



PRESS RELEASE - FOR IMMEDIATE RELEASE

## Vranken-Pommery Monopole Quarterly Business Review for the three months ended September 30, 2008

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- Stable revenue for the first nine months of 2008
- Continued improvement in the product mix

**(REIMS – October 23, 2008)** – Vranken-Pommery Monopole, a major producer and distributor of Champagne, today released its business review for the nine months ended September 30, 2008.

### BUSINESS ANALYSIS

IFRS - in millions of euros	2008	2007	% change
<b>Revenue for the nine months ended September 30</b>	<b>142.6</b>	142.8	-0.1%
Of which Champagne	129.4	129.2	+0.1%

Revenue for the first nine months of 2008 totaled €142.6 million, virtually unchanged from the prior-year period. At constant exchange rates, it amounted to €143.4 million, an increase over the first nine months of 2007.

“Given the current environment, we’re particularly satisfied with the Group’s performance over the first nine months of the year,” said Paul-François Vranken, Chairman and Chief Executive Officer. “The 2008 harvest went well and ties with grape producers were strengthened. We would like to thank all of our vintner partners for the confidence they have shown for more than 30 years, which has enabled Vranken-Pommery Monopole to become a leading Champagne producer, with a portfolio of prestigious international brands supported by outstanding cuvées—Vranken’s Demoiselle and Diamant, Pommery’s Cuvée Louise, Brut Royal and POP, Charles Lafitte 1834 and Heidsieck & C° Monopole’s Top champagnes.”

In **Champagnes**, the Group pursued its strategy of improving the product mix, with sales of international brands increasing 3.4% compared with the first nine months of 2007. Sales of Pommery were up around 16% for the period. The Diamant de Vranken range also reported a solid increase, while sales of Charles Lafitte remained firm.

Sales of **Port** wines increased during the period, led by the Rozès and Sao Pedro brands, while sales of **Vins des Sables** (Listel) and **Vins de Provence** (La Gordonne) benefited from the repositioning of product ranges.

At current exchange rates, **export sales of Champagne** were up 4.8% compared with the first nine months of 2007. At constant exchange rates the increase was 6.5%. Changes in exchange rates had a limited impact on business, as sales outside the euro zone accounted for less than 7% of revenue.

In Europe, business was especially strong in Belgium, Germany and Switzerland, while sales continued to rise in Japan. Sales also increased in the United States, led by the takeover of distribution by the American subsidiary and expansion in the duty-free and airline segments.

## **A SOLID FINANCIAL POSITION**

At December 31, 2007, inventory measured at cost was a significant 7% higher than debt, reflecting the Group's solid financial position. With debt entirely covered by inventory, there are no charges on any of the Group's non-current assets (vineyards, buildings, production facilities, brands and the customer base). In 2008, this financial ratio is expected to be at a comparable level.

Moreover, the impact of higher interest rates on finance costs in 2008 should be cushioned by effective hedging instruments that covered more than 69% of debt at December 31, 2007.

## **OUTLOOK**

Given its sales performance for the first nine months, Vranken-Pommery Monopole is confident in its ability to pursue its growth dynamic and continue to improve profitability over the full year.

## **INVESTOR CALENDAR**

Fourth-quarter revenue: January 22, 2009

## **ABOUT VRANKEN-POMMERY MONOPOLE**

Vranken-Pommery Monopole is one of the world's leading Champagne groups. Its portfolio of prestigious brands comprises Pommery's Cuvée Louise, seasonal champagnes and POP, Vranken's Demoiselle and Diamant, Charles Lafitte and Heidsieck & Co Monopole. It is also present in premium port wines, with Rozès and São Pedro, and is positioned as a prime distributor of rosé wines, with Domaines Listel's Vins des Sables (gris de gris) and Château La Gordonne's Vins de Provence (rosé), which it markets worldwide.

Vranken-Pommery Monopole had 2007 revenue of €286.8 million. Taking into account the distribution of Listel products, business volume, net of marketing agreements, amounted to more than €350 million worth of value-added products.

The Vranken-Pommery Monopole share is traded on Eurolist by Euronext, Compartment B (VRAP; ISIN: FR0000062796).

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