



Tours-sur-Marne, November 27, 2014

LAURENT-PERRIER

Financial Press Release

Laurent-Perrier posts increases in turnover and net income in the first half of FY 2014-2015

- Price/Mix effect again positive
- Upbeat sales to key export markets
- Operating margin rises to 20.9%
- Multi-year investment programme launched

The accounts for the first half of the 2014-2015 financial year, ending September 30, 2014, have been signed off by the Supervisory Board chaired by Maurice de Kervénoaël.

Main consolidated financial data (audited)

| € million At September 30 | H1 2013-2014 | H1 2014-2015 | Change on Y-1 |
|------------------------------|-----------------|-----------------|---------------|
| Turnover | 90.1 | 94.4 | + 4.8% |
| Operating result | 17.1 | 19.7 | + 15.2% |
| Operating margin (%) | 19.0% | 20.9% | + 1.9 pt |
| Group net income | 8.2 | 10.4 | + 27.7% |
| Earnings per share (€) | 1.38 | 1.78 | + 0.40€ |
| Net cash-flow* | - 29.3 | - 35.6 | - 6.4 M€ |

* Cash-flow from operations, minus net investment, minus dividends

The half-yearly financial statements are available at www.finance-groupelp.com



Commenting on the first-half results, Stéphane Dalyac, Chairman of the Management Board, said: “Laurent-Perrier has posted improved results in a business environment that continues to be difficult. The initiatives taken in the first six months in terms of grape supplies and international distribution will strengthen the Group’s value-driven strategy and development capability in the medium term.”

Turnover up 4.8%

With the price/mix effect again positive, the Group recorded a 4.8% increase in turnover in the first half of FY 2014-2015. It also benefited from the following factors:

- An increase in the share of exports in consolidated turnover;
- Price increases applied at the start of the financial year being maintained;
- The high sales achieved by the 2002 release of the Salon brand in March 2014;
- A currency effect that has become positive once more.

During the half-year period, the Group set up a distribution subsidiary in Italy, at which time it purchased the inventory of the previous distributor. This transaction, which had a one-off impact on the half-yearly volume effect, is part of the strategy of controlling its own distribution that Laurent-Perrier has been pursuing for several years. The Group’s development will now be driven by a network of seven wholly-owned subsidiaries in France, Italy, Switzerland, the United Kingdom, Belgium, Germany, and the United States.

Operating margin improves to 20.9%

The price/mix effect also contributed to a further increase in gross margin. Costs are well under control too, as shown by the 3.3% fall in general and administrative expenses, which partly offset the increase in advertising and brand development expenses. These came out at 9.5% of turnover, a 1-point increase over the same period last year, and were largely devoted to financing events and improving brand visibility at points of sale.

As a result, operating income rose by over 15% relative to the first half of the last financial year, to 19.7 million euros. The operating margin rose 2 points to 20.9%.

The financial result improved thanks to the ongoing low interest rate environment.

The company income tax rate came out at 35.9%, down 2.1 points relative to the same period last year, when the restriction on the total non-deductibility of financial interest had not yet been reflected in the accounts.

Consequently, Group net income rose by 27.7% to 10.4 million euros, or 11.1% of turnover, compared with 8.2 million euros in the first half of last year.

Multi-year investment programme launched

Net cash flow, which is traditionally negative during the first half due to the seasonal nature of the business, came out at -35.6 million euros. It also reflects the significant increase in investment (up 6.8 million euros):

- Phase One of the major multi-year investment programme designed to drive the centralisation of the Group's production and improve reception facilities at Tours-sur-Marne, was launched during the summer;
- On 30 June the Group acquired négociant François Daumale, thereby strengthening its grape supply base in the Montagne de Reims region.

The financing of these transactions was facilitated by the strength of the Group's balance sheet at the same time as its debt-to-equity ratio improved to 94%, down 9 points on last time.

In addition, this year's grape harvest, which was brought in before the end of September, has been fully recorded in the half-yearly accounts. This was not the case last year, when the harvest was completed much later. This explains the large-scale variations in inventory levels and suppliers in the balance sheet for the six months ending September 30, 2014.

The ratio of inventory to net debt is again particularly high, at 179% – substantially up relative to the same time last year, even if inventories at September 30, 2013 were restated using the value of grape purchases in the 2013 harvest.

Outlook for 2014-2015

First-half performance cannot be extrapolated to the second half due to the strongly seasonal nature of our business. Although the major European markets are still not showing any signs of recovery, we have seen sustained demand from countries outside Europe. The Group intends to continue accelerating its development in these markets, leveraging the quality of its wines and the Laurent-Perrier brand image.

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

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Bloomberg: LAUR FP

Reuters: LPER.PA

Laurent-Perrier belongs to compartment B of NSYE Euronext Paris.

It is part of the CAC Mid & Small, CAC Mid 60 and CAC All-Tradable and EnterNext[®] PEA-PME 150 indices

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Provisional financial timetable

Third-quarter 2014-2015 turnover: Thursday February 12, 2015
 Annual results for FY 2014-2015: Thursday May 28, 2015

Appendix

Analysis of changes in turnover

| | H1 2013/2014 April 1 – September 30 | H1 2014/2015 April 1 – September 30 |
|--------------------|---|---|
| Turnover (€m) | 90.1 | 94.4 |
| Change on Y-1 | - 5.6% | + 4.8% |
| <i>o/w</i> | | |
| Volume Effect | - 8.3% | - 1.9% |
| Price / Mix Effect | + 3.9% | + 5.6% |
| Currency Effect | - 1.2% | + 1.1% |