CHAMPAGNE
Laurent-Perrier
MAISON FONDÉE
1812

Tours-sur-Marne, 1 December 2010

LAURENT-PERRIER

Financial Press Release

Laurent-Perrier announces increased results in first half of FY 2010-2011

- **Faster turnover growth in second quarter, up 28.6% on last year**
- **Debt reduced by €3.7 million over the past 12 months due to improved net cash flow**
- **Target of increased full-year current operating income**

Main audited financial data

€ million **6 months to 30 September**	**1st half 2009-2010**	**1st half 2010-2011**	**Change**
Turnover	65.9	81.2	+ 23.2%
Current operating income	9.11	10.03	+ 10.1%
Operating margin %	13.8%	12.3%	- 1.5 pt
Group net income	1.73	2.96	+ 71.1%
Earnings per share (€)	0.29	0.50	+ 72.4%
Net cash flow*	- 45.2	- 17.2	+ €28.0m

* cash flow from operations minus net investment minus dividend

Commenting on the outlook for the Laurent-Perrier Group, Michel Boulaire, Chairman of the Management Board, said: "The Group has prepared for the new growth cycle now getting underway. Our financial strength and independence have given us the means to continue investing, even during a time of economic crisis. In recent years, therefore, we have strengthened the quality of our grape supplies and boosted our production capacity at the same time as we have enhanced the reputation of our brands. The gradual recovery in consumption will enable us to stabilise our inventory, which will contribute to the improvement in our net cash flow and to a continuation of the reduction in debt levels begun in the first half. Our priorities are clearly established, namely to focus our efforts on the Laurent-Perrier brand, and its premium cuvées in particular, and to improve our average sale price on a lasting basis, in line with our value-creation strategy."

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LAURENT-PERRIER, S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE AU CAPITAL DE 22 594 271,80 EUROS
R.C.S. REIMS B 335680096 6 SIRET 335 680 096 00021 – APE 6420 Z
CHAMPAGNE LAURENT-PERRIER – CHAMPAGNE SALON – CHAMPAGNE DELAMOTTE – CHAMPAGNE DE CASTELLANE

Faster turnover growth in the second quarter

On a market that saw 12.6% volume growth, the Group achieved a 23.2% increase in turnover in the first half of its 2010-2011 financial year (1 April-30 September 2010). The increase was even stronger in the second quarter, driven by a less unfavourable price-mix effect than in the earlier part of the year.

The Laurent-Perrier brand continued to post double-digit growth on the strength of strong performance in the UK, the US, and most other export markets. Thus, the share of turnover achieved in export markets in the first half rose to 70% from 67.9% in the same period last year.

The ratio of premium sales also saw positive growth, coming out at 35.1% compared with 33.8% in the first half of the previous year.

Analysis of change in turnover

	2010-2011		
€m	Q1	Q2	H1
Turnover Y-1	31.36	34.55	65.91
Turnover Y	36.79	44.43	81.22
Change on 2009-2010	+ 17.3%	+ 28.6%	+ 23.2%
o/w:			
Volume effect	40.3%	35.1%	37.6%
Price/mix effect	- 24.0%	- 8.1%	- 15.7%
Currency effect	1.0%	1.6%	1.4%

Increase in net income

The 10% rise in current operating income relative to the first half of the previous financial year can be attributed to the following factors:

- A first-half increase of 2.6 million euros in gross margin, which rose to 38.9 million euros. However, at 47.9%, the margin ratio was adversely affected by the unfavourable price/mix effect and the 0.8 million-euro drop in the harvest margin.
- The stability, in value terms, of commercial and administrative expenses, in line with the targets set by the Group.
- The 21% increase in brand development expenses, which amounted to 9.4% of turnover – comparable to trend levels. Spending was mainly concentrated on developing awareness of the Laurent-Perrier brand and of its premium cuvées, both at points of sale and directly with consumers. Examples include the Laurent-Perrier “pop up” gardens in Ghent, London, Milan, New-York, Paris and Tokyo, and the pewter Aiguière Grand Siècle that showcases the gesture of *service à la française*.

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The rise in brand development investment combined with the unfavourable brand mix which adversely affected the gross margin ratio explains the 1.5% fall in the operating margin to 12.3%.

At 5.21 million euros, the 1 million-euro decrease in net interest charges reflects falling interest rates and the lack of any charge with respect to the loss of value in financial instruments, which had a 0.7 million euro negative impact on the first half of 2009-2010. This change made a positive contribution to the 71.1% increase in net income compared with the first half of last year.

Net cash flow improves, debt reduction begins

Net cash flow improved by 28 million euros compared with last year's first half due to a smaller than average seasonal increase in working capital. The positive change can be put down to increased sales combined with the lower yields from the 2009 grape harvest.

As at 30 September 2010, net debt stood at 347.6 million euros, a reduction of 3.7 million euros compared with 30 September 2009. At the same date, the Group's debt/equity ratio stood at 149%, compared with 157% at 30 September 2009.

The value of stocks also remains far higher than net debt, representing 1.5x debt, compared with 1.4x a year before.

Outlook for 2010-2011

While the Group's commercial performance showed encouraging signs of a recovery in the first half, it is highly unlikely that it will achieve the same growth rate levels in the second half of the year due to a less favourable base effect. It should be noted, in this connection, that second-half sales last year saw an increase of over 10%, including a 26.5% volume effect.

The Group will continue to invest in brand development to leverage its premium cuvées, and in particular its Grand Siècle cuvée during the festive season. Over the financial year as a whole, however, these expenses should not significantly increase in value compared with spending in the previous period.

The Group should therefore post an increase in net income for 2010-2011 as a whole.

Net cash-flow should see a further improvement, enabling the Group to continue paying down debt.

With a long-standing presence on the leading global champagne markets, where demand continues to be sustained, the Group is also gearing up to expand into new regions where champagne consumption is set to take off. These positions will drive growth and improve mid-term profitability, underpinned by the Group's financial strength and independent shareholder structure.

This was recently reasserted at a meeting of the Supervisory Board, chaired by Maurice de Kervénoaël, which discussed the consolidated financial statements for the six months to 30 September 2010. Paying tribute to Honorary Chairman Bernard de Nonancourt, who died on 29 October this year, he spelt out the long-term commitment of the family shareholders to maintaining Laurent-Perrier's independent status and to its continued growth.

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

ISIN: FR 0006864484	Laurent-Perrier belongs to compartment B of Euronext Paris.
Bloomberg: LAUR FP	It is part of the CAC Mid Small 190, CAC mid 100, SBF SM and SBF 250 indices.
Reuters: LPER.PA	

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Provisional financial communication timetable

Results of third-quarter to31 December 2010:	Thursday 10 February 2011
Annual results for FY 2010-2011 :	Tuesday 31 May 2011
General Meeting of Shareholders:	Wednesday 6 July 2011