, some 33,350 are actually in production. The margin for increasing production volumes is thus extremely limited. From 2007, the significantly stronger sales trends for champagne pointed to shortages, especially as, going forward, environmental restrictions could result in lower yields.

Because of this, the programme to revise the "Champagne" appellation zone, initiated in 2003, has become a long-term strategic importance for the profession.

Today, a total of 319 villages (or "communes") are located within the champagne production area. An expert committee set up by the CIVC* (Comité Interprofessionnel du Vin de Champagne) comprising both geologists tasked with assessing the type of land, and historians able to ascertain a tradition of wine making in a particular locality, has drawn up an overall specification.
Revising the geographical boundaries of an AOC area involves compliance with a long and exacting procedure which simultaneously guarantees respect for the rights of the people concerned and the quality of the boundary work. After the process of establishing the boundaries of the villages, the experts draw up their criteria for identifying individual plots ("délimitation parcellaire"), after wchih, the embark on the process of revising the plot boundaries. Each terroir will be examined by a committee of five of six independent experts. The rankings for the land will not be published until the entire revision process has been completed, for reasons of fairness. INAO considers that it will take as least five years to draw up the preliminary project, which will then form the basis of a public inquiry, after which appeals will be examined by the experts. The process will end with the drawing up of a definitive plot delimitation, which will be presented to the Syndicat Général des Vignerons (the wine growers trade body) and the Regional INAO Committee. Final appraoval by the INAO's National Commmittee should take place by around 2015.

Excerpt from the L'Union *– 9 November 2010, translated from the original French*
"To date, some 317 villages, spread over an areas of approximately 35,000 hectares, are concerned by the revision of the champagne appellation, a wine-growing area whose contours were fixed by the Act of July 22, 1927. This long, complex procedure was begun by the Syndicat Général des Vignerons and has been overseen since 2003 by the Institut National de l'Origine et de la Qualité (INAO).
A majority of champagne professionals hope that the revision will provide additional land (5,000 hectares) where new vines can be planted in order to help keep pace with growing demand for champagne.
***Production Area (Zone de Production)**: five new villages look set to be added to the list of 40 initially drawn up by INAO's expert committee. This means that they will be able to plant vines providing grapes used to make champagne.Two villages are out of the list.*
***Winemaking Area (Zone d'élaboration)**: eight new villages have been selected to form part of the Winemaking Area, where champagne can be made, aged and bottled."*

- **Wine growing**

Champagne is the northernmost wine-producing region in France and, with a few exceptions, in the world.
It is a small area of land, representing only 6.8% of AOC-registered land and only 3.5% of French land used for wine growing (Source: CIVC*, Bank of France). Output is limited (both in terms of yield per hectare and pressing*) in order to ensure the quality of the champagne appellation. Wines produced under the appellation thus totally derive from this land and are limited to the grape volume quotas fixed by the INAO*.

In addition to defining the champagne growing area, the 1927 law contains strict provisions specific to the region regarding planting, varieties (cépages*), pruning, harvesting, fermentation* and production. Between 8,000 and 10,000 vines per hectare are planted in the vineyards.

Champagne concentrates three centuries of know-how, research and experience of vines and production. Part of its secret lies in the difficult growing conditions, with frequent frosts in winter and spring, and the possibility of very hot temperatures in summer. It is a difficult environment for vines and growers alike, particularly as the land is divided up into many plots – around 276,000 – usually on hillsides. Harvests* are therefore irregular. To make optimal use of the cultivated land and offset the risk of poor harvests, champagne producers blend* wines of different years and different areas as a means of ensuring consistent quality and style.

Grape cultivation, wine making and ageing* involve a long list of complex processes:
- vigorous pruning,
- manual harvests* to protect the grapes,
- small, perforated harvesting baskets,
- very slow pressing*,
- division of musts*,
- blending of wines from different areas,
- two fermentations*,
- "remuage*" (riddling) of the bottles*,
- disgorgement*,
- dosing*.

In fact, over 25 stages are needed to produce this extraordinary wine, calling for talented professionals, sophisticated machinery and large-scale investment (see appendix on champagne making). The distinctive product is a sparkling wine, which, unlike other wines, is actually a blend of different wines, both "vertical" (using reserve wines from different years) and "horizontal" (combining different varieties of grapes grown in different areas of the Champagne region, harvested in a single year).

The technique and the skills necessary to produce champagne of a consistent quality and style year after year make it unique and highly sought-after. Wine connoisseurs take the view that "the genius of champagne resides in the blending" which is what sets the best brands apart. There are three different grape varieties or cépages* grown in the region, namely black pinot noir grapes (38.4% of total planted area), black pinot meunier grapes, (32.9% of total surface area); and white chardonnay grapes (28.7% of total surface area). Chardonnay is the rarest of the three varieties grown in the Champagne region.

To maintain its premium positioning, the champagne industry has systematically taken steps to improve product quality to differentiate it from its competitors. Under the supervision of the Institut National de l'Origine et de la Qualité (INAO*) and the Comité Interprofessional du Vin de Champagne (CIVC*), industry-wide regulation and best practices have been established. Product quality is controlled through very strict production criteria, the most important of which are:

Origin of grapes: all grapes must be grown inside the AOC* area. Some 32,946 hectares were under cultivation in 2008, 33,100 hectares in 2009 and 33,350 hectares in 2010 (source: CIVC*).

Grape quality*: grapes are graded according to a quality rating expressed as a percentage. The minimum grade is 80%, the highest, 100%. Currently, 323 different crus* are listed.
Champagne is a grand cru* if it is produced exclusively from grapes graded 100%, and a premier cru* if produced from grapes graded from 90-99%.

(Excerpt from the Revue de Droit Rural ("Rural Law Review") *– November 2009, translated from the original French)*

"Set-aside wines – unique to champagne

Whether called "blocked wines" or "reserve wines" and whether the measure is called "blocking " of "qualitative reserve", or even "individual reserve" the overriding principle is the same, which is to smooth production peaks and troughs so as to avoid economic fits and starts as far as possible and ensure maximum control over wine production.

The notion of setting wines aside was born in 1938, even before the creation of the CIVC (Comité Interprofessionnel du Vin de Champagne). The measure was also adopted at the time of the 1982 and 1983 harvests to cope with the superabundant harvests of those years. Each of them netted the equivalent of 300 million bottles for Champagne at a time when annual shipments were running at around 150 million bottles. The block was lifted in 1984 and 1985, which were two years of very thin harvests.

Following a further application in 1986, the block developed into a familiar occurrence for everyone in Champagne and it became part of the tools permanently available to deal with fluctuating harvests in the best possible conditions.

Consequently, the mechanism was again brought into service for the grape harvests of 1992-1993-1994. These were years of abundant harvests but also of declining shipments. These quantities, which were released from the set-aside reserves in 1997 and 1998, bolstered inventories for the forecast spike in shipments needed to celebrate the new millennium.

Gradually, the notion of "block" gave way to the notion of "qualitative reserve" in order to reflect the desire not to accumulate quantity indefinitely, but to achieve additional volumes during the best years, when it is a well-known fact that quality and quality are intimately related, to offset small harvests.

From the 1998 harvest onward, setting wine aside became a more frequent practice, making it possible to take advantage of abundant harvests to meet steadily growing demand for quality and shipments. Set-aside measures were decided for harvests in 1998-1999-2000-2002-2004 and 2005.

But the mechanism was still not completely satisfactory, because set-aside measures are collective, whereas those to remove wines from the reserves are partly individual decisions. For example, champagne makers who had suffered from bad weather, or young growers who were starting out, or those who set up a company without any transfer of stock, could find themselves lacking the backstop of set-aside wines. Which meant that they could only reconstitute their volumes at the time of a new collective set-aside measure, whereas many of their counterparts were in a comfortable situation because they had large quantities of set-aside wine in reserve. This is why the use of the set-aside reserve as a safety mechanism in the event of a modest harvest was not playing its allotted role. The idea of changing the set-aside system in favour of an individual one had thus been making its way in the minds of trade professionals.

As a result, lengthy negotiations were needed to introduce the legal basis of the regulation mechanism into the new regulations."

Maximum yield*: for a wine to be entitled to the champagne appellation, maximum grape yield per hectare is set each year and may not under any circumstances exceed 15,500 kg per hectare. A set proportion of any wine produced in excess of the cap set for each harvest may be used to constitute a qualitative set-aside reserve of clear wine* for subsequent possible release in the event of a future harvest shortfall.

Any remaining production surplus is sent for distilling. For the record, the set-aside reserve constituted since the 1998 harvest amoungs to 7.831kg per hectare after releases.

Set-aside reserve

Each year, growers may put a proportion of their excess production (i.e., the harvest volume in excess of the year's yield up to a maximum amount of 15,500 kg/ha) into a set-aside reserve. The champagne houses do not pay for the grapes corresponding to the set-aside until the wine is released, once it has been decided, either by an individual grower or by the CIVC, to release the corresponding wine onto the market. At that point the houses pay the market rate of the most recent harvest.

During this period, which may last several years, the champagne houses carry only the cost of storage in their tanks.
This practice has made it possible for champagne growers, etc. to regulate their production, which means that champagne houses are today in a better position to manage their expansion strategies.

The set-aside reserve is a complex management mechanism that is the outcome of lengthy deliberations and measures that are constantly being improved. It reflects the pragmatic approach of champagne professionals and the empirical way in which the joint management of the Champagne appellation has always been carried out.
It provides the houses and the growers with an incomparable economic safety mechanism, in a wine growing area where harvest variability due to the northerly geographic location has always been a major concern.

Even today, however, the measure is still experimental until the end of the 2011-2012 season, but the profession overall has only a single objective, which is to demonstrate its validity to the regulatory authorities. To do this it is important to remind the champagne profession as a whole that this measure is the necessary adjunct to effective control over harvest yields.
This system, which can be partly likened to harvest insurance, is being closely looked at by other wine-growing regions, and the CIVC is regularly consulted on this head. But the specific nature of other products, such as the importance of the vintage year, have so far not proved up to the task of being applied in such an effective manner. (Excerpt from *Revue de Droit Rural* – November 2009, translated from the original French).

The new measure implemented since the 2007 grape harvest has three components:

1) Changes to maximum AOC champagne yield. The maximum yield is the annual capped yield of AOC champagne. This has been increased from 13,000 to 15,500 kilos per hectare, a level of yield constituting a maximum reserved for outstanding years.

2) Authorization to constitute an individual AOC wine set-aside. The individual set-aside may be up to 8,000 kilos per hectare, subject to compliance with the annual cap. The individual set-aside enjoys the same status as the current set-aside wines. This means that current set-aside wines will be included in the calculation of the 8,000 kilos per hectare ceiling. The rules governing release of the set-aside are unchanged: the decision to release set-aside wines may be collective or, in the case of an individual decision, as a result of a harvest shortfall or in the event of cessation of activity.

3) Maximum yield per plot. To optimise the quality of grapes grown, in exchange for the creation of an individual set-aside, the new measure sets out a maximum average yield per plot. The yield will be assessed on the basis of 18 bunches per square metre, with a maximum yield of 21,700 kilos per hectare.
   With what amounts to comprehensive harvest insurance, growers should be more willing to change their growing practices to ensure greater control over yields.
   The new measure is to be implemented on an experimental basis until the end of the 2011-2012 season, and could be modified depending on feedback.

Year	Maximum basic regulated yield (kilos per hectare)	Of which individual set-aside (kilos per ha) formerly blocked	Usable yield (kilos per hectare) basic yield	Review of the set-aside wines released with authorization
2000	12 ,600	1 ,600	11,000	
2001	11,000	0	11,000	
2002	12,000	600	11,400	
2003	11,400	0	11,400	Individual set-aside wine release because of poor yield
2004	14,000	2,000	12,000	
2005	13,000	1,500	11 500	1,000
2006	13,000	0	13,000	500
2007	15,500	3,100*	12,400	1,600
2008	15,500	3,100*	12,400	1,200
2009	15,500	4,300*	9,700	
2010	15,500	1,500*	10,500	

* Maximum individual set-aside reserve, up to 8,000kg/ha.

Minimum ageing*: regulations provide that non-vintage champagne* has to be bottle-aged for a minimum of 15 months, while vintage* champagnes require a minimum of three years' ageing.

- **Grape supply contracts**

Land ownership in the Champagne area is extremely fragmented, with 15,671 growers cultivating about 89% of the planted land, while the champagne houses own only 11% of the vineyards and generate 66% of total champagne sales. This situation requires a permanent and balanced relationship between the growers and the champagne houses in order to meet the grape requirements of the houses in response to growing consumer demand, in particular on export markets, where the market share of champagne houses is 90%. These relationships are organised through grape supply contracts whose structure is periodically re-negotiated between the Syndicat Général des Vignerons (representing the growers) and the Union des Maisons de Champagne (representing the houses). Some 1.2 kilos of grapes are required to produce a 750ml bottle of champagne. Grapes account for approximately 75% of the total cost of a bottle of champagne. Fluctuations in grape prices are therefore crucial for champagne houses.

The method used to set grape prices has undergone several changes over the past 20 years. Until 1989, the CIVC* set the price of grapes on an annual basis according to demand and harvest output. In 1990, the grape price-setting mechanism was deregulated, causing greater volatility. The champagne houses attempted to pass on part of the resulting sharp increase in grape prices to customers. Coupled with an economic downturn in Europe, this led to a 14% drop in demand for champagne between 1989 and 1991. Even the subsequent cuts in retail prices implemented by the champagne houses were not sufficient to lift demand to earlier levels.
The industry responded to this situation by restoring a sophisticated system designed to organise transactions. Following a three-year transitional period from 1993 to 1996, a first industry-wide agreement was reached in 1996 between the organisation representing the grape growers (Syndicat Général des Vignerons) and the body representing champagne houses (Union des Maisons de Champagne) covering the four grape harvests* between 1996 and 1999. This was subsequently renewed in 2000 for harvests between 2000 and 2003. The agreement introduced four-year supply contracts between the champagne houses and the growers. In connection with the renewal of industry agreements in 2004, the heads of the joint trade body developed a new type of agreement, with the result that a more rigorous and transparent organisation was adopted, the CIVC* acting as the arbitration authority.

The objectives of this new agreement were to:
- safeguard consumer interests,
- encourage the sale of grape harvests under five-year contracts between sellers and buyers, including a reservation of title clause in favour of suppliers,
- sustain the diversity of market participants,
- ensure a transparent internal champagne market.

As of 1996, grape growers began selling all the annual grape production of their vineyards covered by their supply contracts up to the maximum authorised yield, at a price which each year depends on an indicative reference price. This price was set on the basis of statistics provided by a monitoring system operated by the CIVC's* Observatoire Économique intelligence unit. The indicative reference price for 100%-graded grapes was €4 per kilo in 2001, €4.10 per kilo in 2002 and €4.25 per kilo in 2003. The price was adjusted according to the grade of the grape, sometimes supplemented by premiums paid to growers by the champagne houses.

Since the interprofessional agreement signed on 21 June 2004, the grape pricing structure has evolved with a trend towards a certain "regionalisation" of the prices observed. In 2008, the price of grapes, including all premiums paid, ranged from €4.90 to €5.80 per kilo.

In 2008, a new interprofessional agreement was signed. This will govern the sale of grapes for harvests between 2008-2009 and 2013-2014.

The three main objectives of the new interprofessional agreement are:

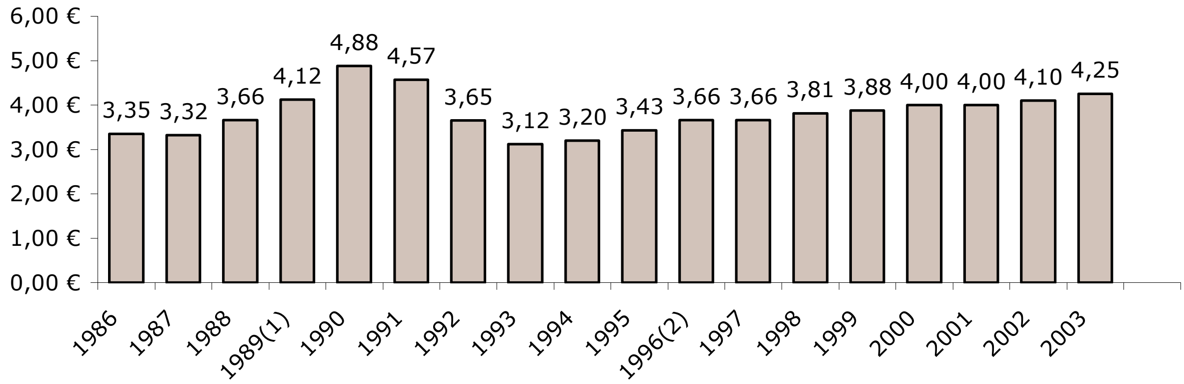
1) Adjust supply to demand in the interests of consumers, champagne houses and growers. Between 2008 and 2013, the industry will implement the regulation mechanisms at its disposal in order to match supply to demand as closely as possible in order to minimise excessive price variations in either direction, to guarantee the existence of a qualitative level of inventory, and to limit speculative raiding practices by operators. The management of volumes is based on four mechanisms:
    - determination of the quantities available for sale each year in accordance with the sales outlook for négociants (in the framework of a reasonable trend) taking into account the level of inventories essential to wine quality
    - creation of an individual set-aside,
    - the requirement, in the framework of the contracts, to deliver the reserved portion corresponding to the volumes promised for sale,
    - the possibility of recommending that négociants cap their supplies to ensure that the available volumes are as far as possible and in the interests of consumers directed towards champagne markets and not held back for purely speculative reasons.

2) Guarantee market transparency, without which no collective management is possible, and which ensures that appropriate measures can be taken.

3) Harmonise contract practice for the sake of balance between buyers and sellers. The most important compulsory model clauses are:
   - obligation for the seller to supply merchandise in compliance with the aim of the contract (quantities, quality, cépages, crus, etc.), and meeting all AOC criteria;
   - obligation for the buyer to acquire the merchandise at the price and conditions agreed in the contract, notably as regards the settlement dates stipulated by the CIVC;
   - the price agreed between the contracting parties for the first season must be expressly set out in full in the contract, per cru and per cépage, pursuant to the aims of the contract. No modifications may be made to it after the payment of the first instalment;
   - all contracts must contain an indexing clause used to set the price of merchandise each season on the basis of the original price throughout the lifetime of the contract;
   - in principle no multi-year contract may exceed six seasons. If, however, a contract is signed for a longer period, it must contain a clause providing for unilateral termination enabling either party to terminate the contract before 31 March 2014. If at that date the parties decide to extend the contract, each party must subsequently be able to terminate the contract at the time of each interprofessional market organisation decision. The clause enabling termination of the contract before 31 March 2014 or at the time of each interprofessional decision must be formulated without any requirement for prior notice of termination.

The above measures have done much to ensure regular supplies, enabling champagne houses to better direct their growth strategies.

The following chart shows grape reference prices from 1986 to 2003.



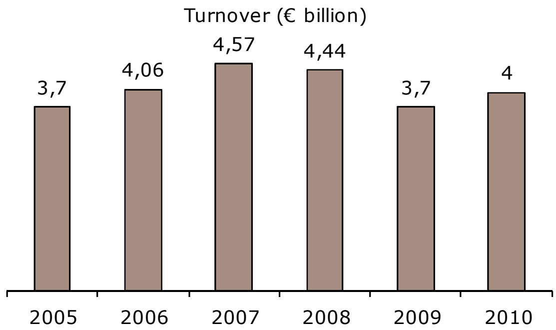
(Prices per kilo in euro – Source CIVC)
(1) 1989 – price controls relaxed (2) 1996 – framework agreement implemented.

As of 2004, there are no more global statistics because of the "regionalisation" of grape prices.

In 2010 the base price for grapes was up by about 3% relative to the prices paid for the 2009 harvest.

1.3.2. Global demand for champagne

After two crisis-hit years, Champagne is seeing renewed growth
Volumes have begun rising once more, and the average price per bottle is increasing. But the region is still a long way from its record sales in 2007. Last year, volume sales grew 8.5% according to a provisional estimate by CIVC, which includes négociants, growers, and cooperatives. The rebound began in October 2009 and the positive trend has steadily improved since then.



Source: Le Figaro *25.01.2011.*

In 2008 and 2009 , a crisis had been building up that will have a severe impact on the champagne market since it combined a cyclical low point for the champagne industry with an external banking and financial crisis, with a decrease in consumption in most countries worldwide. The CIVC's intelligence unit, the Observatoire Economique du CIVC, is working on proposals to try to ensure that as far as possible the global economic crisis that had certainly not passed Champagne by is not exacerbated by inappropriate inter-professional measures.

The four goals of this study are to:
- understand the real state of the markets: this includes the inventory levels among distributors, and sales to end-consumers, broken down by country, type of cuvee, etc.;
- forecast the outlook for change on the markets, the difficulties likely to affect operator balance sheets, their ability to honour their payment deadlines, etc.;
- take action by issuing recommendations for solutions, some with immediate effect, others for the longer term;
- communicate at regional level in Champagne and, where appropriate, beyond its borders, about the observations made and the solutions implemented.

The conclusions published by the CIVC's Observatory resulted in a large-scale fall in yields in 2009 and 2010 to avoid too sharp a rise in set-aside inventories.

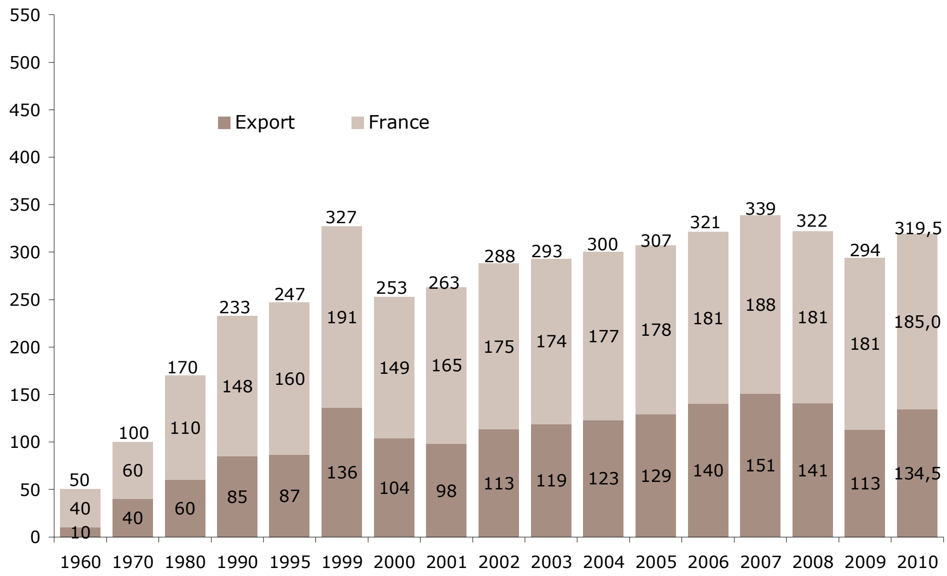
1.3.3. Market trends

Champagne shipments grew 8.5% in 2010 to 319.5 million bottles. This volume was still 0.7% below the 2006 level of 321.8 million bottles. In France, shipments were up 2.3% to 185 million bottles, the second-highest level of the decade, after 2007's 187.9 million bottles shipped.
Export sales rose by 19.5% to 134.5 million bottles, compared with 112.6 million bottles in 2009, thanks to combined higher sales in the European Union (up 14.1%) and to third-party countries (28.7%). This was again below 2006, when 140.7 million bottles were exported. Exports to the main markets benefited from more favourable exchange rates than in the two previous years, and from increased sales of premium cuvées and vintage wines. Total turnover (exclusive of VAT, shipped from Champagne) was in excess of 4 billion euros (source: CIVC).

"In Champagne, it is necessary to draw a distinction between value and volume. In volume terms, Champagne posted strong figures in 2010 with 319.5 million bottles shipped. In value terms, Champagne exceeded the 4 billion euro threshold.
Champagne had fallen to 3.7 billion euros in 2009 and 293 million bottles. The leading brands played an important role in regaining value in 2010.
Export sales gained several points, rising from 37% to 42%. The figures have risen fairly quickly from the very low levels of 2008 and 2009. Additional sales of some 26 million bottles more were achieved in the space of a year. The industry has regained two-thirds of the losses due to the economic crisis that hit Champagne. The market share was regained in the European Union and in third countries. But one should not underrate the role of the French market, which was resilient during this period."
Source: L'Union.

The chart below shows sales in million of bottles for the champagne industry as a whole since 1960, illustrating strong, long-term volume growth, despite the existence of fairly marked cycles.

Source CIVC 2010

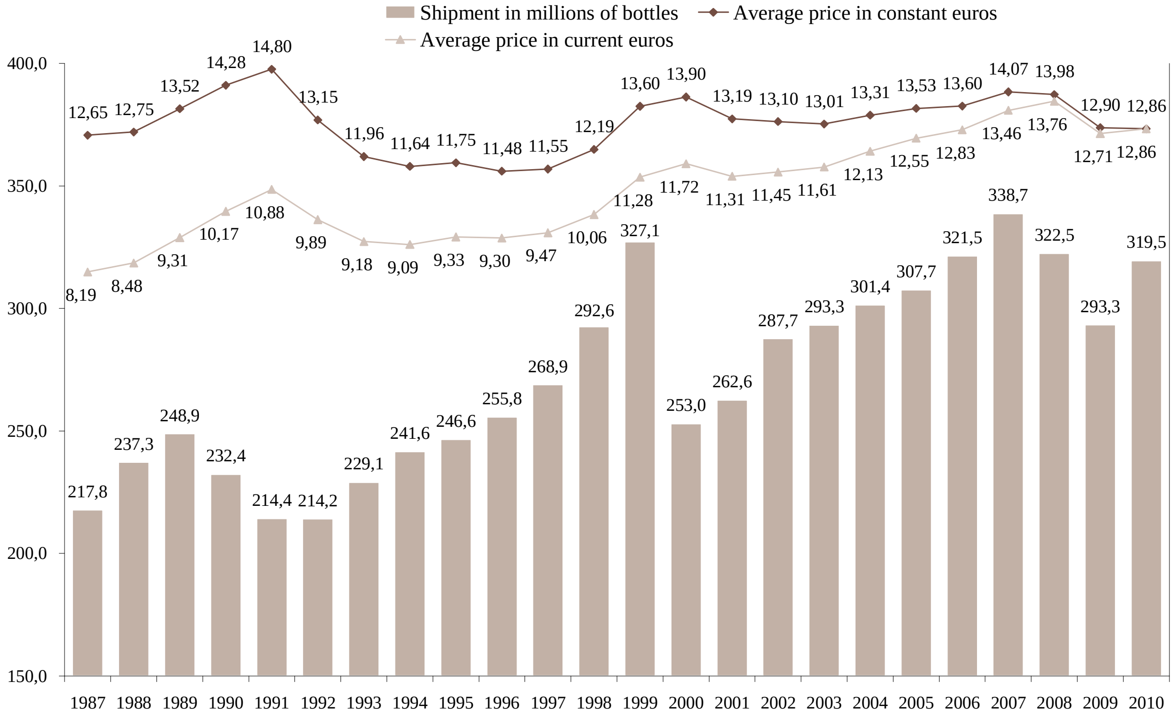


<u>Trade developments</u>: (champagne houses)
After fall-offs in export markets, in 2010 the trade rapidly regained much of the lost ground. Exports sales at the champagne houses rose 19.7% (+13.5% to EU countries, and +29.7% to third countries), for a total of 116 million bottles. Champagne house sales on the French market also rose by 6.7%.
The champagne houses successfully clawed back market share in 2010. One can consider that 2010 was a year of catch-up aster double-digit falls in sales, since their gains were higher than the total market.

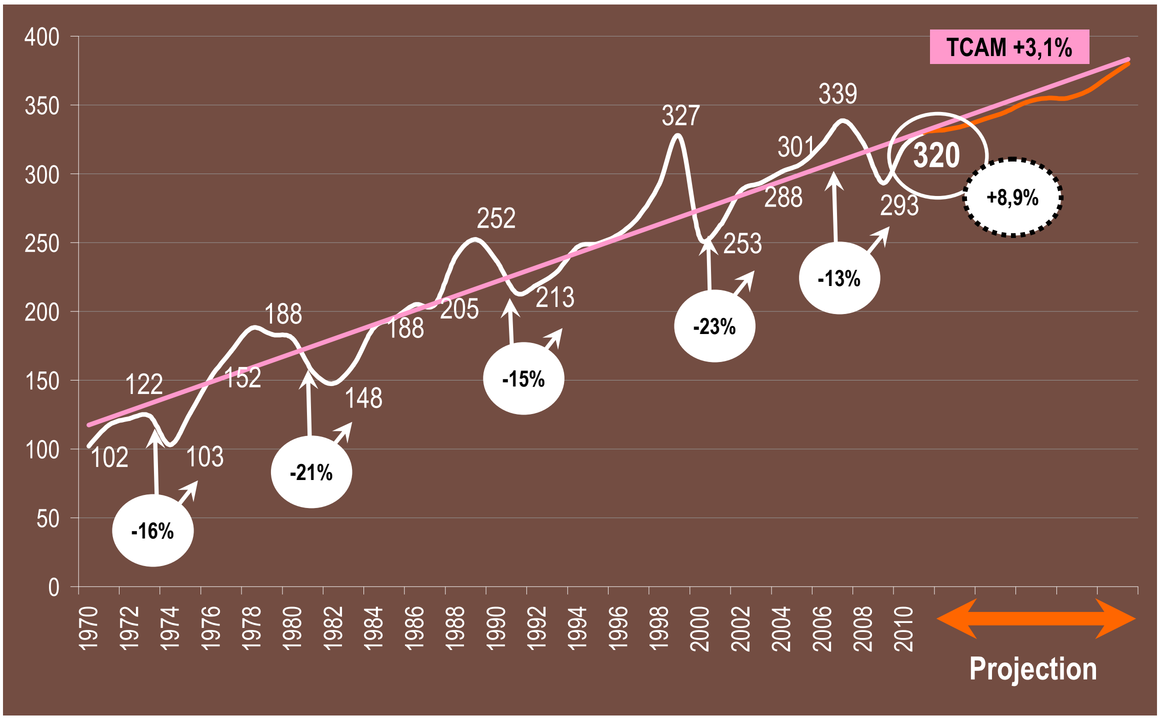
Négociants Number of 75cl bottles shipped	France	Europe	Third Countries
2009	96 616 352	59 725 646	37 208 263
2010	103 057 486	67 792 474	48 248 837
Volume difference	+6 441 134	+8 066 828	+11 042 574
% difference	+6.7%	+13.5%	+29.7%

Source: L'Union, 22.02.2011

The chart below shows the quantities of champagne shipped and the average price per bottle since 1987



The table below shows volume shipments over the past 40 years. The long-term growth trend has been running at about 3%, and there are grounds for thinking that the market will return to trend growth in the years ahead.



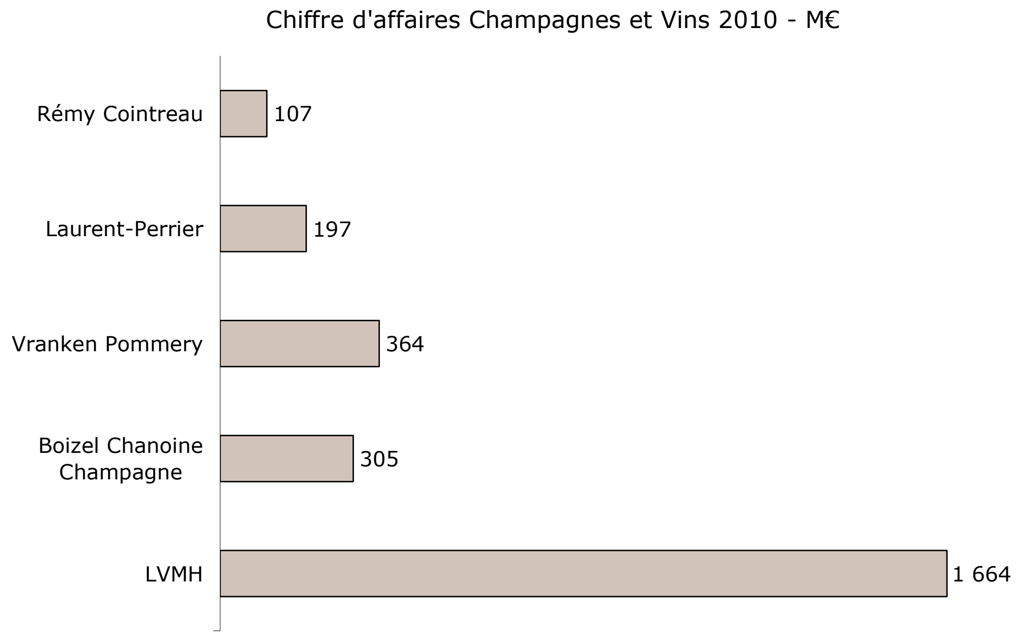
The table below sets out the main export markets (shipments per million bottles).

(million bottles)	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average annual growth (1990-2009
Country													
UK	21,3	20,4	25	31,7	34,5	35	36,8	36,8	39,0	36,0	30,5	35,5	2,7%
United States	11,7	19,2	13,7	18,3	19	20,3	20,7	23,1	21,7	17,2	12,6	16,9	2,0%
Germany	14,2	14,2	12,8	11,4	12,1	11,5	11,9	12,3	12,9	11,6	10,9	13,3	-0,3%
Belgium	5,9	7,3	7,4	9	9,1	9,3	9,4	9,3	9,9	9,9	8,2	8,8	2,1%
Japan	1,5	3,2	3,5	4	5	5,9	5,9	8,0	9,2	8,3	5,1	7,4	8,8%
Italy	6,9	8,2	7	7,9	8,5	8,2	8,8	9,3	10,3	9,4	6,8	7,1	0,2%
Switzerland	8,6	6,5	6,1	5,8	5,6	5,2	5,1	5,4	6,1	5,4	4,8	5,4	-2,4%
Others	12	24,5	22,7	24,6	25,6	27,6	31,1	36,4	41,8	43,4	33,4	40,1	6,6%
Total Exports	84,8	103,5	98,2	112,7	119,3	123	129,8	140,6	151,0	141,2	112,4	134,5	2,5%
France	147,6	149,5	164,4	175	174	177,6	178	181,0	187,8	181,4	180,9	185,0	1,2%
TOTAL	232,4	253	262,6	287,7	293,3	300,6	307,8	321,6	338,7	322,6	293,3	319,5	1,7%

1.3.4. The competitive environment

Numbering around 100, the champagne houses account for over two-thirds of champagne sales and 90% of exports to 160 countries. Sales generated by the champagne houses contribute to France's trade balance.

Source: publicated sales



The champagne industry has seen numerous changes since 1990. In addition to significant changes in the industry's regulatory framework, the competitive landscape has been transformed following major consolidation or deconsolidation moves, the emergence of new players, and public share offerings by a growing number of groups.
These changes reflect ongoing restructuring and modernisation trends in the industry, as well as champagne’s recognition as a global luxury product.

The main transactions since 1995:

Buyer/Seller	Target	Date
La Financière Martin	Acquired Champagne Delbeck	1995
Vranken	Acquired the A. Charbaut et Fils champagne house	1995
Vranken	Acquired Heidsieck-Monopole	1997
Boizel-Chanoine	Acquired Philipponnat et Abel Lepître	1997
La Financière Martin	Acquired Champagne Bricout	1998
Rémy Cointreau	Sold De Venoge, Krug	1998
Laurent-Perrier	Sold Joseph-Perrier to the Alain Thiénot Group	1998
LVMH	Acquired Krug and De Venoge from Rémy Cointreau	1998
	Subsequently sold the De Venoge brand	1998
Boizel-Chanoine	Acquired Bonnet and the De Venoge brand name	1998
Seagram	Sold Mumm et Perrier-Jouët to Hicks Muse Tate & Furst	1999
Vranken	Sold Germain to Frey	1999
Allied Domecq	Acquired Mumm and Perrier Jouet	2000
Vranken	Acquired Pommery from LVMH	2002
Opson (Schneider)	Acquired Champagne Bricout and Champagne Delbeck	2003
Vranken Monopole/Moët & Chandon	Acquired Champagne Bricout and Champagne Delbeck	2003
Vranken Monopole	Acquired Champagne Jacopin	2003
LVMH et Vranken Monopole	Shared assets of wholesale wine merchant Bricout-Delbeck	2003
LVMH	Sold Canard-Duchêne to Alain Thienot Group	2003
Laurent-Perrier	Acquired Château Malakoff	2004
Frey	Acquired 45% stake in Champagne Billecart Salmon	2004
Bruno Paillard	Acquired Domaine René Jardin and vineyards	2004
Frey	Sold Ayala brand to Bollinger	2005
Pernod Ricard	Acquired Mumm Perrier Jouët	2005
Starwood	Acquired Taittinger	2005
Boizel Chanoîne	Acquired Lanson International	2006
Starwood	Crédit Agricole acquired control of Taittinger	2006
Famille Taittinger	Acquired 37% stake of Taittinger from Crédit Agricole	2006-2007
Famille Taittinger	Acquired additional 4% stake	2007
LVMH	Acquired Champagne Montaudon	2008
Rémy Cointreau	Champagne business put up for sale (Piper and Charles Heidsieck brands)	2010

1.3.5. Tax and regulatory environment in 2010-2011

The champagne profession is subject to extensive regulations. These European, national and regional regulations cover areas such as production, ageing*, quality, territory of origin (Appellation d'Origine Contrôlée*), direct and indirect taxes and labelling. In addition, French agricultural laws, structural regulations, and Société d'Aménagement Foncier et d'Etablissement Rural agricultural land companies (SAFER), have created a series of obligations notably as regards land sales and the management of wine producing estates.

In France, the Evin Act, passed on January 10, 1991, imposes special advertising restrictions on all beverages containing more than 1.2 degrees of alcohol.

New traceability measures came into effect on January 1, 2005 and new provisions in the LME Act ("Loi de Modernisation de l'Economie") passed on August 4, 2008 now apply to all supplier-distributor relations.
New regulations on paperless Customs documentation came into force in 2010.

The champagne houses making up the Laurent-Perrier Group have taken all necessary steps to respect this tax and regulatory environment.

1.4. THE LAURENT-PERRIER GROUP: RECENT CHANGES, GOALS AND STRATEGY, OUTLOOK

1.4.1. Highlights of the 2010-2011 financial year

Laurent-Perrier announces 39.5% increase in net income and a strengthened financial structure in 2010-2011.

- Recovery confirmed:

  Turnover up 15.1%

  Operating income up 15% with a strong improvement in the second-half of the year

- Marked strengthening of financial structure :

  Return to substantially positive net cash flow of €26.6 million

  25-point improvement in net debt/equity ratio to 116%

- Outlook for 2011-2012:

  Operating margin improving

  Further debt reduction

Operating income growth rate surges in second half

The Supervisory Board, chaired by Maurice de Kervénoaël, examined the accounts for the financial year ending March 31, 2011. After a drop in turnover of more than 5% in the previous year, the Group's sales and financial performance in 2010-2011 confirmed a strong start to a new growth cycle. Thus, sales rose by over 15% in the space of 12 months. Activity was especially sustained in the second half: despite a less favourable comparison basis than in the first half, the Group saw its turnover rise faster than the market average, at 10.1%. Group shipments advanced 13.2% between October 2010 and March 2011, whereas global champagne shipments rose by no more than 4.2% over the same period.

The price/mix effect gained 3 points relative to last year. It saw a marked improvement in the second part of the year as the brand mix became more favourable. In the second quarter, the Laurent-Perrier brand began to see the benefit of price increases of between 2 to 3% on most of its markets. The brand's value indicators saw further positive growth, notably with an increase of close to 3 percentage points in the export ratio, to 71% of turnover. Business activity was especially dynamic in the United Kingdom, Germany, and the United States, where sales were up by at least 30%. The ratio of premium champagnes sales also rose by 0.4 of a point during the year to 35.5% of turnover, largely sustained by the success of Cuvée Rosé.

Commercial and administrative expenses rose 2% compared with last year. They reflect, among other things, the rise in variable transport costs, in line with higher shipments. As forecast, less was spent on brand development investment in the second half, since most campaigns had been carried out at the start of the year, when they rose by more than 20%. Over the year as a whole, brand development investment amounted to 7.6% of turnover, comparable to the average in previous years.

The 15% increase in operating income reflects the second-half acceleration experienced by the Group. Although, at 16.7%, the operating margin was stable relative to the previous year, it improved significantly during the second half, when it rose to 19.8%. Thus, factoring in a 17.3% reduction in interest charges, consolidated net income advanced by 39.5% compared with 2009-2010.

Return to positive net cash flow over the full year

For the first time in four years, the Group resumed with positive net cash flow: at €26.6 million, it helped reduce consolidated net debt from €331.6 million to €304 million over 12 months.

Thanks to this reduction in debt, combined with an increase in shareholders' equity, the ratio of net debt to shareholders' equity improved sharply, falling from 142% at March 31, 2010 to 116% at March 31, 2011. This level is equivalent to that of 2007-2008, at the time of the previous cyclical peak. Similarly, the ratio of the value of inventories to net debt came out at 148%, an 8-percentage point improvement on March 31, 2010.

Return on Capital Employed (ROCE) also began to improve, coming out at 5.5%.

1.4.2. Strategy

One of the Group's key success factors since being listed on the stock market has been that both the strategic objectives it has set itself and the resources it has applied to achieve them have never been called into question. The Group's strategy has four key components:
- a single business: the making and sale of premium champagnes,
- high quality supplies based on a partnership approach,
- a portfolio of complementary brands,
- active control of worldwide distribution.

1.4.2.1. A single business: the making and sale of premium champagnes

For more than a decade, the Laurent-Perrier Group has refocused on a single activity in which it has been engaged for decades: the making and sale of premium champagnes. This is a complex profession which requires not only a relentless commitment to quality, but also very specific commercial and brand communication methods completely unlike those used for wine. The Group’s efforts are at all times focused on continuous improvement and on growing sales, particularly of the high value-added products that form part of the luxury goods rather than the consumer products universe. Having a single business means that resource allocation and investment decisions never give rise to conflicts of interest, and results in acquiring a higher level of expertise and professional specialisation.

1.4.2.2. High quality supplies based on a partnership approach

This is an essential element in developing each brand both in terms of volume and quality. The Group, which obtains 89% of its grape supply through contracts, aims to exploit its considerable strengths in this respect, seeking to expand and secure this supply by continuously strengthening its partnerships with growers in the Champagne region, while driving innovation.
The Group's grape supplies are provided in part by co-operatives but above all by over 1,200 independent grape growers in the Champagne region. This strategy has resulted in extremely high-quality supplies. With champagnes based on an average 91% cru*, Champagne Laurent-Perrier is one of the best supplied champagne houses in terms of grape quality, since the average cru* used in the industry is around 88% (source: CIVC*).
The good relationship the Group enjoys with the wine growers and cooperatives, and the strong and sustainable partnerships it builds with them, mean that agreements renew at different dates, another of the Group’s strengths.

Supplies

To meet its needs, the Group has secured supplies from around 1,400 hectares of vineyards.
The Group's own vineyards produced about 11% of its grape requirement in 2010-2011. This is below the champagne house average of around 20% (Laurent-Perrier estimate based on industry data). The Group has never believed that the purchase and operation of vineyards should be its core business or an end in itself and has always favoured agreements with wine-growers.

1.4.2.3. A portfolio of complementary brands

The Group's four main and complementary brands, Laurent-Perrier, Champagne de Castellane, Delamotte, and Salon, cover all segments of the market for mid-range and premium champagne. Since they are always sold either through different distribution channels or in different price ranges, the four brands do not compete with each other. The combined share of these four brands amounts to 84% of Group turnover.

Champagne Laurent-Perrier

Laurent-Perrier is the Group’s main brand, with production facilities located in Tours-sur-Marne, in the heartland of the Champagne grape-growing region.
France accounted for 29% of Champagne Laurent-Perrier turnover, while 71% of its production was exported. Sales are mainly through specialised distribution channels, including restaurants, fine-food stores and wine merchants. Champagne Laurent-Perrier is not sold in great quantities in supermarket chains.
As a major luxury brand, Laurent-Perrier has patiently cultivated and promoted its distinctive products since Bernard de Nonancourt took the Group's helm in 1949. The creation of cuvées such as Grand Siècle, Laurent-Perrier Ultra Brut and Cuvée Rosé Brut, as well as innovative packaging design, enables Laurent-Perrier to preserve traditions while adapting to the times.

The deployment of the new Laurent-Perrier visual identity in 2004 and that of Grand Siècle in 2005, together with the new Rosé and Grand Siècle gift packaging and wine cradle, and a new Grand Siècle advertising campaign in 2008, are perfect illustrations of this strategy.
In March 1998, Champagne Laurent-Perrier was appointed official champagne supplier to HRH the Prince of Wales, a distinction never before granted to any other champagne brand. The appointment was renewed in 2007.
One of the principal characteristics of Laurent-Perrier is the wide range of its premium and prestige products.

Brut L-P
While vintage champagne reflects the essence of a single harvest, non-vintage brut champagne expresses the style of a champagne house. Brut L-P exemplifies the natural purity, freshness, elegance and fine balance of Laurent-Perrier wines and is the ideal introduction to the world of Laurent-Perrier.
Brut L-P is the best-selling champagne of the Laurent-Perrier house, produced using a very high percentage of the chardonnay grape, the source of its elegance and freshness, making it an ideal for the finer moments in life.

Demi-Sec
In the 19th century, Laurent-Perrier called this wine "Excellent", as a dessert wine. It is rich and generous, full bodied and smooth, dominated by its round flavour. The general move towards drier wines and the trend towards consumption as an apéritif have favoured the sale of brut champagnes. Many connoisseurs, however, still appreciate Demi-Sec for its subtlety and taste of things past, particularly when served as a dessert wine. The vinous quality of Demi-Sec naturally calls for desserts, and will enhance them with greater depth and richness, especially pastries.

Laurent-Perrier Ultra Brut
This champagne originates in the "Grand Vin Sans Sucre" (without sugar) prestige wine created by Laurent-Perrier in the late 19th century, whose modern-day version was re-launched at the time of the high-maturity 1976 harvest, and at the beginning of the trend towards less artificial, more natural cuisine. It requires exceptional skills in blending* and outstanding quality, and mature grapes with low acid content from specific years. The creation of Laurent-Perrier Ultra Brut coincided with the emergence of Nouvelle Cuisine and it is the very essence of a genuine champagne, falling into the category of unsweetened brut nature champagnes. As a showpiece of wine-making expertise, Laurent-Perrier Ultra Brut is increasingly attracting the attention of modern connoisseurs, who are discovering a number of different ways to enjoy it. Its delicate finish, which leaves the palate fresh, and its subtle balance make this the most versatile champagne in Laurent-Perrier's range. Its capacity to bring out flavours in food makes it idealfrom aperitif to dessert. This champagne pairs well with caviar or foie gras, seafood or oysters – and even accompagnying a cigar at the end of a meal.

Millésimé
Laurent-Perrier has chosen to be highly selective by rarely declacing a vintage –and only tin the very best years. This means that the Brut Millésimé (Vintage Brut) is always a unique and exceptional wine. By maintaining the signature style of the Huouses's wines, fresh, fine and elegant in essence it aims to show the quintessential character of each given year.

Cuvée Rosé
The Cuvée rosé Laurent-Perrier was created in 1968 using bold, innovative "savoir-faire methods learnt from production of still wines called Coteaux Champenois; Perfected at each stage of its making, the Cuvée rosé is now the benchmark in its category. Held in an elegant wine bottle inspired by King henri IV, this rosé champagne has been widely acknowledged for its consistent hig quality for more than 40 years.
Laurent-Perrier's technical facilities are dedicated to the making of the Cuvée Rosé. Grapes from carefully selected plots are the meticulously sorted and destemmed before going into the vats. Controlled maceration – lasting from 48h to 72h depending on the harvers – helps the extraction of colour and the development of the full aromatic richness of the Pinot Noir. It is aged in the cellars for at least four years.
Cuvée Rosé Laurent-Perrier is a delicious aperitif. This cuvée, thanks to its aromatic character, allows various food and wine pairings. It matches well with raw fisches (marinated red mullets and tartare of tuna), grilled prawns, fine charcuterie (such as Italian prosciutto), duck, lamb and creamy cheeses such a Chaource. The Cuvée Rosé is also an extraordinary match for red fruit desserts. The more daring will try it with Asian –even Indian – cuisine.

Grand Siècle
Grand Siècle's elegant bottle was inspired by the work of 17^{th}-century master glassmakers and takes its name from the period of French histori when King Louis XIV reigned. At that time, the Art de Vivre reached its pinnacle and the new French Cuisine was born, bringing along the "vins de terroir" and the first Champagne wines.
Launched in 1959 by Bernard de Nonancourt, Grand Siècle is Laurent-Perrier's grande cuvee, characterised by its savoir-faire signature and the Laurent-Perrier's quest for blending excellence. The epitome of Champagne blending, Grand Siècle calls on well-balanced wines from the finest growths "grand crus" and the very best harvests; years which have been declared as vintages by Laurent-Perrier.
Grand Siècle matches perfectly fine dining thanks to its balance and complexity. Its wide aromatic palette allows multiple sea and land food pairings such poultry with crayfish. It would also provide the perfect match to poultry with truffle or a braised knuckle of veal. One could try it with fishes such as turbot or sea-bass. For a magnificent start to a festive meal, serve it as an aperitif.

Alexandra Rosé
The wedding of his elder daughter Alexandra in 1987 gave Bernard de Nonancourt the opportunity to create this vintage rosé champagne, which is the epitome of the demanding values of the Laurent-Perrier House. Having already created a flagship non-vintage rosé champagne, Laurent-Perrier undoubtedly needed a prestige rosé grande cuvée, an unusual, much sought-after wine, to hold a special place within its range.
A special selection of plots and vineyeards sites, with the gapres hand sordet and de-stemmed, prior to short maceration for the pinot noir. When blended with some delicate chardonnay, this produces a wine of gentle colour and uniquely complex aroma. The ageing in our cellars lasts at least six years.

Champagne de Castellane
Champagne de Castellane bears the name of one of the oldest families of France, whose origins date back to the 10th century and the Counts of Arles and Provence.
This champagne house, founded in 1895 by Viscount Florens de Castellane, is located in Epernay. It quickly gained importance, riding the wave of Belle Epoque opulence. Acquired in 1927 by Alexandre Mérand, it saw strong growth under the guidance of this charismatic business leader, rising to become one of the leading champagne houses in the 1960s.
From 1970, Mérand's three daughters continued to expand the family business until Laurent-Perrier acquired a stake in the champagne house in 1983. Ten years later, the Nonancourt family and Laurent-Perrier increased their stake to 50%, finally taking overall control in 1999.

Today Champagne de Castellane is synonymous with Epernay thanks to its celebrated 66-metre tower, the symbol of the capital of Champagne. The tower soars above an imposing cluster of buildings, some of them officially listed as historic.

Its wines have a distinctive label bearing the red cross of St. Andrew. Among champagne labels, Champagne de Castellane is distinguished by its renowned style and quality and a strong presence in France in modern retail channels.
The brand also has positions in Europe, which accounts for 18% of its worldwide sales.

This champagne represented by the red cross of St. Andrew is aimed at younger drinkers, for whom nightlife is an essential component of the festive spirit. It perpetuated this tradition by airing a year-end radio ad-campaign.

In late 2008, following a partial tendering of assets through which Château Malakoff, a Laurent-Perrier Group company, tendered its independent champagne wines production and marketing activity, Champagne de Castellane also became the owner of three brands, namely Jeanmaire, Oudinot, and Beaumet.

These wines occupy specific market segments:
- Jeanmaire is a mid-range label for the French mass market and the export market, with solid positions in Northern Europe– the Netherlands, Scandinavia, Belgium, etc. In France, it serves as an effective underpinning for the Champagne Laurent-Perrier and Champagne de Castellane brands, allowing the Laurent-Perrier Group to market a range from the mid to the upper segment of the market.
- Beaumet has a restaurant clientele, mainly in export markets.
- Oudinot is a mid-range label exported for sale in large retail chains. It consistently ranks among the top-selling champagne brands by volume in the United Kingdom.

Champagne Salon
This prestigious champagne house, acquired by the Group in 1988, was founded in 1921 by Eugène-Aimé Salon.
Champagne Salon is located at Le Mesnil-sur-Oger, in the heartland of the Côte des Blancs* wine-growing area, famous for the very high quality of its 100% graded chardonnay grapes.

Champagne Salon is unique. It is made exclusively from chardonnay grapes originating from vineyards in Le Mesnil-sur-Oger (Grand Cru). The champagne is only made from wines of one harvest in exceptionally good years and is aged for a very long time. Only 37 vintages have been vinified within a century. These factors contribute to Salon being perceived as the rarest and most exclusive of champagnes, acknowledged as the ultimate "blanc-de-blancs"* champagne.

France accounts for only a small proportion of Salon's sales. Most production is exported to around 30 countries, principally the United States, Japan, the United Kingdom, Sweden, Italy, Spain, Belgium, Russia and Singapore. Salon is purchased by exclusive restaurants, specialised wine merchants and wine connoisseurs. This customer base is serviced by independent importers who also often distribute other world-renowned wines.

Champagne Delamotte
This historic house, founded in 1760, is one of the five oldest champagne houses. It was acquired by Marie-Louise de Nonancourt in 1948 and is also located in Le Mesnil-sur-Oger on the renowned Côte des Blancs*.

Champagne Delamotte's sales mix is fairly evenly divided between export markets and France. Today, Champagne Delamotte is distributed in more than 40 countries through the same importers as Salon.

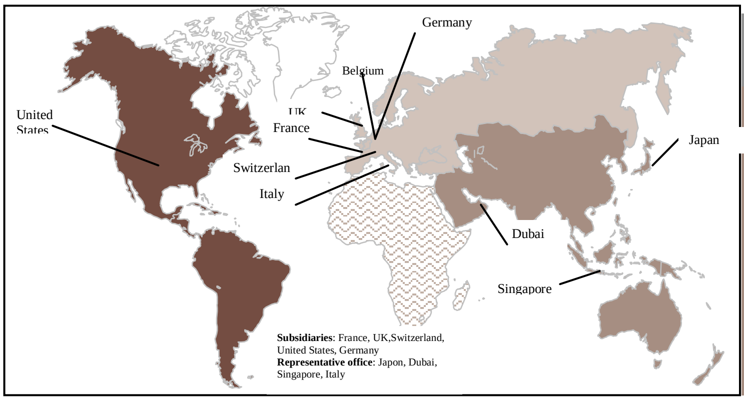
Delamotte is sold exclusively by hotels and restaurants and specialised wine merchants. The brand has excellent growth potential and a very positive image among professionals.

Other products distributed
The Group's distribution subsidiaries (LPD) can also sell wines and spirits not made by the Group, namely the wines of Château de Lamarque, the Marqués de Riscal wines from Spain, and Taylor's port.

1.4.2.4. Active control of worldwide distribution

In 1998, the Group opted to strengthen its control over the distribution of its own products. This strategy is executed through local sales teams in seven key countries: France, the United Kingdom, Belgium, the United States, Germany, Switzerland, and Italy. In 2010 these countries accounted for 85% of the global champagne market (source CIVC*) The Group considers that in nearby countries, where it has a certain critical mass, having its own sales team is a key success factor and one vital both to building its reputation and the profitability of its brands in an orderly and sustainable manner. It also helps to achieve better control over inventory levels upstream.

In other countries, it has entrusted the distribution to exclusive importers, who are carefully selected for their knowledge of the wine market and their positioning within traditional channels. They are real partners, notably when the markets are restricted and complex.



Market	2010 (Mbt)	% of total
France	185,0	58%
Export	134,5	42%
UK	35,5	11%
United States	16,9	5%
Germany	13,3	4%
Belgium	8,8	3%
Italy	7,2	2%
Japan	7,5	2%
Switzerland	5,4	2%
Other	40,0	13%

Regardless of whether they are employees of our distribution subsidiaries or our importers, the sales staff responsible for our brands must focus first on value and the long term rather than on volume and the short term. They must have specialist knowledge of champagne and of local distribution channels and nurture direct relationships with all customers. They must know how to manage the entire range and in particular its unique premium products such as Cuvée Rosé Brut or Grand Siècle. Special attention is paid to the traditional customer base of wine merchants and upscale restaurants, where the image and reputation of luxury gastronomy are patiently cultivated. Because champagne is a branded wine, it is vital to ensure a coherent link between brand development investments and the sales arguments related to the different products.

1.4.3. Outlook

Outlook for 2011-2012

On the strength of a value-oriented strategy unflinchingly pursued for the past several years, combined with a long-term investment policy, the Group is today perfectly organised to improve its performance during the latest emerging expansionary phase.

In this perspective, the Group should see continued growth in 2011-2012, largely driven by the Laurent-Perrier brand, which will have a positive impact on the operating margin. The growth of the brand will be sustained by:

- the launch of new packaging for its Brut and Demi-Sec cuvees, with a more assertive reflection of the style of the wine and the brand values;
- the release of the 2002 vintage cuvée;
- a comprehensive advertising campaign for Cuvée Rosé, aimed both at specialised distribution channels and consumers;
- the showcasing of the *art de vivre à la française* through Grand Siècle and its *aiguière,* a uniquely original pewter cradle.

The Group’s sales efforts will continue to focus mainly on markets with considerable growth potential such as Asia, the Americas and Russia, while strengthening its position on European markets, where it can leverage the strength of its own sales network. And thanks to stringent management in previous years, the Group’s cost base has been optimised, which will also contribute to improving its operating margin.

Net cash flow, which should remain in positive territory, will be mainly devoted to further debt reduction. Underpinned by an increasingly strong balance sheet, the Group can reassert the independence of its shareholder structure and approach 2012, the House of Laurent-Perrier’s bicentenary year, with confidence and determination.

1.4.4. Main investments

The main tangible fixed asset investments of the financial year have been:

(€ million)	March 31,2009	March 31,2010	March 31,2011
Industrial equipment	2,85	3,04	0,99
Wine-growing equipment	0,06	0,33	0,41
Hardware and software	1,32	1,16	0,37
Building fixtures	4,12	4,07	0,38
Furniture			
Planting expenses	0,14	0,13	0,03
Vineyards	0.34	0,75	
Other	0.09	0,15	0,74

There are no major future investments for which formal commitments have been made.

1.5. RISK FACTORS

To guarantee the permanence of its activities, the Laurent-Perrier Group has to exercise continuous vigilance with respect to minimising and managing its risk exposure.

In view of this, the Laurent-Perrier Group has identified the various types of risks incurred in its business operations. Procedures and checks to manage these risks have been implemented as well as the resources required to minimise their financial impact, notably via the insurance policies it has taken out.

1.5.1. Supplies and grape prices

- **Supplies**

It is important for a champagne house to be sure of an unbroken supply of grapes.
The quality and quantity of grapes depends on factors such as weather conditions, diseases that can attack the vines, and the extension of planted areas.

Because the area under production is strictly regulated, grape supplies in Champagne are limited. The Group grows 11% of its grape requirements itself. Despite this, it is quite confident that it can maintain the surface area it has under contract. The profession has also built up champagne reserves amounting to the equivalent of approximately 210 million bottles, which it can release with the approval of the CIVC in the event of a poor harvest. Laurent-Perrier estimates that the Group is well supplied with grapes, but cannot rule out a possible supply shortfall going forward.

It is also unusual in Champagne to insure vineyards. For the Laurent-Perrier Group, the dispersed locations of its parcels significantly reduces risk factors, notably those of adverse weather conditions.

- **Production**

In the Laurent-Perrier Group business sectors, control over production risks involves not only securing grape supplies, but also continually striving to ensure the reliability of its production facilities.
With regard to grape supplies, contracts are staggered over time, while the considerable fragmentation of the *vignerons livreurs* who grow and supply the grapes means that the risk of losing contracts can be diversified. Otherwise, the Group has many direct contracts, mainly with the growers, enabling it to considerably spread the risks. Historically, the rate of contract renewal has been extremely high, and for this reason, the Group is confident that this will continue.
Concerning wine inventories, fire risk is limited by the very nature of the inventories themselves (wine in bottles) and cases of roof falls in storage cellars are extremely rare.
The Group also uses a range of geographically separate storage sites, and a clause covering roof falls in cellars is included in the property damage insurance contract. Wines still in tanks and bottled wines are also insured.

The Supply and Production Manager can, using the production oversight indicators from the various production sites, detect any anomalies and set the necessary remedial action in motion.

Wine inventories are monitored very closely and data are filed on a monthly basis with the French Customs authorities. A full inventory is taken every year when the accounts are closed. Quality controls are carried out on stocks of dry materials and the supplier is held liable in the event of non-conformance.

- **Environment**

The Group practices *viticulture raisonnée* sustainable wine-making methods on its parcels in accordance with the technical recommendations of the industry authorities.
The Group minimises waste generation both in respect of wine making and product packaging. It also seeks to minimise its consumption of water, electricity and gas.
The Group complies with wastewater treatment legislation and operates a water treatment plant at Tours-sur-Marne.

The Group also seeks to raise awareness of environmental issues among all staff concerned.

All its activities are subject to regulatory standards overseen by:
- The French Ministry of Agriculture (notably planting and wine ageing standards),
- The French Customs and Excise Department (Direction des Douanes et des Droits Indirects), notably for verification of wine incomings and outgoings,
- The French competition authorities (Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes) notably concerning the quantity and quality of bottled wines.

Full details of this regulated industry are set out in section 1.3.1. of the present reference document.

- **Industrial and environmental risks**

Each site has received a licence to operate from the local *Préfecture*, certifying that operating conditions meet all the criteria laid down by law, and those concerning environmental impact and employee safety, among others.

1.5.2. Commercial and competition risks

- **Commercial**

Commercial dependency on a client or a market is a source of insecurity.
The Group has large numbers of reliable and solvent importers and customers in a wide range of markets with which the Group has nurtured links over many years. The Group is not dependent on any single sector or market.
The large number of customers guarantees excellent diversification of customer credit risk. Customer credit management procedures help to minimise the risk of non-payment, with orders being embargoed when credit limits are exceeded, which also minimises the risk of non payment.
Contracts specifying the precise liabilities of importers have been signed with each country.
Suppliers are also under contract to guarantee the characteristics of the products distributed by the Group.
Information on trade receivables may be found in 4.6 to the consolidated statements of account.

- **Subsidiaries**

All subsidiaries, branches and representative offices are located in places deemed low-risk (France, Germany, the United Kingdom, Belgium, the United States, Switzerland). A detailed monthly report forwarded to Head Office is used to monitor activity. Audits and half-yearly reviews guarantee the validity of the data received and compliance with the local legislation currently in force.

- **Product quality**

Quality controls are systematically carried out at every stage of production. Laboratory checks and tastings ensure strict monitoring of wine quality. The very strict Champagne AOC rules also help to guarantee an excellent level of quality.

- **Brand image – Brand protection**

In luxury goods businesses, brand image must be protected as a priority.
Strict in-house rules can be applied to manage any emergency involving the Group's products worldwide.
Group brands are registered as trademarks and special procedures are in place to guarantee renewal of filings within legal deadlines. Specialised consultancies monitor the threat of counterfeiting and notify the Group and advise it on the appropriate course of action. A crisis management procedure is also in place with the help of an external consultancy to enable the Group to respond quickly and effectively in the event of a proven risk. The Group complies with labelling legislation to ensure that consumers are adequately informed.

- **Visits – receptions**

Activities involving external visitors are subject to stringent controls on the part of safety committees, which determine which activities are permissible depending on facilities and sites.

- **Transport**

All transport services are outsourced to recognised companies with adequate insurance cover. The Group also takes out insurance cover against financial losses linked to the transport of its products.

Details of the competitive environment are set out in section 1.3.4. of the present reference document.

1.5.3. IT, legal, social and general organisation

- **Information systems and data**

Loss of commercial, financial and operational data may hamper the activity of Group departments.
The Group has a central Information Systems Department responsible for the accounting and operations information systems. This reports to the Administrative and Financial Division.
The Department is responsible for systems operation over the long term, and notably the deployment of data recovery and back-up procedures. The Group's Information systems Department also makes the computer hardware and software investment decisions for all Laurent-Perrier Group entities.
A new integrated management system, PGI, has been brought on stream which will strengthen oversight of company operations.

- **Legal**

A part of the Group Administrative and Financial Division, the Legal Affairs Department oversees legal affairs and ensures compliance with the regulations in force. The legal department supervises the legal affairs secretariats of Group subsidiaries. Intellectual and industrial property is a major concern for the Group. Property rights are strictly monitored and updated in-house and with the help of outside consultancies.

The applicable regulations are set out in sections 1.3.5. and 3.1.1. of the present reference document.
To the best of the Group's knowledge, there are no governmental, legal or arbitration procedures in abeyance or threatened that could have or have recently had a material impact on the Group's financial situation or profitability.

- **Labour Relations**

At its biggest entities, the Group undertakes social dialogue as required by law, via Works Councils, Hygiene & Safety Committees, annual negotiations with trade union representatives, and meetings with employee representatives. Employee benefits are subject to an approvals procedure with the Chairman of the Management Board.

- **Hygiene & Safety**

The Group complies with French labour law, notably as regards the employment of seasonal workers in its vineyards. It also observes all hygiene and safety rules, as monitored by the CHSCT Hygiene & Safety Committee, factory inspectors and the company doctor. The risk prevention plan and safety instructions contribute to limiting and controlling dangerous areas. Manufacturing facilities also require operating authorisations delivered by the competent authorities. The insurance cover taken out on buildings and the decennial liability guarantees protect the company from the risks of bad workmanship or damage that could affect Group activity. When travelling outside France, Group staff are covered by adequate insurance. A charter entitled "alcohol-speeding at the wheel" has been circulated to all sales staff to raise their awareness of the need to drive carefully.

- **Continuous improvement – internal audits**

The Group has decided to create a function dedicated to continuous improvement. The aim is to identify company processes that do not operate satisfactorily. A manager is appointed for each process. He or she set up a working group and recommend improvement solutions with a detailed timetable. Once the solutioin has been adopted, it needs to be documented and included in the procedures database to put its application on a perment footing.

- **General organisation**

The Group's functions and activity sectors are grouped into four divisions reporting to the Chairman of the Management Board:
- Supplies and Production,
- Sales & Marketing, Brand Development – Public Relations- Communication
- Administration – Finance,

For each of these four Divisions, the Group has drawn up organisation charts and precise descriptions of jobs and responsibilities.

1.5.4. Market and Financial Instrument Risks

- **Foreign exchange risk**

The Group uses financial derivatives to manage and operationally hedge the risk of exchange rate fluctuations. The Group does not use derivatives for speculative purposes.

The Group uses foreign currency treasury flow forecasts which are updated monthly. The foreign exchange risk management policy consists in hedging such treasury flows with the objective of matching the budgeted exchange rates. The Group uses a specialised software application to track treasury movements on a daily basis and make forecasts, and which is also used for statistical monthly reporting.

The derivatives owned by the Group and qualified in accounting terms as hedging instruments within the meaning of IAS 39 are mostly firm commitments to buy or sell foreign currency futures.

At March 31, 2011	Operating assets	Financial assets	Operating liabilities	Financial liabilities	Net position before hedging	Hedges	Net position after hedging
GBP	3 084	1 741	-1 398		3 427	-1 500	1 927
CHF	1 959	265	-563		1 661		1 661
USD	474	1 493	-1 576		391		391
Total	**5 517**	**3 499**	**-3 537**	**0**	**5 479**	**-1 500**	**3 979**

Information about foreign exchange risk may be found in notes 4.14.2 and 4.14.3 of the consolidated financial statements, which contain a detailed presentation of hedging transactions and sensitivity to fluctuating exchange rates.

- **Interest rate risk**

The Group uses financial derivatives to manage and operationally hedge the risk of interest rate fluctuations. The Group does not use derivatives for speculative purposes.

The Group draws up debt forecasts which are updated monthly by the treasury flow manager who reports to the Chief Financial Officer.
The Group's hedging policy consists in taking out swap contracts for periods or around three years and to roll over the contracts when they mature to ensure that approximately half of its interest rate risk is permanently hedged.

	Financial liabilities		**Interest rate hedges**		**Exposure after hedging**			**Financial assets**	**Net exposure after hedging**
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Total		Total
moins 1 an	-0,59	-10,09		83,55	-0,59	73,46	72,87	14,74	87,61
de 1 à 5 ans	-3,41	-255,97		123,53	-3,41	-132,44	-135,85		-135,85
Plus de 5 ans		-45,16		7,35		-37,81	-37,81		-37,81
Total	-4,00	-311,22		214,43	-4,00	-96,79	-100,79	14,74	-86,05

Information about interest rate risk may be found in notes 4.14.1 and 4.14.3 of the consolidated financial statements, which contain a detailed presentation of interest rate transactions and sensitivity to any change in interest rates.

- **Liquidity and covenant risk**

The measures taken by the Group in this area are described in Chapter 5, section 4.11 of the present reference document.
The Group's policy with respect to its banking covenants is to negotiate "re-negotiation" clauses rather than "early repayment" clauses should it exceed the agreed debt ratios.
The "re-negotiation" clause simply stipulates that in the event that the covenants are not honoured, the company is required to meet the banking pool to inform it of the situation. Loans do not become immediately repayable under any circumstance.

Liquidity risk is constantly monitored with our partner banks and seems modest in view of the continued support from the same banks.

The Group has reviewed its risks and considers that there are no significant risks other than those presented here.

Information about debt and cash and cash equivalent and liquidity risk may be found in point 4.11 and 4.12 of the consolidated financial statements.

- **Market risk**

In-house rules are also in place to ensure compliance with AMF directives on listed companies, including transparency of information, deadlines for the publication of financial results, corporate governance, and the risk of insider trading. The Group organises twice-yearly meetings with analysts and meets investors regularly and often in order to explain its performance and strategy.
Managing financial risk calls for tight control over investments and strict financial and accounting management.

The Group has reviewed its risks and considers that there are no significant risks other than those presented here.

- **Financial management**

Financial management monitors activity relative to the budget and oversees the implementation of any remedial measures that may be necessary. Procedures are in place to authorise the main spending items before they are disbursed and strictly monitor investment.

The Group's budgetary approach broken down on a departmental basis is a key component in the oversight of activity and financial data. The General Management's strategic options are given formal expression in an annual business plan, and are then cascaded by management. The Group's budget approach is the main lever when it comes to operational implementation of strategy.

The Group Management Control unit is tasked with organising the budgeting process and helps operational staff in drawing up their budgets, monitoring them, and implementing the planned improvement initiatives. It is also responsible for coordinating, centralising and overseeing the consistency of budget and financial management reporting.

Regular budget monitoring by fiscal entity and Department can help identify any mismatches with the planned activity levels or spending.

1.5.5. Insurance

Laurent-Perrier Group companies are insured by Group-wide insurance policies.
The coverage and limited liabilities are in line with practices of similar-size groups involved in the same activity.

These policies cover the risk of:

Operations and post-delivery liabilities
This policy covers physical, property and consequential damage to third parties and those caused by the operation, distribution or sale of products, subject to the cover limits specific to the risks guaranteed in the policies.
Third party liability due to operations €15,245,000,
Third party liability after delivery €15,245,000.

Property damage (buildings, installations, stocks, IT system, machine breakage etc.)
This policy covers property damage on the basis of predefined events, insured amounts and deductibles as well as supplemental operating costs for an indemnity period of 18 months.
Since April 1, 2005, goods are insured with differing limits and cover for the foreign subsidiaries in Switzerland, USA, UK, and Belgium.

Since April 1, 2009, we have extended insurance coverage to goods lodged with the German subsidiary. The main policy prevails where the terms or limits differ from those of local policies issued by the local insurer.

Amounts covered:
Direct damage: €425,958,671
Supplementary expense: €2,000,000
All policies are subject to the cover limits set for each contract.
From April 1, 2009, the policy also includes a contractual payout limit of €150,000,000.

Company vehicles
This policy covers all material damage caused to company vehicles as well as material damage and physical injury caused to third parties by the said vehicles.

Special personal automobile coverage
This policy covers losses incurred in connection with occasional trips by Group employees when using their personal vehicles.

Directors and managers liability insurance
This policy covers officers and managers against professional misconduct defined as follows:
- Management misconduct which is the result of imprudence, negligence, error, omission and misstatement.
- Any breach of legal and regulatory obligations.

Fully-comprehensive IT policy
This policy covers fixed and portable computer equipment according to a list which is updated annually by the Group.

Personal accident
This coverage guarantees named Group employees in connection with professional travel (assistance, repatriation, death and disability benefits).

Freight carried
This policy covers:
- The carriage of goods in France,
- The transport of grape must during the grape harvest,
- Transport between subsidiaries in Belgium and Germany,
- All pre-shipping haulage in France.

Premiums paid to insurance companies relative to these insurance policies amount to approximately €350,000 per year.

The Group considers that the risks are limited and that it is not necessary to outsource insurance cover for the following risks:

- The Group's product is not insurable. Consequently, the cost of its replacement is incurred by the Group within the framework of the civil liability policy.
- Wine stocks are not totally insured; the Group considers that the risks of theft, fire or any other damage concerning wine stored in its cellars are limited and that it is impossible that a single event could affect the entire stock. Nevertheless, protection has been taken out for the "collapse of underground wine cellars" to cover the cellars themselves and the wine kept there.
- "Business interruption risks" are not covered. However, coverage for additional expenses has been taken out to guarantee the reimbursement of costs incurred subsequent to an event covered by the property insurance. It is also intended that all labelled bottled wine is to be insured for the sale price as of April 1, 2009.
- Vineyards are not covered, because the dispersion of plots throughout the Champagne region considerably reduces risks.

The Group manages its customer credits with the greatest caution and does not deem it necessary to insure itself for this risk.

Goods shipped outside France are insured directly by customers and their service providers.

The Company uses an insurance broker who deals with the leading insurers, which means that about ten insurers are involved in our contracts as either lead insurer or co-insurer.

1.6. REPORT ON SOCIAL AND LABOUR RELATIONS

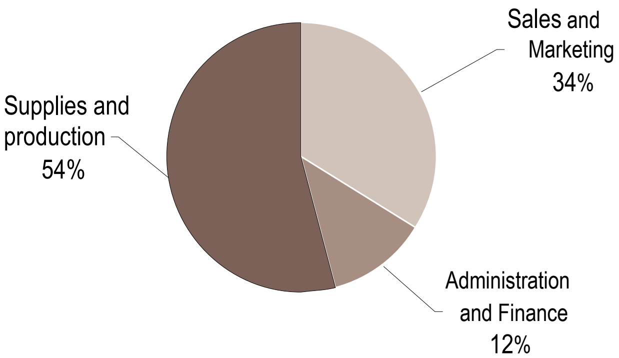
1.6.1. The workforce

At March 31, 2011, the workforce continued to shrink. The total registered workforce amounted to 446 .
The reduction is most marked in sales administration and production functions.

The tables below show the breakdown by category of employment over the past three years:

	2009	2010	2011
Group workforce employed at March 31			
Commercial, Brand Development, Public Relations	166	158	151
Administration, Finance, Human Resources, Legal	49	51	54
Supply, Production, Procurement	245	247	241
Total	**460**	**456**	**446**

Groupe workforce employed at March 31,2011



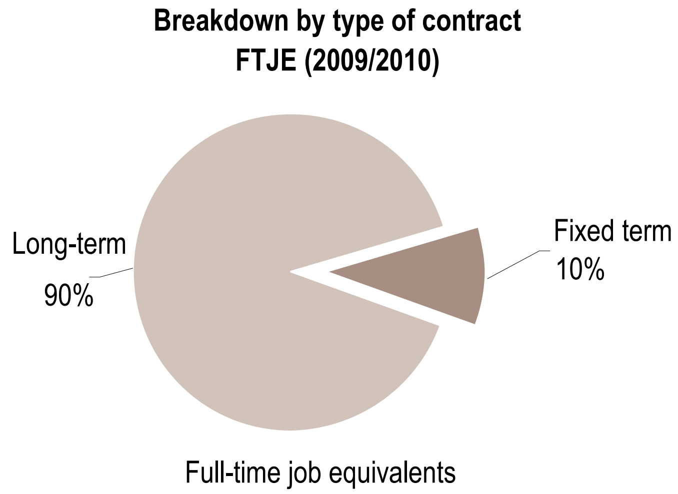
1.6.2. Workforce at French commercial companies:

The Group's principal commercial companies are Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, AS, Grands Vignobles de Champagne and Château Malakoff.

The workforce of each of these companies and by contract type breaks down as follows:

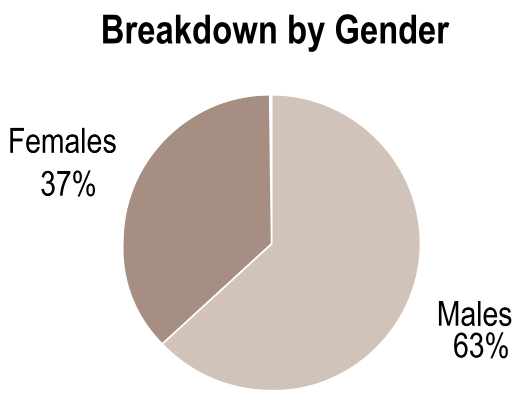
Workforce at 31 March	Laurent-Perrier		Champagne Laurent-Perrier		Champagne de Castellane		Société AS		Grands Vignobles de Champagne		Château Malakoff	
Year	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Long term (LT)	17	18	173	171	54	52	10	9	34	33	24	23
Fixed term (FT)	0	1	2	3	1	1	0		4	3	38	37
Total	17	19	175	174	55	53	10	9	38	36	62	60

The workforce with long-term employment contracts was reduced by six at March 31, 2001. The workforce employed on fixed-term contracts, which virtually exclusively comprises seasonal vineyard employees, stabilised at 45.



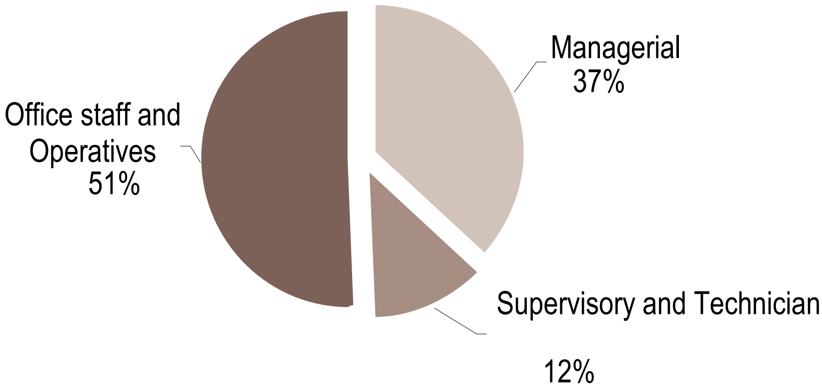
1.6.2.1. Breakdown of the workforce by socio-professional category and gender at March 31, 2011

Female staff numbers rise by 1% from 37% to 38% at end-March.



The breakdown by socio-professional category was virtually unchanged, although showing a slight increase in the Office staff/Operatives category, which rose from 50% to 51% of the total headcount as at March 31, 2011.

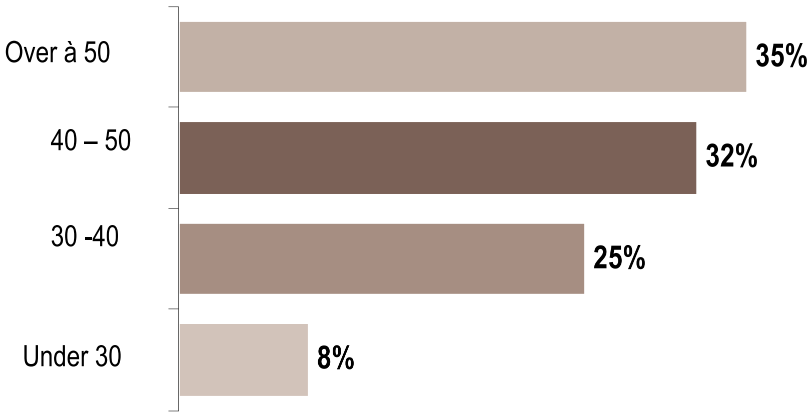
Workforce at March 31, 31 mars 2011 (Long-term contracts)



1.6.2.2. Average employee age

The average age of the workforce has increased, requiring the continuation of the Group's plan for seniors and hence the optimisation of the employment conditions for staff approaching retirement age.

Breakdown by age (EQTP) - F'11



1.6.2.3. New Hires

Three staff were hired on long-term contracts in the French companies in France in 2010-2011. Most of these hires concerned staff tending Group vineyards. Two corresponded to new job creations and one were replacements.
Some 671 staff were hired on fixed-term contracts: 491 during the grape harvest 162 CDD liés au travaux des vignes et18 to replace staff who were temporarily absent from their position or to deal with a passing increase in activity.
Group companies also have recourse to temporary employment agencies but only for very short term assignments.
Seven staff on long-term employment contracts work part time.

1.6.2.4. Employment and integration of employees with disabilities

As at March 31, 2011 eleven workers with disabilities were employed in the companies concerned.
Group companies also regularly apply to the Sheltered sector and disability-friendly companies ("Entreprises Adaptées") to carry out work not falling within the usual scope of company skills, or where the skills required to carry out the work are not available at those companies.

1.6.3. Working conditions

1.6.3.1. Working hours and absenteeism

The legislation on the shorter working week is applied by all of the Group's French subsidiaries. The shorter working week and absenteeism can be analysed as follows:

	Weekly average	Absenteeism excluding paid holidays	Notes
Laurent-Perrier	35h	2.21%	Work scheduled according to specific job requirements and implemented on the basis of annual work contingents.
Champagne Laurent-Perrier	34h20	5.90%	Departments in contact with customers are required to abide by an annual contingent of hours used to vary weekly working hours from 32 to 40 hours depending on the seasonal nature of activities.
Champagne de Castellane	35h	11.85%	Work takes place within fixed periods except in the case of departments in contact with customers, which are subject to variable working hours
Société AS	35h	2.60%	Administrative work is subject to variable working hours.
Grands Vignobles de Champagne	35h	2.73%	Adjustable working hours are used to vary hours worked from 0 to 40 per week to take the special nature of tending wines into account.
Château Malakoff	35h	5.59%	Adjustable working hours are used to vary hours worked from 0 to 40 per week to take the special nature of tending vines into account.

Group companies may have recourse to overtime working, notably during the grape harvest.

1.6.3.2. Hygiene and safety conditions

Hygiene and safety conditions at Group companies are subject to close scrutiny by their Managements working in conjunction with the company doctor.

In the financial year just ended, the following data were recorded:

	2009-2010	2010-2011
Working days lost	535	734
Number of occupational accidents	24	24
Number of accidents travelling	2	2

The past year saw an increase in the number of working days lost, despite a stabilisation in the number of occupational and travelling accidents.
Over a 3-year period, these have fallen by 40%, reflecting the effectiveness of the action taken.

The Group makes regular efforts to improve working and safety conditions. It carries out work and invests to this end and periodically upgrades personal protection equipment. These issues are addressed at the time of regular meetings with employee representatives in the framework of the Hygiene and Safety and Working Conditions Committee. Similarly, accident prevention initiatives are implemented in conjunction with social security bodies. At each of the Group's companies, the professional risk assessment report is regularly updated.

1.6.4. Remuneration

1.6.4.1. Global remuneration

Total remuneration paid, with the exception of Social Security daily sickness benefit payments, during the financial year, and the total social and fiscal payroll taxes paid by the Company were as follows:

2010-2011	Compensation (€)	+/- year earlier	Payroll taxes (€)	+/- year earlier
Laurent-Perrier	1,537,605	19.66%	657,399	25.26%
Champagne Laurent-Perrier	8,258,473	-1.89%	4,123,193	1.74%
Champagne de Castellane	1,760,634	-4.04%	850,181	-3.38%
Société A.S.	390,764	-9.14%	176,071	-7.13%
Grands Vignobles de Champagne	1,162,937	2.22%	413,792	-4.50%
Château Malakoff	1,758,527	-7.67%	595,137	-14.01%

The variations from one year to the next can mainly be explained by the changes in staffing levels during the year. The significant reduction in payroll taxes paid by the grape growing companies (and hence falling under the MSA agricultural socialsecurity regime), namely Grands Vignobles de Champagne and Château Malakoff, is a result of the January 1 2010 entry into force of a new sysem of exemption from the employer's contribution to payroll taxes for casual employees.

Performance-related compensation systems are in place for line managers and sales staff. Bonus systems for results and performance are all individual and directly linked to achieving quantitative and qualitative targets set at the start of each financial year.

Group companies benefit from reduced payroll taxes on low salaries under existing provisions.

The principle of gender equality in compensation is complied with as regards identical positions and experience.

1.6.4.2. Incentives and Profit-sharing

As required by law, Champagne Laurent-Perrier, Champagne de Castellane and Château Malakoff have implemented employee profit-sharing schemes.
An employee incentive scheme is also applicable in the same three companies. The incentive agreement applicable at Champagne Laurent-Perrier is contingent on meeting annual production, turnover and average sales-price targets.
The Champagne de Castellane employee incentive scheme is contingent on achieving productivity and average sales-price targets.
The Château Malakoff employee incentive scheme is contingent on achieving productivity and harvest yield targets.

The amounts distributed pursuant to incentive and profit sharing schemes may be invested in Corporate Savings Plans.

1.6.5. Occupational Training

Occupational training is considered especially important at Group companies, which seek to make training a full-fledged tool for employee skills development.

Most of our training initiatives were focused on areas connected to sales techniques, the strengthening of management skills, advanced technical knowledge, and accident prevention and safety.
Regulatory changes in the accounting, tax, legal and social spheres also required the organisation of training provision suited to these various changes.
Foreign language learning courses were also integrated into our training plans to meet the needs of certain functions at Laurent-Perrier.
Over half of all employees accordingly attended some form of training course, for a total of 2,159 man-hours.

1.6.6. Social dialogue

The Group is particularly attentive to the quality of social dialogue in its constituent companies.

1.6.6.1. Professional relations

The Group's French companies all have representative employee bodies in operation, except for Laurent-Perrier SA and A.S., where the workforce is too small for them to be organised.

All questions within the remit of representative employee bodies are regularly addressed during meetings with the General Managements of each company concerned.

In addition, a Group committee has been set up for companies with the Délégation Unique du Personnel (DUP –"Single Staff Delegation") and meets on a regular basis.
Representative trade unions are active at Champagne Laurent-Perrier ,Champagne de Castellane and Château Malakoff.

The following corporate agreements were signed at Group companies with trade union representation:

	Number of agreements	Subject of agreements
Company		
Champagne Laurent-Perrier	1	NAO wage-bargaining agreement
	1	Additional profit sharing agreement
Château Malakoff	1	Additional bonus agreement (with Works Council)

An agreement paving the way for the payment off additional profit sharing moneys was signed with the shop steward at Champagne Laurent-Perrier. An agreement was also signed at Malakoff with members of the Works Council leading to an additional bonus payment. These agreements were implemented in compliance with the Law of December 31, 2006 on developing employee profit sharing and share ownership.

1.6.6.2. Company benefit schemes

Group contributions to company benefit schemes and holiday allowance paid to the works councils of individual companies are as follows:

Company	Benefit schemes (€)	Holiday allowances (€)
Laurent-Perrier	13,197	624
Champagne Laurent-Perrier	132,623	6,639
Champagne de Castellane	31,700	2,055
A.S.	6,251	367
Château Malakoff	27,468	944

Champagne Laurent-Perrier and Champagne de Castellane employees benefit from a health insurance regime whose financial cost is split between the company, the employee and the company works council.
Laurent-Perrier, A.S. and Grands Vignobles de Champagne employees benefit from a common health insurance regime whose financial cost is split between the company and the employee.
Château Malakoff employees benefit from a separate regime whose financial cost is split between the company and the employee.
Employees at Laurent-Perrier SA, Champagne Laurent-Perrier, Champagne de Castellane, Château Malakoff and A.S. receive luncheon vouchers.

1.6.7. Extent of sub-contracting

Group companies adhere to the provisions of the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The companies have limited and occasional recourse to sub-contracting, mainly for tasks falling outside of the usual range of corporate skills.

1.6.8. Key non-financial performance indicators with respect to personnel

Most personnel-related indicators have been detailed above. These indicators are constantly monitored so that remedial action can be taken in the event of any significant deterioration.

1.7. REPORT ON ENVIRONMENTAL DATA - PREVENTION

1.7.1. Report on environmental data

The desire to protect the environment and the terroir is reflected in all aspects of Group activity.

1.7.1.1. Grape growing and the vineyards

For many years past, the vineyards owned by the Group have been managed sustainably. This involves taking the long-term nature of the activity into account and in particularly rejecting any practice or behaviour likely to have an irreversible impact on the natural milieu and the environment.

From this perspective, our priority is to deploy grape-growing practices that respect the environment, husband natural resources, and preserve biological and human equilibriums.

This environmental policy is inconceivable without the experience and motivation of the people working the land.
It implies:

- balanced management of terroir and soil,
- careful husbanding of resources such as water, energy and inputs,
- reduction at source of waste by recycling and recovery.

This strategy also aims to be perfectly consistent with the regulatory framework and the expectations which society at large requires of grape growing. Among other points, one can note the new specifications for production conditions in the AOC* area, the avenues recommended in the findings of the *Grenelle de l'Environnement* environmental summit, the Technical Handbook (*Référentiel Technique*) drawn up for the champagne growing area (a specification endorsed by champagne professionals, which identifies all practices deemed to be compatible, in the current state of our knowledge, with sustainable grape-growing), and Prefectoral decrees.

In practice, the Group's approach relies on:

- regular diagnosis of its grape-growing practice relative to the commitments set out in the Technical Handbook drawn up for the champagne growing area,
- continuous education for staff working in the vines,
- the deployment of strategies to protect vines which reconcile quality and the measured use of inputs,
- deployment of strategies to improve the soil, mainly directed towards mechanical upkeep (mowing, work beneath the vines),
- the continual upgrading of our plant and equipment in order to safeguard the quality of air, water, soils and natural environments,
- initiatives designed to extend and step up the momentum of sustainability. These include the management of effluent generated by grape growing (vineyard cleaning by plot, washing areas at the Montagne de Reims and Côte des Blancs sites), recovery and priority use of rainwater, waste management, risk prevention and strict application of procedures.

While being attentive to innovation, we pay special attention to ecological action. The carbon audit on Champagne Laurent-Perrier's vineyard activities carried out in 2007 helped us to act or schedule initiatives in the most relevant areas so that we can further reduce our greenhouse gas emissions.

1.7.1.2. Wine making

Since 2009, all wine-making takes place at the Tours-sur-Marne facility, where the Group has invested heavily in winery capacity. These investments have improved occupational safety and environmental protection.

The wineries are compliant with safety standards not only to safeguard employees but also for ecological reasons, and notably feature a sophisticated carbon monoxide extraction system.

All press residues (dregs, residues from pressing and must, plus any grape juice left after pressing and before fermentation), are all sent to a local distillery, where they are transformed into alcohol.

The waste water from the Tours-sur-Marne winery is no longer piped to the village waste-water treatment centre, but to our own waste-water treatment facility on the Champagne Laurent-Perrier site.

The preference has long gone to gravity rather than the use of pumps in order to make energy savings and protect the quality of our wines.

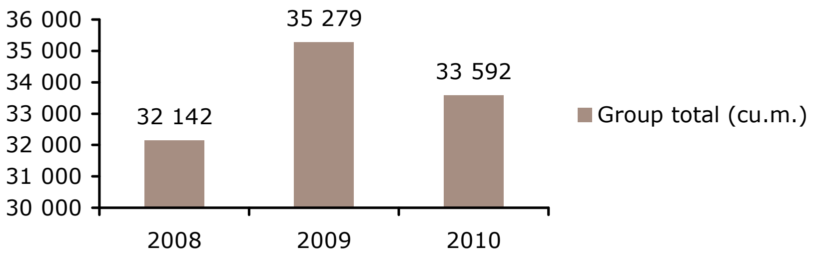
The tanks are cleaned in a closed circuit. The products used for this are recovered after cleaning for subsequent recycling and processing.

Waste water
As stipulated above, waste water is not sent to the village wastewater treatment plant, but to our own, on-site treatment plant.
By deploying an in-house wastewater treatment plant that combines biological and physical processes (respectively active sludge and membrane filtration) we have achieved a 99% reduction in organic pollution (Chemical Oxygen Demand, or COD). Slurry generated by this treatment plant is sent to a composting centre.
To reduce the impact of environmental protection, Laurent-Perrier has housed its treatment centre in a traditional, Champagne-style building in the parkland of the Company's wooded site.

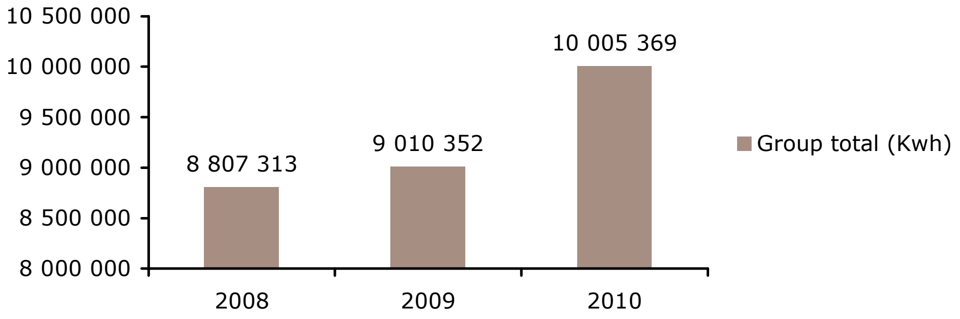
Water and Energy consumption at the Tours-sur-Marne site
The centralisation of wine-making at a single location explains the rise in water and energy consumption compared to 2008.

The level of activity, which is closely linked to the volume of each grape harvest, also explains changes in consumption levels from one year to the next, as shown in the charts below:

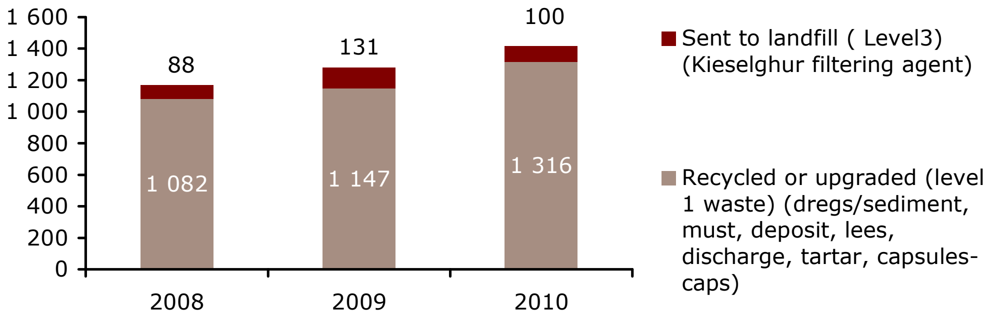
Water consumption at the Tours-sur-Marne site



Energy consumption at the Tours-sur-Marne site (all energy types)



Waste management
Laurent-Perrier Group
Waste resulting from champagne making (tonnes)



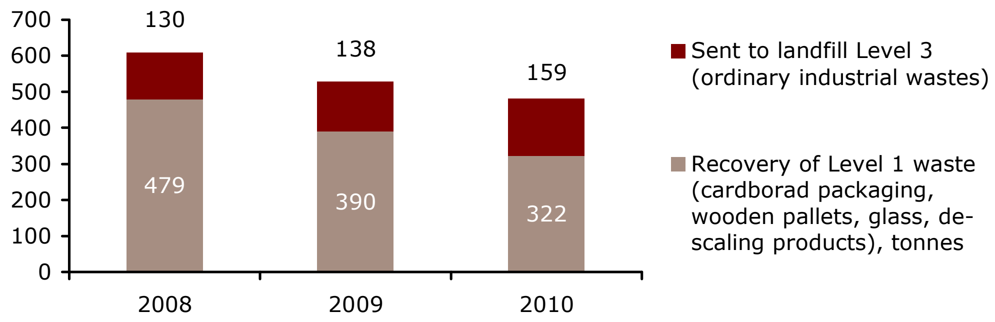
Similarly, the increase in waste volumes also correlates with the volume of wine now made at the site.
The Group remains committed to improving the environmental performance of its activities, in compliance with the current and future regulatory framework.

1.7.1.3. Labelling and packing

For its labelling and promotional materials, Laurent-Perrier increasingly seeks to use environmentally-friendly materials compliant with the European Union standards now in force in many countries. As planned in 1997, the use of tinfoil caps has been reduced.
The use of polystyrene for all packaging has been abandoned in favour of recyclable moulded cellulose trays.
All cardboard items used in the manufacture of boxes are made from recycled paper, and, despite the printed characters and other items decorating them, can still be 100% recycled. To comply with European Union regulations, a "Recyclable" logo is printed on all labels, both those glued directly on the bottles and on the boxes. The cartons used to ship the wine are re-usable.

This policy explains the tight control and the regular reduction over the volume of waste generated during this production phase. Special emphasis is placed on efforts to recover and re-use such waste.

Laurent-Perrier Group
Incidental waste from champagne making (tonnes)



1.7.1.4. Buildings

Laurent-Perrier's main premises are located in the villages of Tours-sur-Marne, Louvois, Epernay, and Châlons-en-Champagne. The buildings are a fine illustration of the Group's conservation policy for historic buildings and the blending of these buildings into their rural environment.

The Château de Louvois and its large park and gardens have been regularly restored according to the style and rules governing their historic and architectural past.

Much of the production at Tours-sur-Marne takes place in the underground cellars. When this is not possible, work is carried out in industrial facilities which are of necessity more modern constructions, but whose façades have been designed to blend in with the style of the village.

It was with a constant concern to protect the aesthetic heritage of these wine-growing regions that Laurent-Perrier installed its own waste-water treatment plant in a building erected in 2004 in the tradition and architectural style of Champagne. In 2006 and 2008, also in Tours-sur-Marne, Laurent-Perrier built a new winery on the "Clos Valin" site designed to blend in with the local environment.

1.7.1.5. Conclusion

Laurent-Perrier has deployed an environmental policy in all its activities, demonstrating its commitment towards sustained environmental protection.

The Chairman of the Management Board, on behalf of the company as a whole, and the Head of Supplies and Production, along with the other department heads more specifically on behalf of their departments, are all committed to promoting and encouraging environmental management and protecting best practice.

1.7.2. Prevention Report

The Group continued to promote its awareness campaign targeting all employees who, due to their position, are required to travel by car to represent one of the Group companies. A guide on the risks of drink-driving entitled *Fatigue, Alcohol and Speeding* setting out the need to comply with the Highway Code, and the risks of tiredness and alcohol consumption when driving is distributed to everyone concerned when they join the company.

1.8. Exceptional events and litigation

As far as the Group is aware, there are no governmental, legal or arbitration proceedings pending or threatened which could have or may have had over the past twelve months any material impact on the Group's financial situation or profits.

2. PERSONS RESPONSIBLE FOR THIS REFERENCE DOCUMENT AND FOR AUDITING THE ACCOUNTS

2.1. PERSON RESPONSIBLE FOR THIS REFERENCE DOCUMENT

Michel Boulaire - Chairman of the Management Board

2.2. AFFIDAVIT BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"I certify that I have taken all reasonable measures to ensure that the information contained in the present reference document is to the best of my knowledge in accordance with the facts and contains no omissions likely to affect its import.

I declare that to the best of my knowledge, the accounts have been drawn up in accordance with the applicable accounting standards and provide a fair image of the assets, financial situation, and results of the company and all those companies consolidated with it, and that the information relative to the management report listed in Annex 5 (last page of AFR concordance), presents a faithful picture of the business developments, results, and financial situation of the company and all those companies consolidated with it, as well as a description of the main risks and uncertainties with which they are faced.

I have obtained a completion letter from the statutory auditors in which they state that they have verified the information on the financial situation and accounts set out in the present document and have read the document in its entirety."

Tours-sur-Marne, June 10, 2011

Michel Boulaire- Chairman of the Management Board

2.3. AUDITORS

Statutory auditors:

PricewaterhouseCoopers Audit, a member of the Versailles Company of Statutory Auditors, represented by Mr Christian Perrier,
63, rue de Villiers
F - 92208 Neuilly-sur-Seine

First appointed:	July 11, 1996
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2014.

Philippe Venet & Associés, a member of the Reims Company of Statutory Auditors
Mr Philippe Venet
9, rue de Pouilly
F - 51100 Reims

First appointed:	July 10, 1984
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2011. The 2011 Ordinary Shareholders’ meeting will be asked to renew his mandate.

Alternate auditors:

Société d’Expertise Comptable FIDEX
Mr Leroy
2 bis, allée de Villiers,
F - 92300 Levallois-Perret

First appointed:	June 25, 1985
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2011. The 2011 Ordinary Shareholders’ meeting will be asked to renew his mandate.

Mr Etienne Boris
63, rue de Villiers
F - 92208 Neuilly-sur-Seine

First appointed:	July 9, 2008, replacing Pierre Coll
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2014.

2.4. PERSON RESPONSIBLE FOR INVESTOR INFORMATION

Mr Etienne Auriau, Finance Director
E-mail: etienne.auriau@laurent-perrier.fr
Tel: + 33(0) 3.26.58.91.22
Fax: + 33 (0) 3.26.58.17.29

3. General information on Laurent-Perrier

3.1. Statutory information and share buy-back programme

3.1.1. Corporate name and registered office

Laurent-Perrier - 32, avenue de Champagne – F-51150 Tours-sur-Marne.
Telephone + 33 (0)3.26.58.91.22.

In France, Laurent-Perrier is governed by French law while foreign subsidiaries and branches are subject to the law of the country in which they are located:
- Laurent-Perrier UK: UK law,
- Laurent-Perrier Switzerland: Swiss law,
- Laurent-Perrier US: US law,
- Laurent-Perrier Diffusion Belgium: Belgian law,
- Laurent-Perrier Germany: German law.

3.1.2. Consultation of legal documents or information on Laurent-Perrier

Legal documents or information relating to Laurent-Perrier are available for consultation at the Group's headquarters at 51150 Tours-sur-Marne subject to legal requirements.

The following documents may be consulted:
- Laurent-Perrier memorandum of association and articles of association,
- all reports, letters and other documents, historic financial information and declarations prepared by experts at the request of Laurent-Perrier,
- historical financial information on Laurent-Perrier and its subsidiaries for the two financial years prior to publication of the reference document.

The above documents are available for consultation in hard copy or electronic format on the site: *www.finance-groupelp.com.*

3.1.3. Incorporation date and term (article 5 of the by-laws)

The Group was incorporated on February 20, 1939, for a period of ninety-nine years, expiring on January 30, 2038 unless it is wound up beforehand or its term is extended.

3.1.4. Incorporation details

Laurent-Perrier companies are registered with the Reims Companies Registry under number 335 680 096.

APE business activity code: 6420 Z.

3.1.5. Legal structure (article 1 of the by-laws)

Laurent-Perrier is a French *société anonyme* (public limited company) with a Management Board and a Supervisory Board.

3.1.6. Corporate purpose (article 3 of the by-laws)

Laurent-Perrier's corporate purpose is to trade mainly in the wine industry and includes:
- the acquisition, management and sale of securities, shares and all rights pertaining to them;
- active participation in defining the goals and policies of companies in which it has exclusive or joint control or a significant influence;
- budgetary and financial control and coordination of such companies;
- the provision of specific administrative, legal, accounting, financial or real-estate services on a purely in-house basis to such companies;
- all operations that are compatible with this purpose, related to it or further its accomplishment.

3.1.7. Financial year (article 19 of the by-laws)

From April 1 to March 31 of the calendar year.

3.1.8. Appropriation and distribution of earnings (article 20 of the by-laws)

3.1.9. Annual General Meetings of Shareholders (article 18 of the by-laws)

3.1.10. Special provisions of the by-laws

Disclosure thresholds (article 9)

Article 9 of the by-laws states that any private individual or corporate body who, within the meaning of article L 233-7 of the French Commercial Code, falls below or rises above a threshold equal to 2.5% of the share capital and/or voting rights of the Company or a multiple thereof, must report to Laurent-Perrier the total number of shares they hold.

Double voting rights (article 18 of the by-laws)

Double voting rights are legally granted to all fully-paid up registered shares which have been registered in the name of the same shareholder for at least four years (date to date).

Identification of holders of bearer shares

The survey undertaken by Laurent-Perrier on March 31, 2010 of holders of bearer shares identified about 4,612 shareholders.

3.1.11. Supervisory Board membership requirements (article 15)

Other than those stipulated in the bylaws, the rules governing the Supervisory Board, and notably its membership, operation and purview, are those set out in the applicable legal provisions.

Any members present at the meetings via a videoconferencing link whose nature and operating methods are compliant with regulatory provisions shall be deemed present for the purposes of establishing the quorum and the majority of Supervisory Board members.

The General Meeting of Shareholders held on July 7, 2010 amended article 15 of the bylaws as follows:

1. With the exception of that which is expressly provided for in the present Bylaws, the rules concerning the Supervisory Board, and notably its membership, operation and role are those provided for in the currently applicable legal provisions.

“ Members of the Supervisory Board who take part in the meeting via videoconferencing link or/ and telecommunications link enabling them to be identified and whose nature and application arrangements comply with regulatory requirements are deemed present for calculating the quorum and majority.

Attendance via such videoconferencing link or/and telecommunications link is not, however, permitted for the following decisions:

- Appointment of members of the Management Board, and the single Chief Executive Officer,
- Dismissal of members of the Management Board and the single Chief Executive Officer, in cases where the present Bylaws provide for such dismissal by the Supervisory Board,
- Election and compensation of the Chairman and Deputy Chairman of the Supervisory Board.”

3.1.12. Provisions for attendance at the General Meeting of Shareholders (article 18)

Other than those stipulated in the bylaws, the rules governing the holding of General Meetings of Shareholders and in particular the calling and holding of such meetings, as well as the rights pertaining to shareholder communication and information, are those set out in the applicable legal provisions.

Any shareholders taking part in the General Meeting of Shareholders via a videoconferencing link or other telecommunications link enabling their identification, whose nature and operating methods are compliant with regulatory provisions shall be deemed present for the purposes of establishing the quorum and the majority of shareholders.

General Meetings of Shareholders convene at the Group's Registered Office or at any other venue specified in the invitation to attend.

3.1.13. Laurent-Perrier share buy-back programme

The Shareholders’ Meeting of July 7, 2010 authorised the Management Board to repurchase Company shares pursuant to articles L.225-209 et seq. of the French Commercial Code, notably in order to:

- maintain an orderly market in Company shares through a liquidity agreement with an investment services provider that conforms to the AFEI charter recognised by AMF;

- allocate shares to employees or Company representatives;
- use the shares to grant share options to employees or Company Representatives;
- retain the shares acquired and use them in swaps or in acquisition agreements;
- cancel all or part of the shares acquired.

The Company has not cancelled any shares held under the provisions of the above programme.
The special buy-in report is included in section 7.2.

The July 6, 2011 Joint Ordinary and Extraordinary Shareholders' Meeting held to vote on the financial statements for the period ended March 31, 2011 will be asked to issue a new authorisation.

If authorised by the shareholders, the Management Board may cancel shares and reduce the company's share capital accordingly.

Conditions
Under the new programme shares will be bought in at no more than €100 (or € 120) per share excluding expenses.

The Shareholders' Meeting on July 6, 2011 will authorise the buy-back of up to 594,000 shares each with a par value of € 3.80 (minus the 52,647 treasury shares already owned by the Company at March 31, 2011).

Assumptions used to assess the impact of the share buy-back programme on the financial situation of Laurent-Perrier

Calculations to assess the impact of the buy-back programme on Laurent-Perrier's accounts are based on the consolidated financial statements at March 31, 2011. However, taking into account the 52,647 treasury shares already owned by the Company at March 31, 2011, it is unlikely to acquire all the 594,000 shares that may be repurchased under the buy-back programme.
Shares will be bought and sold on the stock market and/or in block sales.

Financing of share repurchase
The buy-back programme shall be financed with Laurent-Perrier's own funds.

Intention of Laurent-Perrier's executive officers
The executive officers of Laurent-Perrier do not intend to buy or sell shares under the buy-back programme.

Operations carried out by Laurent-Perrier on its own shares pursuant to article L 225-209 of the French Commercial Code

1. During the financial year, i.e. from 01.04.2010 to 31.03.2011:

A) Market making:

- Shares purchased during the financial year:		44,928 shares
- Shares sold during the financial year:		45,656 shares
- Average share price:	purchase:	€75,20
	sale:	€75,06

B) Share purchase options

- Shares purchased during the financial year:		0 shares
- Average share price:		€0

C) External growth

- Shares purchased during the financial year:		0
- Shares sold during the financial year:		0
- Average share price:	purchase:	0
-	sale:	0

D) Amount of trading fees:
- Market making:
- Expenses incurred on purchases: €0
- Expenses incurred on sales: €0
- Share options purchases:
- Expenses incurred on purchases: €0

E) Reasons for acquisitions: Market making and employee allocations.

F) Fraction of capital in treasury shares: 0.89 %

2. Total

A) Total shares registered in the company name at close of financial year: 52,467 shares
B) Value at purchase price: €4,059,531.20
C) Nominal value of treasury shares: € 3,8 € per share (for a total of €200,058.60)

The special report on share buybacks mentioned in article L 225-209 et al. of the French Commercial code is appended to the present reference document as Paragraph 7.2.

3.2. General information on Laurent-Perrier's capital and shares

3.2.1. Share capital (article 7 of the by-laws)

At March 31, 2011, the capital stock of the company stood at €22,594,271.80, divided into 5,945,861 shares, each with a par value of €3.80, all of the same class.
The number of shares was unchanged throughout the financial year

3.2.2. Stock option plans *(tableau AMF n°8)*

The Joint Ordinary and Extraordinary Shareholders' Meeting of June 29, 2001, July 3, 2003 and July 6, 2006 authorised the Management Board to allocate stock options to employees or executive officers of the Group in accordance with legal provisions and the limits laid down in articles L225-177 et seq. of the French Commercial Code (articles 225-177 and seq.).
It is here specified that the Group has no stock option plans based on the creation of new equity (Plans d'options de souscription d'actions), but only stock option plans (Plans d'option d'achat d'actions) using existing shares.

The Joint Ordinary and Extraordinary Shareholders' Meeting of July 8, 2009 authorised:
1. the Management Board to grant stock options up to a maximum of 210,000 euros to the same beneficiaries as before,
2. along with bonus shares up to a maximum of 1.7% of the Laurent-Perrier capital stock.

These authorisations were granted for a period of 38 months and will have to be renewed in 2012.

Overview of Stock Option allocations

	Date of Shareholders'Meeting													
	26.05.99					29.06.2001			03.07.03			06.07.06		
Management Board Meeting	Plan n°1 11.06.99	Plan n°2 22.10.99	Plan n°3 30.03.00	Plan n°4 25.04.00	Plan n°5 30.03.01	Plan n°6 05.09.01	Plan n°7 26.03.02	Plan n°8 25.03.03	Plan n°9 30.03.04	Plan n°10 08.03.05	Plan n°11 14.03.06	Plan n°12 22.03.07	Plan n°13 18.03.08	Plan n°14 02.04.09
Number of eligible employees and/or executive officers	18	3	22	1	21	3	25	27	30	3	6	5	23	24
Total number of shares purchasable	31,474	4,500 (1)	44,950 (1)	2,250 (1)	44,000 (1)	3,950	66,700 (1)	46,900 (1)	49,400 (1)	18,000	28,000	25,000	34,200	41,300
Corporate officers														
Cumulative former managers (2)	10,624	0,000	16,000	0,000	16,000	2,000	30,000	21,000	21,000	10,000	10,000	10,000	10,000	20,000
Option exercisable as of	12.06.04	23.10.04	31.03.05	26.04.05	31.03.06	06.09.05	27.03.06	26.03.07	31.03.08	09.03.09	15.03.10	23.03.11	19.03.12	03.04.13
Expiry date	10.06.09	21.10.09	29.03.10	24.04.10	29.03.11	04.09.11	25.03.12	24.03.13	29.03.14	07.03.15	13.03.16	21.03.17	17.03.18	01.04.19
Subscription price	€ 33.00	€ 33,90	€ 30,63	€ 29,97	€ 29,62	€ 32,22	€ 27,66	€ 29,78	€ 28,71	€ 34,10	€ 50,38	€ 83,72	€ 98,98	€ 41,00
Exercise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of shares subscribed to at 31/03/2011	24,974	1,000	36,850	2,250	39,300	1,950	55,300	30,300	30,447	4,000	3,000	0,000	0,000	0,000
Cumulative number of stock options cancelled or worthless	6,500	3,500	8,100	0,000	4,700	2,000	8,800	9,800	12,500	0,000	3,000	0,000	0,000	0,500
Stock options remaining at end of FY (31/03/2011)	0	0	0	0	0	0	2,600	6,800	6,453	14,000	22,000	25,000	34,200	40,800

(1) Including allocations for beneficiairies before they left the Group

(2) ie, corporate officers having left their position

3.2.3. Capital authorised but not issued (financial authorisations)

The Joint Ordinary and Extraordinary Shareholders' Meeting of July 8, 2009 authorised the Management Board to increase the share capital on one or several occasions over a period of 26 months through:

- issues of Laurent-Perrier shares or any type of securities giving immediate or subsequent access to Laurent-Perrier shares, with the exception of preferred shares, non-voting priority dividend shares and investment certificates. These issues can be made with or without maintaining the preferential subscription rights of existing shareholders. The maximum total increase in nominal capital that may result from such issues is €10,000,000 for shares and €150,000,000 for debt issues;
- issues of Laurent-Perrier shares through capital increases of up to €10,000,000 through capitalisation of reserves, profits and share premiums.

The authorisations were not implemented by the Management Board at March 31, 2011.
They will need to be renewed at the 2011 General Meeting of Shareholders.

3.2.4. Other securities giving direct or indirect access to the Company's capital

There are no other securities giving access to Laurent-Perrier's share capital either directly or indirectly.

3.2.5 Changes in ownership at March 31, 2011

Date	Nature of transaction	Capital increase or reduction (in FRF unless otherwise stated)	Issue or transfer premiums (in FRF unless otherwise stated)	Change in number of shares	Share capital after the transaction (in FRF unless otherwise stated)
20.02.1939	Creation of Laurent-Perrier-Perrier by asset transfer			36,000	3,600,000
1939 to 1993	Successive capital increases			366,000	36,600,000
10.12.1993	Capital increase	444,500	10,668,000	4,445	40,644,500
27.06.1994	Capital increase through capitalisation of reserves			2,032,225	243,867,000
15.03.1999	Capital decrease by reducing the par value of shares from FRF 100 to FRF 50	121,933,500			121,933 ,500
31.03.1999	Capital increase related to the merger of Galilee Investissements (1)	11,030,400	27,403,170	220,608	132,963,900
26.05.1999	Division of the par value of shares from 50 FRF to 25 FRF			2 659 277	132,963,850
26.05.1999	Conversion of the capital into Euros (€3.80 per share) rounding and decreasing.	€59,703			€20,210,505.20
31.05.1999	Cancellation of treasury shares	(€1,653,820.80)		(435,216)	€18 556 684,40
11.06.1999	Capital increase	€3,510,945.40	€26,978,843.00	923,933	€22,067,629.80
July 1999	Exercise of over-allocation option	€526,642	€4,046,828	138,590	€22,594,271.80
				number of total shares 5,945,861	

In order to simplify and enhance the overall transparency of the Laurent-Perrier Group's legal structure and rationalise its holding company governance, Galilée Investissements, a family investment holding company exclusively owned by members of the de Nonancourt family, was merged with Laurent-Perrier with effect from March 31, 1999.

3.2.6 Breakdown of shareholdings and voting rights

3.2.6.1 At March 31, 2011

Shareholders	Numbers of shares	% capital	% voting rhihts
① Registered family shares (de Nonancourt family)	3 387 882	56,98%	68,98%
② Institutionnal shareholders (registrered shares)(1)	484 096	8,14%	9,93%
③ Other shareholders, including individuals (2)	2 000 253	33,64%	20,68%
④ Shares held through the corporate mutial fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	20 983	0,35%	0,41%
⑤ Treasury shares (3)	52 647	0,89%	-
GRAND TOTAL at 31.03.2011	**5 945 861**	**100%**	**100%**

(1) Including First Eagle Funds Inc, which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 7,5% of the voting rights.

(2) Of which

- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225 –209 et seq. of the French Commercial Code (market making and shares held for allocation to employees).

3.2.6.2 At March 31, 2010

Shareholders	Numbers of shares	% capital	% voting rights
① Registered family shares (de Nonancourt family)	3,387,882	56.98%	69.04%
② Institutional shareholders (registered shares) (1)	513,945	8.64%	10.25%
③ Other shareholders, including individuals (2)	1,955,057	32.89%	20.30%
④ Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	21,108	0.35%	0.41%
⑤ Treasury shares (3)	67,869	1.14%	-
GRAND TOTAL at 31.03.2010	**5,945,861**	**100%**	**100%**

(1) Including First Eagle Funds Inc, which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which

- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.

(4) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225-209 et seq. of the French Commercial Code (market making and shares held for allocation to employees).

3.2.6.3 At March 31, 2009

Shareholders	Numbers of shares	% capital	% voting rights
① Registered family shares (de Nonancourt family)	3 387 882	56.98%	67.27%
② Institutional shareholders (registered shares) (1)	483 945	8.14%	10.53%
③ Other shareholders, including individuals (2)	1 976 892	33.25%	21.77%
④ Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	20 314	0.34%	0.43%
⑤ Treasury shares (3)	76 828	1.29%	-
GRAND TOTAL at 31.03.2009	**5 945 861**	**100%**	**100%**

(1) Including First Eagle Funds Inc, which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 10% of the voting rights.

(2) Of which
- Arnhold and S. Bleichroeder (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc cited above(1) and which further declares that it has no intention of acquiring control of the company.
- Fidelity International which has disclosed that it has crossed the threshold of 5% of the capital and 2.5% of the voting rights.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225-209 et seq. of the French Commercial Code (market making and shares held for allocation to employees).

3.2.7 Major changes in capital ownership since the initial listing on the stock market

Since the initial listing on the stock market, there has been no significant change in the capital ownership and voting rights of the Group.

3.2.8 Changes in share capital

Changes in share capital or in the voting rights attached to shares are governed by law; nothing specific is provided for in the by-laws.

3.2.9 Shareholder pact

To the Laurent-Perrier Group's knowledge, no shareholder pact exists.
In July 2005, the de Nonancourt family Group re-structured its holding in the Laurent-Perrier share capital. Following this transaction, ASN increased its share of the Group's capital and voting rights.

3.2.10 ledges of company shares

To the company's knowledge, no Laurent-Perrier shares were pledged as security in 2010-2011.

All guarantees given by Group companies are shown in section 5.2 of the "Notes to the Consolidated Financial Statements" (Off-balance sheet commitments, paragraph 4.24, p 103 of the present reference document) and in the notes to the parent company financial statements in section 5.4. (note 14, p 116 , Off-balance sheet commitments, of the present reference document).

3.2.11 The Laurent-Perrier share market: prices, trends, trading

Laurent-Perrier shares are listed on Eurolist B of Euronext Paris.

	Monthly opening price (€)	Monthly closing price (€)	Monthly high (€)	Monthly low (€)	Trading volume (shares)	Trading volume (€)
October-09	55,90	54,28	56,00	49,79	128 626	6 851 540
November-09	54,50	53,51	58,22	53,20	50 407	2 825 516
December-09	53,51	54,01	57,23	50,01	35 424	1 899 926
January-10	54,15	62,00	64,90	52,00	77 478	4 624 023
February-10	62,00	56,90	63,79	55,03	24 751	1 444 796
March-10	57,20	59,50	61,00	56,76	50 376	2 936 417
April-10	59,50	70,20	72,00	59,50	59 073	3 898 907
May-10	76,00	68,25	79,64	64,00	53 683	3 699 756
June-10	68,26	68,50	69,00	63,62	36 070	2 398 237
July-10	68,49	68,21	68,75	64,50	57 472	3 849 344
August-10	68,21	68,90	69,65	66,01	24 216	1 654 250
September-10	68,61	82,00	84,00	67,25	79 251	5 871 346
October-10	82,01	80,99	85,00	79,00	58 093	4 757 125
November-10	80,40	79,95	92,00	75,00	91 219	7 510 744
December-10	80,41	80,00	85,00	75,06	78 074	6 305 205
January-11	80,49	75,50	83,80	73,01	49 524	3 890 429
February-11	75,53	74,70	78,15	74,20	34 268	2 626 599
March-11	74,50	79,00	79,00	72,00	44 610	3 407 661

3.2.12 Dividend policy

Laurent-Perrier intends to continue its policy of distributing dividends in the order of 30% of attributable net income (IFRS) insofar as allowed by Laurent-Perrier's business interests.

On May 26, 2011, the Management Board decided to propose to the Joint Ordinary and Extraordinary Shareholders' Meeting on July 6, 2011 a dividend of €0.76 per share in respect of financial year 2009-2010 before social security contributions.
Dividends distributed over the last three financial years were as follows:

Financial year	Dividend per share (€)
2007-2008	€1.40
2008-2009	€0.83
2009-2010	€0.69

After a period of five years, unclaimed dividends are automatically paid to the French Treasury.

3.3 Property, plant and equipment

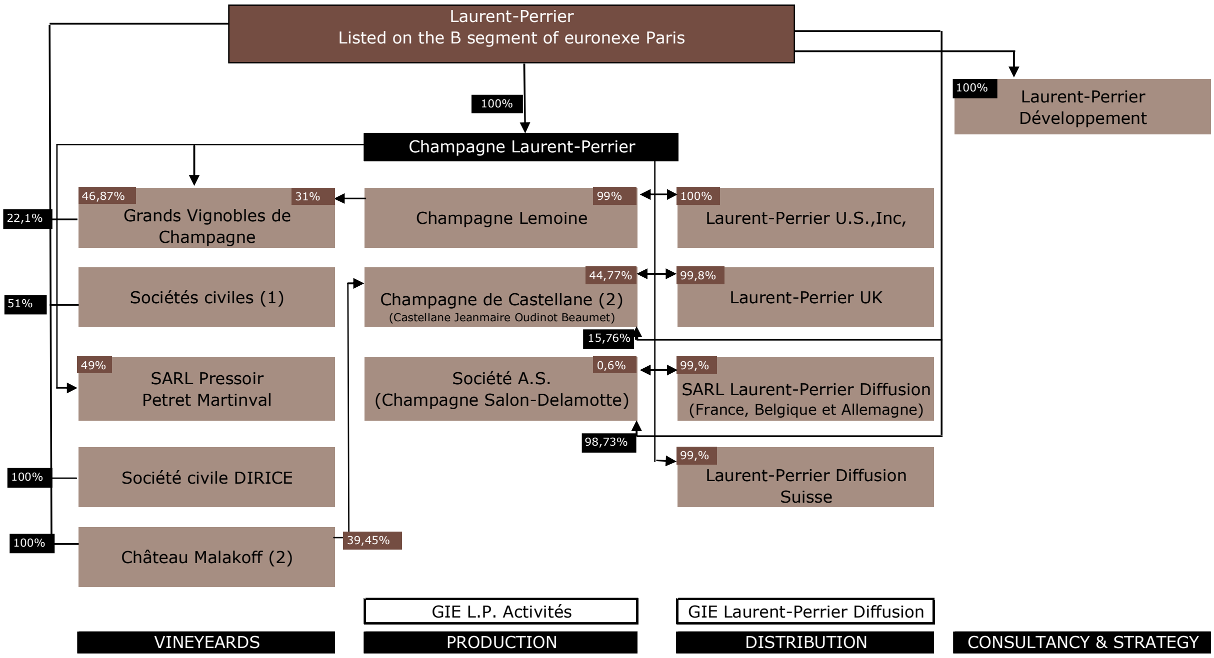
The Group has invested heavily since 2006 to upgrade its production base:

- All wine making is now centralised at a single facility in Tours-sur-Marne after new winery capacity was installed. The large number of tanks means that the crus from the grape harvest can be perfectly separated, while regulation processes guarantee extensive control over every phase of wine-making proper.
- The other production phases (bottling, riddling, disgorging and labelling/packing) are mainly carried out at two facilities in Tours-sur-Marne and Epernay.
- The Group also has three main storage sites in Tours-sur-Marne, Epernay and Châlons-en-Champagne.

At grape harvest time, the Group has three presses at Tours-sur-Marne, Oger and Landreville.

3.4 SIMPLIFIED ORGANISATION CHART OF THE LAURENT-PERRIER GROUP

The following simplified chart shows the legal structure of the Group at March 31, 2011, which is structured around the Laurent-Perrier parent company, Champagne Laurent-Perrier, Champagne de Castellane , its wholly owned (equity and voting rights) main operating subsidiaries.



1) See annex to the consolidated accounts for minority equity interests
2) Partial tender of Château Malakoff assets to Champagne de Castellane.

The chart showing subsidiaries and participations appears in Chapter 5 of the reference document.

4.1 SENIOR MANAGEMENT

4.1.1 The Laurent-Perrier Management Board Group and non-Group directorships

Mandates renewed for two financial periods at the end of the General Meeting of Shareholders called to examine the financial statements for the period ending March 31, 2009, or new appointments made at meetings of the Supervisory Board on May 27, 2010 and March 15, 2011:

	Company directorships over the last 5 years or date of initial appointment	Appointment expires or terminates	Other Group directorships	Other non-Group directorships
Mr Michel Boulaire, Chairman Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 27,2010	Supervisory Board meeting held following the 2011 General Meeting of Shareholders	See table of positions and offices	None
Ms Alexandra Pereyre de Nonancourt*, member and General Director Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2011 General Meeting of Shareholders	See table of positions and offices	None
Ms Stéphanie Meneux de Nonancourt*, Member and General director Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2011 General Meeting of Shareholders	See table of positions and offices	None
Mr Etienne Auriau, member Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 27,2010	Supervisory Board meeting held following the 2011 General Meeting of Shareholders	See table of positions and offices	None
Mr Michel Fauconnet, member Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 27,2010	Supervisory Board meeting held following the 2011 General Meeting of Shareholders	See table of positions and offices	None

* Mss Alexandra Pereyre de Nonancourt and Stéphanie Meneux de Nonancourt are the daughters of the Founder-Chairman of Laurent-Perrier, Mr Bernard de Nonancourt, who died on October 29, 2010, and his wife, Claude de Nonancourt.

4.1.2 The Laurent-Perrier Supervisory Board

Supervisory Board members are appointed for a term of six years.
Group and non-Group mandates:

Directors Date of initial appointment expires	Other Group and non-Group mandates at March 31, 2011
Maurice de Kervénoaël[1] *Chairman*: July 7, 2005 - 2011 Business address: MDK Consulting 20, rue Vignon 75009 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Manager of Consultancy company - Managing Director of MDK Consulting - Chairman of Hermès International Audit Committee - Director, Deputy Chairman, Hermès International - Directeur ONET - Chairman of Mellerio International
François Philippoteaux *Deputy Chairman* *Member: July 11, 1996 – 2014* Former Chief Executive of Laurent-Perrier	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
Michel Chiron[1] *Member*: July,7 2005- 2011	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman of the Supervisory Board of Partner-Jouet Management Chartered accountant and former statutory auditor
Bernard de La Giraudière *Member*: July, 1996 – 2014 Former Chief Executive of Laurent-Perrier	Other Laurent-Perrier Group mandates: - Chairman of Laurent-Perrier UK Non-Laurent-Perrier Group mandates: - Chairman of Spirited Co. Limited
Claude de Nonancourt *Member*: July 11 1996 - 2014 *Family tie*: wife of Bernard de Nonancourt	Other Laurent-Perrier Group mandates: see table of positions and offices Non-Laurent-Perrier Group mandates: none
Yann Duchesne[1] *Member*: July 3 2003 - 2015 *Business address*: Doughty & Hanson 45 Pall Mall London SWY 5 JG United Kingdom	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Senior Associate Doughty & Hanson investment fund - Chairman of the Supervisory Board of Saft - Chairman, Balta - Chairman, KP1 - Director, IPSOS - Director, TUMI - Director, HDF Finance
Grant Gordon[1] *Member*: October 26, 1999 - 2011 *Business address*: 32 Buckingham Palace Road London, SW1 W ORE United Kingdom	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Director General, Institute for Family Business (UK)

Éric Meneux *Member*: October 26, 1999 - 2011 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Medical Doctor, surgeon at the Clinique Sainte Isabelle and the American Hospital, Neuilly-sur-Seine
Jean-Louis Pereyre *Member*: December 20, 1994 - 2012 *Family tie*: husband of Alexandra Pereyre de Nonancourt, member of the Management Board	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services

(1) Independent members of the Supervisory Board.

Supervisory Board Committees:
Several committees met over the course of the financial year.

The Strategy Committee is tasked with monitoring Company growth and presenting strategy proposals for the Laurent-Perrier Group to the Supervisory Board as a whole. The Strategy Committee members are Yann Duchesne (Vice President), Maurice de Kervénoaël, Éric Meneux, François Philippoteaux, Jean-Louis Pereyre, Management Board members, Alexandra Pereyre de Nonancourt, Stéphanie Meneux de Nonancourt, Michel Boulaire, Etienne Auriau and Michel Fauconnet.

The Liaison Committee replaced the Executive Committee on January 1, 2009. It meets once a month to examine the company's indicators and the results and profitability of the Group's products and countries where it operates.
The Committee is chaired by Maurice de Kervénoaël. Alexandra Pereyre, Stéphanie Meneux, Michel Boulaire, Etienne Auriau, and Michel Fauconnet are permanently invited to be present at meetings.

The Audit and Financial Communication Committee examines the Company's financial results for each reporting period and ensures they are communicated to shareholders. Its role is to ensure the quality of the accounting methods and internal procedures, review the statutory and consolidated financial statements before they are presented to the Supervisory Board, and ensure the quality of the financial information provided to shareholders. Members are Bernard de La Giraudière, Éric Meneux, and Claude de Nonancourt, with Michel Chiron as Chairman.

The Remuneration and Corporate Governance Committee recommends the remuneration levels of Supervisory and Management Board members, proposes authorisations governing the stock-option plans and their application to Management Board members. It provides opinions on the Group's executive remuneration policy, ensures that conflicts of interest are avoided or resolved and determines and implements the Company's corporate governance policy.
Members are Michel Chiron, Grant Gordon and Jean-Louis Pereyre, with Yann Duchesne as Chairman.

Internal controls
Paragraph 4.5. of the present reference document contains the Report of the Chairman of the Supervisory Board on the preparation and organisation of its work and on the internal control procedures put in place by the Group.

List of positions and offices held in Group Companies by the executive officers as at March 31, 2011.

Company Executive Officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff
SUPERVISORY BOARD					
Maurice de Kervénoaël	Chairman of the Supervisory Board				
Michel Chiron	Member of the Supervisory Board				
Bernard de La Giraudière	Member of the Supervisory Board				
Grant E. Gordon	Member of the Supervisory Board				
Éric Meneux	Member of the Supervisory Board				
Claude de Nonancourt	Member of the Supervisory Board		Director		
Jean-Louis Pereyre	Member of the Supervisory Board				
François Philippoteaux	Vice Chairman of the Supervisory Board	Vice Chairman of the Supervisory Board			
Yann Duchesne	Member of the Supervisory Board				
MANAGEMENT BOARD					
Michel Boulaire	Chairman of the Management Board	Chairman of the Management Board	Chairman of the Board of Directors		Chairman
Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	Permanent representative of LP, member of the Supervisory Board	Permanent representative of CLP, Director	Chairman of the Board of Directors	
Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	Member of the Management Board			
Etienne Auriau	Member of the Management Board		Chief Executive Officer		
Michel Fauconnet	Member of the Management Board			Chief Executive Officer	

4.1.3 Potential conflicts of interest and corporate governance

Conflicts of interest

There are no potential conflicts of interest for the members of the Supervisory Board or members of the Management Board between their duties towards Laurent-Perrier and their private interests.

At the present date and to the Company's best knowledge over at least the past five years, no director or member of the Supervisory Board occupying a Company position at March 31, 2011:
- has been found guilty of fraud,
- has been associated with any bankruptcy, had his/her assets seized or attached or been put into liquidation,
- has been found guilty of any offence and/or been subject to official censure by statutory or regulatory authorities,
- has been banned by any court from acting as director, manager or member of the supervisory board of any company issuing shares or from being involved in the management or the running of any company issuing shares over at least the last five years.

There is no arrangement or agreement between the main shareholders, clients, suppliers or others by virtue of which one or other of the persons enumerated in Chapter 4 of the present reference document has been selected as a member of a Board, Management or Supervisory level structure or as a member of the General Management thereof.

Corporate governance

The Group considers that its practices comply with French corporate governance requirements.

4.2 GLOBAL AMOUNT OF TOTAL REMUNERATION AND FRINGE BENEFITS OF ALL SORTS PAID OUT EITHER DIRECTLY OR INDIRECTLY BY LAURENT-PERRIER OR OTHER GROUP COMPANIES DURING THE FINANCIAL YEAR

The Laurent-Perrier Group has opted to voluntarily refer to the AFEP-MEDEF code of corporate governance (available, in French, at www.medef.fr) in order to integrate its best corporate governance practice and recommendations for listed companies into the Group's operating methods and oversight and management structures.

4.2.1 Members of the Management Board

Table showing compensation and options and shares allocated to each company executive officer *(tableau AMF n°1)*

Name and function of executive officer	2009-2010	2010-2011
Michel Boulaire, *President of Management Board*		27.05.2010 to 31.03.2011
Compensation for the period (breakdown below)	NA	€ 142,676
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total *		**€ 142,676**
Alexandra Pereyre, *member of the Management Board and Chief Executive Officer*		du 01.04.2010 to 31.03.2011
Compensation for the period (breakdown below)	€ 111,598	€ 100,000
Value of options allocated durig the period	none	
Valuation of performance shares allocated in FY	none	
Total	**€ 111,598**	**€ 100,000**
Stéphanie Meneux, *member of the Management Board and Chief Executive Officer*		01.04.2010 to 31.03.2011
Compensation for the period (breakdown below)	€ 111,607	€ 100,008
Value of options allocated durig the period	none	
Valuation of performance shares allocated in FY	none	
Total	**€ 111,607**	**€ 100,008**
Etienne Auriau, *member of the Managment Board*		27.05.2010 to 31.03.2011
Compensation for the period (breakdown below)	NA	€ 123,333
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total		**€ 123,333**
Michel Fauconnet, *member of the Managment Board*		27.05..2010 to 31.03.2011
Compensation for the period (breakdown below)	NA	€ 120,417
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total		**€ 120,417**

* Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €103,914 in respect of miscellaneous services rendered.

Breadown of compensation for company executive officers
(Tableau AMF n°2)

	Due	Paid	Due	Paid
Michel Boulaire			27.05.2010 to 31.03.2011	
Fixed compensation			€ 142,676	€ 142,676
Performance-related compensation	N/A	N/A	0 €	0 €
Exceptional compensation			0 €	0 €
Director's fees			0 €	0 €
Benefits in kind			0 €	0 €
Total *	**€ 0,000**	**€ 0,000**	**€ 142,676**	**€ 142,676**
Alexandra Pereyre			du 01.04.2010 au 31.03.2011	
Fixed compensation	€ 57,960	€ 57,960	€ 57,960	€ 57,960
Performance-related compensation	*	€ 6,750		€ 11,598
Exceptional compensation	€ 0,000	€ 0,000	0 €	0 €
Director's fees	€ 42,040	€ 42,040	€ 42,040	€ 42,040
Benefits in kind	€ 0,000	€ 0,000	0 €	0 €
Total	€ 100,000	€ 106,750	**€ 100,000**	**€ 111,598**
Stéphanie Meneux			du 01.04.2010 au 31.03.2011	
Fixed compensation	€ 100,008	€ 100,008	€ 100,008	€ 100,008
Performance-related compensation	*	€ 6,751	0 €	€ 11,599
Exceptional compensation	0 €	0 €	0 €	0 €
Director's fees	0 €	0 €	0 €	0 €
Benefits in kind	0 €	0 €	0 €	0 €
Total	**€ 100,008**	**€ 106,759**	**€ 100,008**	**€ 111,607**
Etienne Auriau			27.05..2010 to 31.03.2011	
Fixed compensation	N/A	N/A	€ 123,333	€ 123,333
Performance-related compensation			0 €	€ 12,590
Exceptional compensation			0 €	0 €
Director's fees			0 €	0 €
Benefits in kind			0 €	0 €
Total			**€ 123,333**	**€ 135,923**
Michel Fauconnet			27.05.2010 to 31.03.2011	
Fixed compensation	N/A	N/A	€ 120,417	€ 120,417
Performance-related compensation			0 €	€ 127,022
Exceptional compensation			0 €	€ 16,000
Director's fees			0 €	0 €
Benefits in kind			0 €	0 €
Total			**€ 120,417**	**€ 263,439**

*Performance-related pay is linked to achieving the Group's results and certain individual targets. The amount will be calculated during the first half of 2011

** Total to which should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of €103,914 in respect of miscellaneous services rendered.

Social Status of Chief Executive Officer
(AMF Table No.10)

Executive officers	Employment Contract		Supplementary pension regime		Indemnities or benefits due or likely to be due subsequent to cessation or change of functions		Indemnities linked to non-compete clause	
	yes	no	yes	no	yes	no	yes	no
Michel Boulaire		no		no		no		no

ie 4.5 of this present document

Complementary retirement pension

The provisions and reserves by the Company and its subsidiaries for general and retirement pensions and other benefits together total K€1,240.18, broken down as follows.

Additional retirement pension

- nature of commitment, “defined benefits – article 39 of French tax code”
- commitment calculation method, +15% of salary in 12 months preceding retirement date.

	Stéphanie Meneux	Alexandra Pereyre	Etienne Auriau	Michel Fauconnet
Defined benefit pension	148.2	164.2	82.6	485.2

It should be noted that supplementary-pension related benefits have been factored in to the package negotiated with senior executives.

Stock options allocated

(AMF Table No.4)

Stock options allocated to each executive officer for the period						
Options allocated to each executive officer by the issues and all Group companies	No. and date of plan	Type of Options (purchase or subscription)	Value of options using the method chosen in the consolidated financial statements	Number of options allocated during the accounting period	Exercise price	Exercise period
None						

Stock options exercised

(AMF Table No.5)

Option exercised by executive officers	No. and date of plan	Number of options exercised during the financial year	Exercise price	Exercise period
Michel Fauconnet	N°7 26/03/2002	2 034	€ 27,66	27/3/2006 to 25/3/2012
	N°9 30/03/2013	1 750	€ 28,71	31/3/2008 to 29/3/2014

Bonus performance shares allocated

(AMF Table No.6)

Bonus performance shares allocated to each cororate executive officer					
Bonus performance shares allocated during the FY to each corporate executive officer by issuer and any Group compagny	No.and date of plan	Number of options exercised during the financial year	Valuation of shares by method used in consolidated financial statements	Acquired	Available
None					

Bonus performance shares now available

(AMF Table No.7)

Performance shares becoming available during the FY for each corporate officer			
Performance shares available for each corporate executive officer by issuer and by any Group company	No. and date of Plan	Number of shares becoming available during the FY	Acquisition conditions
None			

4.2.2 Members of the Supervisory Board

(Tableau AMF n°3)

Supervisory Board members	Amount paid in 2009-2010	Amount paid in 2010-2011
Maurice de Kervénoaël		
Attendance fees	néant	
Other remuneration	109,1K€*	191,2 K€*
François Philippoteaux		
Attendance fees	24,2 K€	24,2 K€
Other remuneration		
Bernard de La Giraudière		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Michel Chiron		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Yann Duchesne		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Grant Gordon		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Eric Meneux		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Claude de Nonancourt		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		
Jean-Louis Pereyre		
Attendance fees	16,7 K€	16,7 K€
Other remuneration		

*o/w payment of fees for services rendered paid to MDK Consulting, Managed by Maurice de Kervénoaël.
No loans or sureties were granted by Laurent-Perrier to members of the Management Board or Supervisory Board.
In the two years preceding the publication of the present reference document there is no contract which a member of the Management Board or Supervisory Board has left.

4.3 STOCK OPTIONS GRANTED TO GROUP OFFICERS AND THE TOP 10 NON-OFFICER EMPLOYEES

(AMF Table No.9)

4.3.1. This report has been prepared by the Company's Management Board in compliance with article L 225-184, paragraph 2 of the French Commercial Code as amended by Law 2008-1258 adopted on December 3, 2008, and with article D 174-20 of the decree of March 23, 1967, to inform shareholders of options granted by the Company and controlled companies in the year ended March 31, 2011 to:

- Officers ("*mandataires sociaux*") of the Company and controlled companies in connection with offices or functions held,
- The ten non-officer employees having received the largest number of stock options during the period.

In compliance with the provisions of the aforementioned article L 225-184, amended, the table below outlines the number, exercise dates and option prices of the stock options granted in the year ended March 31, 2011, to the grantees enumerated below in respect of the authorisation conferred by the Joint Extraordinary and Ordinary General Meetings of Shareholders held on July 8, 2009.

	Number of options granted	Expiry date	Option price
1) Officers			
	None		
2) Employees receiving the largest number of options who are not officers			
	None		

4.3.2. Furthermore, in application of the provisions of the aforementioned article L.225-184 of the French Commercial Code, this report must provide the number and the prices at which stock options entitling holders to acquire shares in the Company or the controlled companies were exercised by Group officers and by the ten non-officer employees of the Group exercising the largest number of options

Beneficiaries	Plan n°6 of 04.09.01	Plan n°7 of 26.03.02	Plan n°8 of 25.03.03	Plan n°9 of 30.03.04	Plan n°11 of 14.03.06	Total
Exercise periode	from 06.09.05 to 04.09.11	from 27.03.06 to 25.03.12	from 27.03.06 to 25.03.12	from 30.03.08 to 29.03.14	from 15.03.10 to 15.03.16	
Exercise price	32,22 €	27,66 €	29,78 €	28,71 €	50,38 €	
	shares raised					
1) Officers						
Michel Fauconnet		2 034		1 750		3 784
2) Non officers employes exercising the largest number of actions						
	750	1 600	63	5 297	3 000	10 710

NB: The historical series of stock options allocations *(AMF Table No.8)* is set out in section 3.2.2. of the present reference document.

4.4 PROTECTIVE MEASURES IMPOSED ON SENIOR EXECUTIVES

The Laurent-Perrier Supervisory Board has decided that with respect to shares obtained by exercising share options allocated from 2007, the following protective measures shall apply:

- shares to retain: Laurent-Perrier shares;
- beneficiaries concerned, and % of shares to retain:
  - Chairman of the Management Board: the Chairman of the Management Board shall retain 20% of the shares obtained by exercising share options as of the allocation of 2007. The number of shares to retain shall be calculated and retained at the time of each allocation of share options.
  - Operations Committee members: each member of the Operations Committee shall retain 20% of the shares obtained by exercising share options as of the allocation of 2007. The number of shares to retain shall be calculated and retained at the time of each allocation of share options.
- End of requirement to retain shares:
  - For the Chairman of the Management Board: the shares to be retained, obtained by exercising share options, may be sold on as of the first day after the Chairman relinquishes his duties as Chairman of the Management Board and at the end of any employment contracts he may have.
  - Operations Committee members: the shares to be retained, obtained by exercising share options, may be sold on as of the first day after the end of any employment contracts they have.

4.5 REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD AND ON THE INTERNAL CONTROL PROCEDURES IMPLEMENTED BY LAURENT-PERRIER.

The present report has been drawn up in accordance with Article L 225-68 of the French Commercial Code in order to present the conditions for the preparation and organisation of the work of the Supervisory Board, together with the internal control procedures, to the General Meeting of Shareholders. The report has been drawn up with the assistance of the Group Finance Department.

A. COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICE

The Laurent-Perrier Group has opted to voluntarily refer to the AFEP-MEDEF code of corporate governance (available, in French, at www.medef.fr) in order to integrate its best corporate governance practice and recommendations for listed companies into the Group's operating methods and oversight and management structures.

- Principle of balanced male-female representation on the Laurent-Perrier Supervisory Board:
  As at March 31, 2011, the Laurent-Perrier Supervisory Board meets the requirements of the Law of 27 January 2011, as the Supervisory Board has more than 10% female representation.

- Nationality of members of the Laurent-Perrier Supervisory Board:
  Over 10% of the members of the Laurent-Perrier are not French nationals.

B. PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD

B.1. Composition and role of the Supervisory Board

As at March 31, 2011 the Laurent-Perrier Supervisory Board comprised nine members, including four independent members in the sense of the AFEP-MEDEF code of corporate governance.
The make-up of the Supervisory Board is set out in Annex 1.

The Supervisory Board appoints the Management Board and the General Shareholders' Meeting may terminate its mandate. In accordance with the law, it is responsible for the permanent oversight of the Company's management by the Management Board and under the terms of the Company by-laws authorises the following operations:
- draw up or modify the Laurent-Perrier Group multi-year corporate plan;
- execute or authorise all operations likely to substantially affect Group strategy, its financial structure or scope of activity and notably likely to substantially modify the image of Group brands;
- issue, even on the authorisation of the General Shareholders' Meeting, securities of any nature whatsoever resulting in or likely to result in an increase in the legal capital (or to enter into any undertakings whatsoever in this respect);
- grant remuneration or rights to securities issued by the Company to all members of the Management Board;
- execute the following transactions (or enter into any undertaking in this respect) when they individually and severally exceed an amount or, where applicable, a period of time set by the Supervisory Board, (it being understood that the present statutory provision shall only apply in cases where the Supervisory Board has set such amounts):
  - i) any and all subscriptions, purchases or disposals with respect to securities,
  - ii) any and all immediate or deferred purchase in any and all legal or de facto groups or companies,
  - iii) any and all asset transfers or exchanges, with or without a balancing cash adjustment, for goods or securities,
  - iv) any and all acquisitions or disposals of property assets or rights,
  - v) any and all acquisitions or disposals of receivables, businesses or other intangible assets,
  - vi) any and all initiatives with a view to granting or obtaining all loans, credits or overdraft facilities,
  - vii) any and all distribution contracts or, more generally, marketing contracts and any and all supply contracts,
  - viii) any and all transactions and compromises in the event of a dispute.

B.2. Exercise of Roles and responsibilities

The Supervisory Board meets at least four times a year to discuss an agenda drawn up by its chairman. During the 2010-2011 financial year, the Supervisory Board met on five occasions. The attendance rate of its members was as follows:

Date	Important points on the agenda	Attendance rate
27.05.2010	Approval of the corporate accounts and the consolidated financial statements to March 31,2010	80%
06.07.2010	Budget for 2011-2012 financial year	80%
07.07.2010	Distribution of Directors' fees	80%
34.11.2010	Situation of the company in the first quarter of 2010-2011 financial year	80%
15.03.2011	Examination of estimated net income on March 31, 2011 Situation of the Company Provisional accounts at March 31, 2011 Budget for 2011-2012 financial year	100%

Full details of all significant transactions are notified to the Supervisory Board.
To date the Supervisory Board has not carried out any appraisal of its own operation. This question will be put on the agenda of its meetings in the coming months.

B.3. Committees

The Supervisory Board has set up four committees:

The Strategy Committee is responsible for studying the development of the Company and presenting strategy proposals for the Laurent-Perrier Group to the full Supervisory Board. The Strategy Committee members are Yann Duchesne (Deputy Chairman), Maurice de Kervénoaël, Eric Meneux, François Philippoteaux, Jean-Louis Pereyre, Michel Boulaire, Alexandra Pereyre; Stéphanie Meneux, Michel Boulaire, Etienne Auriau and Michel Fauconnet.

The Liaison Committee meets monthly and examines the Company's' key performance indicators and the results and profitability of the Group's products and countries where it operates. It also oversees the Group's development activities. It is chaired by Maurice de Kervénoaël.

The Audit and Financial Communication Committee deals with and analyzes corporate results, and disclosing these to shareholders. Its role is to ascertain the quality of accounting methods and internal procedures, examine the consolidated corporate accounts and financial statements before their submission to the Supervisory Board, and oversee the quality of financial communication to shareholders. The Committee is chaired by Michel Chiron. The other members are: Bernard de La Giraudière, Éric Meneux, and Claude de Nonancourt. In accordance with the recommendations of the MEDEF employers' body, at least one member of the Audit Committee is a qualified person with respect to financial affairs and accountancy.

The Remuneration and Corporate Governance Committee is in charge of selecting members of the Supervisory Board and Management Board and recommending conditions for their compensation and proposes authorisations governing the stock-option plans and their application to Management Board members. It provides opinions on the Group's executive remuneration policy.
It also ensures that conflicts of interest are avoided and determines and implements the Company's corporate governance policy. The Committee is chaired by Yann Duchesne. The other members are Michel Chiron, Grant Gordon and Jean-Louis Pereyre.

During FY 2010-2011 the Remuneration and Corporate Governance Committee was required to examine and issue a recommendation concerning the performance-related compensation of the members of the Management Board on the basis of the results of FY 2009-2010.

The remuneration of Supervisory Board members is based on the following criteria:
- Group operating income,
- adjusted current income corrected for goodwill,
- qualitative criteria based on targets set by the Chairman of the Supervisory Board.

Laurent-Perrier, whose roots are in the Champagne region, has always sought to reconcile an ethical approach and the need to attract and recruit the most suitable executives to develop the

Group while simultaneously safeguarding its financial independence and family-owned character. To meet these fundamental criteria, Laurent-Perrier has implemented what seems to it to be the most suitable compensation policy:

- no excessive severance indemnity packages have been provided,
- a reasonable stock option allocation policy considered as a key motivation factor guaranteeing the future success of the Group, and pursued with no windfall effect in relation to stock market prices,
- a Chairman of the Management Board who is an Executive Officer only.
- a so-called "defined benefits" plan, as an incentive for senior executives to consider making a long-term career in the Group.

Laurent-Perrier also hopes to improve Group Corporate Governance practice via its Supervisory Board and its several Committees.

C. INTERNAL CONTROL PROCEDURES

C.1. System of Controls

The Group's internal control system is centralised. Internal control structures and procedures are defined on behalf of the Group by the central departments at Group Head Office.
The Group has begun changing its main IT applications to migrate them towards an integrated system.
The Group has decided to create a function dedicated to continuous improvement. The aim is to identify company processes that do not operate satisfactorily. A manager is appointed for each process. He or she set up a working group and recommend improvement solutions with a detailed timetable. Once the solutioin has been adopted, it needs to be documented and included in the procedures database to put its application on a perment footing.

Legal oversight
As part of the Group Finance department, the Legal Affairs department centralises and coordinates all legal aspects. The Legal Affairs department oversees the legal secretariat of all Group subsidiaries. Intellectual and industrial property is a major issue for the Group and it is closely monitored and updated internally, with the support of external legal practices.

Budget approach and financial management reporting
The Group's budgetary approach is broken down on a departmental basis and is a key component in the control of financial activities. The General Management's strategic choices are set out in an annual Business Plan and are then cascaded by management to all staff. The Group's budgetary approach is the main means of giving clear operational expression to the strategic directions.
The Group's Management Control department is tasked with organising the budget process and ensuring that operational staff are helped when drawing up their annual budgets, monitoring them and implementing the planned improvement initiatives. It also acts as a coordinating and centralisation agency and one that ensures consistency in budget and management reporting.

Administrative and Financial
Regular budget monitoring by fiscal entity and Department can help identify any mismatches with the planned activity levels or spending.

C.2. Control and management bodies

The Supervisory Board
The Supervisory Board exercises control over the management of the Laurent-Perrier Group based on the reports of the Management Board forwarded to it via the Liaison Committee, and on the work of the Audit and Financial Communication Committee.

Each year, during the last quarter of the financial year, an annual plan is drawn up to set targets and quantify the major strategic options. Once this plan has been drawn up at the level of each entity, it is used as a yardstick for the following year for measuring the Company's performance and defining any necessary remedial actions.
The Supervisory Board has been informed of the main thrust of risk management policy, and of the measures to implement in order to strengthen the role of the Audit Committee whose remit has been extended by current regulations to cover:

- the effectiveness of internal control mechanisms,
- control over financial information and control over procedures to draw up the consolidated accounts.

The Management Board
The Management Board exercises control over risk management based on existing reporting, and in particular on the work of the Finance, Accounts and Financial Control departments, as well as by examining investment and spending decisions.

The Management Board approves the budget and endorses all investments and significant contractual undertakings. Investment proposals are submitted to the Management Board by departments for approval.

The Management Board is regularly informed of the main risks identified and the means employed to mitigate them.

C.3. Internal control procedures for drawing up and processing accounting and financial information

Statutory consolidation
A balance sheet, profit and loss statement, and consolidated cash-flow statement are generated and published twice yearly.

The Laurent-Perrier Group's Accounts Department draws up a calendar of tasks and specifies the methods for preparing the consolidation documents to be forwarded to the Accounts Departments or to the different entities.

In particular, inventories are checked by physical stock-taking at the end of each accounting period and reconciliations are also carried out between book values and those declared to the French customs authorities as required by regulations.
Precise procedures also exist to gauge the provisions needed to cover identified risks and notably non-recovery risks in connection with certain trade receivables.

Every month, the accounts are closed and analysed by the Management Control Department to ascertain that management indicators and accounting data are consistent.

Checks are carried out as follows:
- Twice yearly: an evaluation of contingency and loss provisions and of trade receivables provisions, and an audit by the Statutory Auditors and/or a review of accounts by the Statutory Auditors for all Group entities;
- Once a year: physical stock-taking;
- Once a month: the accounts are closed and any differences analysed, while late payment by customers is monitored;
- Continuously: monitoring of consumption of provisions, reconciliation of accounts, consistency controls by the Management Control department, and monitoring of debt levels relative to credit lines granted by the banks.

Financial management and consolidation documents are presented by the Finance Department to the Supervisory Board every quarter.

D. PRINCIPLES AND RULES USED IN SETTING THE COMPENSATION OF SENIOR MANAGEMENT

D.1. Corporate governance practice

Laurent-Perrier is attentive to the rules of business ethics and corporate governance.
The Laurent-Perrier reference document sets out the Corporate Governance Provisions enshrined in the Code of Corporate Governance drawn up by representative business organisations and in the recommendations of the AMF, adapting them to companies governed by Management Board and Supervisory Board.

D.2. Executive compensation

Compensation rules for Laurent-Perrier have been substantively the same for many years.
- Creation of a Remuneration and Corporate Governance Committee.
- Executive compensation voted by the Supervisory Board following recommendations from the

Remuneration and Corporate Governance Committee.
- The breakdown of compensation components reflects the risks and responsibilities attached to the function.
- Adoption of standardised presentation of Executive compensation in the reference document.

E. ARRANGEMENTS CONCERNING SHAREHOLDER PARTICIPATION AT THE GENERAL SHAREHOLDERS' MEETING

The company by laws stipulate the following:

Article 8: Form of shares and other securities
The securities issued by the company are in the form of bearer shares or registered shares in accordance with the conditions set out in the currently applicable legislation.

Article 12: Rights and obligations attached to shares
All shares are in the same category and confer the same rights and obligations, subject to their being fully paid up and without prejudice to the imperative applicable legal conditions at the time and to the provisions of the present Bylaws.
Ownership of a share legally requires acceptance of the present Company Bylaws and of the decisions taken at General Shareholders' Meetings.
The heirs, creditors, assigns or other representatives of a shareholder shall not, on any pretext whatsoever, request that the goods and securities of the Company be put under seal, nor request the Company's break-up or auctioning, nor interfere with the actions of its administration. To exercise their rights, they shall refer to the "inventory" accounting ledgers and to the decisions of the General Shareholders' Meetings.
The General Shareholders' Meeting may require a splitting or consolidation of shares in accordance with the applicable legal conditions at the time.
Each time it is necessary to own several securities, and shares in particular, to exercise a given right, in the event of a swap, consolidation, split or allocation of shares, or as a result of a capital increase or reduction, merger or other corporate transaction, the owners of single shares or shares in insufficient number to that required shall be personally responsible for consolidation and, where appropriate, purchase or sale of the required shares.

Article 18: General Shareholders' Meetings

1. Except for those provisions set out in the present Bylaws, the rules relative to General Shareholders' Meetings, and notably with respect to convening and holding them, and to communication and information rights of shareholders, are those provided for in the currently applicable legislation.
With respect to calculating the quorum or a majority, those shareholders deemed present include shareholders attending the Meeting over a video link or over a telecommunications link allowing them to be identified, whose type and application conditions comply with regulatory provisions.
General Shareholders' Meetings are held at the registered office or at any other venue notified on the invitation to attend.

2. Should they deem it opportune, and provided such is notified in the invitation to attend (and also, where appropriate, in the notice of meeting), the Management Board or the Supervisory Board may subject the right to attend General Shareholders' Meetings:
- with respect to shareholders bearing registered shares, to registration of shares in the bearer's name at least five (5) calendar days before the date of the General Shareholders' Meeting;
- with respect to shareholders holding bearer shares, to deposit of the bearer share deposit certificate, pursuant to Article 136 of Decree 67-236 issued on March 23, 1967, at least five (5) days before the date of the General Shareholders' Meeting.

3. Subject to the foregoing, the voting rights attached to shares are proportional to the portion of capital they represent.
These rights are exercised in accordance with the currently applicable legal provisions.

However, voting rights that are double those conferred on other shares in respect of the portion of capital that they represent are automatically conferred on all fully paid-up shares for which registration can be proved for four full years in the name of the same shareholder according to the applicable legal conditions and provisions.

Furthermore, and without limitation, in the event of a share split or consolidation, and also in the case of a capital increase by incorporation of reserves, earnings or issuance premiums, double voting rights are conferred, from the date of issuance, on registered bonus shares allocated to shareholders in connection with the old shares entitling them to double voting rights.

Shareholders with double voting rights may waive such voting rights either temporarily or definitively, either conditionally or unconditionally, revocably or irrevocably, by notifying such by recorded delivery mail sent to the Company head office no later than 30 (thirty) calendar days before the convening of the first General Shareholders' Meeting at which the waiver shall apply.

F. FACTORS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC OFFERING

The factors below are highlighted in order to ensure transparency as regards factors which may influence share prices.

F.1. Direct or indirect holdings in company equity at March 31, 2011

Shareholders	Numbers of shares	% capital	% voting rhihts
① Registered family shares (de Nonancourt family)	3 387 882	56,98%	68,98%
② Institutionnal shareholders (registrered shares)(1)	484 096	8,14%	9,93%
③ Other shareholders, including individuals (2)	2 000 253	33,64%	20,68%
④ Shares held through the corporate mutial fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	20 983	0,35%	0,41%
⑤ Treasury shares (3)	52 647	0,89%	-
GRAND TOTAL at 31.03.2011	**5 945 861**	**100%**	**100%**

(1) Including First Eagle Funds Inc, which to the best of the Group's knowledge holds more than 7.5% of the capital and more than 7,5% of the voting rights.

(2) Of which
- First Eagle Investment Management, LLC (US Investment Advisor) which has disclosed that it has crossed the threshold of 10% of the capital and 10% of the voting rights, including First Eagle Funds Inc cited above(1) and which further declares that it has no intention of acquiring control of the company.
- FIL Limited (Fil international, a fund manager) which has disclosed that it has crossed the threshold of 2.5% of the capital and 2.5% of the voting rights.

(3) Treasury shares: this mainly corresponds to shares acquired under the provisions of articles L 225 –209 et seq. of the French Commercial Code (market making and shares held for allocation to employees).

F.2. Rules applicable to the appointment and replacement of the Management Board and to amendments to company Bylaws.

"Article 13 of the company Bylaws

1. 1. Except for that which is provided for in the present Bylaws, the rules concerning the Management Board, and notably its make-up, *modus operandi* and remit are those provided for in currently applicable legislation.

2. The number of members in the Management Board is set by the Supervisory Board in compliance with currently applicable legislation.
The maximum age for a member of the Management Board is set at 75 (seventy-five) years and all members of the Management Board shall resign from their positions following the General Shareholders' Meeting called to approve the accounts of the financial year in which the member(s) reach(es) the age of 75 (seventy-five) years.

3. The Management Board is appointed for a term of two (2) years and its functions terminate following the General Shareholders' Meeting called to approve the accounts of the financial year just ended held in the financial year in which the Management Board's mandate expires.
All members of the Management Board are eligible for re-election.
In the event of a vacancy, the Supervisory Board shall designate a replacement or agree to abolish the vacant position within two months of its becoming vacant subject to compliance with the currently applicable legal limit.

4.

a) The Management Board meets as often as the interests of the Company so require and, in all cases provided for under the currently applicable legal provisions; it shall meet, notably, to discuss all transactions that require the prior authorisation of the Supervisory Board.
The Management Board may be convened by any available means, even by word of mouth, by its chairman or by at least two of its members, or, if the Management Board has not convened for 15 (fifteen) calendar days on the day it is convened, by a single member. Meetings take place at the registered office or at any other location indicated in the invitation to attend.
The agenda may be decided at the start of the meeting.

b) For the discussions of the Management Board to be valid, two-thirds at least of its acting members must be present or represented.
For the decisions of the Management Board to be valid, they must be agreed by a majority of the members present or represented.
Any member of the Management Board may mandate another member to represent him or her. The mandate may be given by any means whatsoever. Each member present may only represent one other member.
Any member of the Management Board unable to attend a meeting in person may also attend and take part in the discussions using any and all means of telecommunication, including telephone, video-link or fax.

c) At the request of a member of the Management Board, all its discussions must be minuted and set out in a special register. The minutes are signed by the members present at the discussion, although failure to carry out this formality shall not, as such, nullify the proceedings.

d) Where appropriate, the Management Board may designate a secretary at each of its meetings, who may be one of its members or a non-member.

e) The Management Board may draw up a set of policies and procedures setting out and supplementing the *modus operandi* set out in the present Bylaws, although these rules shall not take effect until they have been approved by the Supervisory Board.

5. The quarterly report that the Management Board is required to submit to the Supervisory Board pursuant to Article 225-68, *ult*. of the French Code of Commerce must include not only a report on the situation and operation of company business, but also on the situation and the business affairs of the whole formed by the Company and the entities controlled by the Company within the meaning of Article L 233-3 of the French Code of Commerce. The Management Board may also submit a report to the Supervisory Board at any time concerning any special operation."

F.3. Powers of the Management Board, notably concerning share issuance or buyback.

The Management Board has been authorised to:

- launch a share buy-back programme,
- grant Stock Options,
- increase shareholders' equity,
- award bonus shares.

Aim of authority	Type of security involved	Type of security excluded	Maximum amount authorised by the General Shareholders' Meeting, July 8, 2009	Use of authority at 31.03.2011
Capital increase for the Laurent-Perrier company though share issue maintaining preferential subscription rights	Shares and securities (warrants) entitling owners to acquire Laurent-Perrier shares	• Preference shares	• €10,000,000 if shares • €150,000,000 if securities representative of debts entitling owners to acquire company shares	No
Capital increase for the Laurent-Perrier company though share issue without preferential subscription rights	Shares and securities (warrants) entitling owners to acquire Laurent-Perrier shares	• Preference shares	• €10,000,000 if shares • €150,000,000 if securities representative of debts entitling owners to acquire company shares	No
Capital increase by issuance of shares following securities issuance by a company in which Laurent-Perrier directly or indirectly owns more than 50% of the equity	• Bonds with Laurent-Perrier equity warrants, • or other securities		• €10,000,000 if shares • €150,000,000 if securities representative of debts entitling owners to acquire company shares	No
Capital increase by the Laurent-Perrier company by incorporation of reserves, profits or premiums	Shares		€10,000,000	No
Capital increase by the Laurent-Perrier company at the time of an exchange offering or takeover	The shares and securities specified above	See exclusions specified above	• €10,000,000 if shares • €150,000,000 if securities representative of debts entitling owners to acquire company shares	No
Capital increase for Laurent-Perrier company staff	Resolutions rejected in 2009			No

F.4. There exist no agreements entered into by the company and falling within the legal requirement of disclosure which will be modified or terminated in the event of a change in control of the said company.

F.5. Agreements stipulating indemnities**.** There are no agreements stipulating the payment of indemnities for members of the Management Board or employees in the event of their resignation or are dismissed without good cause or if their employment should be terminated in the event of a public offering, and notably no excessive severance packages or golden parachutes.

The report was approved by the meeting of the Supervisory Board held on May 27, 2011.

Maurice de Kervénoaël
Chairman of the Supervisory Board

APPENDIX 1
List of members of the Supervisory Board and functions exercised in other companies

Directors Date of initial appointment expires	Other Group and non-Group mandates at March 31,2011
Maurice de Kervénoaël[1] *Chairman*: July 7, 2005 - 2011 Business address: MDK Consulting 20, rue Vignon 75009 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Manager of Consulting Company - Managing Director of MDK Consulting - Chairman of Hermès International Audit Committee - Director, Deputy Chairman, Hermès International - Director ONET - Chairman of Mellerio International
François Philippoteaux *Deputy Chairman* *Member: July 11, 1996 – 2014* *Former Chief Executive of Laurent-Perrier*	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
Michel Chiron[1] *Member*: July,7 2005- 2011	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman of the Supervisory Board of Partner-Jouet Management Chartered accountant and former statutory auditor
Bernard de La Giraudière *Member*: July, 1996 – 2014 *Former Chief Executive of Laurent-Perrier*	Other Laurent-Perrier Group mandates: - Chairman of Laurent-Perrier UK Non-Laurent-Perrier Group mandates: - Chairman de Spirited Co. Limited
Claude de Nonancourt *Member*: July 11 1996 - 2014 *Family tie*: wife of Bernard de Nonancourt	Other Laurent-Perrier Group mandates: see table of positions and offices Non-Laurent-Perrier Group mandates: none
Yann Duchesne[1] *Member*: July 3 2003 - 2015 *Business address*: Doughty & Hanson 45 Pall Mall London SWY 5 JG United Kingdom	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Senior Associate Doughty & Hanson investment fund - Chairman of the Supervisory Board of Saft - Chairman, Balta - Chairman, KP1 - Director, IPSOS - Director, TUMI - Director, HDF Finance
Grant Gordon[1] Member: October 26, 1999 -2011 Business address: 32 Buckingham Palace Road London, SW1 W ORE United Kingdom	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Director General, Institute for Family Business (UK)

Éric Meneux *Member*: October 26, 1999 - 2011 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Medical Doctor, surgeon at the Clinique Sainte Isabelle and the American Hospital, Neuilly-sur-Seine
Monsieur Jean-Louis Pereyre *Member*: December 20, 1994 - 2012 *Family tie*: husband of Alexandra Pereyre de Nonancourt, member of the Management Board	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services

(1) Independent members of the Supervisory Board.

Report of the statutory auditors prepared in accordance with article L.225-235 of the french commercial code relating to the report of the Chairman of the Supervisory board of Laurent-Perrier SA.

Year ended March 31, 2011

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the Shareholders
Laurent Perrier SA
32, avenue de Champagne
51150 Tours-sur-Marne

Dear Shareholders,

In our capacity as Statutory Auditors of Laurent-Perrier and in accordance with article L 225-235 of the French Commercial Code, we present our opinion on the report prepared by the Chairman of your Company in accordance with article L 225-68 of the French Commercial Code for the year ended March 31, 2011.

The Chairman is required to draw up and submit to the Supervisory Board for its approval a report on the internal control and risk management procedures implemented in the company and providing the other information required under article L. 225-68 of the French Commercial Code, notably with respect to corporate governance arrangements.

Our remit is to:

- submit our comments on the information and disclosures contained in the Chairman's report concerning the internal control procedures relating to the preparation and treatment of financial and accounting information, and to
- certify that the report contains the other information required under article L.225-68 of the French Commercial code, it being understood that it is not our role to verify the truthfulness of this other information.

We conducted our review in accordance with the professional standards applicable in France.

Information relating to internal control and risk management procedures for the preparation and treatment of financial and accounting information

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we conduct our verification in order to assess the fair presentation of the information provided in the Chairman's report concerning the internal control and risk management procedures for the preparation and treatment of the financial and accounting information contained in the Chairman's report. These efforts consisted in:

- reviewing the internal control and risk management procedures for the preparation and treatment of the financial and accounting information underlying the information contained in the Chairman's report and in existing documents,
- reviewing the work procedures required to draw up this information and existing documents,
- verifying whether any major deficiencies in internal control procedures for the preparation and treatment of financial and accounting information which we may have identified under the terms of our mandate are appropriately reported in the Chairman's report.

Based on the procedures we carried out, we have no comments to make on the presentation of the Company's internal control and risk management procedures relative to the preparation and treatment of the financial and accounting information as contained in the report of the Chairman of the Supervisory Board prepared in accordance with article L.225-68 of the French Commercial Code.

Other information

We certify that the Chairman's report contains the other information disclosure of which is required under article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine and Reims, June 7, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit
Christian Perrier

Philippe Venet et Associés
Philippe Venet

4.6 SPECIAL REPORT ON DIRECTORS' SHAREHOLDINGS MARCH 31, 2011

Name	Type of transaction	Aim	Number	Value	Unit price
Michel Fauconnet	Exercise of stock options		2 034	56 260 €	27,66 €
	Exercise of stock options		1 750	50 243 €	28,71 €
Total			3 784	106 503 €	

A list of directors, pursuant to article L 621-18-2 of the Monetary and Financial code, has been sent to the AMF.

Pursuant to article 28 of Commission Regulation (EC) 809/2004, the following information is incorporated by reference in the present reference document:

- - the consolidated accounts for the year ended March 31, 2009 and the relevant report of the Statutory Auditors, presented respectively on pages 53 to 98 of Reference Document D09-0524 filed with the AMF on June 18, 2009.

- - the consolidated accounts for the year ended March 31, 2010 and the relevant report of the Statutory Auditors, presented respectively on pages 17, 144 et 145 of Reference Document D.10-0539 filed with the AMF on June 14, 2010.

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2010 AND 2011

CONSOLIDATED FINANCIAL STATEMENTS, MARCH 31 2011

The notes to the financial statements on next page are an integral part of the consolidated financial statements

€ million (except income per share)	Notes	March 31 2011	March 31 2010
Sales	4.18	197.80	171.84
Cost of sales		-107.39	-86.48
Gross margin		90.41	85.36
Other net operating income	4.19	1.71	0.56
Commercial expenses		-43.44	-41.02
Administrative expenses		-15.90	-16.32
Current operating income		32.78	28.58
Other operating income	4.21	0.97	6.23
Other operating expenses	4.21	-0.78	-6.14
Operating income		32.97	28.67
Financial income		0.04	0.01
Cost of net debt		-10.50	-10.61
Other financial charges		0.60	-1.33
Financial results	4.22	-9.86	-11.93
Income tax	4.23	-8.23	-6.03
Income from equity consolidated companies		0.00	0.00
Net income		14.88	10.71
o/w attributable:			
- Attributable to interests that do not confer control		0.06	0.09
- Group		14.82	10.62
Group net income per share (€)		2.52	1.81
Number of shares		5 885 836	5 875 629
Diluted Group net income per share (€)		2.50	1.80
Number of diluted shares		5 925 631	5 897 878

Total gains and losses recognised directly as capital

(net of tax)

Net income for the period		14.88	10.71
Revaluation of hedging derivatives		3.00	0.48
Revaluation of vineyards		12.96	-0.11
Actuarial differences on defined benefit schemes		0.58	-0.08
Unrealised exchange rate gains/losses		0.07	0.25
Total gains and losses directly recognised as capital		16.61	0.53
Total gains and losses recognised for the period		31.49	11.24
o/w attributable to interests that do not confer control		0.06	0.09
o/w Group share		31.43	11.15

Consolidated Balance Sheet

€ million	Notes	March 31 2011	March 31 2010
ASSETS			
Goodwill	4.1	24.50	24.50
Net intangible fixed assets	4.2	7.48	7.74
Net tangible fixed assets	4.3	154.32	135.79
Equity interests in companies carried at equity		0.08	0.08
Non-current financial assets	4.4	3.56	3.71
Non-current assets		189.94	171.82
Inventories and work in progress	4.5	450.03	465.49
Trade receivables	4.6	36.70	37.26
Other receivables	4.7	16.34	15.09
Cash and cash equivalents	4.11	14.74	5.47
Current assets		517.81	523.31
TOTAL ASSETS		707.75	695.13

€ million	Notes	March 31 2011	March 31 2010
SHAREHOLDERS' EQUITY			
Capital	4.9	22.59	22.59
Capital reserves		22.74	22.74
Revaluation reserves		35.06	19.10
Other reserves		166.18	158.08
Unrealised foreign exchange gains		-1.87	-1.94
Attributable net income		14.82	10.62
Total attributable Group shareholders' equity		259.43	231.19
Attributable to interests that do not confer control		2.43	2.05
Consolidated shareholders' equity		261.85	233.24
LIABILITIES			
Contingency and loss provisions – long term	4.10	9.41	8.96
Long-term debt	4.11	305.15	320.92
Other long-term debt	4.15	3.56	3.99
Deferred tax liabilities	4.17	25.22	15.57
Non-current liabilities		343.34	349.44
Short-term debt	4.11	10.07	12.15
Trade payables		59.26	65.02
Tax and social liabilities		10.33	9.30
Other debt		22.90	25.98
Current liabilities		102.56	112.45
TOTAL LIABILITIES		445.90	461.89
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		707.75	695.13

The notes to the financial statements on next page are an integral part of the consolidated financial statements

Consolidated cash flow statement

€ million (except income per share)	March 31 2011	March 31 2010
CASH FLOW FROM ACTIVITY (A)		
Net income from consolidated companies	14.88	10.72
Impairment and provisions	6.01	4.08
Unrealised gains and losses from changes in fair value	-1.03	1.04
Charges and income with no effect on cash and equivalents	0.27	0.12
Pro-rated share in income from companies carried at equity	0.00	0.00
Proceeds on disposal of assets available for sale, net of tax	0.07	-0.19
After-tax cash flow	**20.20**	**15.77**
Tax (including deferred tax)	8.23	6.03
Pre-tax cash flow	**28.43**	**21.80**
Tax paid	-6.35	-4.87
Change in activity working capital requirement		
- Inventories and work in progress	15.48	-26.56
- Trade receivables	0.68	-10.25
- Trade payables	-5.75	-7.97
- Other receivables and payables	0.69	9.85
Net cash flow from operations (A)	**33.18**	**-18.00**
CASH FLOW FROM INVESTING ACTIVITIES (B)		
Acquisition of tangible and intangible fixed assets	-2.92	-9.65
Proceeds from available for sale tangible and intangible fixed assets	0.12	6.20
Net change in other long-term investments	0.33	0.93
Impact of changes in scope of consolidation		
Other cash flow from investing activities		
Net cash flow from investing activities (B)	**-2.47**	**-2.52**
CASH FLOW USED IN FINANCING ACTIVITIES		
Dividends paid during the financial year	-4.12	-5.27
Sale (Purchase) of treasury shares	0.52	0.38
Bond issuance	3.95	40.26
Loan repayments	-21.39	-16.94
Net cash flow used in financing activities (C)	**-21.04**	**18.43**
NET CHANGE IN CASH FLOW (A+B+C)	9.67	-2.09
Net cash and cash equivalents at beginning of year	5.00	6.75
Effect of foreign exchange changes	0.00	0.34
NET CASH AND CASH EQUIVALENTS AT END OF Y EAR	**14.68**	**5.00**
Cash and cash equivalents	14.74	5.47
Bank overdrafts	-0.06	-0.47
NET CASH AND CASH EQUIVALENTS	**14.68**	**5.00**

The notes to the financial statements on next page are an integral part of the consolidated financial statements

Change in consolidated shareholders' equity

€ million	Capital	Capital reserves	Revaluation reserve	Treasury shares	Consolidated reserves	Unrealised currency losses/gains	Total Group share	Minority interests	Total
April 1 2009	22.59	22.74	18.74	-10.34	172.64	-2.19	224.18	2.06	226.24
Change in values recorded directly in shareholders' equity			0.36		-0.08	0.25	0.53		0.53
Result 2009-2010					10.62		10.62	0.09	10.71
Total booked expenses and income			0.36	0.00	10.54	0.25	11.15	0.09	11.24
Sale (Purchase) of treasury shares				0.38			0.38		0.38
Stock option plan-related expenses					0.38		0.38		0.38
Dividends paid					-4.88		-4.88	-0.10	-4.98
Other variations					-0.02		-0.02		-0.02
March 31 2010	22.59	22.74	19.10	-9.96	178.66	-1.94	231.19	2.05	233.24
Change in values recorded directly in shareholders' equity			15.96		0.58	0.07	16.61	0.42	17.03
Result 2010-2011					14.82		14.82	0.06	14.88
Total booked expenses and income			15.96	0.00	15.40	0.07	31.43	0.48	31.91
Sale (Purchase) of treasury shares				0.53			0.53		0.53
Stock option plan-related expenses					0.32		0.32		0.32
Dividends paid					-4.06		-4.06	-0.10	-4.16
Other variations					0.01		0.01		0.01
March 31 2011	22.59	22.74	35.06	-9.43	190.33	-1.87	259.43	2.43	261.85

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, all amounts are in million euros.

1. GENERAL INFORMATION

The Laurent-Perrier Group's core business is the production and sale of champagne under four main brands positioned from the middle to the premium end of the market.

Laurent-Perrier S.A. (Registered office 32, avenue de Champagne F-51150 Tours-sur-Marne, SIRET No. 335 680 096 00021) is a public limited company governed by a Management Board and a Supervisory Board and is listed on the Euronext Paris stock market.

The Laurent-Perrier Group's consolidated financial statements for the year ended March 31, 2011 were signed off by the Management Board and examined by the Supervisory Board on May 26, 2011 and will be submitted for its approval to the General Shareholders' Meeting to be held on July 6, 2011.

2. ACCOUNTING PRINCIPLES

The main accounting rules and methods used when drawing up the consolidated financial statements are set out below.

2.1. Preferred accounting standards

The Laurent-Perrier Group's financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at March 31, 2011 and available for consultation on the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

The consolidated financial statements for the year ended March 31, 2011 were drawn up using accounting rules and methods identical to those used for the year ended March 31, 2010.

The following amendments and interpretations, approved by the European Union and applicable for the first time in the financial statements for accounting period starting on 1 January 2010, have had no material impact on the Group's financial statements and performance as at March 31, 2011:

- IFRS 3 (Revised) *Business Combinations*;
- IAS 27 (Revised) *Consolidated and separate financial statements*;
- IFRIC 16 concerning hedges of a net investment in a foreign operation;
- IFRIC 17 "Distribution of non-cash assets to owners"
- IFRIC 18 "Transfers of assets from customers"
- Amendment to IAS 39 on eligible hedged items.
- Amendment to IAS 17 relative to leases of land;
- Improvements to IFRS 5 *Non-current assets held for sales and discontinued operations*, published in May 2008;
- Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*: additional exemption for first-time adopters.
- Amendments to IFRS 2 *Share-based Payment*
- Amendment to IAS 32 *Financial Instruments – Presentation*

The Laurent-Perrier Group has decided not to choose early application of the new standards, amendments and interpretations approved by the European Union, and notably:

- IAS 24 *Related Party Disclosures*
- Interpretation of IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Amendment to interpretation of IFRIC 14 *Prepayments of a Minimum Funding Requirement*

2.2. Evaluation methods

The financial statements have been prepared at historic cost, although vineyards, harvests brought in by Laurent-Perrier, and certain types of financial instrument have been measured at fair value.

The book values of assets and liabilities recognised on the balance sheet and hedged have been adjusted to take account of changes in the fair value of the hedged risks.

2.3. Estimates and assumptions

When preparing the financial statements the Group must make estimates and use assumptions that impact the assets and liabilities recognised in the consolidated balance sheet, the information on those assets and liabilities, the revenue and charges posted to the income statement, and the commitments for the period concerned. The actual figures may subsequently diverge from the chosen estimates and assumptions.

The assumptions mainly concern:
- impairment tests (assumptions described in §2.10,
- pension provisions (assumptions described in § 2.19),
- stock option charges (§ 2.18);
- fair value recording of financial instruments (§ 2.23).

2.4. Consolidation methods

Subsidiaries are all entities whose financial and operating policies can be controlled by the Group, generally on the basis of an over-50% holding in their voting rights. Potential voting rights are taken into account when assessing the control exercised by the Group over another entity if such voting rights flow from instruments that could be exercised or converted at the time of assessment.

Subsidiaries are consolidated using the merger method as of the date on which control is transferred to the Group. They are de-consolidated as of the date on which the Group ceases to exercise control over them.

Intra-group transactions and unrealised gains and losses on transactions between Group companies have been eliminated.

Unrealised losses have also been eliminated on assets sold within the Group, and have instead been treated as indicators of impairment of value.

Associates are entities that the Group does not control but over which it exercises significant influence, generally accompanied by a 20-50% holding in their voting rights. Interests in associates are accounted for using the equity method and are initially measured at cost. The Group's interest in associates includes goodwill (net of impairments) at acquisition.

Unrealised gains on transactions between the Group and its associates are eliminated pro rata of the Group's holding in the associate concerned. Unrealised losses are also eliminated unless impairment arises on the sale of the asset in question.
The accounting methods of subsidiaries and associates have been modified where necessary to align them on those adopted by the Group.

The consolidated financial statements have been prepared on the basis of the accounts closed on March 31.

2.5. Conversion of financial statements of foreign subsidiaries

The accounts of subsidiaries whose functional currency is not the euro are converted into euros:
- at the closing exchange rate for balance-sheet items;
- at the average exchange rate for the period for income statement items.

Exchange rate differences resulting from the application of these exchange rates are recorded in Other Items and moved from Equity to the income statement when the net investment entry is reversed.

2.6. Currency transactions and currency hedges

Currency transactions by consolidated companies are translated into their functional currencies at the exchange rate applicable at the transaction date.

Foreign currency receivables and payables are converted at the closing exchange rate. Unrealised conversion gains and losses are recorded as:

- current operating income for commercial purchases and sales
- financial income for financial transactions.

Exchange rate gains and losses resulting from the conversion of intra-group foreign currency transactions, receivables and payables, or their elimination, are recorded in the income statement unless they derive from long-term intra-group financing, when they are considered part of the net assets of the subsidiary involved and are therefore recognised in equity under "Foreign exchange unrealised gains and losses".

When derivative instruments are used to hedge foreign currency commercial transactions, they are marked to market on the balance sheet at the closing date. Changes in the market value of derivative instruments are recognised as:

- gross margin for the effective part of balance sheet receivables and liability hedges at the closing date;
- equity, under "revaluation reserve" for the effective component of future cash flow hedges. This is moved to gross margin when accounting for the hedged receivables and liabilities;
- financial results for the ineffective component of hedges.

2.7. Business combinations

Company mergers are recorded at cost, using the acquisition method, pursuant to IFRS 3 – *Business Combinations*.

Company assets, liabilities and contingent liabilities are recorded at fair value.

The difference between purchase cost and the attributable fair value of assets and liabilities at the acquisition date is recognised in goodwill, which is not amortised but is instead tested for impairment whenever any indication of impairment is identified and at least once a year (§2.10 below).

Where acquisition cost is less than the fair value of the assets and liabilities identified, negative goodwill is immediately recorded as a loss under "Other charges and operating income".

2.8. Intangible fixed assets

Only those individually identifiable brands that have been acquired and have a recognised reputation are carried as assets, at acquisition cost.

The cost of registering trademarks and of developing existing brands is recognised as a charge for the period.

The Group defines its leading brands as intangible fixed assets with an indefinite working life. They are not amortised, therefore, but their valuations are reviewed if anything should happen to cast doubt on those valuations, and at least once a year. If their realisable value, based on the criteria applied when they were acquired, is lower over the long term than their net book value, they are depreciated accordingly.

Other intangible fixed assets primarily comprise software, which is depreciated over its useful life of one to eight years.

2.9. **Tangible fixed assets**

With the exception of vineyards, all property, plant and equipment is recognised at purchase cost minus depreciation and impairment, pursuant to IAS 16 – *Property, Plant and Equipment*.

Subsequent costs are included in the book value of the asset or, where appropriate, it is recognised as a separate asset if it is probable that future economic benefits associated with the asset will accrue to the Group and if the cost of the asset can be measured reliably. All repair and maintenance costs are charged to the income statement in the period in which they were incurred.

Vineyards are valued at market value as allowed under the alternative treatment authorised by IAS 16. Market value is based either on the average values published by an official body, or else using other tangible items of information which seem more relevant if it were deemed that the average market values were not the best indicator for valuing vineyards at closure of accounts.

This is because the average market values used at closure are the values used in the previous year, as no data for the current year are available at the time of closure.

The positive difference between historic cost and revaluation is recognised in Other Items in the consolidated result and added as equity under the "revaluation reserve". However, it must be recorded in the P&L statement when it offsets a revaluation decrease of the same item which had previously been recorded in the P&L statement. If, following a revaluation market price falls below purchase price, depreciation amounting to the difference is recognised in the P&L statement.

As biological assets, vines are recorded at cost (planning costs) minus the cumulative deprecation (25 years) and the cumulative loss in value. This is because there is no observable fair value for these assets.

The depreciation of other assets begins when they are available for use. From the date it comes into service, all property, plant and equipment is depreciated straight-line on a component basis over its useful life:
- Buildings and improvements: 10 - 50 years
- Plant and equipment: 4 - 30 years
- Other: 4 - 20 years

If material, the residual value of assets is taken into account when calculating depreciation.

Goods leased under financial leases are capitalised if the financial leases transfer to the Group most of the risks and rewards incident to ownership, based on the present value of the rent payable, or on market value if lower, each valued at the start of the leasing contract

Leases that do not transfer risks and rewards to the Group are classified as operating leases. Operating lease payments are recognised as an expense in the income statement over the term of the lease on a straight-line basis.

2.10. **Impairment of long-term assets**

Pursuant to IAS 36 – *Impairment of Assets*, the Group determines the recoverable amount of its long-term assets as follows:

- tangible and intangible assets subject to depreciation are tested for impairment if there is an indication that their value has been impaired;
- intangible assets not subject to depreciation and goodwill are tested for impairment if there is an indication that their value has been impaired, and at least once a year.

Impairment tests compare the net book value with the higher of the following two values: the fair net value of sale costs, and value in use. Value in use is determined by discounting the cash flows that will be generated by the continued use of the tested assets over their useful lives and their possible disposal thereafter. Management uses its most recent five-year cash flow forecasts for this purpose, to project a final value at the end of that period. Assets are discounted at a rate equal to the average weighted cost of capital of the Group, which includes the yield expected by an investor in this business segment and the Group's own risk premium.

Depending on circumstance, impairment tests will be run on individual assets or on the cash-generating units (CGUs) to which such assets belong. CGUs are the smallest homogeneous groups of assets generating cash flows independently of other asset groups. Goodwill is attached to a CGU depending on how Group management monitors business performance and measures acquisition synergies. As the Group has only a single business (the making and sale of champagne), the chosen CGU scope is the Group as a whole. The cash-flow figures used are those of the Group in its entirety.

Assets are depreciated if their recoverable amount is below their book value.
Depreciation of goodwill is irreversible.

2.11. Equity interests in non-consolidated companies and other financial assets

Equity interests in non-consolidated companies are initially recorded at purchase cost and are then valued at each closing date:

- at cost (net of any depreciation) in the case of interests whose value is not material;
- at fair value in the case of "available-for-sale" assets. Changes in fair value are recorded in a separate account as equity until the securities concerned are sold. At the time of sale, changes in fair value previously recorded as equity are included in the financial result. Where circumstances indicate that impairment is permanent, it is recognised as a financial cost.

If equity interests continue to be recognised at cost, particularly if their fair value cannot be reliably measured, they will be tested for impairment. In this case, the recoverable value will be based on attributable net asset value, expected return and the growth prospects of the entity in which the investment is made.

Loans are recognised at amortised cost using the effective rate method and are amortised if there is any indication of objective impairment. Long-term, non-interest bearing loans are therefore entered on the balance sheet at their discounted value. The effect of not discounting them constitutes financial income.

When a new loan is granted, the difference between the discounted value and the historic value is restated in intangible fixed assets and is amortised over the term of the loan.

2.12. Non-current assets held for sale

Assets are "held for sale" if:

- the sale is highly probable within a reasonable timeframe,
- the asset is available for immediate sale and management is actively marketing the asset for sale.

Non-current assets held for sale are entered on a separate line on the consolidated balance sheet.

Under IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, such assets are measured at the lower of book value and market value, minus cost of sale.

2.13. Inventories and work in progress

With the exception of the grapes harvested by the Group in its own vineyards, inventory is carried at cost, which may not exceed net realisable value. Valuation is based on the weighted average unit cost excluding financial expense.

Stocks of wine made from grapes harvested by the Group in its own vineyards are valued at the market price of the harvest concerned, as if the grapes had been bought in. The impact of this valuation is shown in the income statement under "Cost of sales".

The Group's own grapes are not measured at market price unless the Group has details of the yield and market value of the next crop. As a result, on the closing date, March 31, the financial statements take no account of the market value of the next crop.

Wine reserves held on behalf of suppliers (which cannot be released unless authorised by the industry bodies) are only valued at pressing and wine production costs.

In the event of a material drop in activity at certain production stages, a rational allocation of overheads is applied when valuing such stocks so as to prevent inclusion of any under-activity charge in the calculation of their cost price.

Although the champagne ageing process requires stocks to be kept for over one year, these remain classified as current assets in line with the length of the operating cycle.

Depreciation is applied if inventory value is lower than book value.

Transaction margins between consolidated companies are neutralised, except for those reflecting the market value of the grapes, in accordance with IAS 41.

2.14. **Trade receivables**

Trade receivables are recognised at nominal value.

They are not discounted unless the due date is over one year and the effect of the discount is significant.

Provisions for doubtful receivables are accrued if it is probable that the receivables concerned will not be recovered and it is possible to give a reasonable estimate of the loss that will be incurred. The identification of doubtful receivables and the amount of provision required are based on past experience of written-off receivables and the age of the receivables concerned. The accrual is entered under "Sales charges". Once it becomes certain that a doubtful receivable will not be recovered, it is written off and the provision cancelled in the income statement.

2.15. **Current and Deferred taxes**

Deferred tax on time differences between fiscal and accounting bases for consolidated assets and liabilities is calculated using the variable carried-forward liability method at the rates applicable, or likely to be applicable, at the balance-sheet date.

Deferred tax assets are not taken into account unless it is likely that the company will be able to recover them over a reasonable period of time as a result of a taxable gain expected in subsequent financial years.

Deferred tax is not discounted.

Provisions are written for any tax for which the Group may be liable in respect of dividends distributed by its subsidiaries when the distribution decision has been formally taken at the time of closure. Deferred tax assets and liabilities are offset when a legally enforceable right to offset tax assets and liabilities due exists, and when the deferred tax assets and liabilities concern income tax levied by the same tax authority.

Fiscal liabilities are booked in the income statement unless they relate to items directly recognised in equity, in which case the tax liability will also be recognised in equity.

2.16. Cash and cash equivalents

Cash and cash equivalents are liquidity and short-term financial investments (less than three months), whose value is not significantly dependent on changes in market price or indexes, as well as overdrafts. If not the case, they are entered on a separate line on the balance sheet. Overdrafts are recorded as current liabilities on the balance sheet under "Loans".

Financial assets held for trading are measured at fair value, and changes in fair value are recognised in financial results.

2.17. Treasury shares

If any company in the Group buys shares in the Company (treasury shares), the amount paid, including directly attributable marginal costs (net of income tax), is deducted from that company's shareholders' equity until the shares are cancelled or sold.

If the shares are sold on, the gain is credited to company shareholders' equity net of marginal costs directly attributable to the transaction and to the related fiscal impact.

2.18. Option plan to purchase and subscribe for shares

Share option plans are granted to senior executives and some Group employees.

Pursuant to IFRS 2 – *Share-based Payment*, plans put in place after November 7, 2002 are valued at the allocation date and are recognised as personnel costs over the period in which the beneficiaries acquire the rights concerned, generally four years. The offset of the charge, which is the market price of the option at the allocation date, is an increase in reserves.

Based on their individual characteristics, option plans are valued using the Black & Scholes model.

2.19. Pension liabilities and other employee benefits

The Group provides its employees with a number of different supplementary pension schemes, retirement bonuses and other long-term benefits, depending on the regulations and customs in the countries where it operates.

Defined benefit plan liabilities are provisioned on the basis of actuarial valuations, the liabilities themselves being calculated pursuant to IAS 19 using the projected credit unit (PCU) method. The actuarial assumptions applied are described in §4.10.1.

Since FY 2006-2007, the Group has applied the amendment to IAS 19 whereby actuarial differences concerning benefits subsequent to employee service life and due to the effect of experience and changes in actuarial assumptions, are recorded directly in equity in the year in which they occur, offset by an increase or decrease in the obligation.

The cost of previous years' service arising from changes in the rights granted under a plan or from an increase in the number of beneficiaries of a plan as from April 1, 2004, is amortised over the remaining years of service of the employee concerned.

2.20. Contingencies and loss provisions

The Group records a provision for third-party legal, contractual or implicit commitments at the closing date if such commitments are the result of a past event and if the ensuing loss or payment is probable and can be reasonably measured. If the liability is due in over one year, the amount of the provision is discounted if it has a significant impact. Any discounting impacts are recorded in financial results.

If the liability is neither probable nor reasonably measurable, but is a possibility, the Group will enter a contingent liability in its off-balance sheet commitments.

2.21. Debt

With the exception of derivative instruments, borrowings and other financial liabilities are measured at amortised cost using the effective rate method.

Borrowings are classed as current liabilities unless the Group has an unconditional right to defer the repayment of the debt until at least 12 months after the closing date, in which case those particular borrowings will be classed as non-current liabilities.

2.22. Dividends

Dividend distributions to Company shareholders are recognised as debt in the Group's financial statements during the period for which the dividends were approved by Company shareholders

2.23. Financial instruments and derivatives

The Group uses derivative instruments to manage and hedge exchange rate and interest rate risk. The Group does not use derivatives for speculative purposes.

The derivatives held by the Group and classed as hedges in the accounts pursuant to IAS 39 are mainly:
- interest-rate hedges: future cash flow swaps (taker Euribor 3M, payor fixed rate),
- exchange rate hedges: forward currency buy/sell transactions

Hedge accounting under IAS 39 is applied prospectively. Specific documentation on hedges is provided. Effectiveness testing is performed at each closing date.

The accounting effectiveness of the hedge is measured by the value variance ratio of the derivative and the hedged underlying asset. This ratio must be within a range of 80-125%.

If the instrument is speculative, or concerns the ineffective part of hedges, changes in the value of derivative instruments are recognised in financial results.

Derivative instruments are recorded under "Other receivables" or "Other debt" on the balance sheet.

2.24. Revenue recognition

Turnover includes wholesale sales to distributors and agents, and retail sales, which are recognised upon transfer of ownership, generally at shipment date or at purchase date by the client.

Turnover is recorded net of all allowances and discounts, including sums paid under sales co-operation agreements with distributors, and duties on wines and spirits.

The "Other Operating Income and Charges" item includes transactions carried out at the intermediate production stage and industrial services rendered for third parties.

2.25. Earnings per share

EPS is calculated on the basis of the weighted average number of shares in circulation over the financial year, minus Laurent-Perrier treasury shares recorded as a decrease in equity.

EPS after dilution is calculated by adjusting attributable earnings and the number of shares in circulation to take account of the diluting effect of exercising of stock options in plans still open at the closing date. The dilution linked to the exercise of stock options is determined plan by plan, using the buy-back method, i.e., the theoretical number of shares bought back at market price (price at financial year-end) using funds obtained from the exercise of options, and taking into account only those plans whose exercise price is lower than the fair value of the shares.

2.26. Other operating income and charges

The Group's core business is the production and sale of champagne under four main brands positioned from the middle to the premium end of the market. This generates current operating income resulting from recurring, occasional, core or subsidiary activity.

Other income and operating charges include gains and losses on operations whose nature and/or frequency prevent them from being deemed core Group activities.
These include the impairment write-downs of intangible assets that have not been amortised, goodwill, and gains and losses on disposals of fixed assets or consolidated companies, if material.

2.27. Cash flow statement

The consolidated cash flow statement has been prepared using the indirect method, which reconciles net attributable earnings with the cash generated by operations over the financial year. Opening and closing cash balances include liquidity and other investment instruments, minus any bank overdrafts.

2.28. Segment reporting

A business segment is a component of an entity

a) that engages in business activities from which it may earn revenues and incur expenses,

b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

c) for which discrete financial information is available.

A geographical segment is a group of assets and operations that provides products and services within a particular economic environment subject to risks and returns that are different from those obtaining in the other economic environments in which the Group operates.

The Group has only one activity, which is the production and sale of champagne, and has not identified any distinct operating segments meeting the criteria of IFRS 8.

3. MAIN OPERATIONS OVER THE PERIOD

No significant acquisition or disposal was recorded during the year to March 31 2011.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.1. Goodwill

4.1.1. Main goodwill

(€ million)	Year of purchase	March 31 2011 net	March 31 2010 net
Shares in SA Champagne Laurent-Perrier	1998	2.19	2.19
Shares in SA Champagne de Castellane	1999	1.64	1.64
Shares in SA Laurent-Perrier Suisse	2000	0.18	0.18
Shares in A.S. SA	2001	0.44	0.44
SA Grands Vignobles de Champagne	2003	0.72	0.72
SA Château Malakoff	2004	19.23	19.23
SC Dirice	2005	0.10	0.10
Total		24.50	24.50

4.1.2. **Movements over the period**

None

4.1.3. **Regular impairment testing**

Impairment testing of the Cash Generating Unit (CGU), including goodwill, has revealed no recognisable loss of value. The key assumptions used to measure cash flows were:

- market prices for grapes and vineyards,
- sales on the French, UK and US markets.

The main growth rate assumptions applied were:

- long-term sales growth rate beyond the five-year forecast horizon: 3% (3% at March 31, 2010),
- discount rate: the average weighted cost of capital and debt. The rate used at March 31, 2010 was 5.6% (5.2% at March 31, 2010).

Calculations at March 31 2010 and March 31 2011 do not indicate any need to amortise goodwill.

Over the past 40 years, the champagne market has grown by an average 3.1% per year by volume. Obviously, this has not been linear growth and approximately five cycles may be identified during the period. Each cycle we observed to evolve in a similar fashion: market growth begins by exceeding average growth in long-term demand, after which a correction occurs during which the market shrinks, often due to retail trade destocking phenomena, whether or not combined with a drop in final consumption.
Recently, 2006 and 2007 seem to correspond to the first part of a cycle (above long-term trend growth), whereas 2008 to 2010 correspond to a correction phase and therefore to a shrinking market.

To carry out its impairment tests, the Group accordingly used market assumptions to match this analysis. After experiencing a fall-off in activity in 2009-2010, the Group thus hopes to gradually return to earlier activity levels over the next five years as it emerges from the market downswing. Beyond that horizon, it has this year opted for a 2% growth rate in line with the long-term market trend. The rate used to make this same measurement last year was 2%.

These assumptions led us to the conclusion that no impairment needed recording.

Because the most sensitive assumption is the rate of growth in turnover and consequently of cash-flow, a sensitivity analysis was carried out on this assumption. Taking a 1% rate of growth in cash flow out to infinity instead of 2%, we again observed that there is no impairment. Similarly, by using an average weighted cost of capital and debt of 6%, no impairment is observed.
The sensitivity analysis has not revealed any probable scenario in which the recoverable value of the CGU would become less than the net book value of its assets.

4.2. Intangible fixed assets

The change in intangible fixed assets by asset category breaks down as follows:

Gross values *€ million*	Gross values at April 1, 2010	Acquisitions	Disposals	Other movements	Gross values at March 31, 2011
Brands	3.29				3.29
Software	4.77	0.37		0.01	5.15
Other	0.81			-0.17	0.65
Total	8.87	0.37	0.00	-0.15	9.09

Depreciation *€ million*	Gross values at April 1,2010	Provision	Depr. on disposals	Other movements	Gross values at March 31 2011
Brands					
Software	1.13	0.50			1.63
Other	0.00			-0.02	-0.02
Total	1.13	0.50	0.00	-0.02	1.61
Net value	7.74	-0.13	0.00	-0.13	7.48

Gross values *€ million*	Gross values at April 1,2009	Acquisitions	Disposals	Other movements	Gross values at March 31 2010
Brands	3.29				3.29
Software	4.23	1.16	-0.62		4.77
Other	1.01			-0.20	0.81
Total	8.53	1.16	-0.62	-0.20	8.87

Depreciation *€ million*	Gross values at April 1,2009	Provision	Depr. on disposals	Other movements	Gross values at March 31 2010
Brands					
Software	1.53	0.15	-0.54	-0.01	1.13
Other	0.00				0.00
Total	1.53	0.15	-0.54	-0.01	1.13
Net value	7.00	1.02	-0.08	-0.19	7.74

The "brands" item corresponds to the Laurent-Perrier and Salon brands only at their historic cost. These brands are deemed to have an indefinite life-span and the results of value tests are positive.

The increase in the "Software" item mainly concerns spending on the replacement of the ERP suite, which went into service in FY 2009-2010.

4.3. Tangible fixed assets

4.3.1. Change in tangible fixed assets

Gross values *€ million*	Gross values at April 1 2010	Acquisitions	Disposals	Other movements	Gross values at March 31 2011
Land	91.99	0.03	-0.58	20.25	111.69
Vineyards	6.20		-0.11	0.02	6.11
Buildings	41.63	0.38		0.05	42.06
Machinery & equipment	47.49	1.29	-0.12	0.14	48.81
Other tangible fixed assets.	4.19	0.12	-0.06	0.04	4.30
Assets in progress	0.56	0.73		-0.27	1.02
Total	192.07	2.55	-0.87	20.24	213.99

Depreciation & provisions *€ million*	Gross values at April 1 2010	Provisions	Depr. on disposals	Other movements	Gross values at March 31 2011
Land	0.57		-0.51		0.06
Vineyards	3.58	0.19	-0.02		3.76
Buildings	16.72	1.39			18.12
Machinery & equipment	32.06	2.32	-0.11		34.27
Other tangible fixed assets.	3.34	0.13	-0.01		3.46
Assets in progress	0.00				0.00
Total	56.28	4.03	-0.66	0.00	59.67
Net value	135.79	-1.48	-0.21	20.24	154.32

Gross values *€ million*	Gross values at April 1 2009	Acquisitions	Disposals	Other movements	Gross values at March 31 2010
Land	91.57	0.76	-0.33		91.99
Vineyards	6.11	0.09			6.20
Buildings	47.19	3.03	-9.88	1.29	41.63
Machinery & equipment	47.17	4.13	-3.96	0.16	47.49
Other tangible fixed assets.	4.18	0.13	-0.15	0.03	4.19
Assets in progress	1.67	0.42	0.00	-1.53	0.56
Total	197.89	8.56	-14.33	-0.06	192.07

Depreciation & provisions *€ million*	Gross values at April 1 2009	Provisions	Depr. on disposals	Other movements	Gross values at March 31 2010
Land	0.57	0.00			0.57
Vineyards	3.38	0.20	0.00		3.58
Buildings	19.60	1.34	-4.27	0.06	16.72
Machinery & equipment	33.58	2.13	-3.66	0.02	32.06
Other tangible fixed assets.	3.37	0.15	-0.13	-0.04	3.34
Assets in progress	0.34		-0.34		0.00
Total	60.84	3.81	-8.40	0.03	56.28
Net value	137.05	4.75	-5.92	-0.09	135.79

Revaluation of vineyards

Vineyards have been revalued, recorded in equity as a "Revaluation reserve" at their net of tax amount.

€ million	April 1 2010	Acquisitions /revaluations	Disposals/ transfers	March 31 2011
Land values				
Land other than vineyards	4.10		0.02	4.08
Vineyards	57.04	0.03	-5.28	51.79
Differential in vineyard revaluations	30.85	19.69	5.28	55.82
Total	91.99	19.72	0.02	111.69

The revaluation was calculated according to the average cash value of farmland by geographical area. The values, relative to 2009 transactions, were published by an official body.

4.4. Other financial investments

Other financial investments are set out below:

	March 31 2011	March 31 2010
	Net	Net
Non-consolidated securities	0.01	0.01
Loans	3.18	3.33
Other	0.38	0.37
Total	3.56	3.71

Loans were mainly to our wine-growing partners, those due in over one year being secured.
Loans due at more than one year are secured by payment guarantees and/or real guarantees, mainly of the *privilège de prêteur de deniers* .
They have been discounted at the equivalent market rate of 4.22% (compared with 3.92% in the previous period), if non-interest bearing.

4.5. Inventory and work in progress

€ million	March 31 2011			March 31 2010
	Gross	Provisions	Net	Net
Goods and finished products	377.18		377.18	364.03
Raw materials and work in progress	72.85	-0.01	72.85	101.46
Total	450.03	-0.01	450.03	465.49

The provision for depreciation relates mainly to promotional items.
Changes are set out in the following table:

€ million	March 31 2011	March 31 2010
Depreciation of inventories at April 1	0.01	0.11
Net depreciation recorded in income		-0.10
Other changes		
Depreciation of inventories at March 31	0.01	0.01

In order to take account or the work involved in certain stages of the production process, the Group makes a rational imputation of overheads when measuring inventory. Activity in 2010-2011 was considered as normal and therefore no under-activity charge was recognised in the income statement.

The cost price of inventory includes the impact of valuing grapes from the Group's own vineyards at the market price:

€ million	2010-2011	2009-2010
Valuation of own vineyard harvest at market price	2.65	2.05
Effect of inventory disposals	-3.80	-2.84
Impact on cost of sales for the period	-1.15	-0.79
Impact on value of inventory at closure	10.21	11.36

4.6. **Trade receivables and related accounts**

€ million	March 31 2011			March 31 2010
	Gross	Provisions	Net	Net
Trade receivables	37.72	-1.02	36.70	37.26
Total	37.72	-1.02	36.70	37.26

There is no concentration of credit risk attached to trade receivables because of their large number and their international origins.

The Group manages its customer credit dealings with great caution and has not deemed it necessary to take out credit insurance.

	March 31 2011	March 31 2010
Average trade receivables settlement time (days)	51	87

Changes in provisions for writedowns break down as follows:

€ million	March 31 2011	March 31 2010
Impairment of trade receivables at April 1	0.95	1.07
Net impairment recorded in income	0.07	-0.12
Other changes		
Impairment of trade receivables	1.02	0.95

Write downs are calculated individually when a strong risk of default on the part of the client in question is identified and on the basis of late payment.

The schedule of receivables incurring write downs or not written down is as follows:

	March 31 2011			
Receivables due for	0 - 60 days	60 - 90 d	90 - 120 d	+ 120 d
- non provisioned	3.82	1.18	0.28	-0.04
- provisioned	0.00	0.06	0.09	0.87

4.7. **Other receivables**

Other receivables break down as follows:

€ million	March 31 2011	March 31 2010
State – VAT credits	5.56	5.99
States – income tax advances	0.01	0.59
Prepaid expenses	1.80	1.48
Active interest rate and currency derivatives	1.27	0.03
Sundry	7.71	7.01
Total	16.34	15.09

All these other receivables and payables are due at less than one year.
The "Other payables" item mainly covers prepayments to grape and wine suppliers.

4.8. Table of financial assets

€ million	IAS 39 category	March 31 2011		March 31 2010	
		Book value	Fair value	Book value	Fair value
Loans	Loans and receivables at amortized cost	3.18	3.18	3.33	3.33
Deposits	Loans and receivables at amortized cost	0.22	0.22	0.21	0.21
Other	Available for sale financial assets	0.16	0.16	0.17	0.17
Total non-current financial assets		3.56	3.56	3.71	3.71
Trade receivables	Loans and receivables at amortized cost	36.70	36.70	37.26	37.26
Deductible VAT and other sales taxes (2)	N/A	5.56	5.56	5.99	5.99
Other receivables	Loans and receivables at amortized cost	7.72	7.72	7.60	7.60
Derivatives used as hedging instruments (1)	Fair value	1.27	1.27	0.03	0.03
Prepaid expenses (2)	N/A	1.80	1.80	1.48	1.48
Total other current assets		53.04	53.04	52.35	52.35
Cash and cash equivalents	Fair value	14.74	14.74	5.47	5.47
Cash and cash equivalents		14.74	14.74	5.47	5.47

(1) Accounting method specific to hedging transactions

(2) Not a financial asset within the meaning of IAS 39

Apart from cash equivalents which are instruments traded on an active market (Level 1 according to IFRS 7), all financial instruments recorded in the balance sheet are valued on the basis of transactions carried out on the OTC market (according to IFRS 7 level 2).

4.9. Shareholders' equity

4.9.1. Capital contribution

	March 31 2011	March 31 2010
Total number of shares	5 945 861	5 945 861
Shares issued and paid up in full	5 945 861	5 945 861
Shares issued but no paid up in full		
Nominal value (€) per share	3,80	3,80
Legal capital (€)	22 594 272	22 594 272
Treasury shares owned by the Group	52 647	67 869

The total number of voting rights attached to the 5,945,861 shares comprising equity was 9,751,915 at March 31, 2011 (9,737,482 at March 31, 2010).

To the best of the Laurent-Perrier Group's knowledge, no shareholder pact involving the legal capital exists. Nor are Laurent-Perrier or its subsidiaries subject to specific capital requirements by virtue of external rules.

4.9.2. Earnings per share

	March 31 2011	March 31 2010
Ordinary shares	5 885 836	5 875 629
Dilutive effect of buy-backs	39 795	22 249
Other		
Average weighted number of shares	5 925 631	5 897 878

Net earnings per share

(euros)	March 31, 2011		March 31, 2010	
	Before dilution	After dilution	Before dilution	After dilution
Pre-tax profit	3.93	3.90	2.85	2.84
Group net attributable income	2.52	2.50	1.81	1.80

4.9.3. **Dividends**

The Group seeks to pursue a stable policy of distributing dividends amounting to 20-30% of consolidated net income (valued according to international standards), conditions at Laurent-Perrier permitting.

Dividend paid out in 2009-2010 and 2010-2011 amounted to €0.83 and €0.69 per share respectively.

At the forthcoming General Meeting of Shareholders in July 2011, payment of a dividend of € 0.76 per share will be proposed.

4.9.4. **Share option plans**

The situation as regards exercisable options and their cost in the financial year was as follows:

	Attribution date	Earliest exercise date	Latest exercise date	Option exercise price
Plan n°6	04.09.2001	06.09.2006	05.09.2011	32.22 €
Plan n°7	26.03.2002	27.03.2006	26.03.2012	27.66 €
Plan n°8	25.03.2003	26.03.2007	25.03.2013	29.78 €
Plan n°9	30.03.2004	31.03.2008	30.03.2014	28.71 €
Plan n°10	08.03.2005	09.03.2009	08.03.2015	34.10 €
Plan n° 11	14.03.2006	15.03.2010	14.03.2016	50.38 €
Plan n° 12	22.03.2007	22.03.2011	21.03.2017	83.72 €
Plan n° 13	18.03.2008	19.03.2012	18.03.2018	98.98 €
Plan n° 14	02.04.2009	01.04.2013	01.04.2019	41.00 €

The option exercise price corresponds to the average share price in the 20 trading sessions preceding the attribution date.

Under IFRS 2, only plans dated after November 7, 2002 have been valued. Taking into account the timeframe of rights acquisition, the charge at March 31, 2011 was €322,000. It was €377,000 at March 31, 2010.
The transactions occurring during the year were as follows:

	Options allocated and still to be exercised at March 31 2010	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31 2011
Plan n°6	750		750		0
Plan n°7	6 234		3 634		2 600
Plan n°8	7 613		63	750	6 800
Plan n°9	13 250		7 047	750	5 453
Plan n°10	14 000				14 000
Plan n° 11	25 000		3 000		22 000
Plan n° 12	25 000				25 000
Plan n° 13	34 200				34 200
Plan n° 14	41 300			500	40 800

4.9.5. **Treasury shares**

The July 3, 2003 Shareholders' Meeting approved the buy-back of 386,480 shares.

Buy-back programmes have a number of goals: to reduce dilution, optimise management of Company equity, or cover share option plans.

During FY 2010/2011, the number of treasury shares held by the Group fell by a net 15,222 to 52,647 at March 31 2011. The change had a positive impact on shareholders' equity in the amount of €528,000 which breaks down as follows:

	(€ 000s)
- Change in gross value	1,570
- (Loss) profit from disposals	(1,042)
- Net change in treasury shares	528

At March 31, 2010, the Group held 67,869 treasury shares. During FY 2009/2010, the number of treasury shares held by the Group fell by 8,959. The change had a positive effect on shareholders' equity in the amount of €380,000, which broke down as follows:

	(€ 000s)
- Change in gross value	574
- Change in gross value	(194)
- Net change in treasury shares	380

4.10. **Contingencies and loss provisions**

	Amount April 1 2010	Provisions	Used	Reversals	Other movements	Amount March 31 2011
Nature of provision						
Liabilities to employees	8.71	0.80		-0.22	-1.04	8.26
Labour medal provisions	0.06	0.01	-0.01			0.06
Other provisions	0.19	1.04	-0.13	-0.01		1.09
	8.96	1.86	-0.14	-0.23	-1.04	9.42

Other provisions are mainly for commercial risks and disputes with suppliers.

4.10.1 **Retirement pension liabilities and similar benefits**

Total Laurent-Perrier Group pension liabilities and similar benefits stood at €8.27 million, an amount that is fully provisioned on the balance sheet pursuant to the IAS 19 – *Employee Benefits* amendment, which introduced the option of carrying actuarial gains and losses on defined benefit plans as equity. The net charge recognised in the income statement is €0.91 million.

These reserves cover three types of liabilities:

- At retirement, the employees of the French companies receive an indemnity calculated in accordance with the Champagne Collective Agreement and based largely on their final salary and years of service. These are "defined benefit plans" within the meaning of IAS 19. This liability is not covered by third-party finance.
- Liabilities to employees (French companies only) are calculated using a retrospective method to project end-of-career salaries. The main actuarial assumptions applied at March 31, 2011 were:
    - employee must leave voluntarily
    - discount rate: 4.546% (Bloomberg AA Composite 10-year Euro rate at 31/03/11)
    - annual salary revaluation: 2% for non-managerial staff, and 2.5% for managerial staff
    - retirement age:

  Managers: 64,
  Non managerial: 62
  Sales reps: 65

- Annual staff turnover rate:

	Managers and Sales Personnel of GIE Laurent-Perrier Diffusion	Supervisory and technician	Clerical and operative
Before age 40	10%	5%	1%
41-50	7%	3%	1%
After age 50	0%	0%	0%

- Mortality table: TH and TF00.02

The assumptions used at March 31, 2010 were already very similar- the only significant change concerned the discount rate, which was 4.114%.

- The Group has also taken out a defined benefit policy to provide supplementary retirement benefits for senior management. This policy provides gross annual retirement benefits of 10-15% of their salary in the 12 months preceding retirement. Benefits are vested only after calculating the basic State pension. This is a "defined benefit plan" within the meaning of IAS 19 and is covered by third–party, non-recourse finance.

- A number of the French companies in the Group assist their retired employees by paying part of their private health insurance contributions.

- Sensitivity to changes in healthcare costs for supplementary health insurance commitments (€m):

	+1%	-1%
Private health insurance	1.00 24.71%	-0.69 -17.15%

- Liability sensitivity to changes in the discount rate (€ million):

	+0.25%	-0.25%
Retirement indemnities	-0.09 -2.12%	0.09 2.20%
Private health insurance	-0.17 -4.10%	0.16 4.04%
Supplementary pension	-0.02 -2.22%	0.02 2.30%

Changes in retirement pension and similar benefit reserves were:

	2010-2011	2009-2010
Charge for the period	(0.91)	(1.23)
Benefits paid	0.23	0.15
Contributions paid	0.10	0.99
Actuarial variance recognised in equity	1.04	(0.12)
Unrealised currency gains/losses		
Total	0.45	(0.21)

Annual changes in liabilities, in the market value of investments and in the corresponding assets and provisions recognised in the consolidated balance sheet were:

	March 31 2011	March 31 2010
1. Reconciliation of balance sheet items		
Discounted value of unfunded liabilities	8.14	8.49
Discounted value of funded liabilities	0.97	2.62
Discounted value of total liabilities	**9.11**	**11.11**
Fair value of pension hedging assets (1)	0.12	1.59
Net value of liabilities	**8.99**	**9.52**
Cost of unrecognized past service	0.73	0.81
Net value of assets (liabilities) recorded on balance sheet	**8.27**	**8.71**
2. Details of net costs recorded in the income statement		
Cost of services rendered	0.76	0.62
Financial cost (discount effect)	0.46	0.54
Projected return on plan assets		(0.03)
Cost of years of past service	0.09	0.09
Effect of plan pay-outs/reductions	(0.40)	
Net cost recognised in the income statement	0.91	1.23

(1) Breakdown of assets to cover retirement liabilities at March 31, 2011:
Fixed income instruments: 78.1%
Equities : 7.5%
Others : 14.4%

The real return on the assets during the year was €0.03 million.

	March 31 2011	March 31 2010
3. Change in the discounted value of liabilities		
Discounted value of liabilities at start of period	11.11	10.63
Actuarial (losses) gains recognised in equity	(1.04)	0.12
Cost of services rendered	0.76	0.62
Financial cost (discount effect)	0.46	0.54
Employee contributions		(0.99)
Cost of past service		0.34
Benefits paid	(1.50)	(0.15)
Changes in plan rules	(0.38)	
Unrealised currency gains/losses		
Other (incl. pay outs/reductions)	(0.31)	
Discounted value of liabilities at end of period	9.11	11.11

	March 31 2011	March 31 2010
4. Change in fair value of plan assets		
Fair value of plan assets at start of period	1.59	0.90
Projected return on plan assets	0.00	0.04
Employee contributions		
Employer contributions	0.10	0.50
Benefits paid	(1.56)	0.15
Fair value of plan assets at end of period	0.12	1.59

5. Financial provision at March 31	2011	2010
Discounted value of liabilities	(9.11)	(11.11)
Fair value of plan assets	0.12	1.59
Effect of asset capping		
Deferred items:		
Unrecognised changes of plan rules	0.73	0.81
Net (liabilities) assets recognised on the balance sheet	(8.27)	(8.71)

	Actuarial gains (losses) recognised in equity			Analysis of differences in FY	
	March 31 2010	FY 2010/2011	March 31 2011	Difference with assumptions	Difference with real
6. Analysis of actuarial differences					
Supplementary pension	(0.15)	0.04	(0.12)		0.04
Retirement indemnities	0.67	0.25	0.92	0.14	0.11
Private health plan	(0.99)	0.75	(0.24)	0.88	(0.13)
	(0.47)	1.04	0.57	1.02	0.02

Estimated cost of pensions for 2011/2012:
- Cost of services rendered 0.47
- Cost of past service 0.10

The Swiss subsidiary, Laurent-Perrier Suisse, has set up a defined benefit pension scheme for its employees.

At March 31, 2011, assets under management amounted to:	1.90
Liabilities amounted to	1.96
To honour its present and future commitments, Laurent-Perrier Suisse has a moral obligation to cover a funding shortfall of	0.06

4.11. **Debt and cash**

Net debt was:

€ million	March 31 2011	March 31 2010
Long-term debt	305.15	320.92
Short-term debt	10.07	12.15
Gross debt	315.22	333.07
Gross debt after derivatives	315.22	333.07
Cash and cash equivalents	-14.74	-5.47
Net debt	300.48	327.60

Gross debt breaks down as follows:

€ million	March 31 2011	March 31 2010
Bank loans (investment credits)	25.53	34.49
Bank loans (operating credits)	279.01	286.43
Financial leases	0.61	
Long-term debt	305.15	320.92
Bank loans (investment credits)	8.93	9.10
Bank loans (operating credits)	0.04	1.44
Financial leases	0.16	
Bank overdrafts	0.07	0.48
Accrued interest	0.87	1.13
Short-term debt	10.07	12.15
Gross debt	315.22	333.07

4.12. Liquidity risk

The Group has structured its debt in two parts:
- Debt used to finance inventories (*crédit de vieillissement,* or loan secured on wine ageing in the Group’s cellars, whose value is substantially higher than the amount of the debt it secures);
- Investment or acquisition debt maturing in over five years.

The Group is faced with no significant debt repayments in the short or medium term. Working capital loans comprise renewable lines of credit.

€ million	March 31 2011	March 31 2010
Less than one year	10.07	12.15
1-5 years	259.95	270.26
Over 5 years	45.20	50.66
Total to repay (incl. interest payable at closure)	315.22	333.07

4.13. Counterparty risk

The main financial instruments that can expose the Group to counterparty risk are trade receivables, cash and cash equivalent, and derivatives. Counterparty risk for trade receivables is limited by the large number of Group customers and their geographic dispersion in France and elsewhere. The maximum risk, corresponding to total outstanding trade receivables after taking guarantees and loss of registered securities into account, amounted to €36.7 million at closure and is analysed in Note 4.6, Trade receivables.

Counterparty risk on cash and cash equivalent and hedging instruments is also limited by the creditworthiness of the counterparties in question, which exclusively comprise internationally-reputed financial institutions. Total outstanding amounted to €14.7 million at March 31, 2011 and corresponds to the net book value of all these items.

Maximum counterparty risk on the Group's other financial assets totals €15.1 million and mainly corresponds to payables by the State (VAT), down-payments to suppliers, and prepaid expenses.

4.14. Financial instruments

4.14.1. Interest rate risk hedging

The company uses financial derivatives to operationally manage and hedge exchange rate and interest rate risk. The company does not use derivatives for speculative purposes.

The breakdown of debt after taking into account the effects of interest rate derivatives is as follows:

€ million	March 31 2011	March 31 2010
Non-hedged variable rate (Euribor 3-month rate + bank margin)	96.79	148.90
Capped variable rate	0.00	0.00
Swapped variable rate	214.43	178.07
Fixed rate	4.00	6.10
Total	315.22	333.07

The hedging of financial assets and liabilities using hedging instruments may be presented as follows:

	Financial liabilities		**Interest rate hedges**		**Exposure after hedging**			**Financial assets**	**Net exposure after hedging**
€ million	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Total		Total
Less than one year	-0,59	-10,09		83,55	-0,59	73,46	72,87	14,74	87,61
1-5 years	-3,41	-255,97		123,53	-3,41	-132,44	-135,85		-135,85
Over 5 years		-45,16		7,35		-37,81	-37,81		-37,81
Total	-4,00	-311,22		214,43	-4,00	-96,79	-100,79	14,74	-86,05

Operating credits

Specific interest rate swaps have been put in place for working capital and investment credits:

	Variable rate working capital credits		Interest rate contracts	Net position after hedging
	Authorised	used		
01/04/11 to 31/03/12	344.18	279.01	200.0	79.01
01/04/12 to 31/03/13	344.18		120.0	
01/04/13 to 31/03/14	344.18		60.0	

Investment credits
€27.5 million of amortisable loans have variable rates. Interest rate swaps have been written in the amount of €14.4 million. The hedges will be reduced as the hedged loans are amortised.

Sensitivity to interest rate variations
The Group's mean effective interest rate was 2.70% at March 31, 2011 for the hedged portion of its debt, compared with 3.43% at March 31, 2010.

The Group is exposed to the risk of higher interest rates, which would push up the cost of servicing its debt. Based on the net position after hedges for the forthcoming period, and assuming a one percentage point rise in interest rates, the additional financial cost would be €0.92 million for:

- Working capital credits €0.79 million
- Investment credits €0.13 million

This should be compared with the cost of debt over the 12-month period, which was €10.51 million.
In the case of fixed income instruments a variation of +0.5% would add €1.11 million to the Group's shareholders' equity, while a change of -0.5% would reduce shareholders' equity by €1.19 million.

4.14.2. Foreign currency hedging

Sensitivity to exchange rate variations

In 2010-2011, 22.2% of Group turnover was denominated in currencies other than the euro, including almost 2.0% in US dollars, 13.6% in Sterling and 5.4% in Swiss francs. Debt, on the other hand, is exclusively euro-denominated. As the reporting currency for the financial statements is the euro, the Group must convert assets, liabilities, income and charges incurred in other currencies into euros when drawing up the financial statements.

	Operating assets	Financial assets	Operating liabilities	Financial liabilities	Net position	Hedging instruments	Net position after hedging
GBP	3 084	1 741	-1 398		3 427	-1 500	1 927
CHF	1 959	265	-563		1 661	0	1 661
USD	474	1 493	-1 576		391		391
TOTAL	**5 517**	**3 499**	**-3 537**		**5 479**	**-1 500**	**3 979**

The results from these business activities are consolidated in the Group's income statement after conversion at the average exchange rate for the period.

If the euro were to appreciate by 5% against the US dollar, Sterling and the Swiss franc, it would diminish turnover respectively by €0.19 million, €1.28 million and 0.51 million euros. The fall in operating income before amortisation, other income and charges would not be material.

If the euro were to depreciate by 5% against these same currencies, it would result in an increase in turnover of respectively €0.21 million, €1.42 million and €0.56 million and the increase in operating income before amortisation, other income and charges would not be material.

4.14.3. Analysis of interest rate and currency derivative transactions

€ million	Fair value at March 31 2011			March 31 2010	Face value by maturity at March 31 2011			
	Derivatives assets	Derivatives liabilities	Total	Total	Less than 1 year	1-5 years	Over 5 years	Total
Hedging of future cash flow								
Forward forex	0.08		0.08	0.03	1.78			1.78
Interest rate swaps	1.19	2.02	-0.83	-6.06	81.51	120.71	1.41	203.63
Non-qualified derivatives								
Forward forex								-
Interest rate swaps		0.37	-0.37	-0.69	2.04	2.82	5.94	10.80
Total	1.27	2.38	-1.12	-6.72	85.32	123.53	7.35	216.21

Fair value is measured from discounted future flows based on market information.

In FY 2010-2011, the amounts recorded directly in the income statement were a gain of €0.29 million for interest rate derivatives.

In FY 2009-2010, the amounts recorded directly in the income statement were a loss of €0.19 million for interest rate derivatives.

Future flows from interest rate swaps will be as follows:

	FY 2011/2012	FY 2012/2013	FY 2013/2014	Beyond
Cash flows from interest rate swaps	1.6	-0.1	-0.3	-0.2

Foreign currency hedges are underpinned by the schedule of future cash flows:

	1st quarter 2011/2012	2nd quarter 2011/2012	3rd quarter 2011/2012	4th quarter 2011/2012
Provisional Sterling cash flows	1.5			

4.15. Other long-term debt

Other financial debt corresponds to mandatory employee profit sharing:

€ million	*March 31 2011*	*March 31 2010*
Less than 1 year		
1-5 years	3.56	3.99
Over 5 years		
Total	**3.56**	**3.99**

Debt due in under one year is recognised in current liabilities under "Other debt".

Financial liabilities

€ million	IAS 39 category	March 31 2011 Book value	March 31 2011 Fair value	March 31 2010 Book value	March 31 2010 Fair value
Debt including accrued interest	AC	315.22	315.22	333.07	333.07
Trade payables	AC	**59.26**	**59.26**	**65.02**	**65.02**
Liabilities for personnel and social charges (1)	N/A	7.42	7.42	6.66	6.66
VAT payable and other sales taxes	N/A	2.36	2.36	2.64	2.64
Interest rate derivatives liabilities	FV	2.38	2.38	6.75	6.75
Creditor affiliates	AC	17.66	17.66	15.33	15.33
Other debt	AC	3.40	3.40	3.89	3.89
Total other debt		33.23	33.23	35.27	35.27

(1) Not a financial asset within the meaning of IAS 39

Fair value	FV
Debt liabilities at amortised cost	CA
Held for trading	DFT
Not applicable	N/A

4.17. Deferred tax

Net deferred tax by type is as follows:

€ million	March 31 2011	March 31 2010
Revaluation of vineyards	19.41	12.44
Revaluation of tangible assets	2.00	1.91
Revaluation of intangible assets	0.59	0.63
Harvest valuation at market rates	1.07	1.62
Elimination of inventory margins	-0.34	-1.01
Elimination of provisions for treasury shares	2.97	2.80
Financial instruments	-0.51	-2.45
Price increase accrual	0.41	0.41
Depreciation allowances	2.51	2.10
Employee benefits	-2.84	-3.00
Other (1)	-0.04	0.13
Total	25.22	15.57
Balance sheet reconciliation		
- Deferred tax assets	0.00	0.00
- Deferred tax liabilities	25.22	15.57
Total net	25.22	15.57
Including deferred tax recorded in equity	7.99	9.92

(1) Most "Other tax" comes from temporary differences between fiscal and accounting rules

4.18. Information broken down by geographic region

Turnover by client location breaks down as follows:

€ million	March 31 2011	March 31 2010
Turnover (by client location)		
France	73.88	61.40
Europe	95.27	82.70
o/w United Kingdom	*26.98*	*21.15*
Rest of world	28.65	27.74
Consolidated total	197.80	171.84

For Group companies headquartered in countries other than France:

€ million	March 31 2011	March 31 2010
Balance sheet non current assets*		
France	189.51	171.41
Europe	0.41	0.37
o/w United Kingdom	*0.03*	*0.03*
Other and eliminations	0.02	0.04
Consolidated total	189.94	171.82

* By geographic region where Group companies are located

4.19. **Other net operating income**

This breaks down as follows:

€ million	March 31 2011	March 31 2010
Margin on semi-finished goods and services	1.96	0.92
Operating currency gains	1.76	0.67
Operating currency losses	-2.01	-1.03
Other net operating income	1.71	0.56

The margin on semi-finished goods and services breaks down as follows:

€ million	March 31 2011	March 31 2010
Semi-finished goods		
Turnover	33.40	8.91
Cost of sales	-32.21	-8.70
Margin	1.19	0.21
Services rendered		
Turnover	1.33	1.13
Cost of sales	-0.56	-0.42
Margin	0.77	0.71
Consolidated margin	1.96	0.92

4.20. **Payroll expenses**

Payroll expenses (including social security charges, incentives, mandatory profit-sharing and pension liabilities) are distributed among the various functions as follows:

€ million	March 31 2011	March 31 2010
Cost of sales	10.87	11.26
Commercial charges	14.45	14.05
Administrative charges	8.92	9.34
Total	34.24	34.65

These break down as follows:

€ million	March 31 2011	March 31 2010
Wages and social charges	33.06	33.55
Cost of stock options	0.32	0.38
Pension charges – defined benefit plans	0.86	0.72
Other employee benefits		
Total	34.24	34.65

4.21. **Other operating income and charges**

€ million	March 31 2011	March 31 2010
Other operating income		
Disposals of fixed assets	0.11	6.21
Other income	0.86	0.02
Total	0.97	6.23
Other operating costs		
Residual value of fixed asset disposals	0.68	5.97
Other costs	0.10	0.17
Total	0.78	6.14

4.22. **Financial income**

€ million	March 31 2011	March 31 2010
Cost of gross debt	10.51	10.61
Cash management income	-0.04	-0.01
Cost of net debt	10.47	10.60
Financial instruments	-1.04	1.04
Others, net	0.44	0.29
Other financial income and charges	-0.61	1.33
Financial income	9.86	11.93
Items directly recorded in equity		
Unrealised currency gains/losses	0.07	0.25

The net financial expenses above include the following items deriving from assets and liabilities that are not recorded at fair value in the income statement:

Interest income on financial assets	-0.04	-0.01
Debt interest payments	10.51	10.61

4.23. **Tax**

Tax and effective tax rates break down as follows:

€ million	March 31 2011	March 31 2010
Current tax	7.43	6.96
Deferred tax	0.80	-0.92
Total	8.23	6.04
Pre-tax profit	23.11	16.76
Effective tax rate	35.6%	36.0%

The difference between the theoretical tax rate (the corporation tax rate applicable to French companies) and the effective tax rate stated in the consolidated financial statements breaks down as follows:

€ million	March 31 2011	%	March 31 2010	%
Total consolidated income before income tax and deferred tax	23.10		16.76	
Theoretical tax liability at 34.43%	7.95	34.4%	5.79	34.5%
Permanent accounting and fiscal differences	0.36	1.6%	0.35	2.1%
Fiscal losses not activated for the period	0.11	0.5%	0.00	
Tax rate differentials (France/France and France/Other countries)	-0.12	-0.5%	-0.01	-0.1%
Savings linked to fiscal integration	-0.04	-0.2%	-0.01	-0.1%
Sundry	-0.03	-0.1%	-0.07	-0.4%
Effective tax liability	8.23	35.6%	6.04	36.0%

Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, Laurent-Perrier Diffusion, Lemoine, Grands Vignobles de Champagne and A.S. are members of a fiscally-integrated Group. Château Malakoff became a member of that Group on April 1, 2004.
The agreements signed between the parent company and the integrated subsidiaries apply the neutral tax method, whereby subsidiaries account for tax liabilities as if they had been taxed separately, the parent company recording its own liability and the savings flowing from the tax integration.

4.24. **Contingent commitments and liabilities**

Financial liabilities

At March 31 2011, a portion of the bank liabilities described in §4.11, which have a €260.2 million authorised credit line, were provided with various guarantees carrying security in the form of "warrants douaniers" a special type of bank guarantee used in Champagne. At March 31, 2010, the amount of the guarantees was identical at €260.2 million euros.

Under the terms of the agreements with its pool of banks, the Group undertook to maintain the following ratios:

- a net debt to shareholders' equity ratio of less than 2
- a financial expense to operating income ratio (excluding the impact of IAS 19 and IAS 39) greater than 3.

Failure to maintain these ratios will lead to implementation of an adjustment clause providing for a consultation meeting between the parties that carries no early repayment clause.

At March 31 2011, both these ratios were honoured.

Other liabilities

- Mortgages have been given as security for loans to purchase property totalling €31.8 million.

- Pledges have been given over shares in the amount of €39 million and over goodwill in the amount of €7.8 million to guarantee loans to acquire companies or subscribe to capital increases.

- Several subsidiaries have entered into agreements with suppliers to purchase a material proportion of their grape requirement. The agreements relate to specific areas of land and owing to the variations in yield and price from one year to another no reasonable approximation of the liabilities involved can be made. Such commitments are vital to the operation of a champagne house.

- The Laurent-Perrier Group holds 59,391 hectolitres of wine from the 1999, 2000, 2002, 2004, 2005, 2007, 2008, 2009 and 2010 harvests in its cellars, constituting a set-aside reserve belonging to wine growers and co-operatives.

- The number of hours accrued in respect of the personal training entitlement (DIF - Droit Individuel à la Formation) stood at 36,882 hours at March 31, 2011.

4.25. Transactions with related parties

Compensation of senior executives

The charges in respect of compensation for members of the Group Management Board, its Supervisory Board and main non-mandated Directors are as follows:

€ million	March 31 2011	March 31 2010
Compensation paid to members of the Supervisory Board	0.24	0.31
Salaries and other short-term benefits	2.00	1.76
Benefits subsequent to employment - cost of services rendered	0.12	0.17
Severance indemnities	0.19	-0.04
Payments based on shares		0.23
Cost on the period	2.55	2.43

Salaries and other short-term benefits include the social charges paid by the Group and the contributions calculated on the basis of salaries.

Other transactions

€ million	March 31 2011	March 31 2010
Fees paid to companies sharing senior executives with Laurent-Perrier	0.27	0.08
Interest paid to members of the Supervisory Board on monies deposited in current accounts	0.16	0.16
Cost in the period	0.42	0.24

4.26. **Statutory Auditors' fees**

Total fees paid to the Statutory Auditors in return for the legal verification of the consolidated financial statements amount to €242,000 for FY 2010-2011.

4.27. **Events since the closure of accounts**
At the time of finalising the present financial statements there have been no events subsequent to the closure likely to have a material impact on the Group's financial situation.

5. SCOPE OF CONSOLIDATION
5.1. Fully consolidated companies

Company	Registered Office	Siren No.	% Control	% Stake
France				
Laurent-Perrier	32, avenue de Champagne 51150 Tours sur Marne	335 680 096	100.00	100.00
Champagne Laurent-Perrier	32, avenue de Champagne 51150 Tours sur Marne	351 306 022	100.00	100.00
Laurent-Perrier Diffusion	32, avenue de Champagne 51150 Tours sur Marne	337 180 152	100.00	100.00
Champagne LEMOINE	Rue de Chigny 51500 Rilly La Montagne	335 780 011	99.87	99.87
Société A.S.	5-7, rue de la Brèche d'Oger 51190 Le Mesnil sur Oger	095 751 038	99.50	99.50
Grands Vignobles de Champagne	32, avenue de Champagne 51150 Tours sur Marne	379 525 389	100.00	100.00
SCA Coteaux de Courteron	32, avenue de Champagne 51150 Tours sur Marne	352 427 603	51.05	40.00
SCA Coteaux de Charmeronde	32, avenue de Champagne 51150 Tours sur Marne	389 698 622	51.14	51.14
SCA Coteaux du Barrois	32, avenue de Champagne 51150 Tours sur Marne	350 251 351	50.96	50.96
Champagne de Castellane	57, rue de Verdun 51200 EPERNAY	095 650 529	100.00	100.00
Château Malakoff S.A.	1 rue de Champagne 51190 OGER	095 750 089	100.00	100.00
SC de CHAMOE	32, avenue de Champagne 51150 Tours sur Marne	390 025 716	100.00	100.00
SC Coteaux de la Louvière	32, avenue de Champagne 51150 Tours sur Marne	384 974 835	50,44	30.00
SCEA des Grands Monts	32, avenue de Champagne 51150 Tours sur Marne	388 367 534	51,15	30.00
SC Cuvillier	Domaine Laurent-Perrier	388 693 657	100.00	100.00

	51150 Tours sur Marne			
SC Dirice	32, avenue de Champagne 51150 Tours sur Marne	414 522 367	100.00	100.00
Other countries				
Laurent-Perrier UK LTD	66/68 Chapel Street Marlow Bucks SL 7 1 DE UNITED KINGDOM	/	100.00	100.00
Laurent-Perrier U.S., Inc.	2320 Marinship Suite 140 Sausalito California 94965 USA	/	100.00	100.00
Laurent-Perrier Suisse	Chemin de la Vuarpillière 35 1260 NYON SWITZERLAND	/	100.00	100.00

5.2. Companies consolidated under the equity method

Company	Registered office	Siren No.	% Control	% Stake
France				
SARL Pétret-Martinval	9, rue des Ecoles 51530 Chouilly	407 910 629	49.00	49.00

5.3. PARENT COMPANY FINANCIAL STATEMENTS AT MARCH 31, 2009,2010 AND 2011

Income Statement

€ million	Notes	Year ending March 31 2009	March 31 2010	March 31 2011
Turnover		1.52	1.49	1.50
Excess depreciation and expense transfer			0.02	0.58
Other income		4.50	4.12	4.44
Total operating income		6.02	5.63	6.52
Purchase of goods				
Change in inventory goods)				
Other purchases and external charges		(1.52)	(1.01)	(1.17)
Tax and similar payments		(0.14)	(0.11)	(0.13)
Wages and Salaries	10	(1.21)	(2.23)	(1.68)
Payroll taxes	10	(0.72)	(1.51)	(0.79)
Amortisation and depreciation		(0.02)	(0.03)	(0.03)
Provisions		(0.00)	0.00	(0.16)
Other expenses		(0.25)	(0.24)	(0.29)
Operating profit		**2.16**	**0.50**	**2.29**
Financial income		12.19	6.21	4.17
Financial charges		(7.59)	(2.61)	(3.27)
Net financial income	11	**4.60**	**3.60**	**0.90**
Current pre-tax profit		**6.75**	**4.11**	**3.19**
Extraordinary income		0.00	0.00	0.32
Extraordinary expenses		(0.01)	(0.01)	(0.00)
Extraordinary profit	12	**(0.01)**	**(0.01)**	**0.31**
Income tax	13	(0.15)	(0.03)	(0.07)
Employee profit sharing				
Net income		**6.60**	**4.07**	**3.43**

Balance Sheet

	Notes	Year ending March 31 2009	March 31 2010	March 31 2011
ASSETS		(€ million)		
Intangible fixed assets		1.91	1.91	1.91
Tangible fixed assets		0.31	0.32	0.39
Long-term investments and loans		109.95	109.92	109.91
Other long-term investments				
Total fixed assets	1 & 2	**112.16**	**112.15**	**112.21**
Inventory and work in progress				
Trade receivables		0.05	7.05	7.70
Other receivables and related accounts	8	59.38	43.15	39.00
Marketable securities	3	5.71	6.41	4.84
Cash and cash equivalents		0.17	0.49	0.47
Prepaid expenses		0.05	0.02	0.04
Current assets		**65.35**	**57.12**	**52.05**
Total assets		**177.51**	**169.27**	**164.26**

	Notes	Year ending March 31 2009	March 31 2010	March 31 2011
LIABILITIES		(€ million)		
Capital	4	22.59	22.59	22.59
Additional paid-in capital		20.63	20.22	20.22
Legal reserve		3.72	3.72	3.72
Statutory reserves		2.71	2.71	2.71
Special regulated reserves		6.63	7.04	7.04
Retained earnings		11.28	13.00	13.01
Net income		6.60	4.07	3.43
Regulated provisions		0.02	0.02	0.03
Total shareholders' equity	4	**74.18**	**73.38**	**72.74**
Other equity				
Contingency and loss provisions	6	**3.12**	**4.01**	**3.61**
Borrowing and financial debt	7	80.20	73.46	66.87
Trade payables and related accounts		0.32	0.43	0.93
Fiscal and social liabilities	8	0.30	1.36	2.30
Other liabilities and related accounts	8	19.38	16.63	17.80
Total debt		**100.21**	**91.89**	**87.90**
Total liabilities		**177.51**	**169.27**	**164.26**

5.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2011

1. ACCOUNTING PRINCIPLES

The financial statements are drawn up in accordance with standard accounting procedures and the recommendations of the French Commercial Code. General accounting practices were applied on a prudential basis in accordance with the following basic assumptions:

- continuity of operations,
- consistency of accounting methods from one financial year to another,
- standalone accounts for each financial year.

2. VALUATION METHODS AND PRINCIPLES

2.1. Intangible fixed assets

Trademarks are recorded at their historic value. The amount recorded does not therefore represent their intrinsic value. Impairment tests are regularly carried out at Group level to ascertain that the current value of these assets is higher than their net book value. The impairment tests carried out, based on future cash flows, show no material impairment.

The costs of registering and renewing trademarks and research on trademarks have not been recorded as fixed assets since 1 April 2005. They are now expensed pursuant to opinion 04-15 of the Conseil National de la Comptabilité

2.2. Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost including the purchase price and ancillary cost, or at their production cost.

Interest on specific loans for the production of fixed assets is not included in the production cost of these fixed assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The principal depreciation periods are as follows:

▪ Buildings fixtures and fittings	7-25 years
▪ Furniture and equipment	5-10 years

2.3 Long-term financial investments

These are recorded at their historic value (acquisition or contribution value).

At the close of the financial year, the inventory value of securities is determined on the basis of the share of capital stock held and taking into account possible unrealised capital gains and profitability forecasts.

Accordingly, a provision is booked if this inventory value is lower than gross value.

2.4. Receivables and payables in foreign currencies

Foreign currency transactions are translated into euros at the exchange rate prevailing on the date of the transaction. Foreign currency asset and liability balances are converted at the rate prevailing at the year-end closure date, and any resulting unrealised foreign exchange gains or losses are recorded in the balance sheet. Unrealised foreign currency losses are provisioned for risk.

2.5. Receivables

Receivables are recorded at their nominal value. A provision for impairment is written when the realisable value is lower than their book value.

2.6. Contingencies and loss provisions

These provisions cover clearly-defined risks and liabilities whose occurrence is considered probable on the basis of past or current events.

2.7. Pensions and other commitments to personnel

Pensions, supplementary pensions and retirement indemnity liabilities are recorded as off-balance sheet commitments and measured on the basis of actuarial calculations. These amounts were calculated using the projected credit unit (PCU) method. The main actuarial assumptions used are as follows:

- Discount rate: 4.546%
- Annual wage increases: Non-managerial: 2.0% Managerial: 2.5 %
- Retirement age:

	Managerial	Supervisory, clerical, and operative
Born after 1949	64	62

- Annual staff turnover rate

	Managerial	Supervisory	Clerical and Operative
Before age 40	10%	5%	1%
41-50	7%	3%	1%
After age 50	0%	0%	0%

2.8. Financial instruments and derivatives

The company uses financial derivatives to operationally manage and hedge exchange rate and interest rate risk. The company does not use derivatives for speculative purposes.

2.9. Criteria used to determine non-recurrent items

Non-recurrent items are revenues and expenditures outside the company’s normal operations. They concern either profit and loss related operations or capital transactions.

2.10. Other information

As parent company, the Company also prepares consolidated financial statements that take account of the company’s annual financial statements under the full consolidation method.

Breakdown of Balance Sheet and Income Statement

All figures € million.

NOTE 1 – Gross value of fixed assets

	Gross values at April 1	Acquisitions	Disposals	Other movements	Gross values at March 31
Gross values					
Intangible fixed assets					
Brands	1.91				1.91
Trademark registration/renewal	-				-
Other	0.06				0.06
Sub-total	1.97	-	-	-	1.97
Tangible fixed assets					
Land					
Buildings					
Machinery & Equipment	0.14	0.00			0.14
Other	1.99	0.09	-		2.09
Sub-total	2.13	0.10	0.00	0.00	2.23
Long-term investments and loans					
Equity interests	109.91		(0.00)		109.91
Other long-term financial assets	0.02	0.00	(0.01)		0.01
Sub-total	109.92	0.00	(0.01)	-	109.92
GRAND TOTAL	114,02	0,10	(0,01)	0,00	114,11

Breakdown of "Equity interests" item:

Champagne Laurent-Perrier	2 900 289 shares	54.98
A.S.(Salon+Delamotte)	181 519 shares	9.86
Champagne de Castellane	94 763 shares	3.44
Grands Vignobles de Champagne	16 634 shares	1.39
Château Malakoff	2660 shares	38.99
S.C.Coteaux du Barrois	851 units	0.13
S.C.Coteaux de Courteron	390 units	0.06
S.C.Coteaux de Charmeronde	1 570 units	0.24
SCEV Grands Monts	4 500 units	0.07
SC Chamoé	1 620 units	0.34
SC Coteaux de la Louvière	1 160 units	0.02
SC Cuvillier	229 units	0.08
SC Dirice	59 units	0.31
		109.91

NOTE 2 – Depreciation, amortisation and provisions

	A&D at April 1	Increases	Decreases	Other movements	A&D at March 31
Amortisation & Depreciation					
Intangible fixed assets					
Trademarks					-
Other	0,06				0,06
Sub-total	**0,06**	**-**	**-**	**-**	**0,06**
Tangible fixed assets					
Land	-				-
Buildings					-
Machinery and equipment	0,12	0,01			0,12
Other	1,69	0,02	-0,00		1,71
Sub-total	**1,81**	**0,03**	**- 0,00**	**-**	**1,83**
Long-term investments and loans					
Equity interests	-				-
Other LT financial assets	-				-
Sub-total	**-**	**-**	**-**	**-**	**-**
Grand total	**1,87**	**0,03**	**- 0,00**	**-**	**1,89**

NOTE 3 – Marketable securities

At March 31 mars 2011, marketable securities totalled €4.84 million and included 48,503 treasury shares held under a stock options plan in the amount of €4.52 million and 4,144 shares held under a market-making contract for a total amount of €0.31 million. During the financial year, 14,494 treasury shares were sold for a consideration of €0.48 million.

	At March 31	
Gross values	**2010**	**2011**
Treasury shares held under a stock options plan	6.12	4.52
Market making contract	0.28	0.31
Total	6.41	4.84

The book value of those shares not allocated to a stock options plan was compared with the average share price during the last 20 trading sessions immediately preceding the end of the financial year. Because this average price of €77.24 was higher than the cost price, no impairment provision was recorded.

NOTE 4 – Composition of share capital and change in shareholders' equity

The share capital comprises 5,945,861 shares with a nominal value of €3.80.

Changes to shareholders' equity were as follows:

Amount at March 31 2010	**73.37**
Net capital increase	
Net income	3.43
Dividend distribution	(4.06)
Amount at March 31 2011	**72.74**

NOTE 5 – Stock option plans

The situation as regards exercisable options and their cost in the financial year was as follows:

	Attribution date	Earliest exercise date	Latest exercise date	Option exercise price
Plan n°6	04.09.2001	06.09.2006	05.09.2011	32.22 €
Plan n°7	26.03.2002	27.03.2006	26.03.2012	27.66 €
Plan n°8	25.03.2003	26.03.2007	25.03.2013	29.78 €
Plan n°9	30.03.2004	31.03.2008	30.03.2014	28.71 €
Plan n°10	08.03.2005	09.03.2009	08.03.2015	34.10 €
Plan n° 11	14.03.2006	15.03.2010	14.03.2016	50.38 €
Plan n° 12	22.03.2007	22.03.2011	21.03.2017	83.72 €
Plan n°13	18.03.2008	19.03.2012	18.03.2018	98.98 €
Plan n° 14	02.04.2009	01.04.2013	01.04.2019	41.00 €

	Options allocated and still to be exercised at March 31 2010	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31 2011
Plan n°6	750		750		0
Plan n°7	6 234		3 634		2 600
Plan n°8	7 613		63	750	6 800
Plan n°9	13 250		7 047	750	5 453
Plan n°10	14 000				14 000
Plan n° 11	25 000		3 000		22 000
Plan n° 12	25 000				25 000
Plan n°13	34 200				34 200
Plan n° 14	41 300			500	40 800

The net expense recorded during the year was €1.12 million compared with €0.35 million in the previous year.

NOTE 6 – Contingencies and loss provisions

	Amount April 1 2010	Provisions	Used	Amount at March 31 2011
Nature of provisions				
Stocks option risk	4.01		(0.55)	3.45
Other	0.00	0.16		0.16
Total	4.01	0.16	(0.55)	3.61

The provision for stock option risk corresponds to the difference between 1) the price of stock options granted to employees, and 2) the net accounting value of treasury shares and the estimated acquisition price by the company for shares not yet purchased. The estimated acquisition price adopted corresponds to the closing price on the last day of the financial year, ie, March 31, 2011.

NOTE 7 – Borrowing and financial debts

	Total amount	Less than 1 year	1-5 years	Over 5 years
Debt maturities	66.9	6.9	30.0	30.0

The company has taken out mid-term variable rate loans for a total of €60 million. Interest rates on the loans have been hedged for a total of €10 million for a fixed rate of 1.995% maturing on 30 July, 2015. Another hedge in the amount of €10 million for a fixed rate of 1.47% maturing on

December 6, 2012 was also taken out. Hedges previously taken out are due for €2.66 million, maturing on 13 February 2012, and for €10 million, maturing on 21 October 2012.

The fair value of the financial instruments taken out by the company amounted to -7.900 euros at March 31, 2011.

NOTE 8 – **Other receivables and other debts**

Other receivables can be broken down as follows:

	At March 31	
Other receivables	2010	2011
Subsidiaries – Tax inegration	0.82	1.25
State – Corporate income tax	0.74	
Current accounts – Group companies	41.58	37.43
Other	0.01	0.32
Total	43.15	39.00

Most of the mid-term loan (see Note 7) has been registered in the current account of the Champagne Laurent-Perrier subsidiary. This explains the "Current Accounts – Group Companies" item.

Other payables include the following items:

	At March 31		
Fiscal and social payables, other debt and adjustment accounts	2010	2011	o/w Related parties
Owed to personnel	0.27	0.41	
Social bodies	0.23	0.31	
State – VAT and other taxes	0.78	1.01	
State – Corporate income tax	0.00	0.49	
Subsidiaries – Tax integration	1.54	0.76	
Current accounts – Group companies	0.56	0.57	
Current accounts – Shareholders	14.52	16.44	16.44
Other	0.09	0.11	0.07
Total	18.00	20.10	16.51

All these other receivables and payables are due at less than one year.

Transactions with related parties took place at normal market conditions.

NOTE 9 – Other information relating to the balance sheet

	Amounts concerning affiliates	Accrued expenses
BALANCE SHEET ITEMS		
Equity interests and related payables	109.90	
Trade receivables and related accounts	7.68	
Other receivables	38.68	
Loans from credit institutions		0.22
Other borrowing and debt		
Trade payables and related accounts		0.23
Tax and social security liabilities		0.62
Other liabilities	16.51	0.01

NOTE 10– Personnel expenses

Company personnel costs (including social security contributions) amounted to €2.46 million compared with €3.74 million in the previous financial year.

At March 31, 2011 the workforce stood as follows:

	At March 31	
Workforce	2010	2011
Managerial	9	11
Supervisory	1	-
Clerical	5	6
Operatives	2	2
Total	17	19

NOTE 11 – Financial income and expenses

Financial income was positive and can be broken down as follows:

	Years	
INCOME	2009-2010	2010-2011
Dividends received	4.16	3.54
Sundry financial income	0.78	0.62
Provision writebacks	1.27	
EXPENSES		
Provisions		
Interest and similar charges	-2.26	-2.11
Net expenses on disposal of marketable securities	-0.35	-1.15
Total	3.60	0.90

NOTE 12 – Extraordinary income and expenses

The €5,000 expense corresponds to an allowance for accelerated depreciation. The €315,000 income item corresponds to the repayment of expenses in connection with the acquisition of Château Malakoff.

NOTE 13 – Corporate income tax

Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, Laurent-Perrier Diffusion, Lemoine, Grands Vignoble de Champagne, A.S. and Château Malakoff are members of a tax-consolidated Group.

Tax-sharing agreements concluded between the parent company and subsidiaries included in the tax group apply the principle of tax neutrality. Taxes owed are recorded by subsidiaries as if they were taxed as separate companies. The parent company records its own tax charge and the tax savings or expenses generated from the tax group.

The group has continued its previous policy of not recognising deferred tax liabilities linked to tax payable to the State if and when loss-making subsidiaries return to profit.

	€ million	Cpte inc. tax	%
Breakdown of tax between current pre-tax profit and extraordinary profit			
Current pre-tax profit	3.19	0.01	0%
Extraordinary income	0.31	0.10	33%
Corporate income tax	(0.11)		
Tax consolidation: saving (payable) on corporate income tax	0.04	(0.04)	
Net income	3.43	0.07	2%

NOTE 14 – Off-balance sheet commitments

Commitments given:

Shares have been pledged as security to guarantee the financing of acquisitions or capital increases of companies in the total amount of €39.0 million. The amount still due on these financings is €6.64 million.

Commitments for retirement indemnities amount to €0.16 million.

The Group has taken out a defined benefit policy to provide additional supplementary retirement benefits for senior management. This policy provides gross annual retirement benefits of 10-15% of their salary in the 12 months preceding retirement. Benefits are vested only after calculating the basic State pension. The contributions paid to the organisation managing the pension fund are recorded under Group personnel expenses. The current value of vested benefits amounts to €0.40 million.

SUBSIDIARIES AND AFFILIATES

	Financial information			
Detailed information about each subsidiary and affiliate subject to disclosure obligations in which the Group owns more than 1%	Capital	Shareholders' equity other than capital	Ownership interest (%)	Income (profit or loss from last financial year)
1 . Subsidiaries (over 50% owned)				
Champagne Laurent-Perrier	44 200 816 €	131 604 352 €	99.00%	7 759 958 €
Société A.S.	698 638 €	22 363 677 €	98.73%	2 046 854 €
Société Château Malakoff	5 865 200 €	19 535 059 €	99.70%	319 201 €
SCEA DES COTEAUX DU BARROIS	253 840 €	35 419 €	50.96%	25 806 €
SCEA DES COTEAUX DE CHARMERONDE	466 640 €	60 256 €	51.14%	41 905 €
SCA DES COTEAUX DE COURTERON	116 128 €	29 613 €	51.05%	29 270 €
SCEV DES GRANDS MONTS	132 000 €	19 363 €	51.15%	17 095 €
STE CIVILE DE CHAMOE	246 240 €	4 120 €	100.00%	3 393 €
STE CIVILE CUVILLIER	3 450 €	5 768 €	99.57%	5 711 €
SC DES COTEAUX DE LA LOUVIERE	34 500 €	6 954 €	50.44%	6 391 €
SC DIRICE	9 600 €	-27 991 €	100.00%	-32 867 €
2. Affiliates (between 10% and 50% owned)				
Champagne de Castellane	9 162 821 €	22 043 534 €	15.76%	3 127 741 €
GRANDS VIGNOBLES DE CHAMPAGNE	1 145 713 €	5 896 649 €	22.13%	443 960 €

General information on all subsidiaries and affiliates owned	Subsidiaries		Affiliates	
	French	Foreign	French	Foreign
Book value of shares owned				
- gross	105 073 573		4 829 956	
- net	105 073 573		4 829 956	
Loans and advances granted	37 430 203			
Guarantees given				
Dividends received	3 543 112			

5.5. Results of the past five financial years

Company: Laurent-Perrier - FY 01/04/07 to 31/03/11

€ 000s	01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010	01.04.2008 to 31.03.2009	01.04.2006 to 31.03.2007	01.04.2006 to 31.03.2007
Share capital at periode end					
Share capital	22 594	22 594	22 594	22 594	22 594
Number of ordinary shares	5 945 861	5 945 861	5 945 861	5 945 861	5 945 861
Preferred non-voting stocks					
Maximum number of shares to be issued					
through bond conversion					
through subscription rights					
Transactions and results for the financial year					
Sales (ex-VAT)	1 496	1 488	1 522	1 646	1 555
Pre-tax income, before employee profit sharing, amortisation and provisions	3 136	2 861	5 013	6 815	8 157
Corporate income tax	70	33	152	1 138	1 928
Employee profit-sharing for the financial year					
After-tax income, including employee profit sharing, amortisation and provisions	3 427	4 069	6 595	5 516	2 523
Income distributed to shareholders	4 060	4 876	8 239	7 669	5 915
Earning per share (€)					
Earning after taxes and employee profit sharings but before depreciation, amortisation and provisions	0,52	0,48	0,82	0,95	1,05
Earnings after employee profit sharing, taxes, depreciation, amortisation and provisions	0,58	0,68	1,11	0,93	0,42
Dividend per share (1)	0,690 €	0,830 €	1,400 €	1,300 €	1,000 €
Workforce					
Average number of employees	17	15	14	13	14
Total payroll (2)	1 676	2 229	1211	1 092	795
Amounts paid out in benefits (social security, benefits, etc.) (2)	787	1 507	718	432	278

(1)Specify if dividend is gross or net, where appropriate by share class.
(2)Average rate of Social Security charges for external staff (temporary or seconded employees or staff on loan) for 2006 and previous fiscal years),

5.6. Reports of the statutory auditors on the parent company financial statements

5.6.1. Report of the statutory auditors on the annual financial statements

(Year ended March 31, 2011)

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the Shareholders
Laurent Perrier SA
32, avenue de Champagne
BP 3
51 150 Tours-sur-Marne

Dear Shareholders
Pursuant to the mandate we have received from your General Meeting, we hereby present our report for the financial year ended March 31, 2011 on:

- the audit of the annual financial statements for Laurent-Perrier SA as presented herein;
- the justification for our assessments;
- the specific procedures and disclosures prescribed by law.

The annual financial statements were prepared by your Management Board. Our responsibility is to express an opinion on these statements based on our audit.

I - Opinion concerning the annual financial statements

We conducted our audit in accordance with the professional standards applying in France, which require all due diligence to be exercised so that we can be reasonably satisfied that the annual financial statements contain no material errors. An audit involves the examination by sampling of the proofs of the data contained in these accounts. It also involves assessing the accounting principles applied and the material estimates used to prepare the accounts, and looking at their general presentation. We believe that our controls provide a reasonable basis for the following opinion.
We hereby certify that the annual financial statements prepared on the basis of French accounting rules and standards are truthful and provide a true and fair view of the outcome of operations in the financial year just ended and of the financial and asset position of the company at the close of the said financial year.

II - Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the basis for our opinion, we must bring the following to your attention:

- Note 2.3 in the Notes to the Financial Statements sets out the accounting principles and methods used to assess the value in use to the Company of its equity investments. While assessing the accounting rules and principles adopted by the Company, we examined whether the above accounting methods were appropriate and correctly applied and are satisfied that the resulting estimates are reasonable.

The above comments form part of our audit of the annual consolidated financial statements as a whole and this contributed to the formation of our opinion as expressed in the first section of this report.

III- Specific procedures

Pursuant to the professional standards applying in France, we also carried out the controls that are legally required.

We have no comment to make on the fairness and the consistency with the annual financial statements of the information contained in the report of the Management Board or in the documents addressed to shareholders concerning the financial position and annual financial statements.

With respect to the information provided pursuant to article L.225-102-1 of the French Code of Commerce concerning the compensation and benefits paid to company executive officers and the commitments entered into on their behalf, we have verified their consistency with the financial statements or with the data used to draw up the financial statements and where appropriate with data gathered by your company from companies controlling your company or controlled by it. On the basis of this review we certify that the information contained in them is accurate and truthful.

Neuilly-sur-Seine and Reims, June 7, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit
Christian Perrier

Philippe Venet et Associés
Philippe Venet

5.6.2. Report of the statutory auditors on the consolidated financial statements

(Year ended March 31, 2011)

"*This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements*.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the Shareholders
Laurent Perrier SA
32, avenue de Champagne
BP 3
51 150 Tours-sur-Marne

Dear Shareholders

Pursuant to the mandate we have received from your General Meeting, we hereby present our report for the financial year ended March 31, 2011 on:

- the audit of the consolidated financial statements for Laurent-Perrier SA as presented herein;
- the justification for our assessments;
- the specific procedures and disclosures prescribed by law.

The annual financial statements were prepared by your Management Board. Our responsibility is to express an opinion on these statements based on our audit.

I - Opinion concerning the consolidated financial statements

We conducted our audit in accordance with the professional standards applying in France, which require all due diligence to be exercised so that we can be reasonably satisfied that the consolidated financial statements contain no material errors. An audit involves the examination by sampling of the proofs of the data contained in these accounts. It also involves assessing the accounting principles applied and the material estimates used to prepare the accounts, and looking at their general presentation. We believe that our controls provide a reasonable basis for the following opinion.

We hereby certify that the consolidated financial statements prepared under IFRS as adopted by the European Union are truthful and provide a true and fair view of the financial and asset position of the Group comprising the individual and legal entities in the consolidation.

II - Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the basis for our opinion, we must bring the following to your attention:

- Notes 2.9 and 4.3.2 in the Notes to the Consolidated Financial Statements set out the approaches used to value vineyards at market price. While assessing the accounting rules and principles adopted by the Company, we examined whether the above accounting methods were appropriate and correctly applied and are satisfied that the resulting estimates are reasonable.

The above comments form part of our audit of the annual consolidated financial statements as a whole and this contributed to the formation of our opinion as expressed in the first section of this report.

III – Specific procedures

We also carried out the specific verifications required by law on the information provided in the consolidated management report.

We have no comment to make on the truthfulness of that information or its agreement with the consolidated financial statements.

Neuilly-sur-Seine and Reims, June 7, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit
Christian Perrier

Philippe Venet et Associés
Philippe Venet

5.7. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS

"This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

Dear Shareholders,

In our quality as statutory auditors to your company, we present our report on related-party agreements.

We are charged with informing you, on the basis of the information given to us, of the clauses and basic characteristics of those agreements reported to us or which we may have discovered in the course of our review. We are not required to comment on their usefulness or whether they are justified, nor to look for other agreements that may exist.
It is your duty, pursuant to article R.225-58 of the French Commercial Code, to appreciate the usefulness of these agreements before approving them.

We are also required, where appropriate, to provide you with the information provided for by virtue of Article R. 225-58 of the French Code of Commerce relative to the execution, during the financial year just ended, of any related party agreements already approved by the General Meeting of Shareholders.

We have carried out our audit in compliance with the professional standards applying in France, which require all due diligence to be exercised to verify that the information given to us matches the documents on which it is based.

I – RELATED PARTY AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING OF SHAREHOLDERS

Authorised agreements during the financial year just ended

Pursuant to article L.225-88 of the French Commercial Code, we have been advised of agreements receiving prior authorisation from your Supervisory Board.

- At its meeting on May 27, 2010, your Supervisory Board authorised the following agreement:

Mr Michel Boulaire shall receive a monthly sum of €13,500 exclusive of VAT as of May 15, 2010 in respect of advisory services and assistance in the area of general Group policy in the framework of his proposals in respect of strategic direction, business development, and reorganisation.

The expense relative to these services amounted to €82,000 exclusive of VAT over the financial year.

Mr Michel Boulaire, in his capacity as a member of the Management Board, is concerned by this agreement.

- At its meeting on July 6, 2010, your Supervisory Board authorised the following agreement:

MDK Consulting, whose manager is Mr Maurice de Kervénoaël, invoiced fees in the framework of extraordinary work and assignments carried out between April and December 2010.

The expense relative to these extraordinary fees amounted to €82,000 exclusive of VAT in the year just ended.

Mr Maurice de Kervénoaël, in his capacity as Chairman of the Supervisory Board, is concerned by this agreement.

- At its meeting on November 23, 2010 your Supervisory Board authorised the following agreement:

Your Supervisory Board voted an annual budget of €15,000 as of the ongoing financial year (F11), to cover the cost of training for Supervisory Board members. The budget takes effect from the current financial year (F11).

Mr Eric Meneux wishes to register for an MBA. He will pay for the training course, costing €20,000, himself. A complementary sum of €10,000 will be allocated to him, to be deducted from the above-mentioned training budget.

The amount expensed in the financial statements of your company is €8,000 for the year just ended.

Mr Eric Meneux, in his capacity as a member of the Supervisory Board, is concerned by this agreement.

II – AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements approved in previous periods and implemented through the period just ended

Pursuant to the French Commercial Code, we have further been informed of the implementation of the following agreements approved in previous periods and still in force in the financial year just ended.

2.1 Amendment to the agreement relative to the retirement benefits for company officers

Regulations governing the defined benefits pension scheme must now concern an objective category of employees and no longer be based simply on position coefficients in order to identify eligibility conditions.
It was decided to select the category of "Corporate Executive Officers and Senior Executives" (*dirigeants sociaux et cadres dirigeants*). All other benefits of the scheme are unchanged.
The supplementary defined benefit pension scheme provides for the payment of a lifetime annuity for insured beneficiaries, with 100% right in reversion to the surviving spouse.
The annuity will amount to 15% of the beneficiary's annual salary, calculated on the last 12 months of employment. It will only be paid to Corporate Officers on their retirement.

2.2 With MDK Consulting, of which Mr Maurice de Kervénoaël, Chairman of the Supervisory Board, is the Manager

MDK Consulting charges for "*assistance in the preparation of action plans in the following areas: strategic management, world-wide expansion of distribution networks and resource optimisation."*
Billing totalled €81,865 in the year just ended.

2.3 With Champagne Laurent-Perrier

Champagne Laurent-Perrier as supplier of your company

- *Continuation of the agreement for the use of Champagne Laurent Perrier premises and services*
  Champagne Laurent-Perrier billed €45,732 exclusive of VAT to your company in respect of rent and services in the year just ended.

- *Management Assistance contract*

After implementing synergies, Champagne Laurent-Perrier provides administrative, accountancy, IT and information services for Laurent-Perrier, as well as human resources management services.

A total of €80,000 exclusive of VAT was billed for these.

Laurent-Perrier as supplier of Champagne Laurent-Perrier

- *Continuation of the agreement giving Champagne Laurent Perrier the use of the Château de Louvois*

Under the terms of the agreement, authorised by the Supervisory Board on April 24, 1997, the Company makes the Château de Louvois available to its subsidiary Champagne Laurent Perrier for events to promote the image of Champagne Laurent Perrier and Grand Siècle.
In exchange, the Company receives an annual fee of €38,000 euros and €114,000 euros in rent.

- Continuation of management assistance contract

In exchange for sundry services provided by Laurent-Perrier to Champagne Laurent-Perrier with respect to strategy, legal affairs, claims & disputes, public relations, general Group promotion, defence of the Laurent-Perrier image, budget and forecasting, etc., an annual fee of €1,160,000 exclusive of VAT was billed.

- Continuation of payment of brand royalties

Payment of brand royalties under the December 14, 1990 licensing agreement amended on December 2, 1992, and effective on January 1, 1993, continued. The total amount paid was €4,444,232 exclusive of VAT for the year ended March 31, 2011.

2.4 With Champagne de Castellane

- Continuation of management assistance contract
In exchange for sundry services provided by Laurent-Perrier to Champagne de Castellane, an annual fee of €110,000 exclusive of VAT was billed.

2.5 With Société AS
- Continuation of management assistance contract
In exchange for sundry services provided by Laurent-Perrier to Société AS, an annual fee of €60,000 exclusive of VAT was billed.

2.6 With the seven private vineyard property companies (Sociétés Civiles de Vignobles)
€800 invoiced to each for annual assistance and management services.

2.7 Treasury management agreement
For several years past, Group companies have operated a central treasury management agreement concerning the cash flows between and among them but excluding all amounts due in respect of commercial activities. Advances are coordinated by Champagne Laurent Perrier and bear interest at the Group's external refinancing rate (currently 1-month Euribor + 0.60%) except on current accounts between your company and the private vineyard property companies, (Sociétés Civiles d'Exploitation) which bear interest at a rate equal to the maximum fiscally deductible rate at March 31, 2011 of 3.76%.
Under the terms of the agreement, current accounts carried the following interest over the period:

	Interest paid (€)	Interset recud (€)	Rate %
Champagne Laurent-Perrier		484,374	Euribor +0.60%
SCEA des Grands Monts	2,251		3.76%
SC des Côteaux de Charmeronde	7,276		3.76%
SC des Côteaux du Barrois	3,989		3.76%
SC des Côteaux de la Louvière	577		3.76%
SC de Chamoe	4,583		3.76%
SCdes Côteau de Courteron		3,086	3.76%
SC ASN	418,583		3.76%
SC DIRICE		25,962	Euribor +0.60

2.8 Current account agreement with the estate of Mr Bernard de Nonancourt and with Madame Claude de Nonancourt

Their current accounts have credit balances of respectively €2,565,342 and €1,425,746 at March 31 2011, and generate interest of 3.76 %. Interest for the 2010/2011 financial year amounted respectively to €95,414 and €52,077.

The appended table sets out the names and functions of the executives common to the public limited companies (*Sociétés Anonymes*) concerned by the above agreements.

Reims and Neuilly-sur-Seine, June 6 2011

The Statutory Auditors

Philippe VENET et Associés
Philippe VENET

PRICEWATERHOUSECOOPERS AUDIT
Christian PERRIER

Companies Company Officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff
Claude de Nonancourt	Member of the Supervisory Board		Director	Director	
François Philippoteaux	Vice-Chairman of the Supervisory Board	Vice-Chairman of the Supervisory Board			
Michel Boulaire	Chairman of the Management Board	Chairman of the Management Board	Chairman of the Board of Directors		Chairman
Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	Permanent Representative of LP, member of the Supervisory Board	Permanent representative of CLP, Director	Chairman of the Board of Directors	
Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	Member of the Management Board			
Etienne Auriau	Member of the Management Board		Chief Executive Officer		
Michel Fauconnet	Member of the Management Board			Chief Executive Officer	

5.8. Fees paid by the Group to the auditors and members of their network in the year ended March 31, 2011

	PricewaterhouseCoopers Audit				PVA			
	Amount (HT)		%		Amount (HT)		%	
	March 31,2011	March 31,2010	March 31,2011	March 31,2010	March 31,2011	March 31,2010	March 31,2011	March 31,2010
Audit								
Statutory auditing, certification auditing of individual and consolidated accounts issuer								
Issuer	45,500	48,300	36%	39%	33,600	37,000	29%	32%
Fully-consolidated subsidiaries	81,340	76,906	64%	61%	81,560	78,800	71%	68%
Other activities and services directly related to the statutory auditor's remit								
Issuer								
Fully-consolidated subsidiaries								
Subtotal	126,840	125,206	100%	100%	115,160	115,800	100%	100%
Other services rendered by the networks to fully-consolidated subsidiaries								
Legal, fiscal, social	31,193	6,335	100%	100%	0	0		
Other (specify it 10% of audit fees)								
Subtotal	31,193	8,405	100%	100%				
TOTAL	**158,033**	**131,541**	**100%**	**100%**	**115,160**	**115,800**	**100%**	**100%**

Amounts in foreign currencies have been converted at the average exchange rate for the accounting period.

6. Joint shareholders meeting, july 6, 2011

6.1. Agenda

RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

1. Presentation of the combined report of the Management Board on the parent company and consolidated financial statements for the financial year ended March 31, 2011 and on the activity of the Company during the said financial year; of a number of other reports, in particular that by the Chairman of the Supervisory Board on the internal organisation of the Supervisory Board and on internal controls;
2. Presentation of the Statutory Auditors' reports on the parent company and consolidated financial statements for the financial year ended March 31, 2011 and on the activity during the said financial year;
3. Presentation of the special report by the Statutory Auditors on agreements governed by articles L 225-86 et seq. of the French Commercial Code;
4. Presentation of the report of the Supervisory Board on the report of the Management Board and the parent company financial statements for the financial year ended March 31, 2011;
5. Examination and approval of the Company's financial statements and consolidated financial statements for the financial year ended March 31, 2011;
6. Granting of discharge to the members of the Management Board, the Supervisory Board and the Statutory Auditors;
7. Appropriation of income for the financial year;
8. Approval of the related party agreements governed by articles L 225-86 et seq. of the French Commercial Code;
9. Attendance fees;
10. Examination of Supervisory Board members', Statutory Auditors' and alternate auditors' mandates; Renewal of the mandates of some members of the Supervisory Board, the mandates of Statutory Auditors' and alternate auditors' mandates;
11. Authority and powers granted to the Management Board for the new share buy-back programme.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

12. Authority and powers to be granted to the Management Board to cancel Company shares;
13. Authorisation and powers granted to the Management Board , for a period of twenty-six (26) months, to issue with the maintenance of pre-emptive shareholders' rights, various types of securities or warrants giving immediate or future access to the Company's capital stock, for a nominal maximum amount of ten million (10,000,000) euros (stocks) and one hundred and fifty million (150,000,000) euros (debt securities);
14. Authorisation and powers granted to the Management Board, for a period of twenty-six (26) months, to issue with the suppression of pre-emptive shareholders' rights, various types of securities or warrants giving immediate or future access to the Company's capital stock, for a nominal maximum amount of ten million (10,000,000) euros (stocks) and one hundred and fifty million (150,000,000) euros (debt securities);
15. Authorisation and powers granted to the Management Board, for a period of twenty-six (26) months, to increase the Company's capital stock by incorporation of reserves, income or premiums, for a nominal maximum mount of ten million (10,000,000) euros ;
16. Authorisation and powers granted to the Management Board, to use the authorisations to increase the Company's capital stock mentioned above and concerning Company securities during a period of public offers of purchase and/or

exchange;
17. Authorisation and powers granted to the Management Board, for a period of twenty-six (26) months, for an increase in the Company’s capital stock reserved for the persons concerned by article L 3332-19 of the French Labour Law;
18. Powers

NB: The numbering of resolutions differs from the numbering of items on the agenda

6.2. SHAREHOLDERS’ RESOLUTIONS

RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS’ MEETING

First resolution
The General Shareholders’ Meeting, having reviewed the various reports and notably those of the Management Board concerning the parent company financial statements; of the Supervisory Board; of the Chairman of the Supervisory Board on the internal organisation of the Supervisory Board and on internal controls; and of the Statutory Auditors, approves these reports and financial statements for the financial year ended March 31, 2011 as submitted to it. The meeting also approves the transactions described in the accounts and summarised in these reports.

Second resolution
The General Shareholders’ Meeting, having reviewed the various reports and notably that of the Management Board concerning the Group’s activity and situation; the report of the Supervisory Board; and the report of the Statutory Auditors for the financial year ended March 31, 2011, approves the consolidated accounts as submitted to it. The meeting also approves the transactions described in the accounts and summarised in these reports.

Third resolution
Consequently, the General Shareholders’ Meeting grants the Management Board full discharge for its management during the financial year beginning on April 1, 2010 and ending on March 31, 2011.

Fourth resolution

The General Shareholders' Meeting resolves to appropriate the net income for the year ended March 31, 2011 of € 3,427,276.99 as follows.

Appropriation of net income:

Net income for the financial year:	€3,427,276,99
Retained earnings brought forward from previous years:	€13,011,764.34
Total available for appropriation:	€16,439,041,33

From the total available, the payment of: €4,478,842.64 as dividend to shareholders(*).
The new amount to be transferred to "retained earnings" is: €11,960,198.69

The dividend payable for the financial year is 0.76€ per share. For individual investors who are natural persons resident in France for tax purposes, the amount of the dividend paid shall take account of social security contributions which are compulsory under the Finance Act of 2008. The dividend will be paid out on July 21, 2011.

It is hereby stated that dividends payable on Laurent-Perrier treasury shares will not be distributed but will instead be transferred to retained earnings.

(*)Excluding the 52,647 Laurent-Perrier shares held by the Company as at 31.03.2011, unless there is an increase or decrease in the number of treasury shares held.

For natural persons who are resident in France for tax purposes this dividend is eligible for the discount stipulated in § 20 of article 158-3 of the French Tax Code (Code Général des Impôts).

It is hereby stated that in order to comply with the provisions of article 117 quater new of the French Tax Code, derived from the 2008 Finance Act (Act No.2007-1822, 24 December 2007 published in the Journal Officiel on 27/12/2007), and in respect of attributable income eligible for the 40% discount taken from January 1, 2008:

- the withholding taxes due in respect of this income shall be deducted at source and declared directly by the Company,
- natural persons resident for tax purposes in France (other than industrial, commercial, artisanal, or farming companies, or those in non-commercial occupations) may opt for the 18% flat-rate, at source withholding tax.

Persons who opt for or who have already opted for the 18% flat rate withholding tax may not under any circumstances benefit from the 40% discount on all attributed income, received or to be received during this year. The option chosen must be notified to the Company no later than on receiving each payment.

A sum of €4 837 852,51 corresponding to the carrying value of the 52,647 treasury shares owned by the Company as at March 31, 2011 must be stated in the "Treasury share reserve" account. This reserve currently amounts to €6,981,937.88 is sufficient.

The Shareholders duly note that the sums distributed as dividends over the last three financial years were:

Financial Year	Dividend per share (€)
2007-2008	€1.40
2008-2009	€0.83
2009-2010	€0.69

Fifth resolution
The Shareholders approve the transactions conducted between the members of the Supervisory Board (or the companies or enterprises they represent, are executive officers of, or in which they hold a direct or indirect interest, or in which they are active via a third party) and the Company over the financial year just ended, as these are described in the Statutory Auditors' special report on regulated agreements covered by articles
L 225-86 et seq. of the French Commercial Code.

Sixth resolution
The Shareholders approve the transactions conducted between the members of the Management Board (or the companies or enterprises they represent, are executive officers of, or in which they hold a direct or indirect interest or in which they are active via a third party) and the Company over the financial year just ended as these are described in the Statutory Auditors' special report on regulated agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Seventh resolution
The Shareholders approve all transactions between, one the one hand, a shareholder owning more than 10% of the voting rights in the Company or any company controlling another company that is a shareholder and owning more than 10% of the voting rights in the Company and, on the other hand, the Company itself, over the financial year under review, as these are described in the Statutory Auditors' special report on regulated agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Eighth resolution
The General Shareholders’ Meeting resolves to set total attendance fees payable to the members of the Supervisory Board at € 144,716, unless shareholders decide otherwise. A Supervisory Board meeting will be held to allocate the attendance fees.

Ninth resolution
The General Shareholders' Meeting, noting that the Supervisory Board mandate of M. Maurice de Kervénoaël is about to expire, renews his mandate for a further period of six years, until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Tenth resolution
The General Shareholders' Meeting, noting that the Supervisory Board mandate of M. Grant Gordon is about to expire, renews his mandate for a further period of six years, until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Eleventh resolution
The General Shareholders' Meeting, noting that the Supervisory Board mandate of M. Eric Meneux is about to expire, renews his mandate for a further period of six years, until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Twelfth resolution
The General Shareholders' Meeting noting that the Statutory Auditors’ mandate of Cabinet Philippe Venet & Associés is about to expire.

The General Shareholders' Meeting decides to mandate: KPMG S.A., 3 cours du Triangle, 92939 Paris la Défense Cedex, represented by M. Pascal Grosselin as Statutory Auditors for a period of six years, until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Thirteenth resolution
The General Shareholders' Meeting noting that the Statutory alternate auditors’ mandate of KPMG/FIDEX is about to expire.

The General Shareholders' Meeting decides to mandate: M. Patrick Zeimett, 19 rue Clément Ader 51100 Reims as Statutory alternate auditors for a period of six years, until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Fourteenth resolution
The General Shareholders’ Meeting, having reviewed the report of the Management Board and read the information in the memorandum filed with the AMF in accordance with the provisions of articles 241-1 to 241-8 of the latter's General Regulations, authorises the Management Board, for eighteen (18) months from the date of this meeting, to buy back shares in the Company in accordance with the provisions of articles L 225-209 et seq. of the French Commercial Code and other applicable legal provisions.

The General Shareholders’ Meeting resolves that the shares may be repurchased either on the stock market or through acquisitions of blocks of shares, at one or more times, subject to the maximum limit set forth hereinafter. The maximum purchase price of a share (excluding transaction costs) is set at €100.

The maximum number of shares that may be acquired may at no time exceed 10% of Company capital, or a maximum of 594,000 shares as of the day of the present General Shareholders’ Meeting, taking into consideration the shares that have already been purchased in the preceding programmes authorised by the Company's Shareholders'

Meetings.

The maximum amount allocated to the buy-back programme is € 54,135,300.

The General Shareholders’ Meeting resolves that the said shares may be bought back to:
- ensure the orderly trading of company shares by an investment services provider within the framework of a liquidity agreement in compliance with the rules of conduct of the French association of investment firms (AFEI) recognised by the AMF;
- grant shares to employees or officers;
- grant stock options to employees or officers;
- hold the shares purchased for subsequent use for exchange or payment in case of mergers or acquisitions;
- cancel all or part of the shares acquired.

The General Shareholders’ Meeting resolves that shares may be repurchased and sold on the stock market and/or by means of block trading. Shares may be repurchased through block trading, it being understood that the goal of ensuring orderly trading in Company shares might in such cases not be fully achieved.

Shares may be purchased, sold or transferred at any time, and by any appropriate method, including the use of derivative instruments and options strategies, subject to the limits set by stock market regulations.

This authorisation cancels and replaces the provisions of an earlier authorisation to the same effect granted at the General Shareholders’ Meeting on July 7, 2010.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS’ MEETING

Fifteenth resolution

Voting in accordance with the quorum and majority voting rules applicable to Extraordinary Shareholder’s Meetings and after reviewing the report of the Management Board and the special report by the Statutory Auditors, the General Shareholders' Meeting authorises the Management Board, to the extent allowed by law and statutory provisions, for a period of eighteen (18) months to:
- cancel the shares acquired under the Company’s buy-back programme approved by the Management Board,
- provided that the aggregate number of shares cancelled in any 24-month period does not exceed 10% of Company capital;
- reduce the capital accordingly by charging the difference between the purchase price of cancelled shares and their par value to additional paid-in capital or any distributable reserves.

The General Shareholders' Meeting confers full powers on the Management Board to:
- carry out such reduction or reductions of capital;
- set the definitive amount of the reduction, determine the terms and conditions, and take note of completion;
- offset the difference between the purchase value and the par value of cancelled shares against - additional paid-in capital or reserves;
- amend the by-laws to reflect the new capital and more generally to carry out all necessary formalities, in accordance with legal provisions in force at the time this authorisation is used.

Sixteenth resolution

The General Shareholders' Meeting, having reviewed the report of the Management Board and the special report of the Statutory Auditors, subject to the powers conferred by the Company's by-laws to the Supervisory Board, and in compliance with the conditions set forth in the French Commercial Code (and in particular paragraph 3 of article L 225-129 et seq.):

1. authorises the Management Board and delegates the necessary powers in that regard to increase Company's share capital, on one or more occasions, in proportions and at times it deems appropriate, on the French and/or international markets, through the issue of shares and all other marketable securities, conferring present future rights to a percentage of the Company's share capital, with the exception of preferred shares, by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other procedure, at any time or on a fixed date;

2. decides that the amount of the increase in capital stock that may be realised immediately and/or in the future by virtue of the delegation specified in point 1 above, cannot, subject to point 3 below, exceed the overall nominal amount of ten million (10,000,000) euros;

3. decides that the amount stipulated in point 2 above, if applicable, may be increased as much as might be necessary for the increase in capital stock linked to the adjustment of the rights of certain bearers of securities in the case of new financial operations, in order to protect the rights of the said bearers in compliance with applicable legal conditions;

4. decides also that the global nominal amount of issues of debt securities giving access to the Company's capital may not exceed one hundred and fifty million (150,000,000) euros or the equivalent thereof in foreign currency;

5. decides that the Shareholders:
   - may exercise their pre-emptive right to subscribe to a fixed number of shares according to the conditions stipulated by law;
   - may, furthermore, subscribe to a number of excess shares and securities greater than the number they may subscribe to on the basis of exact rights, under the conditions set forth in the law, which they may take in proportion to their subscription rights and, in any case, within the limit of their requests. The Management Board will nevertheless maintain the right to waive said shareholders' rights to additional shares.
   - The Management Board may, if a fixed number of shares, and if applicable, an additional number of shares, has not taken up the entire issue of shares or securities as defined above, use one or several of the following measures at its discretion and in the order it deems fit:
   - to limit the amount of the subscriptions with the proviso that they must attain at least three quarters of the issue decided upon;
   - or freely distribute all or part of the securities not taken up;
   - or offer these publicly, in whole or in part;

6. notes that, where appropriate, the delegation concerned by this present resolution legally implies that shareholders waive their preferential right of subscription to the shares which these securities entitle them to for the benefit of all holders of securities likely to be issued and giving future access to Company stock;

   decides expressly that warrants for Company shares, by virtue of article L 228-95 of the French Commercial Code, may be issued either by subscription as described above, or by granting free shares to the bearers of existing shares;

hereby expressly abolishes the pre-emptive rights of shareholders to shares to be issued in exchange for convertible bonds or those taken up under warrants;

7. decides that the amount due or becoming due to the Company for each of the shares issued in the framework of the present delegation will be at least equal to the par value of the shares;

8. confers full powers on the Management Board, with the possibility of sub-delegation to its Chairman under the applicable legal conditions, to implement the said delegation, and in particular:
   - to determine the dates, conditions and arrangements for issuing these securities, and to set the terms and the characteristics of the securities to be issued;
   - to determine the issue price and in particular the amount of the premium, each time it exercises the present delegation;
   - to set the amounts to be issued and the date of possession, even backdated, of the securities to be issued;
   - to determine the method of payment for shares or other securities;
   - if applicable, to set the conditions for their buy-back on the stock market;
   - to consider the possibility of suspending exercise of the rights attached to securities for a maximum period of three (3) months;
   - to determine the arrangements whereby the rights of the bearers of securities granting access to the legal capital are safeguarded, in accordance with the applicable legal conditions;
   - further resolves that the Management Board or by sub-delegation, its Chairman, shall be entitled to proceed, where appropriate, to charge all costs to the issue premiums, in particular the costs incurred in carrying out these issues, and to take all necessary steps, sign all instruments or enter into any and all agreements necessary to complete the issues successfully, record the resulting increases in the capital, and to make the corresponding amendments to the by-laws;
   - resolves that, in the case of issues of debt securities giving access to the legal capital, the Management Board shall have full powers, with the possibility of sub-delegation to its Chairman, to decide in particular whether these issues are subordinated or not, set their interest rate and maturity, the fixed or variable price for their reimbursement with or without premiums, the methods for redeeming them at market conditions, the conditions under which these securities confer rights to Company shares and the other terms and conditions of the securities;

9. decides that the present delegation cancels all previous delegations concerning immediate and/or future issues of Company shares; pre-emptive rights to subscriptions shall be maintained;

10. decides that the delegation conferred on the Management Board may be exercised for a period of twenty-six (26) months from the date of the present General Meeting of Shareholders.

Seventeenth resolution
The General Shareholders' Meeting, having attained the quorum and majority applicable at Extraordinary Shareholders' Meetings, and after reviewing the report of the Board of Directors and the special report of the Statutory Auditors, subject to the powers conferred by the Company's by-laws on the Supervisory Board, and in accordance with the conditions set forth in the French Commercial Code (and in particular, articles L 225-129 et seq. and articles L 225-150 and L 228-93):

1. authorises the Management Board and delegates the necessary powers in that regard to proceed once or several times on the French and/or international markets, in the proportions and at the time it deems appropriate, to increase the Company's capital by issuing:

   a) shares and all other types of securities, including warrants, conferring present or future rights to a percentage of the legal capital, by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other procedure, at any time or on a fixed date, with the notable exception of preferred shares, with the proviso that the said securities can be issued to remunerate securities tendered to the Company within the framework of public offers of exchange, according to the conditions set forth in article L 225-148 of the French Commercial Code;

   b) and/or the securities specified below, following the issue by a company in which the Company directly or indirectly holds more than one half of the capital:
      - bonds with attached warrants for Company shares;
      - Company shares or all other types of Company securities (shares and investment securities), including straight warrants, conferring present or future rights by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other procedure at any time or on a fixed date, to a percentage of the Company's share capital, with the notable exception of preferred shares;

2. resolves that the amount of any capital increases that may be realised immediately and/or in the future by virtue of the delegation specified in point 1 above may not, subject to points 3 and 5 below, increase shareholders' equity by an overall nominal amount of more than ten million (10,000,000) euros;

3. resolves that the amount defined in point 2 above, if applicable, should be increased by as much as is necessary for the capital increase decided to adjust the rights of certain bearers of securities in the event of new financial transactions in order to protect the said bearers in accordance with applicable legal conditions;

4. resolves also that the global nominal amount of issues of debt securities giving access to the Company's share capital may not exceed one hundred and fifty million (150,000,000) euros or the cash equivalent in foreign currency;

5. resolves to limit the amounts set in points 2 and 4 above to the unused fraction of the respective ceilings set by the preceding resolution;

6. resolves to waive the pre-emptive rights of shareholders to subscribe to any Company securities issued under this resolution, it being understood that the Management Board may confers on shareholders the right to subscribe preferentially to all or part of the issue, for a period and according to the arrangements it sets in accordance with the provisions of article L 225-135 paragraph 2 of the French Commercial Code;

7. resolves that this priority for subscription shall not lead to the creation of negotiable rights but may, if the Management Board so decides, be exercised for a fixed or additional amount, with the stipulation that, at the end of the priority period, the securities not subscribed will be sold as part of a public offering;

8. resolves that if shareholders and public subscriptions have not taken up the entire issue of shares or securities as defined above, the Management Board may at its own discretion and in the order it deems fit apply one or more of the following measures:
   - limit the issue to subscriptions with the proviso that they must attain at least three-quarters of the issue decided upon;
   - freely distribute the securities not taken up;

9. notes that, where appropriate, the delegation concerned by this present resolution legally implies that shareholders waive their preferential right of subscription to the shares which these securities entitle them to for the benefit of all holders of securities likely to be issued and giving future access to Company stock;

10. notes that, where appropriate, the authorisation and powers granted under the present resolution legally entail the waiving of pre-emptive shareholders' rights for the bearers of securities giving immediate or future access to the company's capital stock, in the event of future securities issues.

11.hereby expressly abolishes the pre-emptive rights of shareholders to shares to be issued in exchange for convertible bonds or those taken up under warrants; resolves that the amount due or becoming due to the Company for each of the shares issued in the framework of the present delegation will, in the event of an issue of warrants, after allowing for the issue price of the said warrants, be at least equal to the minimum provided for by the applicable legal provisions;

12.confers full powers on the Management Board, with the possibility of sub-delegation to its Chairman under the applicable legal conditions, to implement the said delegation, and in particular:
- to determine the dates, conditions and arrangements for issuing these securities, and to set the terms and the characteristics of the securities to be issued, in agreement, where appropriate, with the competent bodies of the other companies concerned;
- to determine the issue price and in particular the amount of the premium, each time it exercises the present delegation;
- to set the amounts to be issued and the date of possession, even backdated, of the securities to be issued;
- to determine the method of payment for shares or other securities;
- where appropriate, to set the conditions for their buy-back on the stock market;
- to consider the possibility of suspending exercise of the rights attached to securities for a maximum period of three (3) months;
- to determine the arrangements whereby the rights of the bearers of securities granting access to Company capital are safeguarded, in accordance with the applicable legal conditions;
- further resolves that the Management Board or by sub-delegation, its Chairman, shall be entitled, where appropriate, to charge all costs to the issue premiums, in particular the costs incurred in carrying out these issues, and to take all necessary steps, sign all instruments or enter into any and all agreements necessary to complete the issues successfully, record the resulting increases in the capital, and to make the corresponding amendments to the by-laws;
- resolves that, in the case of issues of debt securities giving access to Company capital, the Management Board shall have full powers, with the possibility of sub-delegation to its Chairman, to decide in particular whether these issues are subordinated or not, set their interest rate and maturity, the fixed or variable price for their reimbursement, with or without premiums, the methods for redeeming them at market conditions, the conditions under which these securities confer rights to Company shares and the other terms and conditions of the securities;

13.decides that the present delegation cancels all previous delegations concerning immediate and/or future issues of Company shares where pre-emptive rights to subscription are abolished and the power to define a priority period is conferred;

14.decides that the delegation conferred on the Management Board may be exercised for a period of twenty-six (26) months from the date of the present General Shareholders' Meeting.

Eighteenth resolution

1. The General Shareholders' Meeting, having reviewed the report of the Management Board, and meeting the quorum and majority requirements for Extraordinary General Meetings of Shareholders, and subject to the powers conferred by the Company by-laws on the Supervisory Board, grants the Management Board, for a period of twenty-six (26) months from the date of the present meeting, full powers to increase Company capital, on one or more occasions, when it deems appropriate, by incorporation of reserves, income or premiums to be achieved by the creation and allocation of free shares or to increase the nominal value of existing shares, or a combination of the two.

2. The Shareholders' General Meeting authorises the Management Board to decide that fractional shares shall not be negotiable and that the corresponding shares will be sold. The amounts generated by the sale will be allocated to share owners no later than thirty (30) days after the date on which the entire number of securities attributed to them is registered in their account.

3. The capital increase to be realised within the framework of the present resolution shall not exceed the nominal amount of ten million (10,000,000) euros. This amount shall not be allocated but shall be added to the amounts set in points 2 and 4 of the sixteenth and seventeenth resolutions above.

4. The General Shareholders' Meeting hereby grants full powers to the Management Board with the possibility of sub-delegation to its Chairman under the applicable legal conditions, in particular to determine the dates and the arrangements for these issues, their amount and the nature of the sums to be incorporated into the capital, the price and the conditions of the issues and, more generally, to take all necessary steps to complete such issues, to carry out all necessary operations and formalities to this effect, to report on the corresponding capital increase or increases, and to proceed to the correlative modification of Company by-laws.

Nineteenth resolution

The General Shareholders' Meeting, having heard the report of the Management Board, expressly authorises the said Management Board from the date of the present General Shareholders' Meeting and until the date of the next General Shareholders' Meeting called to approve the annual accounts of the Company to use the delegations granted by the present General Shareholders' Meeting in the sixteenth, seventeenth and eighteenth resolutions above during periods of public offerings to buy and/or exchange Company shares, in order to increase the legal capital by all available legal means according to the conditions set out in the said resolutions.

Twentieth resolution

The General Shareholders' Meeting, having heard the report of the Management Board and the special report of the Statutory Auditors, and subject to the powers conferred on the Supervisory Board by the Company by-laws, and in accordance with the conditions laid down in paragraphs 1 and 2 of article L 3332-19 of the French Commercial Code, amended by the Law passed on February 19, 2001 relative to employee savings schemes, hereby:

1. authorises the Management Board and delegates to it the necessary powers in that regard, to proceed on one or more occasions , in the proportions and at the time it deems appropriate, and in application of the authorisations granted under the tenth, eleventh, twelfth and thirteenth resolutions above, to increase the Company capital by issuing shares in the Company reserved for those persons enumerated in article L 443.5 of French Labour Law effectively stipulating a capital increase reserved for employees, in cases where Company employee share ownership accounts for less than 3% of the capital;

2. resolves that the increase in the Company's share capital by virtue of the delegation described in point 1 above, subject to point 3 below, may not increase Company capital by more than a nominal ten million (10,000,000) euros;

3. resolves to set a limit on the amounts specified in point 2 above to the unused fraction of the ceilings respectively set in the sixteenth, seventeenth, eighteenth and nineteenth resolutions above;

4. recognises that the delegation referred to in the present resolution legally requires shareholders to waive their right of pre-emptive subscription in favour of Company employees;

5. resolves that the Management Board shall have full powers with the possibility of sub-delegation to its Chairman under the applicable legal conditions to implement the said delegation, and in particular:
   - to determine the dates, conditions and arrangements for issuing these securities;
   - to determine, each time it exercises the said delegation, the issue price, and the amount of the premium in particular, it being specified in accordance with the provision of article L 3332-19 of French Labour Law (amended by the above-mentioned Law passed on February 19, 2001) that this price shall not be higher than the average price quoted on the Stock Market for the last twenty (20) trading days preceding the date on which the Management Board decides to open subscriptions; nor may the price be less than 20% of the above-mentioned average (or 30% in the cases set out in the above-mentioned article L 3332-19 of French Labour Law;
   - to set the amounts to be issued and the date of possession, even backdated, of the securities to be issued;
   - to determine the method of payment of shares or other securities;

Further resolves that the Management Board or by sub-delegation, its Chairman, shall be entitled, where appropriate, to charge all costs to the issue premiums, in particular the costs incurred in carrying out these issues, and to take all necessary steps, sign all instruments or enter into any and all agreements necessary to complete the issues successfully, record the resulting increases in the capital, and to make the corresponding amendments to the by-laws.

6. resolves that the delegation conferred on the Management Board may be exercised for a period of twenty-six (26) months from the date of the present General Shareholders' Meeting.

Twenty-first resolution
The General Shareholders' Meeting authorises the bearer of an original, a copy or an extract of the minutes of this Meeting to execute all filing, publication and other formalities required under French law.

7.	REPORTS

7.1. INFORMATION PUBLISHED OVER THE YEAR

7.1.1. The following documents are published either regularly or as and when required on the website of the French financial markets authority (Autorité des Marchés Financiers) www.amf-france.org and/or at www.finance-groupelp.fr.

	2010-2011
01.06.2010	Turnover, FY 2009-2010
01.06.2010	2009-2010 Reference Document
01.06.2010	Results for FY 2009-2010
04.06.2010	Analysts' Briefing on the results for FY 2009-2010
08.07.2010	Address to shareholders an the Annual General Shareholders' Meeting held on July 7, 2010
20.07.2010	First-quarter turnover FY 2010-2011
01.12.2010	First-half turnover FY 2010-2010
01.12.2009	First-half results FY 2009-2011
01.12.2010	Analysts' briefing on first-half results, FY 2010-2011
10.02.2011	Third-quarter turnover, FY 2010-2011

7.1.2. Information published in the industry and specialist press 2010-2011

May 2010	**The Laurent-Perrier Garden : Inspired by the Champagne *terroir***

THE ORIGINS…

The idea for the Laurent-Perrier Garden was born after Jinny saw aerial photographs of the landscape of the Champagne region.

Viewed from the sky, this landscape forms an intricate geometric tapestry of pale green, cream and pink chalk vine fields where manmade straight lines are broken up by the intuitive shapes of forests and rivers. The colour of the harmonious whole is that of the Champagne earth ('*terre de Champagne')* and its vine shoots.

Jinny took her inspiration from the geometry often found in nature: in the stamen of flowers, the structure of seeds, and in the configuration of leaves' veins or bark.
A protective shell, hard and dry, is cracked open to reveal its secret interior, suggesting its capacity to grow and to change its physical composition.

The idea of this sculptural seed lying split open, as if falling onto a mosaic of vine fields suggests the potential germ of new life: it is the **birth of champagne**.

THE MAKING OF…

The Laurent-Perrier Garden is a representation at ground level of this faceted champagne 'field system' viewed from the air.

Small areas of green grass are divided by strips of floral paths separated by bands of crushed chalk. A central path of crushed limestone carves its way through two large 6 metres long and 2.5 metres high 'open' seeds.

The first one is vertical, creating a narrow passage between the two. The other halves of the second seeds are each on a ground spot. All are dramatically sculptural, their shell embossed with real leaves cast onto their surface and whitewashed. The inside is more geometric, clad with a witty use of champagne bottle bottoms cast in resin and resembling, at first glance, more dark shiny seeds.

The general effect is captivating, original and sophisticated.

May 2010	The Laurent-Perrier Garden at Ghent Floralies

Very sensitive to the beauty of nature and to the magic of floral arts, the House of Laurent-Perrier takes part in various international garden events to express the refinement and finesse of its champagne wines through the works of reputed floral artists and landscapers.
The new Laurent-Perrier Garden pops up at Ghent Floralies in Belgium (17-25 April, 2010), a special creation of the Belgian Master Daniel Ost on the theme of the Cuvée Rosé Laurent-Perrier.

Values and traditions
Ghent Floralies, a floral exhibition of the Royal Agricultural and Botanical Society of Ghent, were created in 1809, just three years before the foundation of the House of Laurent-Perrier. These two 'institutions' share the same values based on the respect of traditions, *savoir-faire*, quality and authenticity. Thus, exceptional gardens and *vins de plaisir* are two of a kind. Their symbolic union is a tribute to the mastering of Nature by human hands.
For the 2010 edition of the famous five-yearly event, Laurent-Perrier has once again called for the talent of Daniel Ost, the world-famous Belgian floral creator.

Creativity and an eternal renewal
To create his temporary garden at Ghent Floralies, Daniel Ost was inspired by the spring character of the Cuvée Rosé Laurent-Perrier. The intense clearness of the champagne, its bright sparkles, are expressed through the delicate pink of two new varieties of *callas*, the *Classic Harmony* and the *Flamingo,* unveiled in Belgium for the first time. These elegant flowers, from the Araceae family originally from South Africa, blend in beautifully with the concept borrowed by the artist from a previous signature garden.
Indeed, Daniel Ost created a Laurent-Perrier Garden - symbol of bubbles springing out of a fresh champagne bottle - in the historical grounds of the Tuileries Garden of the Louvre at *Jardins, Jardin* in 2007.
He now celebrates the gentle awakening of nature and the excellency of champagne. All senses are conveyed, in a whirlwind, temporary scene made of organic reflections, living hues and fresh and sensual aromas.

May 2010	A golden romance Laurent-Perrier Garden Awarded Gold at Chelsea

Champagne Laurent-Perrier is delighted to have struck gold once again at the prestigious RHS Chelsea Flower Show. The coveted gold medal has been awarded for Tom Stuart Smith's Show Garden of romance and elegance for Laurent-Perrier - a perfect reflection of the revered Laurent-Perrier Cuvée Rosé.

Champagne Laurent-Perrier is the official champagne of the 2010 RHS Flower Shows and Laurent-Perrier Cuvee Rosé is the champagne of the 2010 Chelsea Garden this week – the ideal Champagne for a Summer soirée.

Offering a private, intimate space for entertainment or quiet reflection, the Laurent-Perrier Show Garden is proving to be a major attraction at the show. A modern garden of subtle and varying textures: the centrepiece is an elegant, bronze Pavilion designed by award winning architect Jamie Fobert.

This is the first time that Tom has included a building or Pavilion in a Chelsea Show Garden, but this is his sixth collaboration with Laurent-Perrier.

May, 27 2010	Michel Boulaire appointed Chairman of Management Board of the Laurent-Perrier Group. Etienne Auriau and Michel Fauconnet join Management Board

On Thursday 27 May 2010 the Laurent-Perrier Group Supervisory Board appointed Michel Boulaire as Chairman of the Management Board, taking over from Stéphane Tsassis, who has decided to leave the House.

The Supervisory Board thanks Stéphane Tsassis for his dedication and energy within the company in a difficult economic environment, and wishes him every success in his subsequent career.

Michel Boulaire has agreed to perform this duty during a transitional period. Moves to recruit a new Chairman are already underway.

The Supervisory Board also appointed Etienne Auriau, currently Chief Financial Officer, and Michel Fauconnet, currently Cellar Master and Head of Vineyards, Supply and Production, to the Laurent-Perrier Group Management Board. They will join the two other members of the Management Board, Alexandra Pereyre de Nonancourt and Stéphanie Meneux de Nonancourt.

The Management Board thus now combines the main functions of the House to ensure strategic continuity, pursue commercial development, and galvanise the Laurent-Perrier workforce in order to take advantage of nascent economic recovery.

May 2010	The *Jardin Ephémère Laurent-Perrier* by Daniël Ost in Tokyo On the boundary of two cultures

The House of Laurent-Perrier goes further in its commitment to the Art of Gardens and unveils its first *Jardin Ephémère* (Pop-up Garden) in Asia.

Nourished from its experience acquired over the years at high-profile events - such as the Chelsea Flower Show in London – Laurent-Perrier creates its own showcase project with the launch of the *Jardins Ephémères Laurent-Perrier* (the Laurent-Perrier Pop-up Gardens): a rare and unexpected spot is turned into a Laurent-Perrier Garden for a few days by a landscaper artist who thus expresses the House's values and respects its exacting standards.

It is the meeting between Asia and the Western World which inspired Daniel Ost, the author of the first Laurent-Perrier Pop-up Garden in Asia. The Flemish floral architect has taken possession of the 10th floor of the amazing Chanel Tower in Ginza, the mythical luxury district in Tokyo. And it is at its top, on the terrace of the Michelin-star restaurant Beige held by Alain Ducasse, that he expressed his vision of the two cultures.

The zen approach of a contemporary garden and the minimalism of its drawing with soft curves, are revealed by the artist who chose Western flowers – mainly pink verbena (Verbena Lewisia and Verbena Hortensis) and moss (Hypnum plumae, Wilson shape) to translate the union of both worlds in the central part of the garden. « The plants' delicate pink is also a reminder of the colour of the Cuvée Rosé Laurent-Perrier, » Daniel Ost added.

There is no denying that the fabulous skyline viewed from the top of Beige terrace, with a panoramic view on Tokyo Tower (built on the same model as the Eiffel Tower but even taller) and the interaction with Mount Fuji, Japan's peak point which can be distinguished on a clear day, all invite to contemplation and reflection. The Laurent-Perrier Garden has been conceived like a dialogue between architecture and the organic world.

« This Pop-up Garden is a graphic exercise and its key words are tranquillity, refinement, elegance and demanding standards – the House's values which I also share, » Daniel Ost commented. The terrace usually houses « The Tweed Garden » - a green tribute to Chanel's celebrated tweed fabric – where several varieties of boxwood are cut so as to create a patchwork of the material's effect.

Craftsman of the impossible, the technical constraints of the place - which had to be totally emptied to build the Laurent-Perrier Pop-up Garden – stimulated the artist: « I love challenges and acrobatics, » he said.

Trained in Japan where the Imperial family is among his faithful followers, Daniel Ost is perhaps more famous in this country than anywhere else in the world thanks to the Ikebana, the Japanese art of floral arrangement. Ost has the unique talent to see life through flowers which he sculpts, and he uses his gift to create astonishing work of arts, against all the logic and codes of his old masters.

A friend of Laurent-Perrier, Daniël Ost created a Laurent-Perrier Grand Siècle Garden in 2007 for *Jardins, Jardin aux Tuileries* and a new Laurent-Perrier Garden at the *Floralies of Ghent* in April 2010.

It was also this Spring that the first *Jardin Ephémère Laurent-Perrier* was launched, in New York. It was in the unusual setting of the legendary restaurant La Grenouille, near the Fifth Avenue, that its charismatic owner Charles Masson presented his outgoing and highly original floral creations. The Cuvée Rosé Laurent-Perrier inspired him a sophisticated decor made of peonies, lilacs, sweet peas and cherry blossoms.

October 31,2010	Death of Bernard de Nonancourt, Founding President of Laurent-Perrier

It is with the deepest sadness that the House of Laurent-Perrier announces the death of Bernard de Nonancourt, Founding President of the Group of Champagnes Laurent-Perrier, de Castellane, Salon and Delamotte.

Having served in the Résistance alongside the Abbé Pierre, then with the 2nd Armoured Division (2nd DB) commanded by General Leclerc, he took over the helm of Laurent-Perrier in 1949, at the request of his mother Marie-Louise de Nonancourt.

Bernard de Nonancourt, a charismatic entrepreneur, worked relentlessly for more than 50 years to turn Laurent-Perrier into one of the major Champagne Houses. In his lifetime, he managed to pull the brand up to the third place in terms of value. His uncompromising determination for quality and his remarkable human dimension both remain deeply anchored in the company's values. He was one of the architects of champagne's renown, and through his strong personal involvement, he contributed to its influence all over the world.

He built the development of his House on strong relationships with Champagne wine-growers,
His savoir-faire rooted in tradition, his independence of mind and his visionary side enabled him to create wines which have now become references.

Bernard de Nonancourt had prepared his succession for several years. He had handed over to his daughters Alexandra and Stéphanie - who respectively joined the House in 1987 and 1995, and are now members of the Management Board – a promising international Group, dedicated exclusively to the making of champagne.

Bernard de Nonancourt was Commander of the National Order of Legion of Honour, and had received the Military Cross 1939-1945, Combatant Cross and the Medal of the Volunteer.

January 2011	Spotlight on the new labelling of Laurent-Perrier Brut Elegance through simplicity

The Brut, the most representative signature wine of the champagne House style, brings together consistently the three essential qualities sought after by Laurent-Perrier : freshness, purity and elegance.

This quest for freshness prompted the House of Laurent-Perrier to develop a simple yet contemporary labelling for the Laurent-Perrier Brut, recognised as a vin de plaisir. The idea was not to revolutionize the bottle, but to mirror more strongly the special qualities of this wine.

The label has then gone towards a more contemporary, purer and demure shape, which is also smaller, making the bottle look slender. While re-emphasising the initials « LP », the cap-foil has become more luminous, bringing freshness and finesse as a whole. This addition was made thanks to a new colour code: a whiter label, textured paper and embossing. Finally, the House wanted to reassert its anchorage in the Champagne terroir with the affixing of the historical coat of arms on the neck-label and its Latin motto « De turri super matronam, quo non ascendam » (« From the top of these towers, I will rise »).

To complement this evolution, the bottle now has a new gift box in an iridescent, pearlescent paper, repeating the label's colours, which strengthens the strong and unique visual identity of Laurent-Perrier Brut.
The combination of freshness and purity of the Laurent-Perrier Brut has been a major factor in the success of champagne as an apéritif wine. Its citrus and white fruit notes (such as vine peach), and its remarkable balance supported by subtle bubbles, make it the perfect companion for the finer moments in life.

7.1.3. Financial Advertising 2010-2011

Date	Name of publication – purpose of publications
01.06.2010	La Tribune – Turnover and Annual results 2009-2010
20.07.2010	La Tribune – First-quarter turnover 2010–2011
01.12.2010	La Tribune – First-half results 2010-2011
10.02.2011	La Tribune – Third-quarter turnover 2010–2011

7.1.4. Information filed with the Commercial Court of Reims

16.07.2010	Annual financial statements, extract from the minutes of the July 7, 2010 Ordinary and Extraordinary General Shareholders' Meeting, company management report, reference document (including the consolidated management report), audit report on the ordinary and consolidated financial statements, Chairman's report on internal controls.

7.1.5. Information made available to shareholders prior to the July 7, 2010 General Shareholders' Meeting

- Notice of meeting, BALO
- Notice of meeting, La Tribune
- Notice of meeting, Matot Braine
- Invitations to the statutory auditors
- Invitations to registered shareholders
- Attendance sheet
- Voting form Publication of financial statements, BALO
- Information note on share buy-back programme
- Documents to be sent to shareholders:
    - Agenda
    - List of shares
    - Corporate financial statements at March 31, 2010
    - Consolidated financial statements at March 31, 2010

- Results for the last five years
- Summary
- Audit reports on the statutory and consolidated financial statements and special audit report
- List of unregulated agreements
- Report by the Chairman of the Supervisory Board on the operations of the Supervisory Board
• and internal controls
- Management Board report
- Draft resolutions
- List of members of the Management and Supervisory Boards and other offices held
- Postal/proxy vote form
- Request for documents

For further information please contact

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7.2. SPECIAL REPORT ON TRANSACTIONS UNDERTAKEN FOR THE SHARE BUY-BACK PROGRAMME

Pursuant to paragraph 2, article L 225-209 of the French Commercial Code, the following are the transactions undertaken on the basis of the authority you granted the Management Board under Resolution 10 by the July 7, 2010 General Shareholders' Meeting and pursuant to the requirements set out in the information note approved by the Autorité des Marché Financiers (AMF) on June 14, 2010.

- Proportion of equity held directly or indirectly at 31.03.2011:	0.89%
- Number of shares cancelled over the past 24 months:	0

Treasury shares portfolio

- Securities held for trading:	52,647
- Investments:	0
- Book value of the portfolio:	€ 4,837,852.51
- Market value of the portfolio, at €77,11 per share:	€ 4,059,531.20

Transactions under the last authorisation given (April 1, 2010 to March 31, 2011)

	Market making liquidity contract	Scrip issues	Acquisitions	Use of stock options for plans	Cancellation of shares	Total
Purchase						
Number of shares	44,928			0		
Share price	€ 75,20			€ 0		
Amount used	€3,378,823,54			€ 0		
Reallocation for other purposes						
Sales/transfers						
Number of shares	45,656			14,494		
Share price	€ 75,06			€ 33,12		
Amount	€3,427,183,46			€480,016,95		

The Company has not used derivatives to buy back shares.

Treasury shares have been allocated for no other purposes since the last authorisation from the General Shareholders' Meeting. The 52,647 treasury shares at March 31, 2011 have all been allocated to the share buy-back programme organised by Oddo Pinatton Corporate and have been used for two purposes:

- market making;
- stock options awarded to employees and Company officers.

The Management Board

7.3. EXCERPT FROM THE MANAGEMENT REPORT

All the components of the management report are included in the reference document.
Some of these components are detailed below.

1. General information about the Laurent-Perrier company – situation and activity at March 31, 2011
Turnover at March 31, 2011
During FY 2010-2011, Laurent-Perrier generated turnover of €1.50 million euros (€m) compared with €1.49 million in FY 2009-2010.
The figure mainly comprises the Group management fee. Revenue also includes brand royalties paid for the financial year.

Analysis of financial income at March 31, 2010
In FY 2010-2011, financial income amounted to a profit of €0.90 million compared with €3.60 million in FY 2009-2010.

Analysis of extraordinary income at March 31, 2010
In FY 2010-2011 the non-recurring income item is 0.31(€m) , compared with nonsignificant income in FY 2009-2010.

As a result, and after deduction of all expenses, tax, provisions and amortisation, FY 2010-2011 showed a profit of €3.43 million, compared with a profit of € 4.07 million in the previous financial year.

Amount of investment and details of Investments amounted to €0.09 million.

Liabilities
A provision has been recorded in Liabilities to cover commitments in respect of share warrants distributed by the Company in the amount of €3.5 million, of which €4.0 million in provisions written in respect of previous financial years.

2. Non tax-deductible expenses

Pursuant to the provision of Article 223 *quater* of the General Tax Code, please note that the accounts for the financial year just ended do not deduct non-deductible expenses from taxable income in accordance with Article 39-4 of the same General Tax Code. For the record, the accounts include a €31.8K writeback of excess vehicle leasing payments.

3. **Information on trade payables and settlement times.**

France's LME Act on the modernisation of the economy requires a reduction in settlement times and lays down a principle of payment no later than 45 days from the end of the invoicing month or 60 days from the date on which an invoice is issued.

Pursuant to Article L441-6-1 of the new Commercial Code introduced by the LME Act, we set out below a breakdown of the balance of trade payables at closing date for the past two financial years by settlement date.

Status of Trade Payables at 31.03.2011

K€	Gross amount	Amount due	Amount accruing		
			At 30 days at most	At 60 days at most	At more than 60 days
Payables	307,8	41,4	104,1	162,8	0

Status of Trade Payables at 31.03.2010

K€	Gross amount	Amount due	Amount accruing		
			At 30 days at most	At 60 days at most	At more than 60 days
Payables	201,9	24,3	23,2	154,4	0

Annexes

Annex 1 - The making of champagne

The champagne production process comprises ten major stages:

Stage 1 – harvest* (September - October)
All grapes are handpicked and transported in small baskets to ensure the highest-quality champagne.

Stage 2 - pressing* (September - October)
Grapes are pressed to extract 25.5 hectolitres of must* per 4,000 kilos of crushed grapes, which is exceptionally high compared to other wine products.

Stage 3 - fermentation* (October - November - December)
The wine undergoes an initial phase of fermentation* in tanks or barrels during which the sugar content is transformed into alcohol.

Stage 4 - blending* (January - March)
This is a crucial step in the process, as it will determine the taste of the champagne after ageing*. A cellar master or chef de cave* with an intimate knowledge of his champagne house's traditional style, blends different crus* both vertically and horizontally to achieve a consistent product quality every year. A proportion of exceptional harvests that do not require blending with a previous year's harvest may be used to produce vintages.

Stage 5 - bottling
Cane liqueur and yeast are added to the wine, which is poured into the bottles. The bottles are then stored in wine cellars or temperature and humidity-controlled warehouses for ageing*.

Stage 6 - creating the sparkling effect
The added sugar ferments at low temperature, forming alcohol and carbonic gas, the latter ensuring its transformation into a sparkling wine.

Stage 7 - ageing*
The minimum ageing* requirement for champagne is 15 months and three years for a vintage champagne.

Stage 8 - riddling/remuage*
At the end of the ageing* process, the bottles are rotated slightly at regular intervals over several weeks to allow fermentation deposits to gather in the neck of the bottle.

Stage 9 - disgorgement*
Fermentation deposits that develop during the ageing* process and which gather in the neck of the bottle during the remuage process are removed from the bottle through a freezing process. A cane sugar liqueur (a mixture of cane sugar and wine) is added before the champagne is corked. Depending on the amount of sugar added, the champagne will be brut* nature, brut*, extra dry, sec, demi-sec or doux (sweet).

Stage 10 - packaging*
Finally, the bottle is packaged with a cap, collar and label and is put in a box or case ready for shipment.

Annex 2 - *Glossary*

Ageing *(vieillissement)*
As wines age in the bottle, a series of phenomena take place, which refine the wines and allow their bouquet and sparkling effect to develop. The Champagne AOC* regulations require a minimum of 15 months from bottling for non-vintage champagne and three years minimum from bottling for vintage champagne.

Appellation d'Origine Contrôlée *(AOC)*
AOC refers to clearly delimited regions and occasionally to the locality of the vineyard. AOC wines must comply with precise criteria established by the INAO with regard to the maximum yield per hectare, alcoholic content, grape varietal used and minimum sugar content required in the must*. The wines are approved each year by a tasting panel.

Blanc de blancs
Champagne produced with white grapes only. This champagne (vintage or non-vintage) is made with chardonnay grapes to give it a characteristically fresh taste.

Blending *(assemblage)*
This operation is carried out after fermentation and consists in blending several wines to obtain a single harmonious mix. In Champagne, wines of different vintages, varietals and vineyards are mixed together. The blending process produces a wine of better and more consistent quality than each of its component wines from one year to the next.

Bottling *(tirage)*
This involves the bottling and addition of natural ferments and sugar, after the first fermentation and blending and before the champagnisation*.

Brut
Traditionally the driest of the champagnes until the relatively recent development of champagnes with little or no added sugar that are now called "extra brut", "brut nature" or "brut zéro".

Brut nature
Champagne with little or no added sugar (0-3 grams of sugar per litre).

Cépage
Grape varietal. Only three are authorised for the production of champagne: the pinot noir, the pinot meunier and the chardonnay.

Champagnisation *(Bottle fermentation)*
This is the second fermentation* process, once the wine is in the bottle, which lasts for several months. It is produced by the addition, at the time of bottling, of a cane sugar liqueur and of selected ferments. This second fermentation increases the alcohol concentration from 10.5° to 12° and produces carbonic gas which, because it cannot escape, dissolves in the wine and gives it its sparkle.

Chef de cave
The "cellar master" is responsible for blending* the wines and supervising the production process.

CIVC
The *Comité Interprofessionnel des Vins de Champagne* is an independent authority founded in 1941 that acts in the interests of grape growers and producers, setting and implementing professional standards for grape growing and the production of champagne and ensuring that the level of production is in line with demand.

Clear wines *(vins clairs, vins en cercle)*
Clear wines refer to the wines stored in vats before bottling.

Côte des Blancs
Prestigious grape growing region in the hills south of Epernay.

Cru *(Quality of grapes)*
The CIVC attributes to each wine-growing district a grade depending on the quality of its production for its grapes by reference to production. This quality grading is reflected in a quality scale. Champagne may be called *grand cru* (17 villages) if it is produced from grapes graded 100%, and *premier cru* (43 villages) if it is produced from grapes graded 90% to 99%. The minimum percentage grading for champagne is 80%.

Cuvée spéciale
Brut champagne, including vintage champagne, made from a special blend, aged longer and sold in a special bottle with more luxurious packaging.

Disgorgement
Disgorgement consists in removing the sediment *(lees)* from the neck of the bottle after second fermentation, ageing and rotation. In order to avoid a loss of wine, the neck of the bottle is plunged into a vat at – 23°C. A block of ice, enclosing the deposit, is formed and expelled by the pressure of the gas on opening. Dosing* then takes place.

Dosing
A small amount of liqueur, made up from old wine and cane sugar, is added in the bottle after disgorgement. According to the dosing of sugar, the champagne will be brut nature (less than 3 grams per litre), extra brut (less than 6 grams per litre), brut (less than 12 grams per litre), sec (between 17 and 32 grams per litre) demi-sec (between 32 and 50 grams per litre) or doux (more than 50 grams per litre).

Extra Brut
This champagne has very little sugar added (0-6 grams per litre). If no sugar at all is added, the champagne becomes brut nature, or unsweetened.

Fermentation
Fermentation process of the must* in stainless steel or, more rarely, in oak vats.

Fruit set
Initial formation of the grape bunches.

Grand cru
Champagne made from grapes graded 100%.

Grape-grower-operator *(récoltant manipulant)*
A grape grower who makes wine from his own harvest and bottles it.

Grape quality
The quality of grapes is measured in percentage terms from 80% to 100%. The quality of champagne is largely dependent on the quality of the grapes used.

Harvest *(vendange)*
The grape harvest in the Champagne region is exclusively picked by hand to avoid damaging the grapes. The dates of the harvest are set by the CIVC* and fall between September and October.

INAO
The Institut National des Appellations d'Origine is an independent authority that controls and safeguards the AOC against fraudulent use. INAO monitors in compliance with AOC standards.

Lees (or sediment)
These are the residues which settle in wine recipients after fermentation and/or storage. In the bottle, lees are the sediment that appears after the second fermentation. During the ageing process, the "lysis" phenomenon of these lees gives the champagne its characteristic aromas, which is why ageing on the lees is so important. The sediment is then sent toward the bottle neck during remuage* and finally expelled through disgorgement*.

Maximum authorised grape yield
The maximum authorised grape yield is set each year by the INAO* and since 2007 may not now exceed 15,500 kg of grapes per hectare. The maximum authorised grape yield in the event of an outstanding harvest is the upper limit for production (Plafond Limite de Classement - PLC) which authorises a yield normally limited to 25% over the basic yield.

The basic yield was set at 12,400 kg per hectare for the 2008 harvest.

Merchant operator *(négociant manipulant)*
A wine merchant, who purchases grapes from grape growers, manages the fermentation process and who only buys wines for blending.

Millésimé
A millésimé (vintage) champagne is made from an assemblage of wines from a single year and aged for at least three years after bottling. These champagnes are characteristic of the climate of a given year. Millésimé wines are usually made only in exceptional years.

Montre
See "Fruit set".

Must
The juice obtained from pressing the grapes. The first must produces the best champagne. The total quantity of must is regulated and limited to no more than 25.5 hectolitres per 4,000 kilos of grapes. Surplus can be distilled or used to make ratafia*.

Non-vintage champagne
Champagne blended from wines from several years.

Packaging
Packaging includes putting on the label, the wire collar, tinfoil capsule and in some cases a medallion and a back label.

Premier cru
Champagne made using grapes graded 90-99%.

Pressing
This process is regulated and each pressing centre must have authorisation to carry it out. This process consists in pressing the grapes to obtain the juice or must. The maximum yield from pressing is 160 kilos of grapes for 1 hl of must (100l.).

Quality reserves
This practice was developed by the profession to counter the adverse effect of bad weather on harvests in the Champagne region. Above and beyond the maximum yield set for each harvest (15,500 kilos per hectare since), a fixed amount can be set aside as a qualitative reserve (3,100 kilos per hectare in 2008, 4,300 kilos per hectare en 2009 and 1,500 kilos per hectare en 2010).
This reserve is converted into wine and stored by wine merchants, but it may not be bottled. Stored in vats, it may only be released by decision of the CIVC* and the INAO* to compensate for a poor grape yield in a subsequent year or for the economic requirements of the Champagne region. The storing of this regulating set-aside is funded both by the grape growers (who cannot invoice the grape production until it is released) and by the wine producers (who bear the cost of wine making and storage in vats).

Ratafia
A sweet aromatic liqueur made in Champagne from grape juice and alcohol.

Reserve wines
Reserve wines are stocks of wine from previous years used in the blending of non-vintage champagnes.

Remuage
The process takes place during the final months of ageing*, when bottles are placed upside down in racks and small rotations are carried out at regular intervals in alternating directions and at an incline. The aim of this process is to drive the deposits left in the bottle during the second fermentation* towards the neck of the bottle. While progressive rotation is still carried out manually in some instances, automation is increasingly used.

Stacked wines *(vins sur lattes)*
Stacked wines refer to bottled champagne which has not yet been disgorged.

Taille
The juice from the grapes at the second pressing.

Wine-making (vinification)
This is the process of transforming must* into wine. For champagne, this process is the first fermentation*.

Annex 3 - CROSS-REFERENCES BETWEEN THE REFERENCE DOCUMENT AND THE REPORT OF THE MANAGEMENT BOARD

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Annex 4 - Cross-references between the reference document and the principal headings of European Commission Regulation (EC) 809-2004 of April 29, 2004.

In order to facilitate the reading of the reference document, the following table refers to the main headings in the AMF draft regulation and to the pages of the present document.

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