CHAMPAGNE
Laurent-Perrier
MAISON FONDÉE 1812

Tours-sur-Marne, May 31, 2011

LAURENT-PERRIER

Financial Press Release

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

- **Recovery confirmed:**
  - **Turnover up 15.1%**
  - **Operating income up 15% with a strong improvement in the second-half of the year**
- **Marked strengthening of financial structure :**
  - **Return to substantially positive net cash flow of €26.6 million**
  - **26-point improvement in net debt/equity ratio to 116%**
- **Outlook for 2011-2012:**
  - **Operating margin improving**
  - **Further debt reduction**

Main audited financial data

€ million March 31	**2009-2010**	**2010-2011**					
		H1	ChgeY-1	H2	ChgeY-1	**Total**	**ChgeY-1**
Turnover	**171.8**	81.2	+ 23.2%	116.6	+ 10.1%	**197.8**	**+ 15.1%**
Operating profit	**28.7**	9.9	+ 9.6%	23.0	+ 17.5%	**33.0**	**+ 15.0%**
Operating margin (%)	**16.7%**	12.2%	- 1.5pt	19.8%	+ 1.3pt	**16.7%**	**-**
Group net income	**10.6**	2.96	+ 71.1%	11.85	+ 33.3%	**14.8**	**+ 39.5%**
Earnings per share (euros)	**1.81**	0.50	+ 72.4%	2.02	+ 33.1%	**2.52**	**+ 39.3%**
Net cash flow *	**- 25.9**	- 17.2	+ 28.1€	43.8	+ 24.3 M€	**26.5**	**+ 52.4 M€**

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

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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 - SIRET 335 680 096 00021 – APE 6420Z
CHAMPAGNE LAURENT-PERRIER – CHAMPAGNE SALON – CHAMPAGNE DELAMOTTE – CHAMPAGNE DE CASTELLANE

Operating income growth rate surges in second half

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

The price/mix effect gained 3.1 points relative to last year. It saw a marked improvement in the second part of the year as the brand mix became more favourable. In the second quarter, the Laurent-Perrier brand began to see the benefit of price increases of between 2 to 3% on most of its markets. The brand's value indicators saw further positive growth, notably with an increase of close to 3 percentage points in the export ratio, to 71% of turnover. Business activity was especially dynamic in the United Kingdom, Germany, and the United States, where sales were up by at least 30%. The ratio of premium champagnes sales also rose by 0.4 of a point during the year to 35.5% of turnover, largely sustained by the success of Cuvée Rosé.

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

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

Analysis of turnover

Group (€m)	Q1	Q2	H1	Q3	Q4	H2	Total
Turnover 2009-2010	31.4	34.6	**65.9**	74.7	31.2	**105.9**	**171.8**
Turnover 2010-2011	36.8	44.4	**81.2**	84.2	32.4	**116.6**	**197.8**
% change	**17.3%**	**28.6%**	**23.2%**	**12.7%**	**3.7%**	**10.1%**	**15.1%**
Currency Effect	1.0%	1.6%	**1.4%**	1.4%	0.8%	**1.2%**	**1.3%**
Volume Effect	40.3%	35.1%	**37.6%**	15.2%	8.4%	**13.2%**	**22.6%**
Price/Mix Effect	- 24.1%	- 8.2%	**- 15.7%**	- 3.9%	- 5.4%	**- 4.3%**	**- 8.9%**

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Return to positive net cash flow over the full year

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

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

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

Outlook for 2011-2012

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

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

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

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

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

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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, and Champagne de Castellane.

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 & Small, CAC Mid 60 and CAC All-Tradable indices.
Reuters: LPER.PA	

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Provisional financial timetable

General Meeting of Shareholders:	Wednesday 6 July, 2011
First quarter 2011-2012 turnover:	Wednesday 20 July, 2011

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