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2011-2012 Annual Report

CHAMPAGNE
Laurent-Perrier
MAISON FONDÉE
1812

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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.
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LAURENT-PERRIER 2011-2012

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.
1973: Michel Fauconnet joins Laurent-Perrier.
1978: Distribution subsidiary set up in the United Kingdom.
1983: Acquisition of a 34% stake in Champagne de Castellane. Bernard de Nonancourt creates the Laurent-Perrier Group.
1987: Alexandra Pereyre joins Laurent-Perrier, appointed to the Management Board.
1988: Laurent-Perrier acquires a majority interest in the Salon champagne house.
1990: Alexandra Pereyre appointed to Management Board.
1992: Distribution subsidiary set up in Switzerland.
1993: Stéphanie Meneux joins Laurent-Perrier, appointed to the Management Board.
1997: Yves Dumont joins Champagne Laurent-Perrier, appointed Chairman of the Management Board.
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.
1999: Yves Dumont appointed Chairman of the Laurent-Perrier Group Management Board.
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.
2005: Michel Fauconnet appointed Cellar Master and Laurent-Perrier Group Head of Supplies and Production.
Etienne Auriau joins Laurent-Perrier as Chief Financial Officer.
2007: Japanese distribution contract signed with Suntory.
2008: German subsidiary created.
2008: New Grand Siècle campaign launched.
2009: Direct commercial presence in Italy, Singapore and Dubai.
2009: Appointment of Stéphane Tsassis as Chairman of the Management Board.
2010: Laurent-Perrier was deeply saddened to announce the death of Bernard de Nonancourt, Founder-Chairman of the Laurent-Perrier Group, on 29 October.
2010: Michel Boulaire becomes Chairman of the Management Board.
Etienne Auriau and Michel Fauconnet appointed members of the Management Board.
2011: Launch of new Brut Laurent-Perrier, Demi Sec, and Millésimé packaging.
2012: Bicentenary of Laurent-Perrier.

The history of Laurent-Perrier

In 1812, André Michel Pierlot, a former cooper and bottler from Chigny-les-Roses, settled in Tours-sur-Marne on plots named Plaisances *and* La Tour Glorieux *and launched production of the first house champagnes. His son Alphonse later went on to run the business.*

In 1881, Alphonse Pierlot bequeathed the business to his cellar master, Eugène Laurent, a third-generation wine grower. He ran the House with his wife, Mathilde-Emilie Perrier.

In 1887, following Eugène's death, his widow Mathilde ran the estate single-handedly, combining her own maiden name with that of her husband to create the "Veuve Laurent-Perrier & Cie" brand.

In 1914, with Mathilde still at the helm, the house produced 50,000 12-bottle cases of champagne, a record that ranked it among the region's biggest producers.

In the 1920s, after the house, like the region, suffered from the effects of WWI, Mathilde recruited one Alexander Fletcher Keith Mackenzie to develop the market for Laurent-Perrier by introducing it to the United Kingdom. Its success among UK champagne lovers has never dimmed since.

Mathilde's daughter, Eugénie-Hortense, inherited Laurent-Perrier on her mother's death in 1925. But in the aftermath of the Great Crash of 1929, international trade plummeted by 40% and the UK market fell by one-third. Eugénie was forced to sell the business to Marie-Louise Lanson de Nonancourt.

Marie-Louise de Nonancourt, a young widowed mother of four, was the sister of Victor and Henri Lanson. At a time of great economic difficulty, and seeking to guarantee her own future and that of her three sons, she seized the opportunity and ploughed all her savings into buying Laurent-Perrier. The house was on the verge of bankruptcy and had only a thousand or so cases of champagne in stock, all of which were mortgaged. Marie-Louise ran the house during WWII, hiding some 10,000 cases behind a wall, while her sons Maurice and Bernard went off to war.

Maurice de Nonancourt, the eldest son, who would naturally have taken over the running of Laurent-Perrier after the war, was captured and died in the Sachsenhausen-Oranienburg concentration camp.

At the end of WWII, army sergeant Bernard de Nonancourt of the 501st tank regiment (part of General Leclerc's celebrated 2nd Armoured Division), was tasked with making an inventory of the private cellar of Adolf Hitler in Bertchtesgaden, on the basis of his Champagne origins. To his astonishment, he discovered several hundred cases of Salon champagne which had been stolen before his very eyes five years earlier.

Back from the war, Bernard de Nonancourt began his apprenticeship to prepare him to run Laurent-Perrier. He followed the advice of his mother, who told him: "You'll never be a good manager if you don't become a good workman first". He trained at Lanson and Delamotte, gaining experience in every branch of the champagne business.

Fired by a passion for champagne and the respect for his workforce, Bernard de Nonancourt devoted his life to building up Laurent-Perrier, inspired by his "Quality Wines, Quality People" mantra. He was a pioneer, and was to doggedly create the Laurent-Perrier house style. At that time, Laurent-Perrier was one of the first champagne houses to adopt the use of thermo-regulated stainless steel tanks. These are used to ensure low-temperature fermentation and allow the wine to retain all its fresh, complex aromas.
Under Bernard's leadership, Laurent-Perrier developed into one of the biggest family-owned businesses in Champagne and one of its most highly-regarded brands.

In 1959, with its first Cellar Master, Edouard Leclerc, Laurent-Perrier launched its first premium cuvée made from a blend of wines from outstanding years. Cuvée Grand Siècle illustrates Laurent-Perrier's dedication to taking the art of blending to new heights. Previously, premium champagne cuvées were blended from a single vintage. Laurent-Perrier broke new ground by blending wines from three outstanding vintage years declared by the House, thereby infusing its own premium cuvée with a genuinely individual style marked by a combination of power and delicacy.

In 1968, Laurent-Perrier launched its Cuvée Rosé Brut, blended using a maceration of pinot noir grapes. This technique, which is followed by vinification and blending, was deployed to allow the optimal colour of the grape skins to be extracted at each stage, along with the best aromas of fresh berry fruit in the search for a fresh, lively wine.

In 1975, Alain Terrier became Laurent-Perrier's second Cellar Master. Alain went on to emphasise and refine the style of Laurent-Perrier champagnes, fired by a twin desire to maintain Laurent-Perrier's leadership in technical innovation while preserving regional traditions. He perfected the art of blending by selecting grapes from the best sectors of the Champagne vineyards, vinifying each batch separately and overseeing the blending guided by his exacting and discerning palate.

Three years later, Laurent-Perrier took an important step forward in the international distribution of its champagnes by setting up its first distribution subsidiary, Laurent-Perrier UK.

In the early 1980s, Laurent-Perrier was the first champagne house to revive the zero-dosage brut nature champagne, with the launch of Laurent-Perrier Ultra Brut.

In 1987, for the wedding of his daughter Alexandra, Bernard de Nonancourt created a premium vintage rosé, Alexandra Rosé 1982. This rare vintage rosé champagne rapidly became a "must" for connoisseurs. The Alexandra Rosé 1998 cuvée was the latest addition to the list, and was produced in limited quantities.

On 16 November 1987, Alexandra Pereyre joined Laurent-Perrier.

On 31 December 1990, Alexandra Pereyre was appointed a member of the Laurent-Perrier Management Board.

In 1992, Laurent-Perrier set up its second distribution subsidiary, Laurent-Perrier Switzerland.

In 1993, Stéphanie Meneux joined the Laurent-Perrier Group and was appointed a member of the Management Board on 27 November 1993.

In the late 1990s, Yves Dumont became the first Chairman of the Laurent-Perrier Group Management Board. His experience, combined with the creative and innovative character of the house, help to explain Laurent-Perrier's continued success.

In 1998, Champagne Laurent-Perrier increased its presence in the United States by setting up its first distribution subsidiary outside Europe, Laurent-Perrier USA.

The following year, Champagne Laurent-Perrier set up its fourth distribution subsidiary, Laurent-Perrier Belgium.

In June 1999, the Laurent-Perrier Group, on the strength of its brand portfolio, floated a minority share of its capital on the Paris Stock Exchange's Second Marché. Over 1,000 growers in Champagne acquired shares in the tranches exclusively made available to them.

In 2001, Champagne Laurent-Perrier became an official partner of Relais et Châteaux, an international federation which oversees the promotion and development of selected independent hotels and restaurants featuring outstanding charm and character.

In 2004 Laurent-Perrier acquired Château Malakoff, notably enabling it to boost its supplies of quality grapes based on a partnership policy with growers in line with its traditions, strengthening Laurent-Perrier's positions among its customers and its markets.

In 2005, Michel Fauconnet, who joined Laurent-Perrier in 1973, was appointed the Laurent-Perrier Group's Cellar Master and Supplies and Production Manager, becoming the third in its line of Cellar Masters.

That same year, Maurice de Kervénoaël was appointed Chairman of the Laurent-Perrier Group Supervisory Board, with Bernard de Nonancourt becoming Honorary Chairman of the Supervisory Board.

In 2007, Champagne Laurent-Perrier signed a distribution contract in Japan with Suntory.

In 2008, Champagne Laurent-Perrier set up its fifth distribution subsidiary, this time in Germany.

In 2009, Stéphane Tsassis was appointed Chairman of the Laurent-Perrier Group Management Board and Chairman of the Champagne Laurent-Perrier Management Board.

Stéphane Tsassis left in June 2010 and was superseded by Michel Boulaire working with Alexandra Pereyre and Stéphanie Meneux. Cellar Master Michel Fauconnet, and Etienne Auriau, Chief Financial Officer and Head of Human Resources, were appointed members of the Management Board.

October 2010 saw the death of Bernard de Nonancourt, the reviver of the Laurent-Perrier brand and founder of the Laurent-Perrier Group. Since 2005, he had been preparing his succession and had transferred the business to his two daughters, Alexandra Pereyre and Stéphanie Meneux.

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 13.2 million bottles of champagne in 2011-2012. Its worldwide market share is about 4%.

Amongst Négociants, it has an estimated worldwide volume market share of around 5.9% (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, Lanson-BCC 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 56.99% of its capital and 68.87% 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);
- 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 65.6% of its sales to over 150 countries, including the UK, Belgium, 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, 74.85% of the volumes sold under the Laurent-Perrier brand name go through specialised and direct distribution network channels, with the remaining 25.15% 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

	31.03.2010	31.03.2011	31.03.2012
Sales (million euros)	171.84	197.80	218.8
Export sales as % of total sales (million euros)	64.3%	62.6%	65.6%
Share of premium products in Laurent-Perrier brand sales	35.0%	35.5%	36.8%
Share of specialist channels in Laurent-Perrier brand sales in France	75.7%	75.6%	74.9%
Gross margin	49,7%	45.7%	47.1%
Operating income (million euros)	28,7	33.0	44.6
Return on Capital Employed (ROCE)	4,9%	5.5%	7.5%
Gearing (net debt/attributable shareholders' equity)	142%	117%	102%
Book value of inventory/net	140%	148%	160%
Return on Capital Employed (ROCE)	10.6	14,8	21.7

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, with 34,160 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.

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 which, 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 approval by the INAO's National Committee 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 6.9% 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 276,500 – 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 whose main characteristics are recalled below:

- 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, (32.5% of total surface area); and white chardonnay grapes (29.1% 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 33,100 hectares were under cultivation in 2009, 33,350 hectares in 2010 and 33,568 hectares in 2011 (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%.

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 amounts to 8.185kg per hectare after releases.

Set-aside reserve

(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."

Today, 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 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, 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 10,000 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 10,000 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.

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.

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	
2011	15,500	3,100*	10,500	2,000

* Maximum individual set-aside reserve, up to 10,000kg/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 15,651 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:

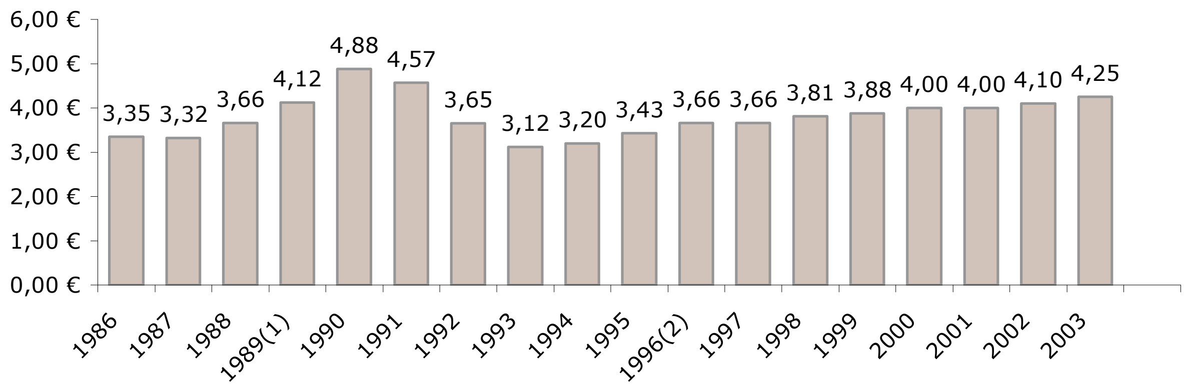
1) Adjust supply to demand in the interests of consumers, champagne houses and growers. Between 2008 and 2013, the industry will implement the regulation mechanisms at its disposal in order to match supply to demand as closely as possible in order to minimise excessive price variations in either direction, 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.



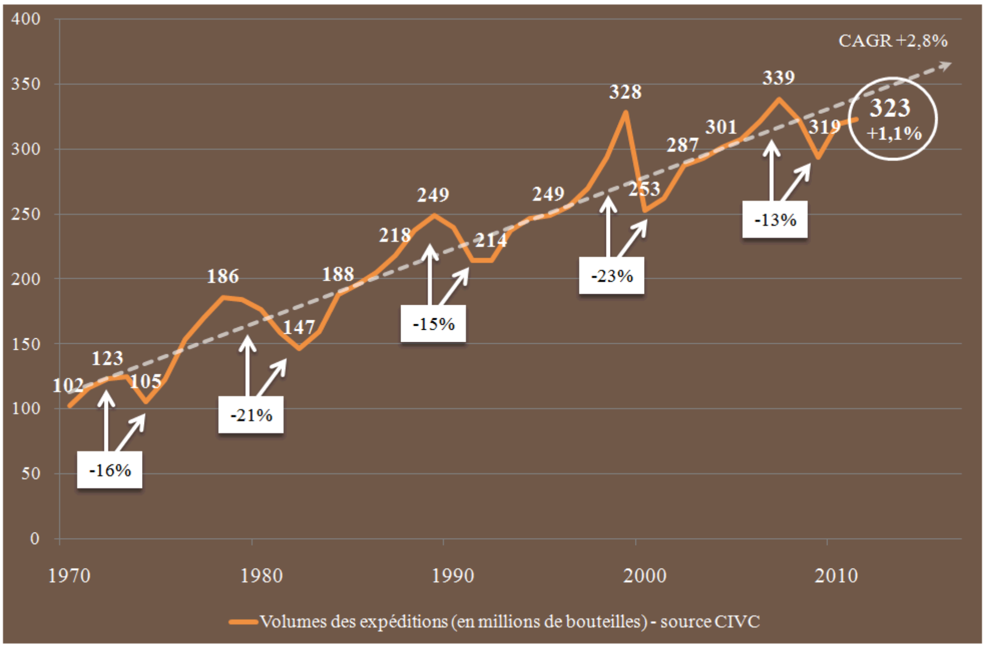
(Prices per kilo in euro – Source CIVC)
(1) 1989 – price controls relaxed (2) 1996 – framework agreement implemented.

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

In 2011 the base price for grapes was up by about 2.5% relative to the prices paid for the 2010 harvest depending on the region.

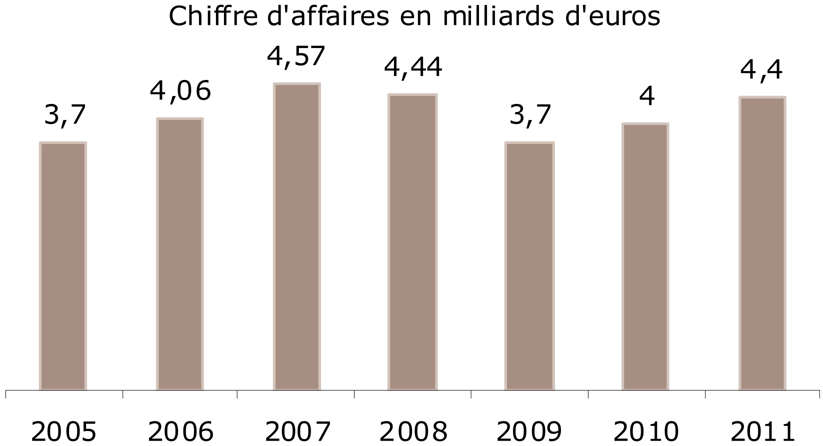
1.3.2. Global demand for champagne

The table below shows volume shipments over the past 40 years. The long-term growth trend has been running at about 3%. After 2009 crisis, the market quickly returned to its long term growth rate. Following each cycle, shipments return to their long-term growth rates. The trend is, however, marked by sometimes violent cycles, often connected to the economic situation.



1.3.3. Market trends

According to data published by the CIVC, in 2011, the sector recorded one of its best-ever increases by value, growing 7% to 4.4 billion euros, for a total volume of 323 million bottles shipped: 3.5 million more than in 2010.



In terms of volumes, the greatest increases were logged on distant markets. Australia stands out with an increase of 32% to 4.9 million bottles. The United States saw a 14.4% increase to 19.4 million bottles, and Japan, despite the closure of bars and restaurants in the aftermath of the tsunami and the Fukushima nuclear disaster, grew 6.7% to 7.9 million bottles.

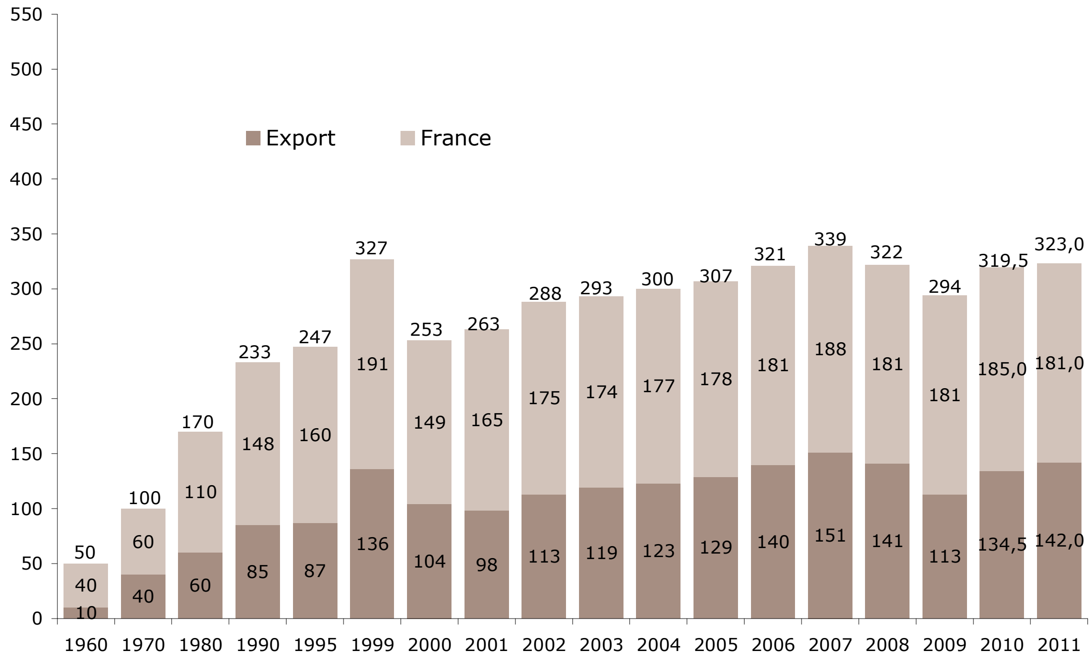
The emerging countries have also confirmed their status as growth drivers. Shipments to Russia grew by 24% to 1.3 million bottles and to Brazil by 7%, with over a million bottles. Several Asian countries have seen sharp increases, such as Singapore (up 20% to 1.5 million bottles), Hong Kong (up 15% to 1.4 million bottles), South Korea (up 31% to 480,000 bottles), and India (up 58% to 290,000 bottles. The United Arab Emirates confirmed their strong potential with close to 1.4 million bottles, an increase of 18%, or almost five times more than a decade ago. Several other countries also stand out, such as Mexico (up 18% to 800,700 bottles) and Argentina, where volumes shipped doubled to 126,000 bottles.

The CIVC does observe, however, that the market in eurozone (out of France) countries moved slightly lower in 2011, to 82.3 million bottles compared with 80.6 million in 2010. Although France remains the biggest market in the sector with 181 million bottles sold in 2011, it, too, nevertheless saw a drop of 3.4 million bottles relative to the previous year. Even the United Kingdom, which is still the leading export market with 34.5 million bottles shipped, logged a 2.7% drop.

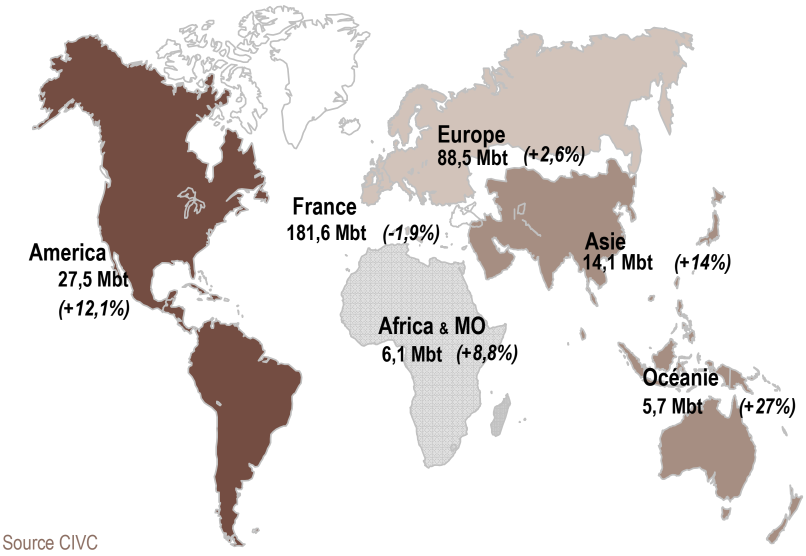
Sales within the European Union excluding France rose by 2.1m, however, fuelled by Germany (up 8.5% to 14.2 million bottles, by Belgium (up 8.5% to 9.5 million bottles), and Italy (up 6.3% to 7.6 million bottles). With a 6.6% increase to 2.4 million bottles, Sweden moved for the first time into the top ten distant markets. But it is assuredly towards distant markets in the Americas and Asia that the sector is insistently looking as it continues to organise its expansion.

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 2011

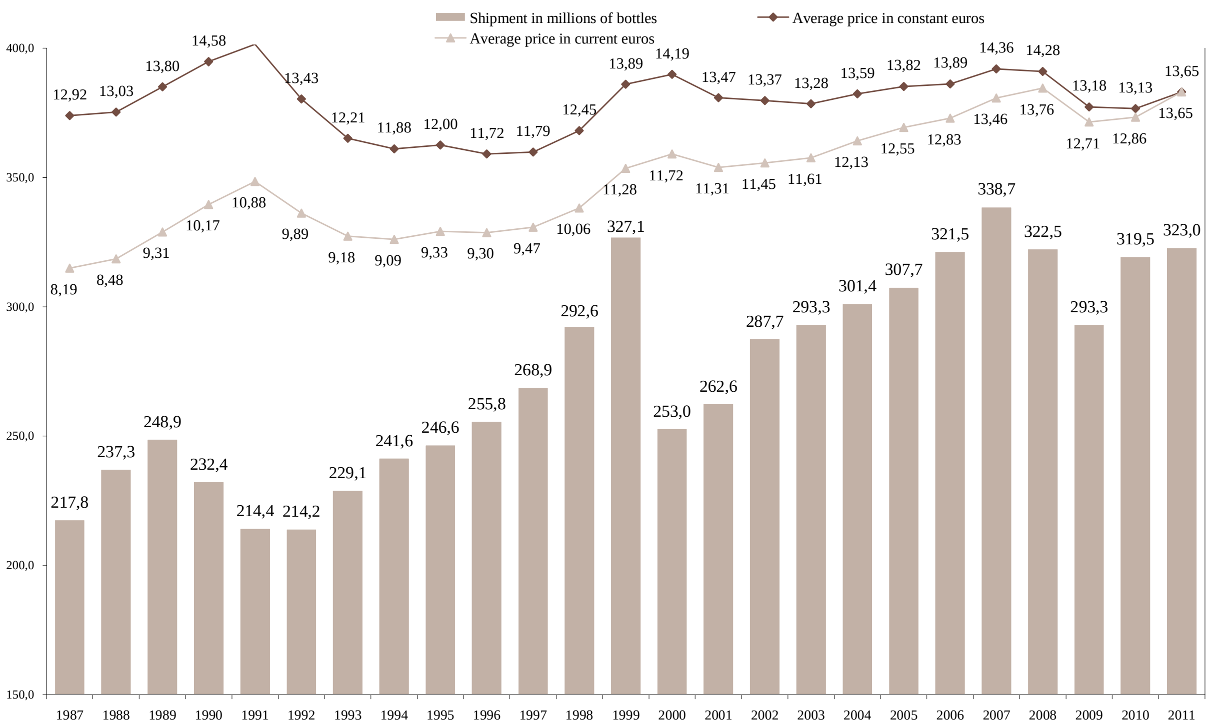


The map below shows growth in the champagne market worldwide in 2011.



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

In 2011, the average price of bottles shipped began rising once more due to a better product mix and higher prices. In constant euros, it stands at a price level of €13.65.

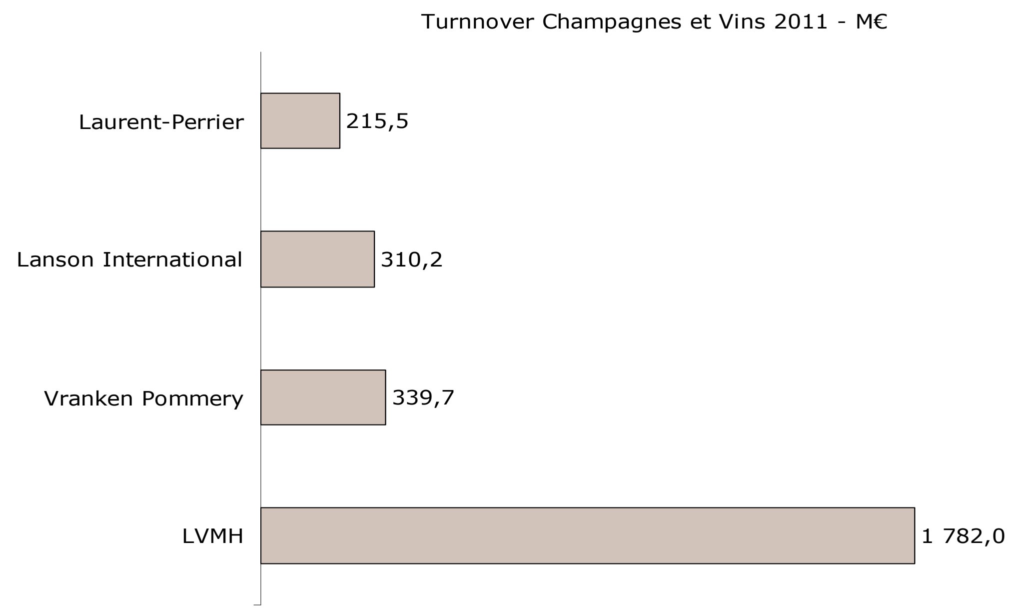


The table below sets out the main export markets (shipments per million bottles).

(million bottles)	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Average annual growth (1990-2011
Country														
UK	21,3	20,4	25	31,7	34,5	35	36,8	36,8	39,0	36,0	30,5	35,5	34,5	2,3%
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	19,4	2,4%
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	14,2	0,0%
Belgium	5,9	7,3	7,4	9	9,1	9,3	9,4	9,3	9,9	9,9	8,2	8,8	9,6	2,3%
Japan	1,5	3,2	3,5	4	5	5,9	5,9	8,0	9,2	8,3	5,1	7,4	8,0	8,3%
Italy	6,9	8,2	7	7,9	8,5	8,2	8,8	9,3	10,3	9,4	6,8	7,1	7,6	0,5%
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	5,7	-1,9%
Others	12	24,5	22,7	24,6	25,6	27,6	31,1	36,4	41,8	43,4	33,4	40,1	43,0	6,3%
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	142,0	2,5%
France	147,6	149,5	164,4	175	174	177,6	178	181,0	187,8	181,4	180,9	185,0	181,0	1,0%
TOTAL	232,4	253	262,6	287,7	293,3	300,6	307,8	321,6	338,7	322,6	293,3	319,5	323,0	1,6%

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 (calendar year)

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
Rémy Cointreau	Sale of champagne operations (Piper and Charles Heidsieck brands) to the Descours family.	2011

1.3.5. Tax and regulatory environment in 2011-2012

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 2011-2012 financial year

Laurent-Perrier announces 10.6% rise in turnover and a sharp improvement in profitability in Fiscal Year 2011-2012

- Turnover up 10.6%, reflecting in particular a sharply positive price/mix effect (+ 5.5%)
- Operating income up 35%, driven by growth of Laurent-Perrier brand
- Strong balance sheet: debt/equity ratio cut to 102%
- Further growth in overseas export markets forecast for FY 2012-2013

The Laurent-Perrier brand continues to drive the Group's growth and its improving profitability:

- the Group has sustained a growth rate systematically higher than the market average, where shipments fell by 2.3% between April 1, 2011 and March 31, 2012;
- the Laurent-Perrier brand saw a double-digit increase in sales. It has seen strong growth in export markets, where the ratio rose from 71% to 73% of turnover, and in shipments of its premium cuvées, Cuvée Rosé and Grand Siècle in particular, whose weighting in turnover now stands at 36.8% compared with 35.5% a year ago. Sales were particularly strong in the United Kingdom, the United States, Italy, Japan, and Australia.

This strong performance led to a marked improvement in most of the Group's financial indicators:
- the price/mix effect turned positive once more, at +5.5% thanks to price increases at the start of the financial year and to a favourable brand mix. This explains the improvement in gross margin, which stands at 47.1%: a gain of 1.4 percentage points relative to the same period of last year;
- the rise in brand development costs was restricted to 2.4% or €15.3 million, at 7% of turnover. As expected, this takes account of the more numerous activities run at year-end;
- other commercial and administrative costs, excluding transport costs, were down 0.8% relative to the previous year, reflecting the Group's continued strict management of costs;
- operating income rose to €44.6 million, an increase of 35.4% over one year. The operating margin increased 4 percentage points to 20.4%;
- interest charges fell 4.5% thanks to the debt reduction of the past two years. However, the financial result was down 5% due to the absence this year of a one-off profit in connection with the IFRS evaluation of financial instruments;
- despite a 0.8 point higher tax rate due to recent tax reforms, net income was up 46%, to 9.9% of turnover.

Strengthening of the balance sheet

During the year ended March 31, 2012, the Group generated a net cash flow of €17.8 million and cut its debt to €285.7 million, compared with €304 million a year earlier. This is because, despite a near 20% increase in the yield from the 2011 harvest relative to 2010, the working capital requirement rose slightly and capital expenditure was a modest €3.7 million.

The Group thus has a particularly healthy balance sheet: its debt/equity ratio fell from 117% to 102% in the space of a year, a level not seen since 2004. Moreover, the ratio of inventory value to net debt is also very high at 160%, showing a 12-point improvement relative to March 31, 2011.

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 cooperatives 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 82% 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 27.1% of Champagne Laurent-Perrier turnover, while 72.9% 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 moving with the times.
The deployment of the new Laurent-Perrier visual identity in 2011, its 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. Laurent-Perrier's Brut is defined by its high proportion of chardonnay which provides a natural purity, freshness and elegance. These essential characteristics, expressed in all our champagnes, are a good introduction to the spirit of Laurent-Perrier.

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 aperitif 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) premium cuvée 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 natural, "unadorned" 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, together with its subtle balance, makes this the most versatile champagne in Laurent-Perrier's range. Its capacity to bring out flavours in food makes it ideal from aperitif to dessert. This champagne pairs well with caviar or foie gras, seafood or oysters – not to mention a cigar at the end of a meal.

Millésimé
Laurent-Perrier has chosen to be highly selective by rarely declaring a vintage –and only in 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 House's wines, fresh, fine and elegant in essence, it aims to show the quintessential character of each given year.
Laurent-Perrier's Millésimés have excellent ageing capacity.

Cuvée Rosé
Cuvée Rosé Laurent-Perrier was created in 1968 using bold, innovative methods learned 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. Marketed in an elegant bottle inspired by the time of French King Henri IV, this rosé champagne has been widely hailed for its consistent high quality for more than 40 years. Over the years, Laurent-Perrier has developed technical facilities dedicated to making rosé champagnes. Grapes from carefully selected plots are meticulously sorted and destemmed before going into the vats. Controlled maceration – lasting from 48h to 72h depending on the harvest – helps the extraction of colour and the development of the full aromatic richness of the pinot noir grapes. 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 is a perfect foil for raw fish (marinated red mullet and tartare of tuna), grilled prawns, fine charcuterie (such as Italian prosciutto), duck, lamb, and creamy cheeses such as Chaource. 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 17th-century master glassmakers and takes its name from the period of French history 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 signature savoir-faire and Laurent-Perrier's quest for blending excellence. The epitome of Champagne blending, Grand Siècle calls on well-balanced wines from the finest "grand crus" growths and the very best harvests which have been declared as vintages by Laurent-Perrier.
Grand Siècle is perfect for fine dining thanks to its balance and complexity. Its wide aromatic palette allows multiple sea and land food pairings such poultry with crayfish. Savour it with fish such as turbot or sea-bass. It is also a perfect match for poultry with truffles or a braised knuckle of veal. 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.
Made from grapes grown in selected vineyards or places, the pinot noir grapes are hand-sorted and destemmed prior to a short period of maceration. They are then combined with the finesse of the chardonnay grape, leading to a delicate colour and a unique aromatic complexity. The bottled wine is then cellar-aged for a minimum of 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 and Laurent-Perrier acquired a stake 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 production and marketing activity, Champagne de Castellane also became the owner of three other brands: Jeanmaire, Oudinot, and Beaumet.

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 in the space of a century. In 2011 Salon released its 1999 vintage.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.

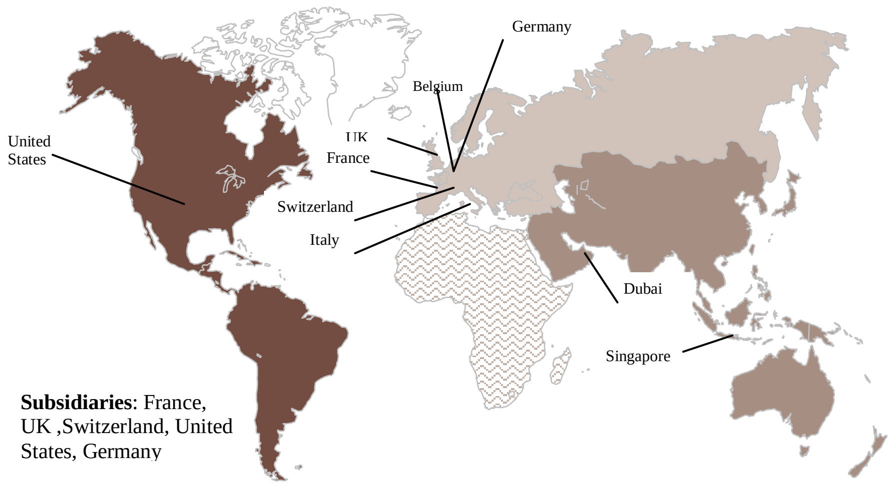
Delamotte is sold exclusively by hotels and restaurants and specialised wine merchants. The brand has excellent growth potential and a very positive image among professionals.

Other products distributed
The Group's distribution subsidiaries (LPD) can also sell wines and spirits from other producers, namely the wines of Château de Lamarque, Marqués de Riscal wines from Spain, and, since the beginning of January 2012, Japanese Suntory whiskies.

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 own commercial subsidiaries in six key countries: France, the United Kingdom, Belgium, the United States, Germany, and Switzerland. In 2011 these countries accounted for 82% 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.



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 Laurent-Perrier's 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 2012-2013

The Group intends to continue developing the Laurent-Perrier brand, whose importance in the brand portfolio is constantly growing. To this end, it will increase its investment on markets outside Europe, where demand remains buoyant.

A large number of events are planned for 2012 to mark the Bicentenary of the House in order to continue promoting its know-how and range of unique wines, prized the world over.

Consequently, brand development costs are likely to see a significant increase in 2012-2013, while other operating expenses will be strictly controlled. The continued healthy state of the balance sheet and the generation of positive cash flow will continue to be priorities.

The Group is thus in a strong position at the start of the new financial year, which should be marked by a persistently difficult economic climate.

1.4.4. Main investments

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

(€ million)	March 31,2010	March 31,2011	March 31,2012
Industrial equipment	3,04	0,99	1,95
Wine-growing equipment	0,33	0,41	0,27
Hardware and software	1,16	0,37	0,18
Building fixtures	4,07	0,38	0,56
Furniture			
Planting expenses	0,13	0,03	0,02
Vineyards	0,75		
Other	0,15	0,74	0,46

There are no current or 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.

The Laurent-Perrier Group carried out a review of risks which could have a material negative impact on its activity, financial situation or results (or on its ability to achieve its targets) and considers that there are no other material risks other than those itemised.

1.5.1. Supplies and production

- **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 as historically the rate of renewal of contracts as been extremely high. 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.Details in paragraph 1.4.2.2. of this annual report.

It is also unusual in Champagne to insure vineyards. For the Laurent-Perrier Group, the dispersed locations of its parcels significantly reduce 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.
The 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.
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 in its vineyards 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 and 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.

There are no other governmental, legal or arbitration procedures, including any procedures the Company is aware of, which were pending or threatened, likely to have or to have had over the last 12 months any material impact on the Company and/or 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 is covered by adequate insurance. A charter entitled "tiredness, 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 solution has been adopted, it needs to be documented and included in the procedures database to put its application on a permanent footing.

- **General organisation**

The Group's functions and activity sectors are grouped into four divisions and represented within 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	2 452	1 976	-954		3 474	0	3 474
CHF	1 728	1 170	-648		2 250	0	2 250
USD	814	884	-1 590		107		107
Total	**4 994**	**4 030**	**-3 192**	**0**	**5 831**	**0**	**5 831**

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.

The Group has no hedging insruments in place as at March 31, 2012.

- **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	-0,36	-3,57		0,21	-0,36	-3,36	-3,72	9,03	5,31
de 1 à 5 ans	-0,04	-244,29		227,79	-0,04	-16,50	-16,54		-16,54
Plus de 5 ans		-43,39		31,48		-11,91	-11,91		-11,91
Total	-0,40	-291,25		259,48	-0,40	-31,77	-32,17	9,03	-23,14

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 relieved in every. 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 can help identify any mismatches with the planned activity levels or spending and implement the necessary adjustments.

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: €454,291,140,
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.
Coverage ceiling: €30,000.
(Deductibles of €228 for theft; no deductible for fire, damage and glass breakage).

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.
Coverage limits for stationary equipment: €250,000.
Coverage limits for portable equipment: €122,800.

Personal accident
This coverage guarantees named Group employees in connection with professional travel (assistance, repatriation, death and disability benefits).
Accidental death/disability insurance:
Named senior executive insured for €600,000.
Named managers insured for €300,000.
10 staff insured for €153,000.
Assistance/Repatriation insurance:
Medical expenses abroad: unlimited
Ransom/kidnapping insurance.

Freight carried
This policy covers:
- The carriage of goods in France by the Geodis-Walbaum Group
- The transport of grape must during the grape harvest,

Also the 1st April 2009 :
- 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 €400,000 per year.

The Group considers 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.
- 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

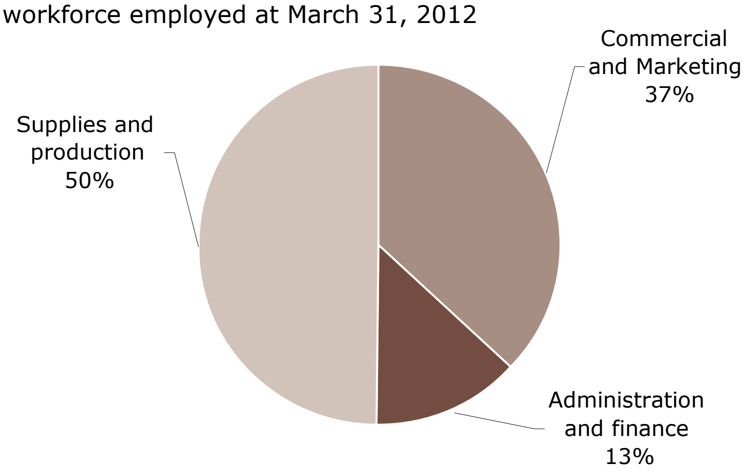
1.6.1. The workforce

At end-March 2012, the Group employed a workforce of 410. This represents a drop of 36 employees compared with March 31, 2010. The fall is almost entirely attributable to the departure of 37 seasonal employees on fixed-term employment contracts at Château Malakoff on March 31, 2012, whereas these departures had taken place the previous year *after* March 31. The difference is entirely due to the vine's growing cycle, which differs from one year to the next.

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

	2010	2011	2012
Group workforce employed at March 31			
Commercial, Brand Development, Public Relations	158	151	152
Administration, Finance, Human Resources, Legal	51	54	53
Supply, Production, Procurement	247	241	205
Total	**456**	**446**	**410**

Group workforce employed at March 31, 2012



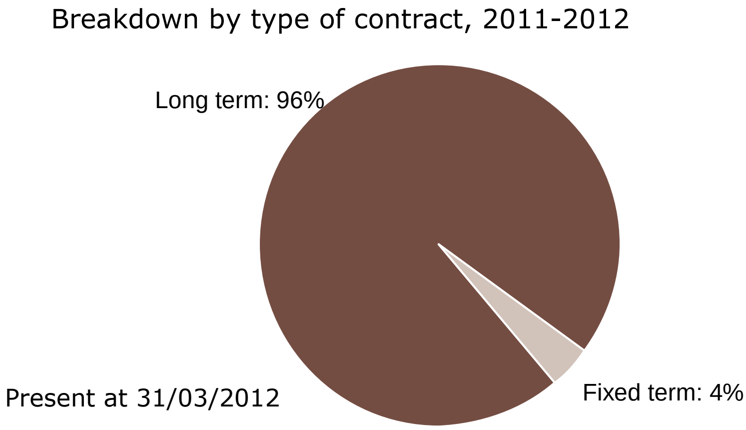
1.6.2. Workforce at French commercial companies:

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:

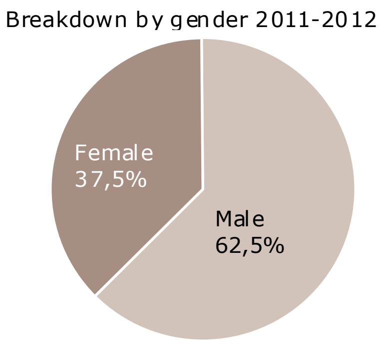
Workforce at March 31	Laurent-Perrier		Champagne Laurent-Perrier		Champagne de Castellane		Société AS		Grands Vignobles de Champagne		Château Malakoff	
Year	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Long term (LT)	18	16	171	167	52	50	9	9	33	33	23	24
Fixed term (FT)	1	1	3	7	1	1			3	3	37	2
Total	19	17	174	174	53	51	9	9	36	36	60	26

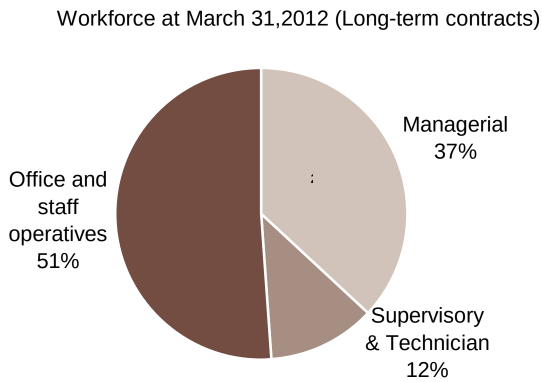
The number of employees on long-term employment contracts in the French commercial entities fell by seven on March 31, 2012.
The reduction is especially marked in production functions.
As explained above, a marked reduction was recorded in fixed-term contract employees in the vineyards at Château Malakoff.



1.6.2.1. Breakdown of the workforce by socio-professional category and gender at March 31, 2012

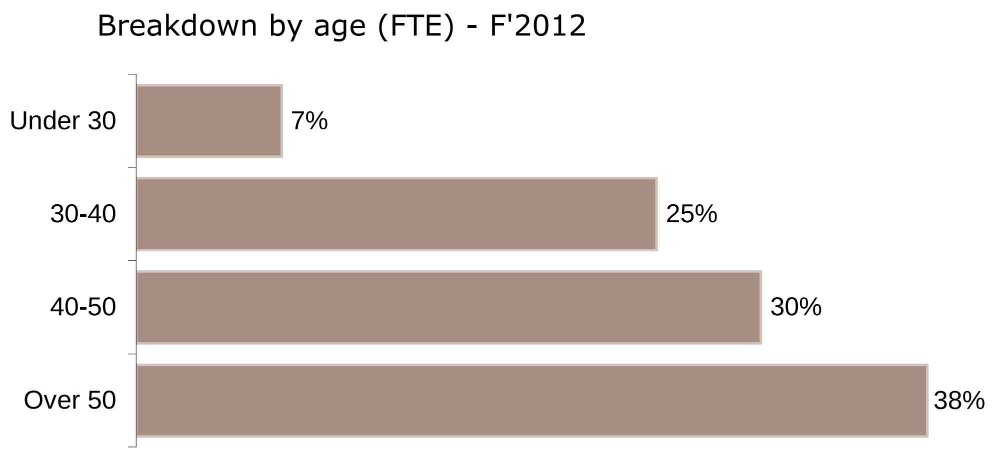
The breakdown of the workforce was virtually unchanged relative to the previous year:
- the proportion of each socio-professional category is strictly identical;
- the proportion of females decreased slightly, from 38% to 37.50% of the total workforce.





1.6.2.2. Average employee age

The proportion of the workforce aged over 50 rose by 3 percentage points. The Group has pursued its efforts on behalf of seniors aimed at preserving their employment conditions until retirement age.



1.6.2.3. New Hires

Six staffs were recruited on long-term contracts in the Group’s commercial companies in FY2011-2012. Two of those hires involved job creations and four were replacements.

Some 550 staffs were hired on fixed-term contracts: 344 during the grape harvest, 180 in connection with seasonal work in the vineyards, and 26 as replacements for absent staff or to help deal with increased activity.

Group companies do have recourse to agency staff but this is restricted to very short-term assignments.

Five staff on long-term contracts work part-time.

1.6.2.4. Employment and integration of employees with disabilities

As at March 31, 2012, 14 workers with disabilities were employed in the companies concerned.
Group companies also 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 perform the work are not available at those companies.

full complement of these provisions meant that the companies concerned were able to meet their legal obligations with respect to the employment and integration of workers with disabilities.

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	1.69%	Work scheduled according to specific job requirements and implemented on the basis of annual work contingents.
Champagne Laurent-Perrier	34h20	5.54%	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	13.17%	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	1.22%	Administrative work is subject to variable working hours.
Grands Vignobles de Champagne	35h	0.21%	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	4.24%	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:

	2010-2011	2011-2012
Working days lost	734	141
Number of occupational accidents	24	24
Number of accidents travelling	2	2

The past year saw a very substantial fall in the number of working days lost. The number of workplace and travelling accidents, although unchanged on the previous year, nevertheless required much less time off work, resulting in a significant reduction in the accident severity rate at the production companies.

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:

2011-2012	Compensation (€)	+/- year earlier	Payroll taxes (€)	+/- year earlier
Laurent-Perrier	1,095,830	-28.73%	483,932	-26.39%
Champagne Laurent-Perrier	7,771,335	-5.90%	3,966,886	-3.79%
Champagne de Castellane	1,776,338	0.89%	879,985	3.51%
Société A.S.	418,581	7.12%	186,298	5.81%
Grands Vignobles de Champagne	1,278,657	9.95%	440,359	6.42%
Château Malakoff	1,816,597	3.30%	739,973	24.34%

The variations from one year to the next can mainly be explained by changes in staffing levels during the year.
The sensitive increase of the welfare costs noticed for the company Château Malakoff is mainly due to a punctual credit of contributions accounting on fiscal year 2011-2012.

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.

Spending on vocational training rose 47% during the year to €150,759, amounting to 1.06% of the wage bill, which is greater than the legal obligation of 0.90%.
The courses attended mainly focused on updating and perfecting knowledge, the use of production equipment, technical training in vine growing and wine making techniques, foreign languages, management skills, accident prevention, and safety.
A total of 57% of employees attended training courses, for a total of 1,486 man-hours.
Some 13 employees were also able to benefit from their DIF personal training entitlement.

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
Champagne de Castellane	1	NAO wage-bargaining agreement
	1	Agreement on the use of time-off rights

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	10,429	672
Champagne Laurent-Perrier	124,449	6,684
Champagne de Castellane	32,164	2,014
A.S.	5,866	336
Château Malakoff	28,460	881

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.

Introduction

Protecting the environment is everybody's business, individually and collectively, especially in the framework of their professional activities and of their work environment.

Because of this, the Laurent-Perrier Group seeks to ensure that its workforce is aware of the issues and encourages them to include simple, responsible and effective environmental protection actions in their daily activity.

Principles

The Group works within a sustainable development framework which consists in taking account of the long term nature of its activity, and in particular in banning any practice and behaviour likely to irreversibly modify the natural milieu and the environment.
To this end, it is committed to:
- complying with its regulatory environmental obligations, and notably with the strict rules of the INAO and professional champagne organisations;
- preserving natural resources;
- seeking to improve production processes in order to better control the use of natural resources such as water and energy resources and to minimize its carbon footprint;
- minimise waste and organise its treatment.

1.7.1.1. Environmental policy and its implementation in wine growing operations

Our raw materials derive from the plant universe, whose rhythms and cycles must imperatively be respected. Priority is therefore given to wine-growing practices which seek to preserve the environment, natural resources, and biological balances. 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.

The Group also aims to be perfectly attuned to the regulatory framework and more generally with the expectations of society at large. In practice, its approach involves the following:
- strict compliance with
    - the specifications concerning the production conditions for the Appellation d'Origine Contrôlée (AOC);
    - the recommendations 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, in the current state of our knowledge, to be compatible with sustainable grape-growing);
    - Prefectural decrees.
- regular diagnostics 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 and awareness-raising for the Group's grape suppliers as regards environmental issues;
- 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.

The Group seeks to combine technical innovations and environmental initiatives. For example, the carbon audit of the vineyard operations of Champagne Laurent-Perrier, carried out in 2007, led to the implementation of remedial action on the most relevant aspects, aimed at further decreasing greenhouse gas emissions.

1.7.1.2. Environmental policy and its implementation in production processes

Wine making and blending

Vinification practices compliant with professional recommendations
Since 2009, all wine-making has taken 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.

For example, 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.

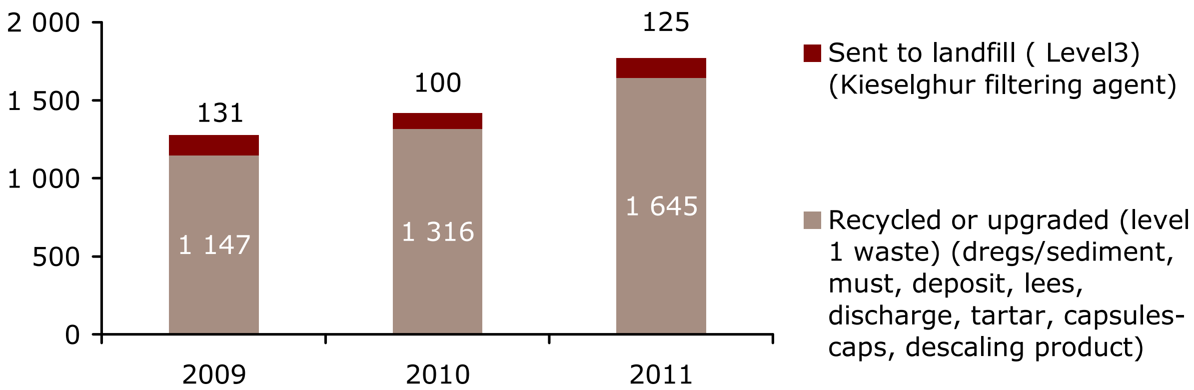
All press residues (dregs), are all sent to a local distillery, where they are transformed into alcohol.

Waste water from the Tours-sur-Marne winery is no longer piped to the village waste-water treatment centre, but to our own treatment facility on the Champagne Laurent-Perrier site. The creation of an in-house treatment plant combining the use of organic processes (activated sludge) and physical processes (membrane filtration) has cut organic pollution (Chemical Oxygen Demand, or COD) by 99%. The sludge from the treatment centre is recycled at a composting facility.

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

The Group aims both to decrease the amount of waste and better recover it by organising its recycling. The amount of waste generated obviously correlates closely to the yield from the grape harvest and to the volumes generated. We can nevertheless observe a steady increase in the proportion of waste recovered or recycled at the same time as volumes sent to landfill remain fairly stable.

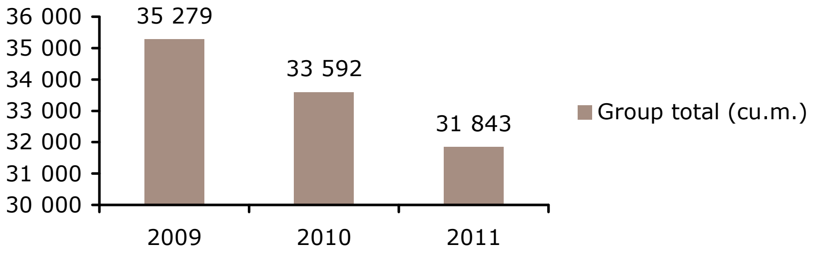
Waste generated by champagne making (tonnes)



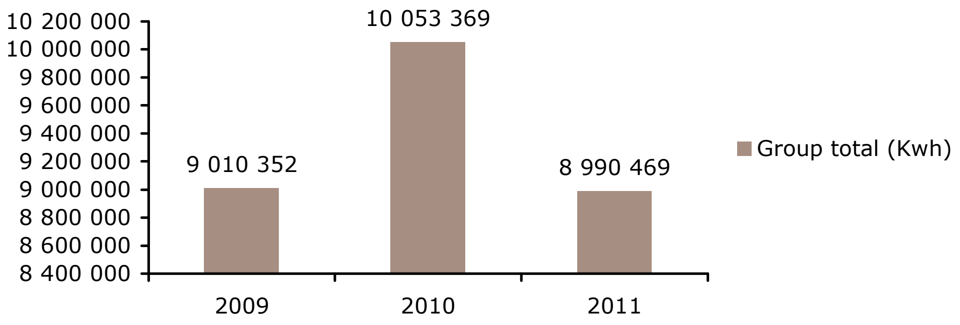
Water and energy consumption

The Group pursues a policy of constantly improving its control of water and energy consumption. The consumption trend over the past three years illustrates this unremitting effort.

Water and energy consumption at the Tours-sur-Marne site



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



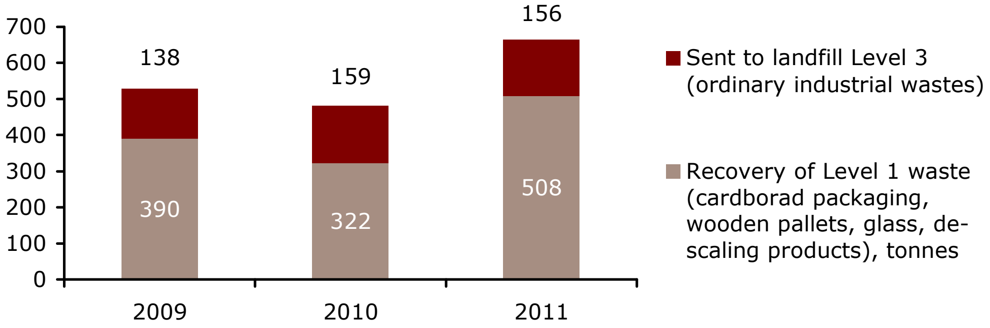
Modernisation of equipment
Each new machine generally delivers improvements in terms of ergonomy, energy consumption and control over its environmental impact.

Bottle labelling and packing

The Group prefers an eco-friendly design for its bottle labels and packaging in order to minimise their environmental impact. It shares this same exacting requirement with its suppliers.
When it comes to labelling and advertising and promotional items, Laurent-Perrier seeks to use more and more materials compliant with the EU standards now in force in many countries. As planned from 1997, the use of pewter capsules has been reduced.
The use of polystyrene in shipping cartons has been completely stopped and has been superseded by recyclable sheets of moulded cellulose.
All cardboard items used in the manufacture of presentation boxes are now made of recycled paper and, despite the printed text and other items decorating the boxes, are nevertheless 100% recyclable.
To comply with EU regulations, a "Recyclable" logo features on all labels glued to the bottles and cases. Cartons used to ship champagne can also be re-used.
This policy explains the tight control over and steady reduction in the volume of waste generated during this particular production phase. A special emphasis goes on trying to recover this waste.

Waste management

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



Transport and warehousing

The Group also seeks to minimise the environmental impact of its logistics operations. For example, centralising production on a limited number of sites and optimising loading makes it possible to reduce the amount of transport required. The Group also shows a preference for the transport modes least damaging to the environment.

1.7.1.3. Facilities management

Laurent-Perrier's main buildings are located in the towns and villages of Tours-sur-Marne, Louvois, Epernay and Châlons-en-Champagne. These buildings are a fine illustration of the Group's policy of preserving historic buildings and blending these buildings into the surrounding countryside.

The Château de Louvois, its large park and its gardens are regularly restored in the style and rules of their historic and architectural past.

A substantial proportion of production takes place underground in the cellars. However, the necessary industrial buildings, even if they are often of more modern construction, have façades that blend in perfectly with the style of the villages where they are located.

As part of this policy, and in line with its constant concern to protect the aesthetic heritage of wine-growing regions, Laurent-Perrier has installed its own waste-water treatment plant in Tours-sur-Marne in a building erected in 2004 in the architectural style and tradition of Champagne.

Between 2006 and 2008, again in Tours-sur-Marne, Laurent-Perrier erected several new buildings at Clos Valin, using an architectural style that matches the local environment. This site enables Laurent-Perrier staff to work in natural daylight and in optimised acoustic conditions.

1.7.1.4. 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 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 12, 2012
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 Jean-François Châtel,
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.

KPMG, S.A., a member of the Versailles Company of Statutory Auditors,
represented by Mr Pascal Grosselin
3 cours du Triangle
92939 Paris la Défense Cedex

First appointed:	July 6, 2011
Mandate expires: Date	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2017.

Alternate auditors:

Mr Patrick Zeimett
19 rue Clément Ader
51100 Reims

First appointed:	July 6, 2011
Mandate expires:	Ordinary Shareholders' Meeting held to approve the accounts for the financial year ending March 31, 2017.

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

Mr Cyrille Benoist, Head of Communication and Public Relations
E-mail: cyrille.benoist@laurent-perrier.fr
Tel: 33 (0)3.26.58.91.22
Fax: 33 (0)3.26.58.77.29

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, 2012 of holders of bearer shares identified about 4,402 shareholders.

3.1.11. Supervisory Board membership requirements (article 15)

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

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 6, 2011 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 10, 2012 Joint Ordinary and Extraordinary Shareholders' Meeting held to vote on the financial statements for the period ended March 31, 2012 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 €130 per share excluding expenses.

The Shareholders' Meeting on July 10, 2012 will authorise the buy-back of up to 594,000 shares each with a par value of € 3.80 (minus the 48,708 treasury shares already owned by the Company at March 31, 2012).

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, 2012. However, taking into account the 48,708 treasury shares already owned by the Company at March 31, 2012, 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 01.04.2011 to 31.03.2012:

A) Market making:

- Shares purchased during the financial year:		57,450 shares
- Shares sold during the financial year:		56,589 shares
- Average share price:	purchase:	€80.42
	sale:	€79.71

B) Share purchase options

- Shares purchased during the financial year:		4.000 shares
- Average share price:		€68.14

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: €1.090.30

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

F) Fraction of capital in treasury shares: 0.82%

2. Total

A) Total shares registered in the company name at close of financial year: 48,708 shares
B) Value at purchase price: €3,883,488.84
C) Nominal value of treasury shares: €3.80 per share (for a total of €185,090.40)

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, 2012, 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.

The Joint Ordinary and Extraordinary Shareholders' Meeting on July 10, 2012 will be asked to vote on the renewal of these two authorisations granted to the Management Board to grant:

1) stock options in the company valued at up to 10% of its capital stock to the same beneficiaries as before. This authorisation is granted for 38 months and can therefore be renewed in 2015.

2) Bonus shares the total number of which to be awarded shall not exceed 1.7% (one point seven per cent) of the capital stock, this percentage being calculated in relatioin to the number of such bonus shares already allocated or issued.

Overview of Stock Option allocations

	Date of Shareholders'Meeting													
	26.05.99					29.06.2001			03.07.03			06.07.06		
	Plan n°1	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6	Plan n°7	Plan n°8	Plan n°9	Plan n°10	Plan n°11	Plan n°12	Plan n°13	Plan n°14
Management Board Meeting	11.06.99	22.10.99	30.03.00	25.04.00	30.03.01	05.09.01	26.03.02	25.03.03	30.03.04	08.03.05	14.03.06	22.03.07	18.03.08	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 31/03/2012	24,974	1,000	36,850	2,250	39,300	1,950	57,900	32,050	31,647	8,000	3,250	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	1,000
Stock options remaining at end of FY (31/03/2012)	0	0	0	0	0	0	0	5,050	5,253	10,000	21,750	25,000	34,200	40,300

(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 6, 2011 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, 2012.
They will need to be renewed at the 2013 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, 2012

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, 2012

	Shareholders	Numbers of shares	% capital	% voting rhihts
①	Registered family shares (de Nonancourt family)	3,388,462	56.99%	68.87%
②	Institutional shareholders (registered shares)(1)	581,795	9.78%	10.91%
③	Other shareholders, including individuals (2)	1,904,952	32.04%	20.68%
④	Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	21,944	0.37%	0.42%
⑤	Treasury shares (3)	48,708	0.82%	-
	GRAND TOTAL at 31.03.2012	**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.

(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, 2011

	Shareholders	Numbers of shares	% capital	% voting rights
①	Registered family shares (de Nonancourt family)	3,387,882	56.98%	68.98%
②	Institutional shareholders (registered 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 mutual 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).

3.2.6.3. 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.

(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 2011-2012.

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 101 of the present reference document) and in the notes to the parent company financial statements in section 5.4. (note 14, p 112 , 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-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
April-11	79,00	86,20	86,20	79,00	26 720	2 216 797
May-11	86,70	85,50	86,70	83,00	31 147	2 663 437
June-11	85,50	97,51	99,73	83,00	64 564	5 999 654
July-11	97,51	97,00	100,87	94,50	30 969	3 015 481
August-11	97,50	88,92	99,00	80,75	42 387	3 644 490
September-11	88,92	74,85	89,00	73,00	34 734	2 841 368
October-11	74,70	74,50	75,50	65,15	43 607	3 160 220
November-11	74,60	69,30	74,76	62,00	53 084	3 572 022
December-11	68,60	72,49	74,80	68,60	38 843	2 804 576
January-12	72,49	76,50	76,89	68,32	28 482	2 098 754
February-12	76,50	80,32	82,50	76,50	35 944	2 890 180
March-12	80,31	80,50	81,50	74,60	29 675	2 367 485

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 23, 2012, the Management Board decided to propose to the Joint Ordinary and Extraordinary Shareholders' Meeting on July 10, 2012 a dividend of €1 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 (€)
2008-2009	€0.83
2009-2010	€0.69
2010-2011	€0.76

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

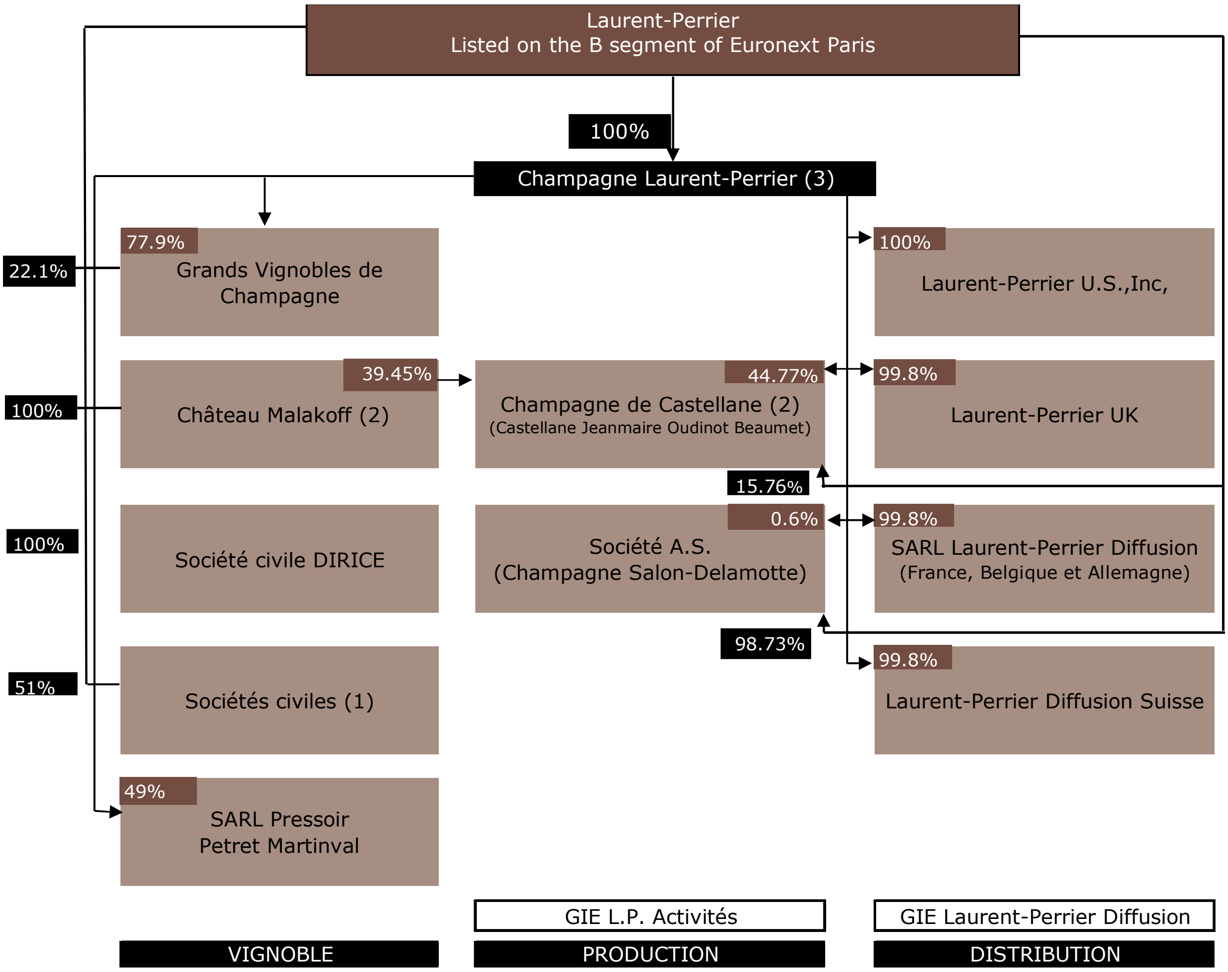
3.3. PROPERTY, PLANT AND EQUIPMENT

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.
As detailed in Note 4.3. Consolidated accounts.

3.4. SIMPLIFIED ORGANISATION CHART OF THE LAURENT-PERRIER GROUP

The following simplified chart shows the legal structure of the Group at March 31, 2012, 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
3) Merger with Champagne Lemoine

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

4.	CORPORATE GOVERNANCE AND CONFLICTS OF INTEREST: ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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, 2011, or new appointments made at meetings of the Supervisory Board on May 27, 2010,

	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 2013 General Meeting of Shareholders	See table of positions and offices	None
Ms Alexandra Pereyre de Nonancourt*, member and authorized legal representative Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2013 General Meeting of Shareholders	See table of positions and offices	None
Ms Stéphanie Meneux de Nonancourt*, Member and authorized legal representative Business address: Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	May 10, 1999	Supervisory Board meeting held following the 2013 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 2013 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 2013 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, 2012
Maurice de Kervénoaël[(1)] *Chairman*: July 7, 2005 -2017 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 Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
Bernard de La Giraudière *Member*: July, 1996 – 2014 Former Chief Executive of Laurent-Perrier Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 - 2017* *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 - 2017 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services
Patrick Thomas (1) *Member*: November 25, 2011 - 2017 *Business address*: 24 rue du Faubourg Saint Honoré 75008 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Director, Hermès International - Hermès representative in Hermès Group subsidiaries - Deputy Chairman of Gaulme Supervisory Board - Director, Lacoste - Member of the Leica Camera AG Supervisory Board - Deputy Chairman of the Massilly Holding Supervisory Board - Director, Rémy Cointreau - Managing Director of SC Les Choseaux Director, Sipryl Informatique

(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 at least twice a year. 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 Yann Duchesne 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 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, 2012.

Company Executive Officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff
	Société Anonyme à Directoire et Conseil de Surveillance	Société par Actions Simplifiée	Société Anonyme	Société Anonyme	Société par Actions Simplifiée
Maurice de Kervénoaël	Chairman 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	Director	
Jean-Louis Pereyre	Member of the Supervisory Board				
François Philippoteaux	Vice Chairman of the Supervisory Board				
Yann Duchesne	Member of the Supervisory Board				
Patrick Thomas	Member of the Supervisory Board				
Michel Boulaire	Chairman of the Management Board	Permanent representative of LP, Chairman	Chairman of the Board of Directors		Permanent representative of LP, Chairman
Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	General Director	Permanent representative of CLP, Director	Chairman of the Board of Directors	
Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	General Director			
Etienne Auriau	Member of the Management Board		General Director		
Michel Fauconnet	Member of the Management Board			General Director	General Director
Laurent-Perrier personne morale		Chairman			Chairman

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, 2012:

- 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	2010-2011	2011-2012
Michel Boulaire, *President of Management Board*	27.05.2010 to 31.03.2011	
Compensation for the period (breakdown below)	€ 222,676	*
Value of options allocated during the period		
Valuation of performance shares allocated in FY		
Total *	**€ 222,676**	*****
Alexandra Pereyre, *member of the Management Board and Chief Ex*	du 01.04.2010 to 31.03.2011	
Compensation for the period (breakdown below)	€ 135,181	€ 100,000
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total	**€ 135,181**	**€ 100,000**
Stéphanie Meneux, *member of the Management Board and Chief Ex*	01.04.2010 to 31.03.2011	
Compensation for the period (breakdown below)	€ 135,192	€ 100,008
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total	**€ 135,192**	**€ 100,008**
Etienne Auriau, *member of the Managment Board*	27.05.2010 to 31.03.2011	
Compensation for the period (breakdown below)	€ 171,548	€ 149,788
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total	**€ 171,548**	**€ 149,788**
Michel Fauconnet, *member of the Managment Board*	27.05..2010 to 31.03.2011	
Compensation for the period (breakdown below)	€ 171,506	€ 146,966
Value of options allocated durig the period		
Valuation of performance shares allocated in FY		
Total	**€ 171,506**	**€ 146,966**

* 2010-2011 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.

* 2011-2012 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 €278,080 in respect of miscellaneous services rendered.

Breadown of compensation for company executive officers

(Tableau AMF n°2)

Name and function of executive officer	Amount paid in 2010-2011		Amount paid in 2011-2012	
	Due	Paid	Due	Paid
Michel Boulaire	27.05.2010 to 31.03.2011		2011-2012	
Fixed compensation	€ 142,676	€ 142,676		**
Performance-related compensation	€ 80,000	0 €		€ 80,000
Exceptional compensation	0 €	0 €		€ 0,000
Director's fees	0 €	0 €		0 €
Benefits in kind	0 €	0 €		0 €
Total *	**€ 222,676**	**€ 142,676**	**	**€ 80,000
Alexandra Pereyre	du 01.04.2010 au 31.03.2011			
Fixed compensation	€ 57,960	€ 57,960	€ 57,960	€ 57,960
Performance-related compensation	€ 35,181	€ 11,598	0 €	€ 35,181
Exceptional compensation	0 €	0 €	0 €	€ 0,000
Director's fees	€ 42,040	€ 42,040	€ 42,040	€ 42,040
Benefits in kind	0 €	0 €	0 €	€ 0,000
Total	**€ 135,181**	**€ 111,598**	**€ 100,000**	**€ 135,181**
Stéphanie Meneux	du 01.04.2010 au 31.03.2011		2011-2012	
Fixed compensation	€ 100,008	€ 100,008	€ 100,008	€ 100,008
Performance-related compensation	€ 35,184	€ 11,599	*	€ 35,184
Exceptional compensation	0 €	0 €	0 €	€ 0,000
Director's fees	0 €	0 €	0 €	€ 0,000
Benefits in kind	0 €	0 €	0 €	€ 0,000
Total	**€ 135,192**	**€ 111,607**	**€ 100,008**	**€ 135,192**
Etienne Auriau	27.05.2010 to 31.03.2011		2011-2012	
Fixed compensation	€ 123,333	€ 123,333	€ 148,000	€ 148,000
Performance-related compensation	€ 48,215	€ 25,980	*	€ 48,215
Exceptional compensation	0 €	0 €	0 €	€ 0,000
Director's fees	0 €	0 €	0 €	€ 0,000
Benefits in kind	0 €	0 €	€ 1,788	€ 1,788
Total	**€ 171,548**	**€ 149,313**	**€ 149,788**	**€ 198,003**
Michel Fauconnet	27.05.2010 to 31.03.2011		2011-2012	
Fixed compensation	€ 120,417	€ 120,417	€ 144,500	€ 144,500
Performance-related compensation	€ 35,089	€ 27,022	*	€ 35,089
Exceptional compensation	€ 16,000	€ 16,000		€ 16,000
Director's fees	0 €	0 €	0 €	€ 0,000
Benefits in kind	0 €	0 €	€ 2,466	€ 2,466
Total	**€ 171,506**	**€ 163,439**	**€ 146,966**	**€ 198,055**

*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 2012.

** 2010-2011 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.

** 2011-2012 for the period of April 1, 2011 to March 31, 2012. To this total should be added the payment to the Revaland company, where Mr Michel Boulaire occupies the position of Manager, of fees in the amount of € 278,080 in respect of miscellaneous services rendered.

Social Status of Chief Executive Officer

(AMF Table No.10)

xecutives officers (1)	Employment Contract		Suplementary pension regime		Indemnities or benefits due or likely to e due subsequent to cessation or change of functions		Indemnities linket to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Etienne Auriau	yes		yes			no		no
Michel Boulaire		no		no		no		no
Michel Fauconnet	yes		yes			no		no
Stéphanie Meneux		no	yes			no		no
Alexandra Pereyre		no	yes			no		no

ie. paragraph 3.3. of internal control procedures (Chapter 4.5. this annual report).

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	187.5	209.2	108.3	551.5

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°8 25/03/2003	1 750	€ 29,78	26/3/2007 to 24/3/2013
	N°10 08/03/2005	4 000	€ 34,10	09/03/2009 to 08/3/2015

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 2010-2011	Amount paid in 2011-2012
Maurice de Kervénoaël		
Attendance fees		
Other remuneration	191,2K€*	111,0K€*
François Philippoteaux		
Attendance fees	24,2 K€	25,0K€
Other remuneration		
Bernard de La Giraudière		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Yann Duchesne		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Grant Gordon		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Eric Meneux		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Claude de Nonancourt		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Jean-Louis Pereyre		
Attendance fees	16,7 K€	17,0 K€
Other remuneration		
Patrick Thomas		
Attendance fees	0 K€	4,17K€
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 in which a member of the Management Board or Supervisory Board is part.

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, 2012 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, 2012, 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°7 of 26.03.02	Plan n°8 of 25.03.03	Plan n°9 of 30.03.04	Plan n°10 of 08.03.05	Plan n°11 of 14.03.06	Total
Exercise periode	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 09.03.09 to 08.03.15	from 15.03.10 to 15.03.16	
Exercise price	27,66 €	29,78 €	28,71 €	34,10 €	50,38 €	
	shares raised					
1) Officers						
Michel Fauconnet		1 750		4 000		5 750
2) Non officers employes exercising the largest number of actions						
	2 600		200		250	3 050

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, 2012, the Laurent-Perrier Supervisory Board meets the requirements of the Law of 27 January 2011, as the Supervisory Board has at least 10% female representation.

- Nationality of members of the Laurent-Perrier Supervisory Board: at least 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, 2012 the Laurent-Perrier Supervisory Board comprised eight members, including three independent members in the sense of the AFEP-MEDEF code of corporate governance.
The make-up of the Supervisory Board is set out in Appendix A of this report.

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 2011-2012 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
26.05.2011	Approval of the corporate accounts and the consolidated financial statements to March 31,20101	80%
05.07.2011	Budget for 2012-2013 financial year	100%
06.07.2011	Distribution of Directors' fees	100%
25.11.2011	Situation of the company in the first quarter of 2010-2011 financial year	100%
13.03.2012	Examination of estimated net income on March 31, 2012 Situation of the Company Provisional accounts at March 31, 2012 Budget for 2012-2013 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 Yann Duchesne. 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 Grant Gordon and Jean-Louis Pereyre.

During FY 2011-2012 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 Chairman of the Management Board which receives no employment contract.
- a so-called "defined benefits" pension 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.
Since 2010, the Group migrated its main applications to an integrated system. This work allowed and update of the main procedures of the Group.
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 permanent 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 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 is 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.

Regular budget monitoring by fiscal can help identify any mismatches with the planned activity levels or spending and implement the necessary adjustments.

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, 2012

	Shareholders	Numbers of shares	% capital	% voting rights
①	Registered family shares (de Nonancourt family)	3,388,462	56.99%	68.87%
②	Institutional shareholders (registered shares)(1)	581,795	9.78%	10.91%
③	Other shareholders, including individuals (2)	1,904,952	32.04%	20.68%
④	Shares held through the corporate mutual fund for employees and managed by HSBC Epargne Entreprise (registered and bearer)	21,944	0.37%	0.42%
⑤	Treasury shares (3)	48,708	0.82%	-
	GRAND TOTAL at 31.03.2012	**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.

(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.

"<u>Article 13 of the company Bylaws</u>

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 6, 2011	Use of authority at 31.03.2012
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 23, 2012.

Maurice de Kervénoaël
Chairman of the Supervisory Board

APPENDIX A
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 31,2012
Maurice de Kervénoaël(1) *Chairman*: July 7, 2005 - 2017 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* Adress : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: see table of positions and offices - Chairman of Laurent-Perrier Switzerland Non-Laurent-Perrier Group mandates: none
Bernard de La Giraudière *Member*: July, 1996 – 2014 *Former Chief Executive of Laurent-Perrier* Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 -2017 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 - 2017 *Family tie*: husband of Stéphanie Meneux de Nonancourt, member of the Management Board Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	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 Address : Laurent-Perrier – 32 avenue de Champagne 51150 Tours-sur-Marne	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: Chairman, Maritime Archéologie et Prospection Director, Media Contact Services
Patrick Thomas [1] *Member*: November 25, 2011 - 2017 *Business address*: 24 rue du Faubourg Saint Honoré 75008 Paris	Other Laurent-Perrier Group mandates: none Non-Laurent-Perrier Group mandates: - Director, Hermès International - Hermès representative in Hermès Group subsidiaries - Deputy Chairman of Gaulme Supervisory Board - Director, Lacoste - Member of the Leica Camera AG Supervisory Board - Deputy Chairman of the Massilly Holding Supervisory Board - Director, Rémy Cointreau - Managing Director of SC Les Choseaux - Director, Sipryl Informatique

(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, 2012

"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 Sharheolders
Laurent-Perrier SA
32, avenue de Champagne
51150Tours-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, 2012.

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, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG S.A.**
Jean-François Châtel	Pascal Grosselin

4.6 SPECIAL REPORT ON DIRECTORS' SHAREHOLDINGS MARCH 31, 2012

Name	Type of transaction	Aim	Number	Value	Unit price
Michel Fauconnet	Exercise of stock options		1 750	52 115 €	29,78 €
	Exercise of stock options		4 000	136 400 €	34,10 €
Total			5 750	188 515 €	
ASN	Purchase	share	1 000	69 000 €	69,00 €
	Purchase	share	968	64 629 €	66,76 €
	Purchase	share	3 200	259 200 €	81,00 €
Total			4 168	323 829 €	

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

5.	ASSETS, FINANCIAL POSITION AND INCOME STATEMENTS

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, 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.

- the consolidated accounts for the year ended March 31, 2011 and the relevant report of the Statutory Auditors, presented respectively on pages 72 , 74 and 75 of Reference Document D09-0524 filed with the AMF on June 10, 2011.

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2011 AND 2012

CONSOLIDATED FINANCIAL STATEMENTS, MARCH 31 2012

€ million (except earnings per share)	Notes	2011-2012	2010-2011
Sales	4.18	218.80	197.80
Cost of sales		-115.67	-107.39
Gross margin		103.13	90.41
Other net operating income	4.19	1.26	1.71
Commercial expenses		-43.46	-43.44
Administrative expenses		-16.19	-15.90
Current operating income		44.74	32.78
Other operating income	4.21	0.03	0.97
Other operating expenses	4.21	-0.14	-0.78
Operating income		44.63	32.97
Financial income		0.17	0.04
Cost of net debt		-10.16	-10.50
Other financial charges		-0.38	0.60
Financial results	4.22	-10.37	-9.86
Income tax	4.23	-12.49	-8.23
Income from equity consolidated companies		0.01	0.00
Net income		21.78	14.88
o/w attributable:			
- Attributable to interests that do not confer control		0.11	0.06
- Group		21.67	14.82
Group net income per share (€)		3.67	2.52
Number of shares		5 896 782	5 885 836
Diluted Group net income per share (€)		3.65	2.50
Number of diluted shares		5 936 428	5 925 631

Total gains and losses recognised directly as capital (net of tax)		
Net income for the period	21.78	14.88
Revaluation of hedging derivatives	-2.56	3.00
Revaluation of vineyards	2.11	12.96
Actuarial differences on defined benefit schemes	-0.27	0.58
Unrealised exchange rate gains/losses	0.38	0.07
Total gains and losses	-0.34	16.61
Total gains and losses recognised for the period	21.44	31.49
o/w attributable to interests that do not confer control	0.11	0.06
o/w Group share	21.33	31.43

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

Consolidated Balance Sheet

€ million	Notes	March 31, 2012	March 31, 2011
ASSETS			
Goodwill	4.1	24.50	24.50
Net intangible fixed assets	4.2	7.48	7.48
Net tangible fixed assets	4.3	157.17	154.32
Equity interests in companies carried at equity		0.09	0.08
Non-current financial assets	4.4	4.08	3.56
Non-current assets		193.32	189.94
Inventories and work in progress	4.5	458.34	450.03
Trade receivables	4.6	40.95	36.70
Other receivables	4.7	17.78	16.34
Cash and cash equivalents	4.11	9.03	14.74
Current assets		526.10	517.81
TOTAL ASSETS		719.42	707.75

€ million	Notes	March 31, 2012	March 31, 2011
SHAREHOLDERS' EQUITY			
Capital	4.9	22.59	22.59
Capital reserves		22.74	22.74
Revaluation reserves		34.62	35.06
Other reserves		176.26	166.08
Unrealised foreign exchange gains		-1.49	-1.87
Attributable net income		21.67	14.82
Total attributable Group shareholders' equity		276.38	259.43
Attributable to interests that do not confer control		2.55	2.43
Consolidated shareholders' equity		278.93	261.85
LIABILITIES			
Contingency and loss provisions – long term	4.10	10.31	9.41
Long-term debt	4.11	288.28	305.15
Other long-term debt	4.15	3.11	3.56
Deferred tax liabilities	4.17	25.06	25.22
Non-current liabilities		326.76	343.34
Short-term debt	4.11	3.37	10.07
Trade payables		71.04	59.26
Tax and social liabilities		15.62	10.33
Other debt		23.70	22.90
Current liabilities		113.73	102.56
TOTAL LIABILITIES		440.49	445.90
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		719.42	707.75

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

Consolidated cash flow statement

€ million	2011-2012	2010-2011
CASH FLOW FROM ACTIVITY (A)		
Net income from consolidated companies	21.78	14.88
Impairment and provisions	4.78	6.01
Unrealised gains and losses from changes in fair value	0.03	-1.03
Charges and income with no effect on cash and equivalents	0.13	0.27
Pro-rated share in income from companies carried at equity	-0.01	0.00
Proceeds on disposal of assets available for sale, net of tax	0.08	0.07
After-tax cash flow	**26.79**	**20.20**
Tax (including deferred tax)	12.48	8.23
Pre-tax cash flow	**39.27**	**28.43**
Tax paid	-12.32	-6.35
Change in activity working capital requirement		
- Inventories and work in progress	-8.29	15.48
- Trade receivables	-3.94	0.68
- Trade payables	10.28	-5.75
- Other receivables and payables	1.02	0.69
Net cash flow from operations (A)	**26.02**	**33.18**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of tangible and intangible fixed assets	-2.86	-2.92
Proceeds from available for sale tangible and intangible fixed assets	0.01	0.12
Net change in other long-term investments	-0.85	0.33
Net cash flow from investing activities (B)	**-3.70**	**-2.47**
CASH FLOW USED IN FINANCING ACTIVITIES		
Dividends paid during the financial year	-4.55	-4.12
Sale (Purchase) of treasury shares	-0.10	0.52
Bond issuance	1.21	3.95
Loan repayments	-24.96	-21.39
Net cash flow used in financing activities (C)	**-28.40**	**-21.04**
NET CHANGE IN CASH FLOW (A+B+C)	-6.08	9.67
Net cash and cash equivalents at beginning of year	14.68	5.00
Effect of foreign exchange changes	0.20	0.00
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**8.80**	**14.68**
Cash and cash equivalents	9.03	14.74
Bank overdrafts	-0.23	-0.06
NET CASH AND CASH EQUIVALENTS	**8.80**	**14.68**

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 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
Change in values recorded directly in shareholders' equity			-0.44		-0.27	0.38	-0.34	0.07	-0.27
Result 2011-2012					21.67		21.67	0.11	21.78
Total booked expenses and income			-0.44		21.40	0.38	21.33	0.18	21.51
Sale (Purchase) of treasury shares				-0.10			-0.10		-0.10
Stock option plan-related expenses					0.25		0.25		0.25
Dividends paid					-4.48		-4.48	-0.06	-4.54
Other variations					-0.03		-0.03		-0.03
March 31 2012	22.59	22.74	34.62	-9.54	207.47	-1.49	276.39	2.55	278.94

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

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, 2012 were signed off by the Supervisory Board on May 23, 2012 and will be submitted for its approval to the General Shareholders' Meeting to be held on July 10, 2012.

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, 2012 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, 2012 were drawn up using accounting rules and methods identical to those used for the year ended March 31, 2011.

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 2011, have had no material impact on the Group's financial statements and performance as at March 31, 2012:

- Amendment to IAS 32 *Financial Instruments – Presentation*,
- IAS 24 (Revised) *Related Party Disclosures*
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments,
- Amendment to IFRIC 14 *Limit on a defined benefit asset, minimum funding requirements*,
- May 2010 improvements clarifying or slightly modifying various standards and interpretations.

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:

- Amendment to IFRS7 *Financial Instruments – Disclosures*

The IASB has also published a series of new standards yet to be approved by the European Union, whose impact on the Group is currently being analysed:

- Amendment to IAS 1 *Presentation of Financial Statements* on the presentation of other comprehensive income (OCI),
- IFRS 10 *Consolidated Financial Statements*,
- IFRS 11 *Joint Arrangements*,
- IFRS 12 *Disclosure of Interests in Other Entities*,
- IFRS 13 *Fair Value Measurement*,
- Amendment to IAS 19 *Employee Benefits*,
- Revised standards IAS 27 *Separate Financial Statements* and IAS 28 *Investment in Associates and Joint Ventures*.

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 "predominant" values published by an official body, or else using other tangible items of information which seem more relevant if it were deemed that the "predominant" values were not the best indicator for valuing vineyards at closure of accounts.

This is because the "predominant" 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 (planting 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. Deferred tax

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 2012.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.1. **Goodwill**

4.1.1. **Main goodwill**

(€ million)	Year of purchase	March 31 2012 net	March 31 2011 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, 2011),
- discount rate: the average weighted cost of capital and debt. The rate used at March 31, 2012 was 5.9% (5.6% at March 31, 2011).

Calculations at March 31 2011 and March 31 2012 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 6.5%, 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, 2011	Acquisitions	Disposals	Other movements	Gross values at March 31, 2012
Brands	3.29				3.29
Software	5.15	0.18	-0.08	0.01	5.27
Other	0.65			0.43	1.08
Total	9.09	0.18	-0.08	0.44	9.63

Depreciation *€ million*	Gross values at April 1, 2011	Provision	Depr. on disposals	Other movements	Gross values at March 31, 2012
Brands					
Software	1.63	0.53		-0.05	2.11
Other	-0.02	0.02		0.05	0.05
Total	1.61	0.54	0.00	0.00	2.15
Net value	7.48	-0.36	-0.08	0.44	7.48

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

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.

4.3. Tangible fixed assets

4.3.1. Change in tangible fixed assets

Gross values *€ million*	Gross values at April 1, 2011	Acquisitions	Disposals	Other movements	Gross values at March 31, 2012
Land	111.69	0.02		3.34	115.05
Vineyards	6.11			0.16	6.27
Buildings	42.06	0.56		0.02	42.64
Machinery & equipment	48.81	2.03	-0.06	0.01	50.80
Other tangible fixed assets.	4.30	0.19	-0.05	0.03	4.47
Assets in progress	1.02	0.47		-0.18	1.30
Total	213.99	3.27	-0.10	3.38	220.53

Depreciation & provisions *€ million*	Gross values at April 1, 2011	Provision	Depr. on disposals	Other movements	Gross values at March 31, 2012
Land	0.06				0.06
Vineyards	3.76	0.19			3.95
Buildings	18.12	1.28		0.01	19.41
Machinery & equipment	34.27	2.16	-0.05	0.02	36.40
Other tangible fixed assets.	3.46	0.13	-0.05	0.00	3.54
Assets in progress	0.00				0.00
Total	59.67	3.76	-.010	0.03	63.35
Net value	154.32	-0.49	0.00	3.35	157.17

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	Provision	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		59.67
Net value	135.79	-1.48	-0.21	20.24	154.32

Revaluation of vineyards

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

€ million	April 1, 2011	Acquisitions /revaluations	Disposals/ transfers	March 31, 2012
Land values				
Land other than vineyards	4.08	0.02		4.10
Vineyards:	51.79		-0.56	51.23
Differential in vineyard revaluations	55.82	3.34	0.56	59.72
Total	111.69	3.36	0.00	115.05

The revaluation was calculated according to the average cash value of farmland in 2010 by geographic area, These values, relative to transactions carried out in 2010, were published by an official organisation.

4.4. Other financial investments

Other financial investments are set out below:

€ million	March 31, 2012	March 31, 2011
	Net	Net
Non-consolidated securities	0.01	0.01
Loans	3.76	3.18
Other	0.31	0.38
Total	4.08	3.56

Loans were mainly to our wine-growing partners, those due in over one year being secured and/or tangible security (mainly "privilège de prêteur de deniers").
They have been discounted at the equivalent market rate of 3.58% (compared with 4.22% in the previous period), if non-interest bearing.

4.5. Inventories and work in progress

€ million	March 31, 2012			March 31, 2011
	Gross	Provisions	Net	Net
Goods and finished products	369.88		369.88	377.18
Raw materials and work in progress	88.47	-0.01	88.46	72.85
Total	458.34	-.0.01	458.34	450.03

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

€ million	March 31, 2012	March 31, 2011
Depreciation of inventories at April 1	0.01	0.01
Net depreciation recorded in income		
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 2011-2012 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	2011-2012	2010-2011
Valuation of own vineyard harvest at market price	4.29	2.65
Effect of inventory disposals	-4.44	-3.80
Impact on cost of sales for the period	-0.15	-1.15
Impact on cost of inventory at closure	10.07	10.21

4.6. **Trade receivables and related accounts**

€ million	March 31, 2012			March 31, 2011
	Gross	Provisions	Net	Net
Trade receivables	41.84	-0.89	40.95	36.70
Total	41.84	-0.89	40.95	36.70

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, 2012	March 31, 2011
Average trade receivables settlement time (days)	67	51

Changes in provisions for writedowns break down as follows:

€ million	2011-2012	2010-2011
Impairment of trade receivables at April 1	1.02	0.95
Net impairment recorded in income	-0.13	0.07
Other changes		
Impairment of trade receivables at March 31	0.89	1.02

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:

€ million	March 31, 2012			
Receivables due for	0 - 60 days	60 - 90 d	90 - 120 d	+ 120 d
- non provisioned	1.95	0.55	0.00	0.75
- provisioned	0.00	0.00	0.14	0.94

4.7. **Other receivables**

Other receivables break down as follows:

€ million	March 31, 2011	March 31, 2012
State – VAT credits	5.56	8.34
States – income tax advances	0.01	0.01
Prepaid expenses	1.80	1.53
Active interest rate and currency derivatives	1.27	0.00
Sundry	7.71	7.90
Total	16.34	17.78

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, 2012		March 31, 2011	
		Book value	Fair value	Book value	Fair value
Loans	Loans and receivables at amortized cost	3.76	3.76	3.18	3,18
Deposits	Loans and receivables at amortized cost	0.16	0.16	0.22	0,22

Other	Available for sale financial assets	0.16	0.16	0.16	0,16
Total non-current financial assets		4.08	4.08	3.56	3,56
Trade receivables	Loans and receivables at amortized cost	40.95	40.95	36.70	36,70
Deductible VAT and other sales taxes (2)	N/A	8.34	N/A	5.56	N/A
Other receivables	Loans and receivables at amortized cost	7.91	7.91	7.72	7,72
Derivatives used as hedging instruments (1)	Fair value	0.00	0.00	1.27	1,27
Prepaid expenses (2)	N/A	1.53	N/A	1.80	N/A
Total other current assets		58.72		53.04	
Cash in hand	Fair value	9.03	9.03	14.74	14,74
Cash and cash equivalents				14.74	

(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 listed on an active market (Level 1 under IFRS 7), all financial instruments recorded in the balance sheet are valued on the basis of transactions carried out on the OTC market (Level 2 under IFRS 7).

4.9. **Shareholders' equity**

4.9.1. **Capital contribution**

	March 31, 2012	March 31, 2011
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	48 708	52 647

The total number of voting rights attached to the 5,945,861 shares comprising equity was 9,763,914 at March 31, 2012 (9,751,915 at March 31, 2011).

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, 2012	March 31, 2011
Ordinary shares*	5 896 782	5 885 836
Dilutive effect of buy-backs	39 646	39 795
Other		
Average weighted number of shares	5 936 428	5 925 631

Net earnings per share

(euros)	March 31, 2012		March 31, 2011	
	Before dilution	After dilution	Before dilution	After dilution
Pre-tax profit	5,81	5,77	3,93	3,90
Group net attributable income	3,67	3,65	2,52	2,50

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 2010-2011 and 2011-2012 amounted to €0.69 and €0.76 per share respectively.
At the forthcoming General Meeting of Shareholders in July 2012, payment of a dividend of €1.00 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°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, 2012 was €248,000. It was €322,000 at March 31, 2011.
The transactions occurring during the year were as follows:

	Options allocated and still to be exercised at March 31 2011	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31 2012
Plan n°7	2 600		2 600		0
Plan n°8	6 800		1 750		5 050
Plan n°9	5 453		200		5 253
Plan n°10	14 000		4 000		10 000
Plan n° 11	22 000		250		21 750
Plan n° 12	25 000				25 000
Plan n°13	34 200				34 200
Plan n° 14	40 800			500	40 300

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 2011-2012, the number of treasury shares held by the Group fell by a net 3,939 48,708 at March 31 2012. This change had a negative impact on shareholders' equity in the amount of €104,000, which breaks down as follows:

	(€ 000s)
- Change in gross value	633
- (Loss) profit from disposals	(737)
- Net change in treasury shares	(104)

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

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

4.10. Contingencies and loss provisions

€ million	Amount April 1 2011	Provisions	Used	Reversals	Other movements	Amount March 31 2012
Nature of provision						
Liabilities to employees	8.26	1.01		- 0.27	0.42	9.42
Labour medal provisions	0.06					0.06
Other provisions	1.09	0.47	-0.73			0.83
Total	9.42	1.48	-0.73	-0.27	0.42	10.31

Other provisions are mainly for commercial risks and labour risks.

4.10.1 Retirement pension liabilities and similar benefits

Total Laurent-Perrier Group pension liabilities and similar benefits stood at €9.42 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 €0.74 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, 2012 were:
    - employee must leave voluntarily
    - discount rate: 3.238% (Bloomberg AA Composite 10-year Euro rate at 31/03/12)
    - 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	9%	4%	2%
41-50	5%	3%	1%
After age 50	5%	3%	1%

- Mortality table: TH and TF 00.02

The assumptions used at March 31, 2011 were already very similar- the only significant change concerned the discount rate, which was 4.546%.

- 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	1.24	-0.94
	22.63%	-17.12%

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

	+0.50%	-0.50%
Retirement indemnities	-0.20	0.22
	-5.55%	6.01%
Private health insurance	-0.50	0.40
	-9.13%	7.23%
Supplementary pension	-0.08	0.10
	-7.97%	9.16%

Changes in retirement pension and similar benefit reserves were:

€ million	2011-2012	2010-2011
Charge for the period	(1.01)	(0.91)
Benefits paid	0.17	0.23
Contributions paid	0.10	0.10
Actuarial variance recognised in equity	(0.42)	1.04
Unrealised currency gains/losses		
Total	(1.16)	0.45

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

€ million	March 31, 2012	March 31, 2011
1. Reconciliation of balance sheet items		
Discounted value of unfunded liabilities	9.44	8.14
Discounted value of funded liabilities	0.84	0.97
Discounted value of total liabilities	**10.28**	**9.11**
Fair value of pension hedging assets (1)	0.22	0.12
Net value of liabilities	**10.06**	**8.99**
Cost of unrecognized past service	0.63	0.73
Net value of assets (liabilities) recorded on balance sheet	**9.42**	**8.27**
2. Details of net costs recorded in the income statement		
Cost of services rendered	0.47	0.76
Financial cost (discount effect)	0.44	0.46
Projected return on plan assets		
Cost of years of past service	0.10	0.09
Effect of plan pay-outs/reductions	0.00	(0.40)
Net cost recognised in the income statement	1.01	0.91

(1) Breakdown of assets to cover retirement liabilities at March 31, 2012:
Fixed income instruments: 78.2%
Equities : 6.1%
Others : 15.7%
The real return on the assets during the year was €0.004 million.

€ million	2011- 2012	2010-2011
3. Change in the discounted value of liabilities		
Discounted value of liabilities at start of period	9.11	11.11
Actuarial (losses) gains recognised in equity	0.42	(1.04)
Cost of services rendered	0.47	0.76
Financial cost (discount effect)	0.44	0.46
Employee contributions		
Cost of past service		
Benefits paid		(1.50)
Changes in plan rules		(0.38)
Unrealised currency gains/losses		
Other (incl. pay outs/reductions)	(0.17)	(0.31)
Discounted value of liabilities at end of period	10.28	9.11

€ million	March 31, 2012	March 31, 2011
4. Change in fair value of plan assets		
Fair value of plan assets at start of period	0.12	1.59
Projected return on plan assets	0.00	0.00
Employee contributions		
Employer contributions	0.10	0.10
Benefits paid		(1.56)
Fair value of plan assets at end of period	0.22	0.12

5. Financial provision at March 31	2012	2011
Discounted value of liabilities	(10.28)	(9.11)
Fair value of plan assets	0.22	0.12
Effect of asset capping		
Deferred items:		
Unrecognised changes of plan rules	0.63	0.73
Net (liabilities) assets recognised on the balance sheet	(9.42)	(8.27)

€ million	Actuarial gains (losses) recognised in equity			Analysis of differences in FY	
	March 31, 2011	FY 2011-2012	March 31, 2012	Difference with assumptions	Difference with real
6. Analysis of actuarial differences					
Supplementary pension	(0.12)	(0.04)	(0.15)	0.09	(0.13)
Retirement indemnities	0.92	0.81	1.73	1.33	(0.52)
Private health plan	(0.24)	(1.19)	(1.43)	(1.29)	(0.10)
	0.57	(0.42)	0.15	0.13	(0.55)

Estimated cost of pensions for 2012-2013:

- Cost of services rendered 0,49
- Cost of past service 0,10

The Swiss subsidiary, Laurent-Perrier Suisse, has set up a defined benefit pension scheme for its employees fully covered by a provident policy taken out with the Allianz Suisse company.

4.11. Debt and cash

Net debt was:

€ million	March 31, 2012	March 31, 2011
Long-term debt	288.28	305.15
Short-term debt	3.37	10.07
Gross debt	291.65	315.22
Gross debt after derivatives	291.65	315.22
Cash and cash equivalents	-9.03	-14.74
Net debt	282.62	300.48

Gross debt breaks down as follows:

€ million	March 31, 2012	March 31, 2011
Bank loans (investment credits)	20.51	25.53
Bank loans (operating credits)	266.94	279.01
Financial leases	0.83	0.61
Long-term debt	288.28	305.15
Bank loans (investment credits)	2.16	8.93
Bank loans (operating credits)	0.00	0.04
Financial leases	0.27	0.16
Bank overdrafts	0.23	0.07
Accrued interest	0,71	0,87
Short-term debt	3,37	10,07
Gross debt	291,65	315,22

4.12. Liquidity risk

The Group has structured its debt into two components:

- Debt used to finance its inventories (ageing credit, which is collateralised by the inventories themselves, their value being considerably greater than the amount of the debt they collateralise)
- Investment or acquisition debt with a maturity in excess of 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, 2012	March 31, 2011
Less than one year	3.37	10.07
1-5 years	244.89	259.95
Over 5 years	43.39	45.20
Total to repay (incl. interest payable at closure)	291.65	315.22

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 €40.9 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 outstandings amounted to €9.0 million at March 31, 2012 and corresponds to the net book value of all these items.

Maximum counterparty risk on the Group's other financial assets totals €17.8 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 Group uses financial derivatives to manage and operationally hedge the risk of fluctuating interest rates. The Group does not use derivatives for speculation.

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

€ million	March 31, 2012	March 31, 2011
Non-hedged variable rate (Euribor 3-month rate + bank margin)	69.26	96.79
Capped variable rate	0.00	0.00
Swapped variable rate	220.88	214.43
Fixed rate	1.51	4.00
Total	291.65	315.22

The hedging of financial assets and liabilities using hedging instruments at March 31, 2102 may be presented as follows:

€ million	Financial liabilities		Interest rate hedging instruments		Exposure after hedging			Financial assets	Net exposure after hedging
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Total		Total
Under 1 year	-0.63	-2.74		60.00	-0.63	57.26	56.63	9.03	65.66
1-5 years	0.88	-244.01		160.88	-0.88	-83.13	-84.01		-84.01
Over 5 years		-43.39		31.48		-43.39	-43.39		-43.39
Total	-1.51	-290.14		220.88	-1.51	-69.26	-70.77	9.03	-61.74

Operating credits

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

€ million	Variable rate working capital credits		Interest rate contracts	Net position after hedging
	Authorised	Used		
01/04/12 to 31/03/13	364.69	266.94	210.0	56.94
01/04/13 to 31/03/14	319.69		150.0	
01/04/14 to 31/03/15	299.69		80.0	

Investment credits
€22.3 million of amortisable loans have variable rates. Interest rate swaps have been written in the amount of €10.9 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 2.39% at March 31, 2012 for the hedged portion of its debt, compared with 2.70% at March 31, 2011.

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 €0.68 million for:

- Working capital credits €0.57 million
- Investment credits €0.11 million

This should be compared with the cost of debt over the 12-month period, which was €10.17 million. In the case of fixed income instruments a variation of +0.5% would add €1.48 million to the Group's shareholders' equity, while a change of -0.5% would reduce shareholders' equity by €-1.53 million.

4.14.2. **Foreign currency hedging**

Sensitivity to exchange rate variations

In 2011-2012, 31.4% of Group turnover was denominated in currencies other than the euro, including almost 2.3% in US dollars, 23.1% in Sterling and 4.9% 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.

€ million	Operating assets	Financial assets	Operating liabilities	Financial liabilities	Net position	Hedging instruments	Net position after hedging
GBP	2 452	1 976	-954		3 474		3 474
CHF	1 728	1 170	-648		2 250		2 250
USD	814	884	-1 590		107		107
TOTAL	**4 994**	**4 029**	**-3 192**		5 831		**5 831**

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 €0.24 million, €1.61 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 €0.26 million, €1.77 million and €0.57 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, 2012			March 31, 11	Face value by maturity at March 31, 2012			
	Derivatives assets	Derivatives liabilities	Total	Total	Less than 1 year	1-5 years	Over 5 years	Total
Hedging of future cash flows								
Forward forex				0.08				0.00
Interest rate swaps		4.35	-4.35	-0.83	60.00	152.10		212.12
Non-qualified derivatives								
Forward forex								
Interest rate swaps		0.70	-0.70	-0.37		8.76		8.76
Total	0.00	5.04	-5.04	-1.12	60.00	160.88	0.00	220.88

Fair value is measured in reference to market prices and the use of valuation techniques all of whose important financial data is based on market information.

In FY 2010-2012, the amounts recorded directly in the income statement were a gain of €0.31 million for interest rate derivatives.

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

Future flows from interest rate swaps will be as follows:

	FY 2012-2013	FY 2013-2014	FY 2014-2015	Beyond
Cash flows from interest rate swaps	2.1	1.7	0.6	0.4

4.15. Other long-term debt

Other financial debt corresponds to employee profit sharing:

€ million	March 31, 2012	March 31, 2011
Less than one year		
1-5 years	3,10	3,56
Over 5 years		
Total	3,10	3,56

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

4.16. Financial liabilities

€ million		March 31, 2012		March 31, 2011	
	IAS 39 category	Book value	Fair value	Book value	Fair value
Debt including accrued interest	AC	291.65	291.65	315.22	315.22
Trade payables	AC	**71.04**	**71.04**	**59.26**	**59.26**
Liabilities for personnel and social charges (1)	N/A	8.44	N/A	7.42	N/A
VAT payable and other sales taxes	N/A	2.51	N/A	2.36	N/A
Interest rate derivatives liabilities	FV	5.05	5.05	2.38	2.38
Creditor affiliates	AC	16.70	16.70	17.66	17.66
Other debt	AC	6.63	6.63	3.40	3.40
Total other debt		39.33		33.23	

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

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

4.17. Deferred tax

Net deferred tax is as follows:

€ million	March 31, 2012	March 31, 2011
Revaluation of vineyards	20.56	19.41
Revaluation of tangible assets	2.00	2.00
Revaluation of intangible assets	0.55	0.59
Harvest valuation at market rates	1.17	1.07
Elimination of inventory margins	-0.23	-0.34
Elimination of provisions for treasury shares	3.11	2.97
Financial instruments	-1.74	-0.51
Price increase accrual	0.41	0.41
Depreciation allowances	2.78	2.51
Employee benefits	-3.24	-2.84
Other (1)	-0.30	-0.04
Total	25.06	25.22
Balance sheet reconciliation		
- Deferred tax assets	0.00	0.00
- Deferred tax liabilities	25.06	25.22
Total net	25.06	25.22
Including deferred tax recorded in equity	0.33	7.99

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

4.18. **Sector information broken down by geographic region**

Turnover by client location breaks down as follows:

€ million	2011- 2012	2010- 2011
Turnover (by client location)		
France	75.16	73.88
Europe	107.08	95.27
Rest of World	36.57	28.65
Consolidated total	218.80	197.80

Short-term assets of Group companies located in countries other than France:

€ million	March 31, 2012	March 31, 2011
Short-term assets on the balance sheet*		
France	192.78	189.51
Europe	0.53	0.41
Other and eliminations	0.01	0.02
Consolidated total	193.32	189.94

* By geographic location of Group companies

4.19. **Other net operating income**

This breaks down as follows:

€ million	2011-2012	2010-2011
Margin on semi-finished goods and services	1.25	1.96
Operating currency gains	1.30	1.76
Operating currency losses	-1.29	-2.01
Other net operating income	1.26	1.71

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

€ million	2011-2012	2010-2011
Semi-finished goods		
Turnover	15.76	33.40
Cost of sales	-15.26	-32.21
Margin	0.50	1.19
Services rendered		
Turnover	1.37	1.33
Cost of sales	-0.62	-0.56
Margin	0.75	0.77
Consolidated margin	1.25	1.96

4.20. **Payroll expenses**

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

€ million	2011-2012	2010-2011
Cost of sales	11.38	10.87
Commercial charges	13.09	14.45
Administrative charges	9.16	8.92
Total	33.63	34.24

These break down as follows:

€ million	2011-2012	2010-2011
Wages and social charges	32.81	33.06
Cost of stock options	0.25	0.32
Pension charges – defined benefit plans	0.57	0.86
Other employee benefits		
Total	33.63	34.24

4.21. Other operating income and charges

€ million	2011-2012	2010-2011
Other operating income		
Disposals of fixed assets	0.01	0.11
Other income	0.02	0.86
Total	0.03	0.97
Other operating costs		
Residual value of fixed asset disposals	0.01	0.68
Other costs	0.14	0.10
Total	0.15	0.78

4.22. Financial income

€ million	2011-2012	2010-2011
Cost of gross debt	10.17	10.51
Cash management income	-0.18	-0.04
Cost of net debt	9.99	10.47
Financial instruments	0.03	-1.04
Others, net	0.35	0.44
Other financial income and charges	0.38	-0.61
Financial income	10.37	9.86
Items directly recorded in equity		
Unrealised currency gains/losses	0.38	0.07

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	-0.18	-0.04
Debt interest payments	10.17	10.51

4.23. Tax

Tax and effective tax rates break down as follows:

€ million	2011- 2012	2010- 2011
Current tax	12.32	7.43
Deferred tax	0.17	0.80
Total	12.49	8.23
Pre-tax profit	34.27	23.11
Effective tax rate	36.4%	35.6%

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	2011-2012	%	2010-2011	%
Total consolidated income before income tax and deferred tax	34.27		23.10	
Theoretical tax liability at 34.43%	11.80	34.4%	7.95	34.4%
Permanent accounting and fiscal differences	0.32	0.9%	0.36	1.6%
Fiscal losses not activated for the period	0.00	0.0%	0.11	0.5%
Tax rate differentials (France/France and France/Other countries)	0.44	1.3%	-0.12	-0.5%
Savings linked to fiscal integration	-0.01	0.0%	-0.04	-0.2%
Sundry	-0.06	-0.2%	-0.03	-0.11%
Effective tax liability	12.49	36.4%	8.23	35.6%

Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, Laurent-Perrier Diffusion, Château Malakoff, Grands Vignobles de Champagne and A.S. are members of a fiscally-integrated Group.

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 2012, a portion of the bank liabilities described in §4.13, 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, 2011, 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 2012, 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 65,334 hectolitres of wine from the 2000, 2002, 2004, 2005, 2007, 2008, 2009, 2010 and 2011 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 37,047 hours at March 31, 2012.

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	2011-2012	2010-2011
Compensation paid to members of the Supervisory Board	0.16	0.24
Salaries and other short-term benefits	1.23	2.00
Benefits subsequent to employment - cost of services rendered	0.13	0.12
Severance indemnities		0.19
Payments based on shares		
Cost on the period	1.51	2.55

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	2011-2012	2010-2011
Fees paid to companies sharing senior executives with Laurent-Perrier	0.36	0.27
Interest paid to members of the Supervisory Board on monies deposited in current accounts	0.06	0.16
Cost in the period	0.42	0.42

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 €255,000 for FY 2011-2012.

4.27. Events since the closure of accounts
4.28.

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
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 51150 Tours sur Marne	388 693 657	100.00	100.00
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

The Champagne Lemoine company was merged with Champagne Laurent-Perrier with effect back-dated to 1 April 2011.

Unless otherwise stated, all amounts are in million euros.

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, 2010, 2011 AND 2012

Income statement

		Year ending March 31,		
€ million	Notes	March 31, 2010	March 31, 2011	March 31, 2012
Turnover		1.49	1.50	1.52
Excess depreciation and expense transfer		0.02	0.58	0.48
Other income		4.12	4.44	4.23
Total operating income		5.63	6.52	6.23
Purchase of goods				
Change in inventory (goods)				
Other purchases and external charges		(1.01)	(1.17)	(1.37)
Tax and similar payments		(0.11)	(0.13)	(0.16)
Wages and Salaries	10	(2.23)	(1.68)	(1.26)
Payroll taxes	10	(1.51)	(0.79)	(0.55)
Amortisation and depreciation		(0.03)	(0.03)	(0.04)
Provisions		0.00	(0.16)	(0.03)
Other expenses		(0.24)	(0.29)	(0.28)
Operating profit		**0.50**	**2.29**	**2.53**
Financial income		6.21	4.17	4.69
Financial charges		(2.61)	(3.27)	(3.37)
Net financial income	11	**3.60**	**0.90**	**1.33**
Current pre-tax profit		**4.11**	**3.19**	**3.86**
Extraordinary income		0.00	0.32	0.00
Extraordinary expenses		(0.01)	(0.00)	(0.00)
Extraordinary profit	12	**(0.01)**	**0.31**	**(0.00)**
Income tax	13	(0.03)	(0.07)	(0.20)
Employee profit sharing				
Net income		**4.07**	**3.43**	**3.65**

Balance sheet

	Notes	March 31, 2010	March 31, 2011	March 31, 2012
		Year ending		
ASSETS		(€ million)		
Intangible fixed assets		1.91	1.91	1.91
Tangible fixed assets		0.32	0.39	0.41
Long-term investments and loans		109.92	109.91	109.91
Other long-term investments				
Total fixed assets	1 & 2	**112.15**	**112.21**	**112.23**
Inventory and work in progress				
Trade receivables		7.05	7.70	6.75
Other receivables and related accounts	8	43.15	39.00	35.96
Marketable securities	3	6.41	4.84	4.21
Cash and cash equivalents		0.49	0.47	0.36
Prepaid expenses		0.02	0.04	0.05
Current assets		**57.12**	**52.05**	**47.32**
Total assets		**169.27**	**164.26**	**159.55**

	Notes	March 31. 2010	March 31. 2011	March 31. 2012
		Year ending		
LIABILITIES		(€ million)		
Capital	4	22.59	22.59	22.59
Additional paid-in capital		20.22	20.22	20.22
Legal reserve		3.72	3.72	3.72
Statutory reserves		2.71	2.71	2.71
Special regulated reserves		7.04	7.04	7.04
Retained earnings		13.00	13.01	11.96
Net income		4.07	3.43	3.65
Regulated provisions		0.02	0.03	0.03
Total shareholders' equity	4	**73.38**	**72.74**	**71.92**
Other equity				
Contingency and loss provisions	6	**4.01**	**3.61**	**3.18**
Borrowing and financial debt	7	73.46	66.87	60.35
Trade payables and related accounts		0.43	0.93	0.42
Fiscal and social liabilities	8	1.36	2.30	6.29
Other liabilities and related accounts	8	16.63	17.80	17.39
Total debt		**91.89**	**87.90**	**84.44**
Total liabilities		**169.27**	**164.26**	**159.55**

5.4. NOTES TO THE FINANCIAL STATEMENTS, YEAR ENDING MARCH 31, 2012

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

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: 3.238%
- 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 operatives
Before age 40	9%	4%	2%
41-50	5%	3%	1%
After age 50	5%	3%	1%

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				0.14
Other	2.09	0.05	-		2.14

Sub-total	2.23	0.05	0.00	0.00	2.28
Long-term investments and loans					
Equity interests	109.91	0.00	(0.00)		109.91
Other long-term financial assets	0.01		(0.01)		0.00
Sub-total	109.92	0.00	(0.01)	-	109.91
GRAND TOTAL	114.11	0.05	(0.01)	0.00	114.16

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	0.13	0.00			0.13
Other	1.71	0.03			1.74
Sub-total	**1.83**	**0.04**	-	-	**1.87**
Long-term investments and loans					
Equity interests					
Other LT financial assets					
Sub-total	-	-	-	-	-
Grand total	**1.89**	**0.04**	-	-	**1.93**

NOTE 3 – Marketable securities

At March 31 mars 2012, marketable securities totalled €4.21 million and included 43,703 treasury shares held under a stock options plan in the amount of €3.81 million and 5,005 shares held under a market-making contract for a total amount of €0.40 million. During the financial year, 8,800 treasury shares were sold for a consideration of €0.28 million.

	At March 31	
Gross values	**2011**	**2012**
Treasury shares held under a stock options plan	4.52	3.81
Market making contract	0.31	0.40
Total	4.84	4.21

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 €79.73 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 2011	**72.74**
Net capital increase	
Net income	3.65
Dividend distribution	(4.47)
Amount at March 31 2012	**71.92**

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°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, 2011	Number of options allocated	Number of options exercised	Number of options expiring worthless	Number of options still to be exercised at March 31, 2012
Plan n°7	2 600		2 600		0
Plan n°8	6 800		1 750		5 050
Plan n°9	5 453		200		5 253
Plan n°10	14 000		4 000		10 000
Plan n° 11	22 000		250		21 750
Plan n° 12	25 000				25 000
Plan n° 13	34 200				34 200
Plan n° 14	40 800			500	40 300

The net expense recorded during the year was €0.71 million compared with €1.12 million in the previous year.

NOTE 6 – Contingencies and loss provisions

	Amount April 1 2011	Provisions	Used	Amount at March 31, 2012
Nature of provisions				
Stocks option risk	3.45		(0.33)	3.12
Other	0.16	0.03	(0.13)	0.06
Total	3.61	0.03	(0.46)	3.18

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, 2012.

NOTE 7 – Borrowing and financial debts

	Total amount	Less than 1 year	1-5 years	Over 5 years
Debt maturities	60.3	0.3	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 at a fixed rate of 1.995% maturing on July 30, 2015
€10 million at a fixed rate of 2.60 % maturing on July 30, 2016
€10 million at a fixed rate of 1.47 % maturing on December 6, 2012
€10 million at a fixed rate of 3.94 % maturing on October 21, 2012
The fair value of the financial instruments taken out by the company amounted to -1.23 million euros at March 31, 2012

NOTE 8 – **Other receivables and other debts**

Other receivables can be broken down as follows:

	At March 31	
Other receivables	2011	2012
Subsidiaries – Tax integration	1.25	4.49
State – Corporate income tax		
Current accounts – Group companies	37.43	31.45
Other	0.32	0.02
Total	39.00	35.96

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	2011	2012	o/w related parties
Owed to personnel	0.41	0.42	
Social bodies	0.31	0.31	
State – VAT and other taxes	1.01	0.91	
State – Corporate income tax	0.49	4.61	
Subsidiaries – Tax integration	0.76	0.02	0.02
Current accounts – Group companies	0.57	1.27	1.27
Current accounts – Shareholders	16.44	16.08	
Other	0.11	0.07	
Total	20.10	23.68	1.29

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	6.70	
Other receivables	35.94	
Loans from credit institutions		0.29
Other borrowing and debt		
Trade payables and related accounts		0.19
Tax and social security liabilities		0.65
Other liabilities	1.29	0.01

NOTE 10– Personnel expenses

Company personnel costs (including social security contributions) amounted to €1.82 million compared with €2.46 million in the previous financial year. At March 31, 2012 the workforce stood as follows:

	At March 31	
Workforce	2011	2012
Managerial	11	8
Supervisory	-	-
Clerical	6	6
Operatives	2	2
Total	19	16

NOTE 11 – Financial income and expenses

Financial income was positive and can be broken down as follows:

	Years	
INCOME	2010-2011	2011-2012
Dividends received	3.54	3.92
Sundry financial income	0.62	0.78
Provision writebacks		
EXPENSES		
Provisions		
Interest and similar charges	-2.11	-2.48
Net expenses on disposal of marketable securities	-1.15	-0.88
Total	0.90	1.33

NOTE 12 – Extraordinary income and expenses

The €4.500 expense corresponds to an allowance for accelerated depreciation.

NOTE 13 – Corporate income tax

Laurent-Perrier, Champagne Laurent-Perrier, Champagne de Castellane, Laurent-Perrier Diffusion, Grands Vignobles 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	Corporate tax € million	%
Breakdown of tax between current pre-tax profit and extraordinary profit			
Current pre-tax profit	3.86	0.21	6%
Extraordinary income	(0.00)		0%
Corporate income tax	(0.21)		
Tax consolidation: saving (payable) on corporate income tax	0.01	(0.01)	
Net income	3.65	0.20	6%

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. These loans were fully repaid during the accounting period.

Commitments for retirement indemnities amount to €0.15 million.

The Company 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 €0.50 million.

	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 €	140 799 217 €	100,00%	12 166 557 €
Société A.S.	698 638 €	26 131 836 €	98,73%	3 766 922 €
Société Château Malakoff	5 865 200 €	20 251 648 €	99,77%	762 222 €
SCEA DES COTEAUX DU BARROIS	253 840 €	44 262 €	50,96%	34 649 €
SCEA DES COTEAUX DE CHARMERONDE	466 640 €	71 048 €	51,14%	52 697 €
SCA DES COTEAUX DE COURTERON	116 128 €	55 104 €	51,05%	54 761 €
SCEV DES GRANDS MONTS	132 000 €	25 402 €	51,15%	23 134 €
STE CIVILE DE CHAMOE	246 240 €	4 674 €	100,00%	3 947 €
STE CIVILE CUVILLIER	3 450 €	7 802 €	99,57%	7 746 €
SC DES COTEAUX DE LA LOUVIERE	34 500 €	8 154 €	50,44%	7 591 €
SC DIRICE	9 600 €	159 515 €	100,00%	187 506 €
2 . Affiliates (between 10% and 50% owned)				
Champagne de Castellane	9 162 821 €	25 173 103 €	15,76%	3 118 006 €
GRANDS VIGNOBLES DE CHAMPAGNE	1 145 713 €	6 636 202 €	22,13%	741 931 €

General information on all subsidiaries and affiliates owned	Subsidiaries		Affiliates	
	French	Foreign	French	Foreign
Book value of shares owned				
- gross	105 074 229		4 829 956	
- net	105 074 229		4 829 956	
Loans and advances granted	3 557 248		536 128	
Guarantees given				
Dividends received	3 916 700			

5.5. RESULTS OF THE PAST FIVE FINANCIAL YEARS

€ 000s	01/4/2010 to 31/3/2011	01/4/2010 to 31/3/2011	01/4/2009 to 31/3/2010	01/4/2008 to 31/3/2009	01/4/2007 to 31/3/2008
Share capital at periode end					
Share capital	22 595	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)	1 524	1 496	1 488	1 522	1 646
Pre-tax income, before employee profit sharing, amortisation and provisions	3 464	3 136	2 861	5 013	6 815
Corporate income tax	203	70	33	152	1 138
Employee profit-sharing for the financial year					
After-tax income, including employee profit sharing, amortisation and provisions	3 651	3 427	4 069	6 595	5 516
Income distributed to shareholders	4 484	4 060	4 876	8 239	7 669
Earning per share (€)					
Earning after taxes and employee profit sharings but before depreciation, amortisation and provisions	0,55	0,52	0,48	0,82	0,95
Earnings after employee profit sharing, taxes, depreciation, amortisation and provisions	0,61	0,58	0,68	1,11	0,93
Dividend per share (1)	0,760 €	0,690 €	0,830 €	1,400 €	1,300 €
Workforce					
Average number of employees	16	17	15	14	13
Total payroll (2)	1 262	1 676	2 229	1 211	1 092
Amounts paid out in benefits (social security, benefits, etc.) (2)	555	787	1 507	718	432

(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, 2012)

To the Shareholders

"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."

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, 2012 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 on 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.

In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning the identity of shareholders and holders of voting rights.

Neuilly-sur-Seine and Reims, June 7, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG S.A.
Jean-François Châtel	Pascal Grosselin

5.6.2. Report of the statutory auditors on the consolidated financial statements

(Year ended March 31, 2012)
REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2012

"*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-PerrierSA
32, avenue de Champagne
BP 3
51150Tours-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, 2012 on:

- the audit of the annual consolidated financial statements for Laurent-Perrier SA as presented herein;
- the justification for our assessments;
- the specific procedures and disclosures prescribed by law.

The consolidated financial statements were prepared by your Management Board. Our responsibility is to express an opinion on these statements based on our audit.

I - Opinion on 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 4.3.1 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, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG S.A.
Jean-François Châtel	Pascal Grosselin

5.7. SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS

Laurent-Perrier S.A.
Registered Office: 32, avenue de Champagne - BP 3 - 51150 Tours sur Marne
Legal Capital: €22,594,272

"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."

Special report of the Statutory Auditors on related party agreements
Annual General Shareholders' Meeting convened to approve the financial statements of the year ended March 31, 2012

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.

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.

Services rendered by Mr Michel Boulaire and amendment in this agreement
Person concerned:

- Mr Michel Boulaire, in his capacity as Chairman and Member of the Management Board

Mr Michel Boulaire has received a sum of €1,600 per day, exclusive of tax since April 5, 2011 in respect of advisory services rendered and, where necessary, assistance in connection with his competencies, with respect to the Laurent-Perrier Group's strategic national and international growth and development plans out to five years.
The cost incurred for these services amounts to €278,080 exclusive of VAT (and exclusive of business-related expenses) for the year ended March 31, 2012.
At its meeting on March 13, 2012, the Supervisory Board signed an amendment to this agreement setting the daily compensation of Mr Michel Boulaire for the said services at €1,900 per day exclusive of VAT effective April 1, 2012.

Agreements and commitments authorised since the closure of accounts
We have been advised of the following agreements and commitments since the closure of the accounts for the year ended March 31 2012, which received the prior approval of your Supervisory Board at its meeting on May 23, 2012.

Compensation to be paid to a member of the Management Board
Person concerned:

- Mr Jordi Vinyals, in his capacity as a member of the Management Board

In connection with the appointment of a new member of the Management Board, it has been agreed that, in the event of Laurent-Perrier terminating his employment contract, he shall receive an indemnity of 12 times his most recent gross fixed monthly compensation. Similarly, under the terms of a non-compete clause, he will be paid an indemnity of 85% of his most recent gross fixed monthly compensation.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Pursuant to article R. 225-57 of 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.

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.

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 for these services totalled €83,229 exclusive of tax in the year just ended.

With Champagne Laurent-Perrier

Champagne Laurent-Perrier as supplier of your company

Agreement on the use of Champagne Laurent Perrier premises and services

Champagne Laurent-Perrier invoiced €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 a 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 exclusive of VAT 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 €4,186,189 exclusive of VAT for the year ended March 31, 2012.

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.

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.

With the seven private vineyard property companies (Sociétés Civiles de Vignobles)

€800 invoiced to each for annual assistance and management services.

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, 2012 of 4.05%.

Under the terms of the agreement, current accounts carried the following interest over the period.

	Interest paid (€)	Interest received (€)	Rate (%)
Champagne Laurent-Perrier		573,637	Euribor + 0.60 %
SCEA des Grands Monts	2,412		4.05%
SC des Coteaux de Charmeronde	7,965		4.05%
SC des Coteaux du Barrois	4,549		4.05%
SC des Coteaux de la Louvière	576		4.05%
SC de Chamoe	4,935		4.05%
SC des Coteaux de Courteron		2,768	4.05%
SC ASN	583,586		4.05%
SC Dirice		47,347	Euribor + 0.60 %
Cuvillier		6,386	4.05%

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 €435,822 and €1,235,106 at March 31, 2012, and generate interest of 4.05 %. Interest for the 2011/2012 financial year amounted respectively to €16,367 and €54,569.

The appended table sets out the names and functions of the executives common to the Public Limited and Joint Stock companies (Sociétés Anonymes, S.A.S.) concerned by the above agreements.

Companies Company officers	Laurent-Perrier	Champagne Laurent-Perrier	Champagne de Castellane	Société A.S.	Château Malakoff
	PLC with Management Board and Supervisory Board	Joint-stock company (S.A.S).	Public Limited Company (S.A.)	Public Limited Company (S.A.)	Joint-stock company (S.A.S).
Mme Claude de Nonancourt	Member of the Supervisory Board		Director	Director	
M. François Philippoteaux	Vice-Chairman of the Supervisory Board				
M. Michel Boulaire	Chairman of the Management Board	Permanent Representative of LP, Chairman	Chairman of the Board of Directors		Permanent Representative of LP, Chairman
Mme Stéphanie Meneux	Member of the Management Board and Chief Executive Officer	Chief Executive Officer	Permanent Representative of CLP, Director	Chairman of the Board of Directors	
Mme Alexandra Pereyre	Member of the Management Board and Chief Executive Officer	Chief Executive Officer			
M. Etienne Auriau	Member of the Management Board		Chief Executive Officer		
M. Michel Fauconnet	Member of the Management Board			Chief Executive Officer	Chief Executive Officer

Reims and Neuilly-sur-Seine, June 7 juin 2012

KPMG S.A.
Pascal Grosselin
Partner

PricewaterhouseCoopers Audit
Jean-François Châtel
Parnter

5.8. FEES PAID BY THE GROUP TO THE AUDITORS AND MEMBERS OF THEIR NETWORK IN THE YEAR ENDED MARCH 31, 2012

	PricewaterhouseCoopers Audit				PVA				KPMG			
	Amount (HT)		%		Amountt (HT)		%		Amount (HT)		%	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Audit												
Statutory auditing, certification auditing of individual and consolidated accounts issuer												
Issuer	46,000	45,500	35%	36%	N/A	33,600	N/A	29%	41,000	N/A	87%	N/A
Fully-consolidated subsidiaries	85,158	81,340	65%	64%		81,560		71%	6,000		13%	
Other activities and services directly related to the statutory auditor's remit												
Issuer												
Fully-consolidated subsidiaries												
Subtotal Audit	**131,158**	**126,840**	**100%**	**100%**	**N/A**	**115,160**	**N/A**	**100%**	**47,000**		**100%**	**N/A**
Other services rendered by the networks to fully-consolidated subsidiaries												
Legal, fiscal, social		31,193		100%	N/A	0			0	NA		
Other (specify if 10% of audit fees)												
Subtotal	**0**	**31,193**	**100%**	**100%**					**0**			
TOTAL	**131,158**	**158,033**	**100%**	**100%**	**N/A**	**115,160**	**N/A**	**100%**	**47,000**	**N/A**	**100%**	**N/A**

The fees quoted above are only fees paid to auditors who certify financial statements.
Amounts in foreign currencies have been converted at the average exchange rate for the accounting period.

6. JOINT SHAREHOLDERS MEETING, JULY 10, 2012

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, 2012 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, 2012 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, 2012;
5. Examination and approval of the Company's financial statements and consolidated financial statements for the financial year ended March 31, 2012;
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. Approval of the related party agreements governed by article L 225-90-1 of the French Commercial Code, as they apply to Mr Jordi Vinyals
10. Attendance fees;
11. Examination of Supervisory Board members', Statutory Auditors' and alternate auditors' mandates; Renewal of the mandate of one member of the Supervisory Board ;
12. Ratification of the appointment of Mr Patrick Thomas as a member of the Supervisory Board;
13. Authority and powers granted to the Management Board for the new share buy-back programme.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

14. Authority and powers to be granted to the Management Board to cancel Company shares;
15. Authority and powers granted to the Management Board, to use the authorisations to increase the Company's capital stock granted by the General Shareholders' Meeting on July, 6, 2011 and concerning Company securities during a period of public offers of purchase and/or exchange;
16. Authority granted to the Management Board to issue share options as part of plans concerned by articles L 125-177 et seq. of the French Commercial Code;
17. Authorisation and powers granted to the Management Board to issue bonus shares in the framework of the provisions of articles L 225-197-1 et seq. of French Commercial Code;
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, 2012 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, 2012, 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, 2011 and ending on March 31, 2012.

Fourth resolution
The General Shareholders' Meeting resolves to appropriate the net income for the year ended March 31, 2012 of € 3,650,547.65 as follows.

Appropriation of net income:	
Net income for the financial year:	€ 3,650,547.65
Retained earnings brought forward from previous years:	€ 11,955,409.93
Total available for appropriation:	€ 15,605,957,58
From the total available, the payment of:	€ 5,897,153.00
as dividend to shareholders(*).	
The new amount to be transferred to "retained earnings" is:	€ 9,708,804.58

The dividend payable for the financial year is 1€ 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 19, 2012.

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 48,708 Laurent-Perrier shares held by the Company as at 31.03.2012, 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 §2 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 actual flat-rate of 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 21% actual flat-rate, at-source withholding tax.

Persons who opt for or who have already opted for the 21% actual flat rate withholding tax at March 31, 2012 may under no 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 € 4,205,068.29 corresponding to the carrying value of the 48,708 treasury shares owned by the Company as at March 31, 2012 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 (€)
2008-2009	€0.83
2009-2010	€0.69
2010-2011	€0.76

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 related party 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 related party agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Seventh resolution
The Shareholders approve all transactions between, on 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 related party agreements covered by articles L 225-86 et seq. of the French Commercial Code.

Eighth Resolution
The General Shareholders’ Meeting, having reviewed the Report of the Statutory Auditors, and pursuant to article L 225-90-1 of the French Commercial Code, and in accordance with the AFEP/MEDEF Corporate Governance Code for Listed Companies, approves the contractual severance indemnity granted to Mr Jordi Vinyals at the time of his appointment as a member of the Management Board and the Supervisory Board.

Payment conditions:
In the event of severance attributable to Laurent-Perrier during the first five years of service (with the exception of gross negligence) and related:
- either to a change in strategy,
- or to a change in the control of the company’s equity capital.

Amount: 12 times the most recent gross monthly fixed compensation.

The undertaking by Laurent-Perrier is subject to compliance with the performance conditions as applied to Mr Jordi Vinyals.

Ninth resolution
The General Shareholders’ Meeting resolves to set total attendance fees payable to the members of the Supervisory Board at € 147,610, unless shareholders decide otherwise. A Supervisory Board meeting will be held to allocate the attendance fees.

Tenth resolution
The General Shareholders' Meeting, noting that the Supervisory Board mandate of Mr Jean-Louis Pereyre is about to expire, renews his mandate for a further term of six (6) years, until the General Shareholders' Meeting convened in 2018 to approve the accounts of the financial year ending March 31, 2018.

Eleventh resolution
Your Supervisory Board recently coopted Mr Patrick Thomas, born 16 June, 1947 and residing at 3 rue Verdi, 75016-Paris, as a member of the Supervisory Board for a term of six (6) years until the General Shareholders' Meeting convened in 2017 to approve the accounts of the financial year ending March 31, 2017.

Pursuant to the legal and statutory provisions, we ask you to ratify this decision.

Twelfth 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 225-206 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 €130.

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 € 70.887.960.

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 6, 2011.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

Thirteenth 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.

Fourteenth resolution

The General Shareholders' Meeting, having reviewed the various reports and notably that of the Management Board, expressly authorises the said Management Board from the date of the present General Shareholders' Meeting and until the time of the next General Shareholders' Meeting called to approve the Company's annual accounts, in the event of a public offer to purchase or exchange company shares, to use the authorisations granted to it in the sixteenth, seventeenth, eighteenth, and twentieth resolutions of the General Shareholders' Meeting held on July 6, 2011 in order to increase by all legal means the company's equity in the conditions laid down by the said resolutions.

Fifteenth resolution

The General Shareholders' Meeting, having heard the report of the Management Board and the report of the Statutory Auditors, authorises the Management Board, pursuant to articles L 225-177 to L 225-186 of the French Commercial Code, to grant Company stock options to:

- Officers holding management positions within the Company and/or any entity in which the Company holds more than a ten per cent (10%) direct or indirect stake and more than ten per cent (10%) of the voting rights;
- One or more salaried employees of the Company and/or of any entity in which the Company holds more than a ten per cent (10%) direct or indirect stake and more than ten per cent (10%) of the voting rights.

Said authorisation shall expire thirty-eight (38) months from the date of this General Shareholders' Meeting. Until that time, the Management Board may exercise the authorisation freely one or more times.

The total number of Company shares eligible for distribution as Stock Options under the present authorisation shall not exceed 210,000 Stock Options. It follows therefore that the number of Stock Options that the Management Board may allocate to beneficiaries during the 38 months of the present authorisation may not exceed 210,000 Stock Options.

Stock Options may not be exercised by their holders until four (4) years after their date of granting. However, the Shareholders' Meeting gives the Management Board specific authority to change the four (4) year period if it believes this is necessary in the light of any changes in the fiscal regime governing the Stock Options.

Stock Options expire ten (10) years after they are granted and then may no longer be exercised.
The exercise price of Stock Options (the "Exercise Price" of the "Available Shares") shall be set by the Management Board but may not be less than the average quoted share price over the twenty (20) trading days prior to the date on which the Stock Options were granted.

The Exercise Price shall, however, be amended as and if required by applicable law, and respecting the present provisions.

The Management Board is therefore granted full authority, subject only to applicable legal requirements, the by-laws and the resolutions of this Shareholders' Meeting, to grant the Stock Options authorised under this Resolution, and to decide the conditions for such granting and in particular to:

- decide whether or not to grant Stock Options at one or more times;

- decide on the beneficiaries and the number of shares in the Company each beneficiary may acquire, and in particular and as necessary to decide on the terms and conditions applying: jobs, titles, duties and achievement of personal and collective targets by beneficiaries;

- decide on the Exercise Price for each beneficiary and if necessary to adjust that price and/or the number of Available Shares;

- decide any conditions the beneficiaries may have to fulfil before they can exercise their Stock Options, e.g. jobs, titles, unties, exercise date, achievement of personal or collective targets, full or partial exercise, conditions precedent etc.;

- set the participating date of shares acquired;

- if necessary prohibit the immediate resale of shares acquired by the exercise of Stock Options. Such prohibitions may not exceed three (3) years as of the date the option is exercised;

- implement Stock Options plans in compliance with applicable legal requirements and more generally decide on and carry out all transactions and formalities needed for the purpose.

Sixteenth resolution

Voting in accordance with the quorum and majority voting rules applicable to Extraordinary Shareholders' 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 pursuant to the conditions set out in articles L 225–197–1 to L 225–197–5 of the French Commercial Code to allocate existing or to-be-issued bonus shares in the Company in one or more transactions for the benefit of waged company employees or for selected categories of such and/or for the benefit of the company executives identified in article L 225–197–1 II of the said Commercial Code, and also for the benefit of waged employees and executives of companies or economic interest groupings linked to the said Company pursuant to the conditions set out in article L 225–197–2 of the said Commercial Code

Decides that the total number of shares that may be allocated shall not exceed one point seven per cent (1.7%) of the share capital, this percentage being calculated to include the said bonus shares allocated and/or issued;

The General Shareholders' Meeting authorises the Management Board, either alternatively or cumulatively, within the same limits as set out in the above paragraph, to:

- Allocate shares from the Company share buyback scheme pursuant to the conditions set out in articles L 225-208 and L 225-209 of the said Commercial Code, and/or to

- Allocate new shares to be issued through a capital increase. In this present case, the General Shareholders' Meeting authorises the Management Board to increase the company capital by the maximum nominal amount corresponding to the number of shares allocated, duly notes and decides, as far as is necessary, that the allocation of the shares to the beneficiaries designated by the Management Board entails, on the part of the said beneficiaries, express renunciation of their preferential subscription rights to the shares to be issued;

The General Shareholders' Meeting decides that the allocation of the said shares to their beneficiaries shall become definitive:

- Either, for all or part of the shares allocated, at the end of a minimum acquisition period of four years and in this case with no minimum lock-up period;
- or, at the end of a minimum period of acquisition of two years, it being hereby specified that the beneficiaries shall be required to hold the said shares for a minimum period of two years from the date of their definitive allocation.

The General Shareholders' Meeting hereby assigns full powers to the Management Board within the above-mentioned limits, to:

- Determine on the basis of the criteria set out hereafter the identify of the beneficiaries and the category or categories of beneficiaries for the allocation of the said shares, it being expressly understood that no shares shall be allocated to any waged employee or executive officer who each holds more than 10% of the share capital and that any such allocation of shares shall not involve the above-mentioned employees or executives exceeding the ownership threshold of more than 10% of the share capital,
- Allocate bonus shares to the following beneficiaries:
    - one or more executive officers performing executive duties within the Company and /or any entity in which the Company shall own either directly or indirectly more than ten per cent (10%) of the share capital or voting rights; and /or
    - one or more natural persons employed by the Company and/or by any entity in which the Company shall own, either directly or indirectly, more than ten per cent (10%) of the share capital or voting rights.

- To apportion the share allocation rights in one or more instalments at such times as the said Management Board shall see fit,

- To set allocation conditions and criteria such as but not restricted to seniority conditions, or conditions relative to maintaining the employment contract or the executive position during or at the end of the term or period of acquisition, and any other financial or individual or collective performance conditions,

- To determine the definitive duration of the acquisition period and lock-up period within the limits set above by the General Shareholders' Meeting,

- To register the bonus shares allocated in a bearer account in the name of their owner, noting the locked up status and its duration,

- To lift the lock-up conditions during the lock-up period in the event of dismissal, forced or voluntary retirement, invalidity corresponding to registration in the second or third categories set out in the provisions of article L 341–4 of the French Social Security Code, or death of the bearer,
- To provision a reserve unavailable for distribution earmarked for the rights of beneficiaries with an amount equal to the total face value of the shares likely to be issued through a capital increase by debiting the sums necessary from any reserves freely available to the Company,
-
- To make any necessary withdrawals from this unavailable reserve in order to free the face value of the shares to be issued for the benefit of their beneficiaries,

- In the event of a capital increase, to modify the Company by-laws accordingly and to carry out all necessary formalities,

- In the event that any of the financial transactions set out in article L 228–99, §1 of the said Commercial Code during the acquisition period, to implement any and all measures necessary to safeguarding and adjusting the rights of beneficiaries of the said bonus shares, pursuant to the provisions and conditions set out in the 3rd paragraph of the said article,

- To implement the allocation of bonus shares pursuant to the legal provisions currently in force and more generally to decide and carry out all necessary transactions and formalities to this end.

Pursuant to the provisions of articles L 225–197–4 and L 225–197–5 of the said Commercial Code, the Ordinary General Shareholders’ Meeting shall be informed each year in a special report presented to it of any and all transactions carried out in accordance with the present authorisation.

The General Shareholders’ Meeting hereby sets a term of 38 (thirty-eight) months from the date of the present General Shareholders’ Meeting during which the Management Board shall be able to avail itself, on one or more occasions, of the present authorisation.

Seventeenth 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
31.05.2011	Turnover, FY 2010-20112
31.05.2011	2010-2011 Reference Document
31.05.2011	Results for FY 2010-2011
10.06.2011	Analysts' Briefing on the results for FY 2010-2011
08.07.2011	Address to shareholders an the Annual General Shareholders' Meeting held on July 6, 2011
20.07.2011	First-quarter turnover FY 2011-2012
30.11.2011	First-half turnover FY 2011-2012
30.11.2011	First-half results FY 2011-2012
01.12.2011	Analysts' briefing on first-half results, FY 2011-2012
14.02.2012	Third-quarter turnover, FY 2011-2012

7.1.2. Information published in the industry and specialist press 2011-2012

March 2011	NATURE AND HUMAN INTERVENTION The Laurent-Perrier Garden, Chelsea Flower Show 2011

Uniting garden, architecture and art the 2011, Laurent-Perrier Garden at the RHS Chelsea Flower Show promises a true expression of the theme « nature and human intervention », as captured by this year's award-winning designer Luciano Giubbilei.

With a theme inspired by Laurent-Perrier's tradition of handcrafting from nature, Giubbilei, second time Chelsea designer, presents two distinct areas and experiences within the garden. A structured space that evokes calm, resting and meditative moods contrasts with one that is densely planted and elegant. The planting scheme creates a romantic atmosphere, with maroon, bronze and soft pink tones, evocative of Laurent-Perrier Cuvée Rosé champagne.

Emphasising the theme of nature and human intervention from an architectural and sculptural vantage, leading Japanese architect Kengo Kuma and British sculptor Peter Randall-page have contributed key elements respectively to the garden with a sensory bamboo pavilion entitled "Wind" and three striking commissioned sculptures.

"Wind" by Kengo Kuma is an architectural structure formed by sixteen fragile panels of natural bamboo creating beautiful blurring shadows. Each panel of the pavilion has been crafted and engineered to rotate gently in the breeze to reflect the movement and expression of nature. At the end of the garden a woven bamboo wall compliments and frames the structure. A deciduous hedge outlines the rest of the garden.

Peter Randall-Page's sculptures play on the dynamic tension found between the tendency for order or chaos in nature. The chaos is symbolised by the natural form of the boulders and the order by the light, repetitive pattern carved into their surfaces.

A central stream runs the length of the garden to allow a natural flow of water, contrasting with the rectangular reflecting pool that controls water in a precise engineered manner. Timber is used to form a wooden bridge dividing the two areas of the garden and to provide a base for the architectural structure.

The main structural planting consists of *Parrotia percisa*. The twisted clear

stems display the skill of human intervention in exposing the beauty of nature. The *Pinus mugo* at the rear of the garden are planted on a bed of gravel, silhouetting its clipped, cloud-like form. This same gravel runs through the garden providing a neutral canvas to emphasise the character and form of each element of Giubbilei's design.
Sustainability has remained at the heard of the 2011 plans, with 85% of the garden planned for re-use as part of a large residential property.
This is the second time that Luciano Giubbilei ha designed a Show Garden for Laurent-Perrier, following a gold medal-winning garden in 2009.

March 2011	Jardins, jardin aux Tuileries à Paris du 26 au 29 mai 2011 The Laurent-Perrier Garden: A Garden of Reminiscence

For its seventh contribution to the *Jardins, jardin aux Tuileries* gardens show, Champagne Laurent-Perrier has commissioned a garden from landscape architect Nicolas Gilsoul, the winner of the prestigious *Grand Prix de Rome* in 1999. Nicolas Gilsoul has chosen to echo the sensations created by champagne in his garden design. The Laurent-Perrier garden aims to stimulate the senses and gently guide the visual and mental wanderings of the visitor.

He has created a secret garden whose unseen boundaries arouse a mixture of curiosity and yearning. The layout of the low walls suggests without revealing. Light misting and right angled paths draw the visitor on as they protract the perception of time. The garden offers multiple points of entry, each creating its own gentle *frisson*. Paths generate a sense of suspense, hived off from the outside world in a bubble of calm stasis. The distant hum of the city is covered by the murmur of a fountain.

The garden is a classical design, whose geometry sings as it interacts with its wider setting. It "captures" the façade of the Orangerie for a dramatic backdrop, emphasises the avenues of preached limes, and even takes the humble park bench into the heart of the design. Yet its composition reverses the main line of sight from the terrace through the subtle use of mirrors, multiplying sightlines and dislocating the sense of space.

Its pathways are as much mental as physical. Within its broad boundaries, it encircles a room of delicately-perfumed white roses. Three limed wood gazebos are conducive to encounters on their substantial white sofas. The eye is transported over the sea of flowers, multiplied by infinite reflections in the facing mirrors. The interplay of light and shade contributes to the illusion and creates other, imaginary, perspectives. The garden, in short, is replete with an "augmented reality", an invitation to see beyond the physically immediate.

Nicolas Gilsoul is an architect and landscape architect. He has been designing projects since 1997, making the relationship between people and place central to his design process. He has worked extensively with landscape architect Gilles Clément, was a project manager at Wilmotte & Associés from 2001 to 2003, and regularly works with practices in France and Switzerland. In parallel, he works on his own projects – a mix of architecture and landscape design – setting up his own practice in 2004. He began to teach project design and architectural criticism in 1999, has been a senior lecturer at the ENSP school of landscape design in Versailles since 2006 and a Professor at the Brussels Academy of Fine Arts. As the designer and curator of the *L'Objet du Désir* section of *La Ville Fertile,* an exhibition at the Cité de l'Architecture et du Patrimoine in Paris (March-July 2011), he continues his experimentation on private and public sector projects in France and elsewhere.

Champagne Laurent-Perrier and gardens – a self-evident bond

Located in the village of Tours-sur-Marne, Laurent-Perrier expresses its love of nature and gardens – the bedrock of its personality and that of its wines – by participating in high-profile international garden events and by regularly commissioning temporary gardens.

From Paris to London, and from Ghent to Coppet, the mode of expression might be different, but the approach is identical, namely to express the refined beauty of great champagne though the art of the landscape garden and so project Laurent-Perrier's core values.

Les Floralies gantoises, Ghent, Belgium
As the flower show of the Ghent *Société Royale d'Agriculture et de Botanique* since 1809, the Floralies takes place every five years and features numerous competitions between horticultural professionals from 18 countries in six different categories covering azaleas, greenhouse plants in bloom and not in bloom, border plants and perennials and cut flowers. Some 231 judges from 24 nationalities gauge the skills, creativity, technical expertise and professionalism of these virtuosi plantsmen and women.
At five-year intervals since 2000, Laurent-Perrier has sponsored the event, whose characteristics echo its own stringent criteria of excellence. In the most recent, 2010, edition, Laurent-Perrier engaged one of the world's most respected floral artists, Daniël Ost.

Jardins en fête, Château de Coppet, Switzerland
Friday 6 May-Sunday 8 May 2011
Champagne Laurent-Perrier is continuing its partnership with this latest edition by sponsoring a group of young landscape gardeners. The Laurent-Perrier Gardens Competition is an opportunity for them to create a pleasure garden on the basis of a detailed set of specifications. The theme for 2011 is *Jardins à croquer* ("Gardens to savour").

Chelsea Flower Show, Royal Hospital, Chelsea, London
Tuesday 23 to Saturday 28 May 2011
Laurent-Perrier, official supplier to the Royal Horticultural Society, has been attending this essential, elegant event for the past dozen years. For from conforming to a never-changing classical style, Laurent-Perrier's English gardens, commissioned from leading landscape gardeners, has won awards every year. The Laurent-Perrier garden for 2011 is an elegant and structured interpretation of the interaction between Man and Nature, designed and created by Luciano Giubbilei – a melding of horticultural art, architecture, and sculpture.

Journées des plantes de Courson, Domaine de Courson
Friday 14 to Sunday 16 October 2011
Once a year, at the autumn session, the Prix des Honneurs Laurent-Perrier for Gardens is presented to a plantsman/woman or collector who pursues and develops his or her activity on an entrepreneurial basis.

May 2011 — Laurent-Perrier Groupama Prix des Honneurs de la Chasse 2011

The Jury of the Les Honneurs award singled out the Groupement d'Intérêt Cynégétique (GIC – a grouping of hunters with dogs) from the Castres region in south west France for its 2011 prize on the strength of its initiatives aimed at restoring the population of hares, the emblematic animal for traditional hunters in this mixed farming region.

As a symbol of rural life, hares are one of the favourite game animals for those who hunt in flatlands and on low mountains. Hares are also very popular among hunters who ride to hounds.

In recent decades, our knowledge of the species has improved, allowing hunt managers to maintain or develop substantial hare populations. The initiatives launched in the territory of the 2011 award-winners are a perfect illustration of this.

When a census was taken on this 12,000-hectare territory in 1989, a total of 33 hares were identified. At that time, hares were still regularly released. But with the help of specialists, the local hunters very soon decided to stop releasing animals into the wild, a practice which led to virtually no improvement and decided, instead, to take three main management measures: they transformed the best territories into reserves, opened the hunting season on 15 October, and organised a very strict post-census hunting plan.

These measures went hand in hand with an intensive trapping campaign by 23 approved trappers, a hedge-planting campaign (12km in 20 years) and the creation of 50 hectares of fallow land for wild animals.

The results were not long in coming and the population started to grow with each new year. In 2003 the census peaked at 1,300 hares.

Today, the species is hunted in the traditional manner, mainly by small groups of hunters. Last season the 560 hunters of the GIC took 724 hares.

The GIC's initiatives also included the reintroduction of the common pheasant and in particular the *tenebrosus* variety, which is protected throughout France. Other initiatives are also designed to maintain a small population of red-legged partridge.

This is the first time in 30 years that the management of hare hunting has won an award, and that the local authorities in the Tarn département have submitted a dossier. As a result, popular, rural hunting in its entirety has been put in the spotlight and honoured with this accolade.

Special Mention in the Honneurs de la Chasse Laurent-Perrier/Groupama

The Groupement d'Intérêt Cynégétique (GIC) in Bercé in the Sarthe, *département* attracted the attention of the Jury, who awarded it a special mention.
This hunting reserve is home to several species of large game (stag, wild boar, roebuck) and pheasant. It is located in a Natura 2000 nature conservancy site and is part of the Agrifaune network.
The aim is to reconcile the continuation of farming operations, with biodiversity creating an environment favourable to game and its exploitation.

The Jury also agreed to mention the dossiers that had been selected due to the significance of their work.

The Association Communale de Chasse Agréée (Acca), in Scey-sur-Saône in the Haute-Saône département submitted a dossier on the preparation of a small island destined to become a breeding site for waterfowl. In parallel, the Association also supported an educational approach, preparing the site with the help of local schoolchildren and in partnership with the Bee-keeping Unit.

The Groupement d'Intérêt Cynégétique (GIC) in Caroux Espinouse in the Hérault département submitted a dossier on the sustainable management of a population of mouflons. This GIC promotes hunting through educational and communication initiatives. It provides additional information for the debate on hunting that preserves biodiversity.

The awards ceremony took place on Wednesday 11 May 2010 at the Laurent-Perrier Estate in Tours-sur-Marne, attended by Alexandra Pereyre de Nonancourt (a member of the Laurent-Perrier Management Board), Michel Habig (a Groupama Federation Board member), Jean-Pierre Poly, Chief Executive of the French Office National de la Chasse et de la Faune Sauvage, and Benoît Chevron (Secretary General of the French National Hunting Federation).

May 2011	30 years of the Honneurs -107 initiatives by hunters to preserve species and restore natural environments

Each year, the Laurent-Perrier Groupama Les Honneurs de la Chasse awards choose a winner for the quality of its management and the initiatives deployed on its hunting territory. The Prize aims to encourage and develop a new attitude to game among hunters, a continued balance between all man-made activities, farming, hunting and ecology, and to promote a set of genuine values focused on humankind's relationship with the natural world.

The four partners - Laurent-Perrier, Groupama, the Office National de la Chasse et de la Faune Sauvage, and the Fédération Nationale des Chasseurs, decided to recount in a book the most outstanding individual or collective initiatives of the past 30 years, during which over 100 hunting reserves have won awards. The book is prefaced by Denis Tillinac, who talks about his relationship with the natural world in his many walks in the French countryside.

Readers will learn about the real-life experience of managing a hunting reserve, practical advice for preserving or developing game populations, and more generally about the lives of all these lovers of the countryside who work, year-in, year-out, to preserve areas where it is always possible to embark on an enjoyable hunt…

In the space of 30 years, the Honneurs de la Chasse have become an essential event and large numbers of winners are today authorities in the specialities for which they won awards, from large to small game, migratory species and mountain fauna.

The author:
Paul Havet has spent most of his working life at the Office National de la Chasse et de la Faune Sauvage. He has devoted his career to the relations between humankind and wild animals. His network of relations at national and international level makes him an acknowledged expert in the management of field sports reserves and the development of habitats.

May 2011	Another Golden Year for Laurent-Perrier Laurent-Perrier Garden Awarded Gold at Chelsea

Champagne Laurent-Perrier is delighted to announce it has again been awarded Gold at this year's prestigious RHS Chelsea Flower Show. The gold medal was won by Luciano Giubbilei for his stunning design which united gardens, architecture and art in a true expression of the theme "nature and human intervention".

With a theme inspired by Laurent-Perrier's tradition of handcrafting from nature, Giubbilei, a second-time Chelsea gold medallist, presented two distinct areas and experiences within the garden. A structured space that evoked calm, resting and meditative moods contrasted with one that was densely planted and elegant. The planting scheme created a romantic atmosphere, with maroon, bronze and soft pink tones, evocative of Cuvée Rosé champagne.

Speaking of the relationship, Daid Hesketh MW, Managing Director of Laurent-Perrier UK, commented, *"This is our thirteenth year at the Chelsea Flower Show and we're thrilled to have won our 11th Gold medal. Luciano has created a beautiful garden which effortlessly conveys the spirit and essence of Laurent-Perrier. The gold medal is deserved recognition of all the hours of hard work that have gone into delivering an exceptional garden".*

However, not one to rest on its laurels, Laurent-Perrier has already started planning for next year's garden and is delighted to announce that the designer of Laurent-Perrier's show garden at RHS Chelsea 2012 is Arne Maynard.

Maynard is a previous Gold medal Chelsea winner, famed for his ability to identify and draw out the essence of a theme or place through his gardens, creating a particular quality of harmony and belonging. Arne's designs draw on a wide range of references from architecture to garden history and from interior design to often long-forgotten traditional crafts and techniques.

Laurent-Perrier is the official champagne of the 2011 RHS Chelsea Flower

Show and Laurent-Perrier Cuvée Rosé is the champagne of the 2011 Chelsea Garden this week – the ideal champagne to welcome

Juin 2011	Nicolas Gilsoul, winner of the first Daum award for landscape creation for his Champagne Laurent-Perrier *Jardin de Réminiscences* Jardins, jardin in the Tuileries, 27-29 May 2011

Out of the 20 gardens presented during the competition, the Jury, made up of representatives of the French Landscape Gardening Federation, and journalists from the trade, general interest, and non-French press, together with the sponsors of the awards and the event's organisers, singled out the *Jardin de Réminiscence* created for Laurent-Perrier. This is a garden in the shape of a maze, designed to stimulate the imagination, heighten the senses, and channel daydreams.

Landscape architect Nicolas Gilsoul, Grand Prix de Rome, is a professor at the Beaux-Arts school in Brussels and a senior lecturer at the Ecole Nationale Supérieure du Paysage landscape architecture school in Versailles. He co-curated the exhibition *La Ville Fertile* staged at the Cité de l'Architecture et du Patrimoine in Paris, in 2011.

Laurent-Perrier seeks to express its sensitivity to the natural world and ornamental gardens – the foundation of its personality and that of its wines – by taking part in top-quality garden-themed international events or by creating pop-up gardens. From Paris to London and from Ghent to Coppet, while the method of expression is different, the general approach never varies: to express the refinement and beauty of the greatest champagnes and project the Group's values through the art of ornamental gardens.

December 2011	Laurent-Perrier appoints Patrick Thomas as member of the Supervisory Board

Laurent-Perrier's Supervisory Board decided to appoint Patrick Thomas as a member in a personal capacity. He will strengthen the Board to which he will contribute his experience, notably in the Wines & Spirits sector, and his knowledge of the Luxury Goods sphere. His appointment will be submitted for approval at the next Laurent-Perrier Group Annual General Shareholders' Meeting scheduled for July 2012.

March 2012	Distribution agreement between Suntory and Laurent-Perrier The Japanese Art of Whisky gaining ground

On March 1, 2012, Laurent-Perrier began distributing the whiskies of Japan's Suntory brand in France. On the strength of its large-scale presence across the full range of distribution channels, especially in specialised circuits (the restaurant trade and wine merchants), and of its nationwide coverage, Laurent-Perrier has all the resources it needs to guarantee Suntory whiskies a choice position on the French market.

Suntory identified Laurent-Perrier as the partner best-placed to help it achieve its ambitions.
The two Houses know each other and have already worked together in Japan, since Suntory has distributed Laurent-Perrier champagnes there since 2007. The roles are now being reversed in order to continue the distribution cooperation in France. The aim is primarily to expand the presence and selective distribution of Suntory whiskies in France, and more specifically, to benefit from the fame and extensive experience of Laurent-Perrier in the luxury brand sphere.

The distribution agreement will give French consumers and retailers access to these outstanding whiskies, since the legendary Yamazaki, Hakushu and Hibiki whiskies, which are the pinnacle of the Japanese art of whisky-making, and which have scooped numerous prestigious awards, are already extremely popular among well-informed whisky lovers everywhere.

Suntory has chosen France as the launch pad for its European expansion.
This strategy is based first on commercial reasons, as France is Europe's biggest market for whisky, and is still seeing slight growth. There is the strong affinity between France and Japan. The refinement of their traditional lifestyles and the global fame of their national cuisine make them natural, privileged

partners.

Currently, the Suntory group occupies the leading distribution position in Japan for wines and spirits, and notably Laurent-Perrier champagnes. In 2011, French sales of Suntory whisky stood at close to 3,700 cases of 8.4 litres. The aim is to achieve sales of 10,000 cases with Laurent-Perrier in the next three to four years.

The shared values of great, family-owned businesses dedicated to handcrafted beverages
In addition to a deep-seated respect for the natural world and for human beings, the heritage approach occupies a primordial position in the philosophy of each House. Like Laurent-Perrier, an independent, family-owned company, Suntory is strongly attached to craft values. Shingo Torii, the direct descendant of founder Shinjiro Torii, is today Suntory's Master Blender and personally supervises the quality of Suntory products. Similarly, Laurent-Perrier continues to be headed by members of the de Nonancourt family. These values are, today more than ever before, highly sought-after by lovers of luxury brands, attached to the history and authenticity of products.

About the House of Laurent-Perrier
Founded in 1812, Laurent-Perrier, a top-ranking champagne house, this year commemorates its 200th anniversary: two centuries of elegance. With its roots in the village of Tours-sur-Marne in the heart of the three great Champagne wine terroirs, it is today recognised worldwide for its creative wine-making, instigated by the formidable Bernard de Nonancourt.
The roots of that success lie in the determination never to compromise on age-old traditions: a healthy respect for the natural world and for people, a love of quality, and strong, lasting relationships with the people driving the business, both within and without.
Each Laurent-Perrier wine is the outcome of a bold departure, of a creative urge and a never-ending quest for pleasure. Each cuvée has its own unique history and personality. This has given rise to a unique range of champagnes whose style speaks volumes about finesse, freshness, and elegance. Exacting wine-making standards, constant quality, and respect for ageing times guarantee that Laurent-Perrier champagnes will charm lovers and connoisseurs of fine champagne the world over and continue to conquer new markets.

About the House of Suntory
Suntory is a global food and beverage company headquartered in Japan. It has set itself the mission of distributing high-quality products which enrich the everyday lives of consumers, and of making an active contribution to cultural and social life.
A pioneer in the production and distribution of Japanese whisky as early as 1923, Suntory has received a great many awards. In London, it was voted Distiller of the Year 2010 at the World Whiskies Awards, to become the first Japanese producer to win the award.
Right from the outset, Shinjiro Torii, the "father" of Japanese whisky, aimed to create a whisky with a unique taste that was authentically Japanese. He accordingly paved the way for a new approach to making whisky. His watchword was "The art of creating Japanese whisky must always conform to the art of Nature". This respect, the harmony between Man and Nature, and the obsessive precision of Japanese craftsmen, still inspire Suntory.
As the 90th anniversary of Suntory approaches, it remains faithful to the authenticity of its handcrafted approach and to the values of boldness and quality which make its expertise a singular art: the Japanese Art of Whisky.

7.1.3. Information filed with the Commercial Court of Reims

13.07.2011	Annual financial statements, extract from the minutes of the July 6, 2011 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.

7.1.4. Information made available to shareholders prior to the July 6, 2011 General Shareholders' Meeting

- Statuts Laurent-Perrier
- 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, 2011
- Consolidated financial statements at March 31, 2011
- 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
- Voting rights, 35 days before the General Shareholders' Meeting.

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 6, 2011 General Shareholders' Meeting and pursuant to the requirements set out in the information note approved by the Autorité des Marché Financiers (AMF) on June 11, 2012.

- Proportion of equity held directly or indirectly at 31.03.2011:	0.82%
- Number of shares cancelled over the past 24 months:	0

Treasury shares portfolio

- Securities held for trading:	48,708
- Investments:	0
- Book value of the portfolio:	€ 4,204,125
- Market value of the portfolio, at €79,73 per share:	€ 3,883,488.84

Transactions under the last authorisation given (April 1, 2011 to March 31, 2012)

	Market making liquidity contract	Scrip issues	Acquisitions	Use of stock options for plans	Cancellation of shares	Total
Purchase						
Number of shares	57,450			4 000		
Share price	€ 80,42			€ 68,14		
Amount used	€4,620,149.26			€272,575,03		
Reallocation for other purposes						
Sales/transfers						
Number of shares	56,589			8,800		
Share price	€ 79,71			€ 31,68		
Amount	€4,510,734,31			€278,768,00		

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 48,708 treasury shares at March 31, 2012 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, 2012

Turnover at March 31, 2012
During FY 2011-2012, Laurent-Perrier generated turnover of € 1.52 million euros (€M) compared with €1.50 million in FY 2010-2011.
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, 2012

In FY 2011-2012, financial income amounted to a profit of €1.33million compared with €0.90 million in FY 2010-2011.

Analysis of extraordinary income at March 31, 2012

In FY 2011-2012 the non-recurring income item is -0.004(€M), compared with 0.31(€M) in FY 2010-2011.

As a result, and after deduction of all expenses, tax, provisions and amortisation, FY 2011-2012 showed a profit of €3.65 million, compared with a profit of € 3.43 million in the previous financial year.

Amount of investment and details of Investments amounted to €0.07 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 €3.1 million, of which €1.35 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 €7.6 K € 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 31.03.2012

K€	Gross amount	Amount due	Amount accruing		
			At 30 days at most	At 60 days at most	At more than 60 days
Payables	401.9	75.7	172.1	154.1	

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

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.

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 2007), 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, 1,500 kilos per hectare en 2010, and 3,100 kilos per hectare in 2011).
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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