



## Press release

### ANNUAL RESULTS 2012

#### A mixed year

Tensions on the French market  
Good international progress

**REIMS, March 29<sup>th</sup>, 2013** – The Board of Directors of Vranken-Pommery Monopole met on March 28th, 2013, under the chairmanship of Paul-François Vranken and in the presence of the Auditors, to close the accounts of the Group for the 2012 financial year.

In million of euros	2012	2011	Variation
<b>- Consolidated turnover</b>	<b>326.1</b>	339.6	- 4.0 %
<b>- Current operating result</b> <i>% turnover</i>	<b>34.1</b> <b>10.5 %</b>	37.3 11.0 %	- 8.6 %
<b>- Consolidated net result</b> <i>% turnover</i>	<b>6.7</b> <b>2.0 %</b>	8.9 2.6 %	- 24.7 %
<b>- Group share of net result</b> <i>% turnover</i>	<b>6.7</b> <b>2.0 %</b>	8.8 2.6 %	

*"In a French market that shrank by 5.6 % in 2012, Vranken-Pommery Monopole recorded a fall in Champagne sales of 11.5 %, linked primarily to a reduction in volumes sold in the French retail sector, where the group remains the market leader. Dynamic agreements have already been signed for 2013 with all the national store brands and this will enable the group to recover its historical market shares.*

*At the same time, Vranken-Pommery Monopole saw its sales of leading Champagne brands increase by 1.4 % internationally on a market that fell by 2.8 %. In Europe, the group's Champagne sales rose by 0.5 % in a market that fell by 7.1 %. For the rest of the world, a rise of 5.4 % was recorded, compared with an overall market increase of 3.2 %. The efforts made on these markets, which are growth relays in the current economic context, are to be continued and even intensified over the coming months.*

*The Vranken-Pommery Monopole group has finalised its three-year strategic plan which focuses on three priorities:*

- *adjusting Champagne sales volumes in favour of an increase in the range that generates value, especially in other countries than France.*
- *bringing stocks into line with anticipated future sales volumes.*
- *disposing of non-strategic assets.*

*This plan will, amongst other things, very significantly reduce the group's structural debt, resulting in a proportional fall in its financial costs."*

declared Paul-François Vranken, Chairman and Managing Director of the Group.

## **Business analysis**

The fall in the consolidated turnover to EUR 326.1 million – compared with EUR 339.6 million in 2011 – is marked by differing trends in the two main operating sectors of the group, Vranken-Pommery Champagnes on the one hand and Vins Rosés des Domaines Listel on the other.

In an unsettled market context, sales of Vranken-Pommery Monopole Champagne followed differing trends, falling in the retail sector in France and rising sharply on the international scene, thereby outperforming the market.

The group's second operating sector, Vins Rosés des Domaines Listel, recorded very good growth in sales of Vins des Domaines et Châteaux and a planned reduction in generic sales.

## **Financial elements**

The current operating result (34.1 millions en 2012), with a contained fall in the current operating margin to 10.5 % of the turnover, illustrates the sound performance of the prices positions adopted and the favourable effect of the restructuring measures adopted on operating charges despite the fall in volume.

The financial charges rose automatically by EUR 0.4 million to EUR 19.4 million, primarily owing the increase in the debt.

The net result stood at EUR 6.7 million in 2012 (EUR 8.9 million in 2011), after taxes amounting to EUR 4.8 million, increased by developments in tax legislation.

Having fallen for two successive years, net financial indebtedness rose by EUR 86.8 million to EUR 634.7 million. This increase may be attributed mainly to the change in the scope of the group structure further to the acquisition of the company Bissinger and its subsidiaries as well as an increase in Champagne wine stocks. The gearing ratio (net debt/equity capital) stood at 1.82 compared with 1.78 in 2011, with equity capital at the end of December 2012 amounting to EUR 349.1 million, compared with EUR 307.2 million at the end of December 2011. Indebtedness is totally covered by the values of stocks.

## **Dividends**

At the General Meeting of June 12<sup>th</sup>, 2013, Vranken-Pommery Monopole will propose a dividend of EUR 0.80 per share.

This dividend will be paid out on July 15<sup>th</sup>, 2013, and would correspond to a gross return of 3.93 % on the basis of the most recent stock-market price.

## **Outlook**

The implementation of the three-year strategic plan is expected to ensure growth in turnover while reducing stocks from 2013 with a view to stabilising volumes. The main effort will focus on continuing to win over markets outside France. The creation of ten international subsidiaries over the past few years, which constitute relays guaranteeing the independence of the group, will ensure future growth.

The development of sales of Vins Rosés des Domaines et Châteaux from the Camargue and Provence will be underpinned by the dynamism of the markets and the potential to be found in the Anglo-Saxon countries.

With a view to enhancing the value of its Portuguese vineyard, the group is now adopting a position, complementing that of port wine, on the promising market of so-called "New World" wines by marketing "Terras do Grifo" red wines from the Douro.

## About Vranken-Pommery Monopole

Vranken-Pommery Monopole is the second largest champagne group. Its portfolio comprises the leading brands of VRANKEN with its Diamant and Demoiselle vintages, POMMERY with its Louise and Pop vintages, HEIDSIECK & CO MONOPOLE with its Impératrice vintage and CHARLES LAFITTE with its Orgueil de France vintage. The company owns the premium ROZES port wine brand and TERRAS DO GRIFO Douro wines. The group is the leading distributor of rosé wines with Sables de Camargue - gris de gris wines – from DOMAINES LISTEL and Côtes de Provence – rosé wines – from the CHATEAU LA GORDONNE.

Vranken-Pommery Monopole owns the largest vineyard in Europe, spread among Champagne, Provence, the Camargue and Portugal.

Vranken-Pommery Monopole is listed on the NYSE Euronext Paris and Brussels.  
(Code "VRAP" (Paris), code "VRAB" (Brussels); code ISIN: FR0000062796).

*Moreover, it should be noted that an analytical presentation of the 2012 results is available on the group's website: [www.vrankenpommery.fr](http://www.vrankenpommery.fr)*

### Contacts

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