BELVÉDÈRE
GROUP

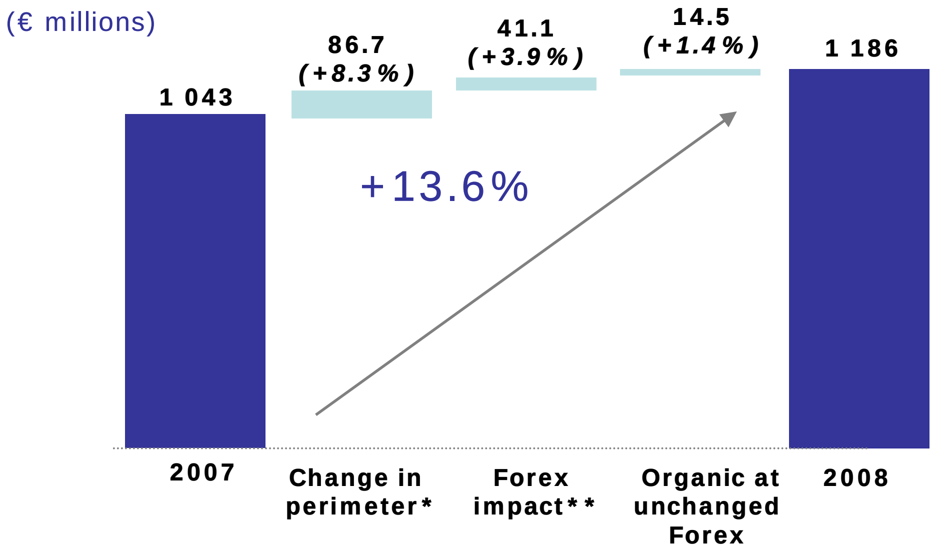
2008 Results

Summary

1. 2008 Sales Review
2. 2008 Results Highlights
3. 2008 Consolidated Results

Change in sales

Full year 2008



(*) **Breakdown of change in perimeter**

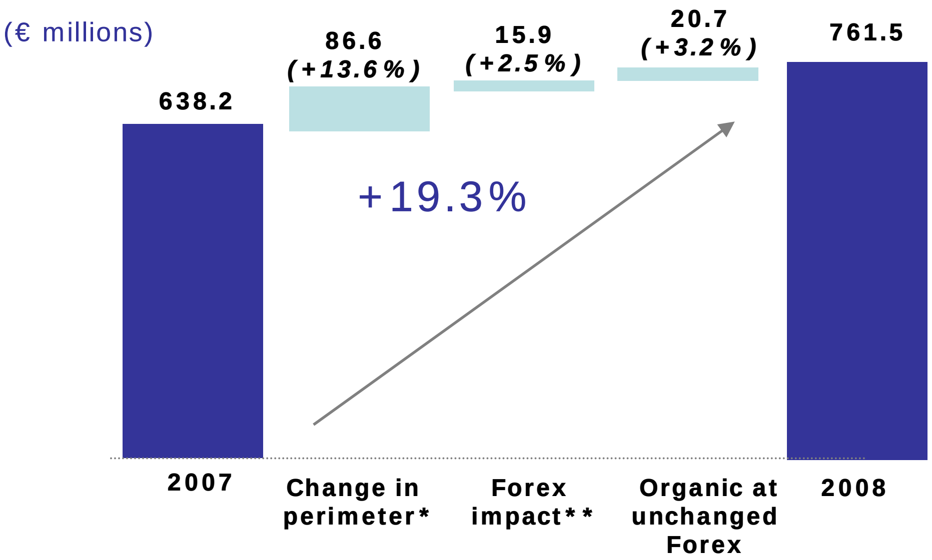
Distributors in Poland	€65.5m
Florida Distillers	€7.7m
Turkey	€6.1m
Brazil	€4.9m
Others	€2.4m

(**) **Breakdown of forex impact**

Poland	€45.0m
Florida Distillers	€(3.3)m
Russia+Ukrainia	€(0.5)m

Change in net sales

Full year 2008



(*) **Breakdown of change in perimeter**

Distributors in Poland	€65.5m
Florida Distillers	€7.7m
Turkey	€6.1m
Brazil	€4.9m
Others	€2.4m

(**) **Breakdown of forex impact**

Poland	€19.8m
Florida Distillers	€(3.3)m
Russia+Ukraine	€(0.5)m

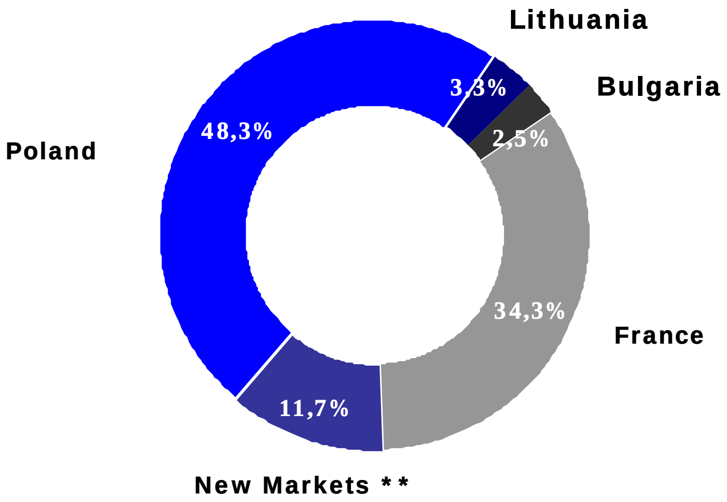
- Good organic growth
- Positive appreciation of the Polish zloty against Euro (+€19.8m) more than compensates for the depreciation of the US dollar (-€3.3m), the Russian ruble and the Ukrainian hryvnia (-€0.5m)

Net sales: sales excluding excise duties

Net sales breakdown

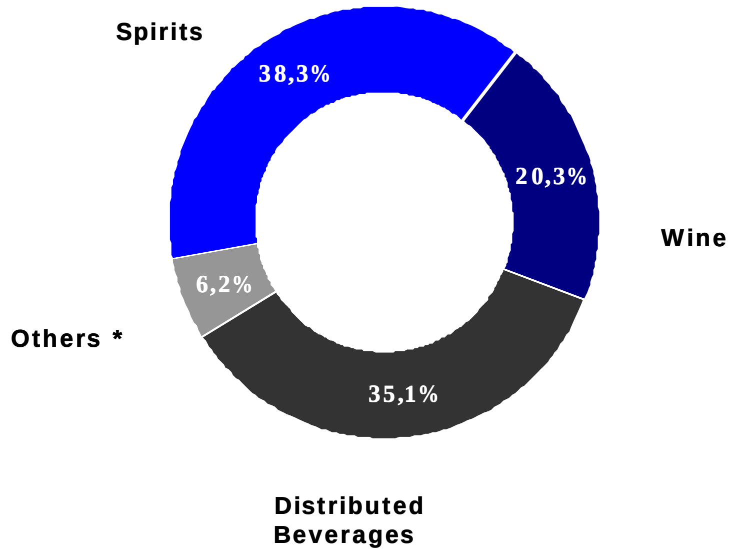
Full year 2008

By region



(Included USA = 7.5%)

By product



(*) Mostly USA Bulk alcohol

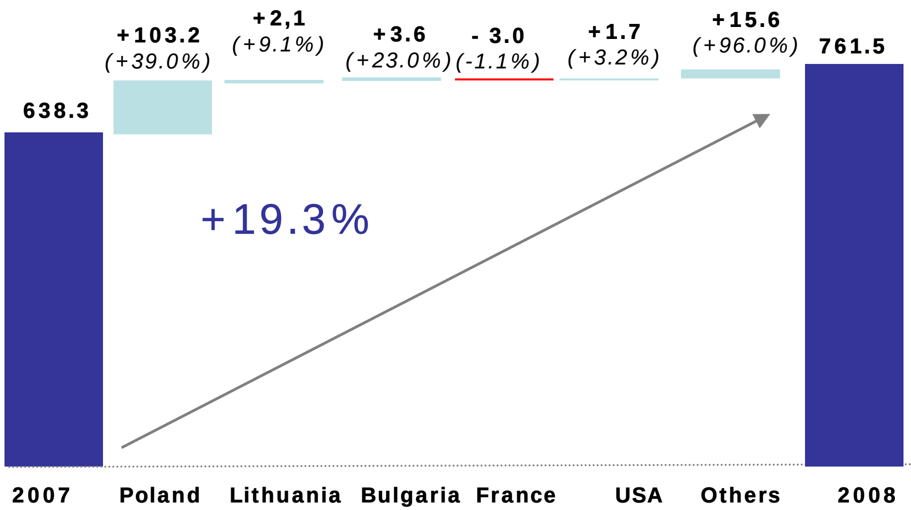
(**) New markets: USA, Ukraine, Brazil, Turkey, Russia, Denmark…

Net sales: sales excluding excise duties

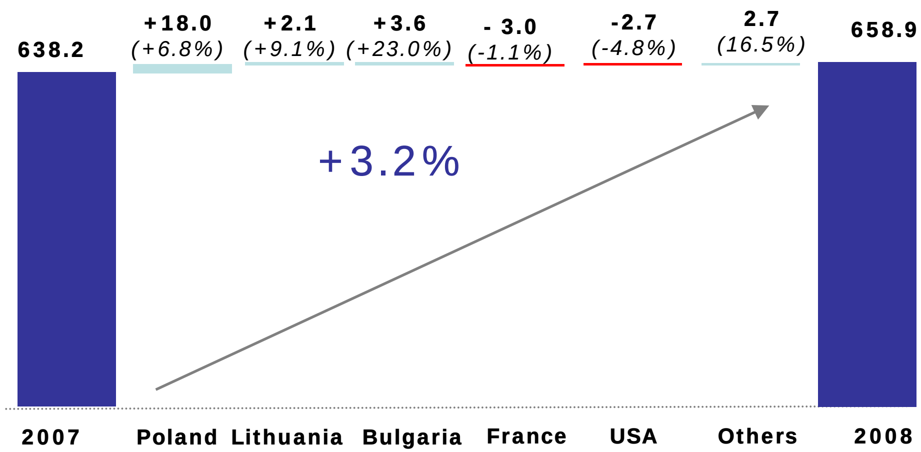
Net sales by region

Full year 2008

Net sales (€ millions)



Net sales using the same scope of consolidation and exchange rate (€ millions)

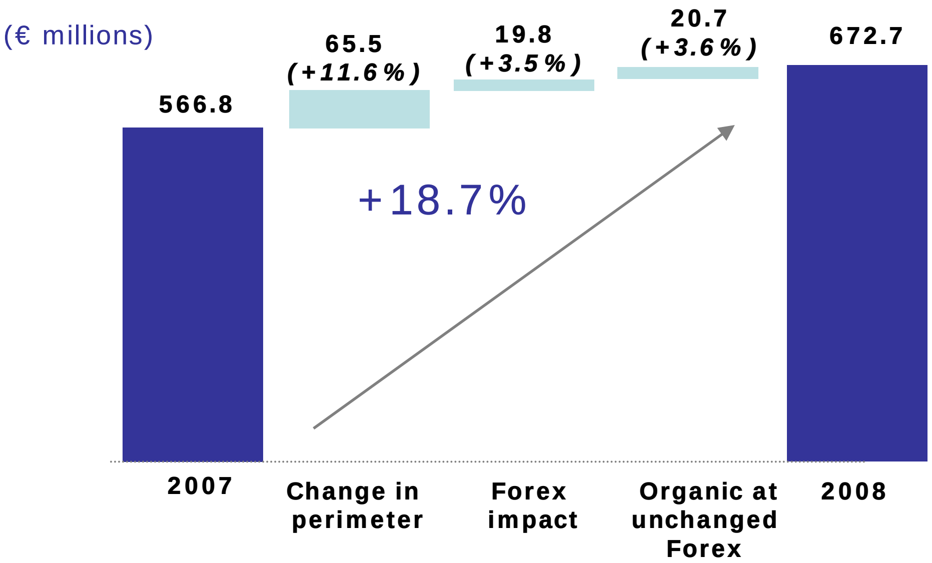


- Good Polish trend +6.8% (unchanged scope of consolidation and exchange rate)
- Good start for Sobieski in the USA with 285,000 cases sold

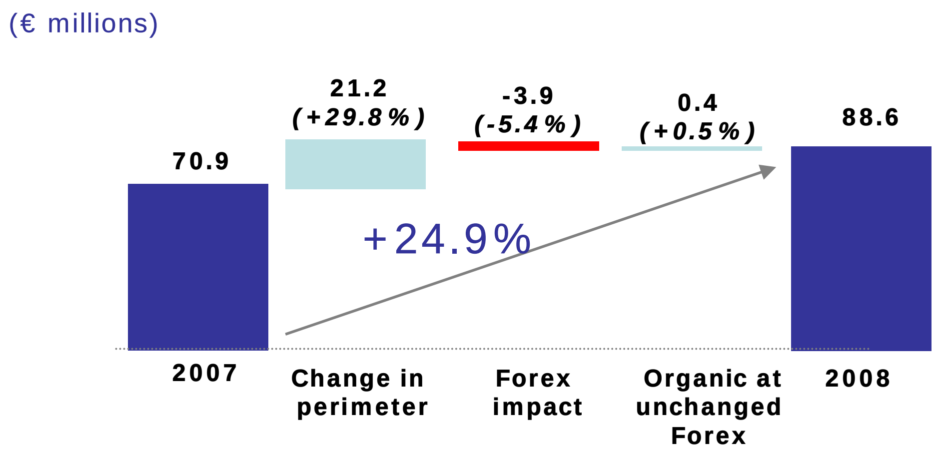
Net sales: historical vs. new markets

Full year 2008

Net sales for **historical** markets (*)



Net sales for **new** markets (**)



Net sales: sales excluding excise duties

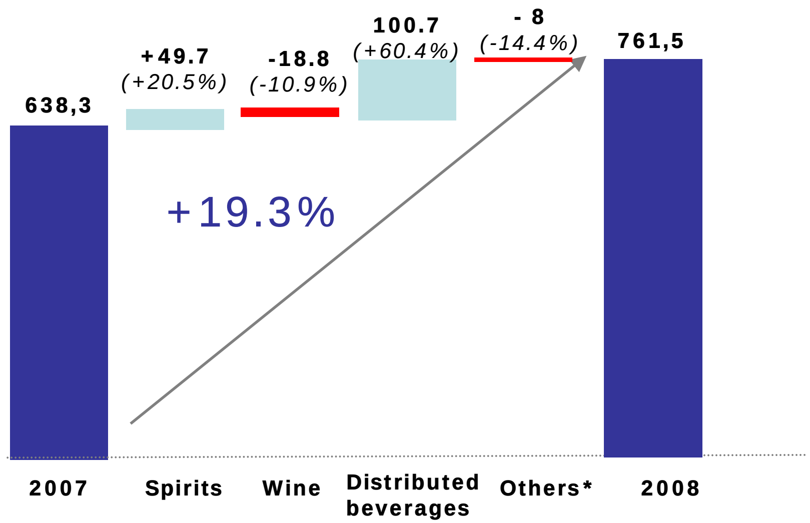
(*) Historical markets: Poland, France, Bulgaria, Lithuania

(**) New markets: USA, Ukraine, Brazil, Turkey, Russia, Denmark…

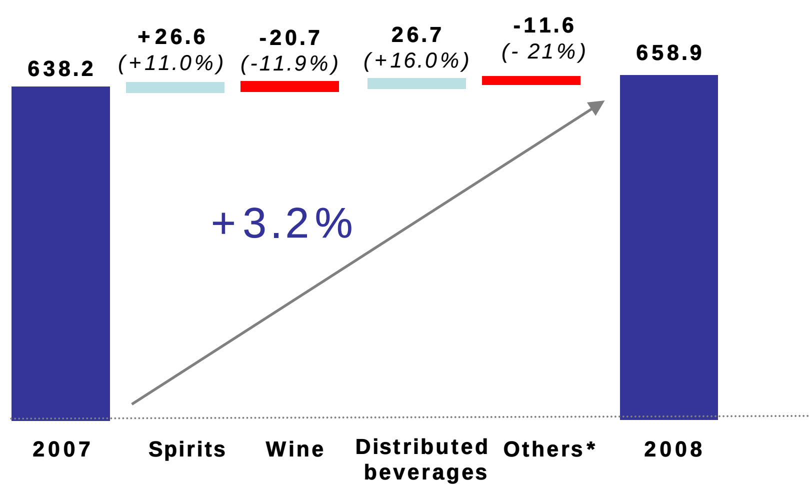
Net Sales by product

Full year 2008

Net sales (€ millions)



Net sales using the same scope of consolidation and exchange rate (€ millions)



- French wine activity: -€24.4m i.e. –16.4%
- Good organic growth in spirits: +11.0%

*Mostly USA Bulk alcohol

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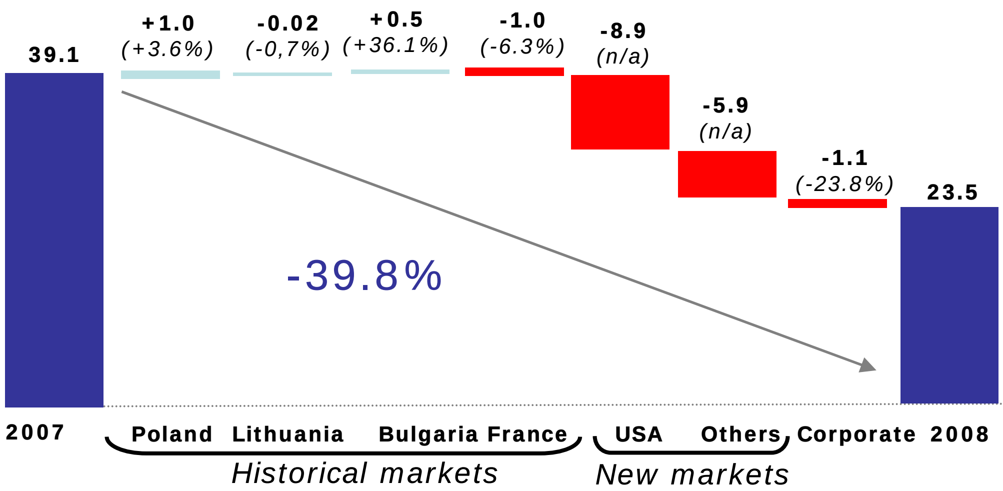
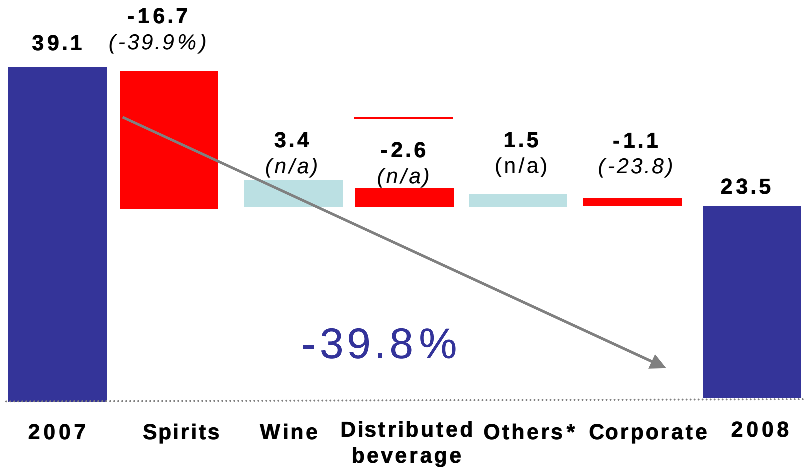
Change in current EBITDA

Full year 2008

By region (€ millions)



By product (€ millions)



- ➢ USA and Ukraine: -€11.9m arising from Vodka Sobieski promotional costs
- ➢ France: -€1m vs. 2007 (incl. -€1.9m for the Wine segment)

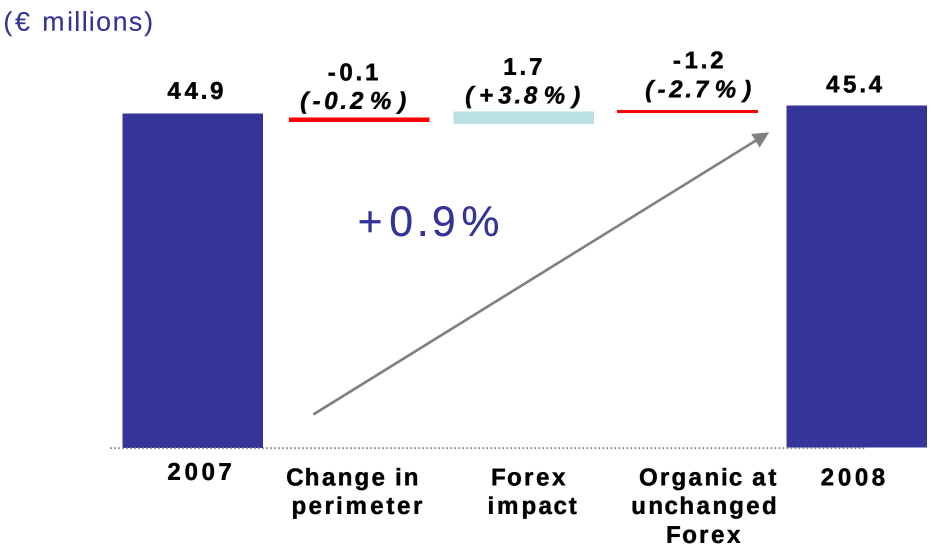
- ➢ Spirits: -€16.7m EBITDA vs. 2007
- ➢ Good performance for the Wine business : +€3.4m EBITDA especially from Bulgarian wine

* Mostly bulk alcohol in USA

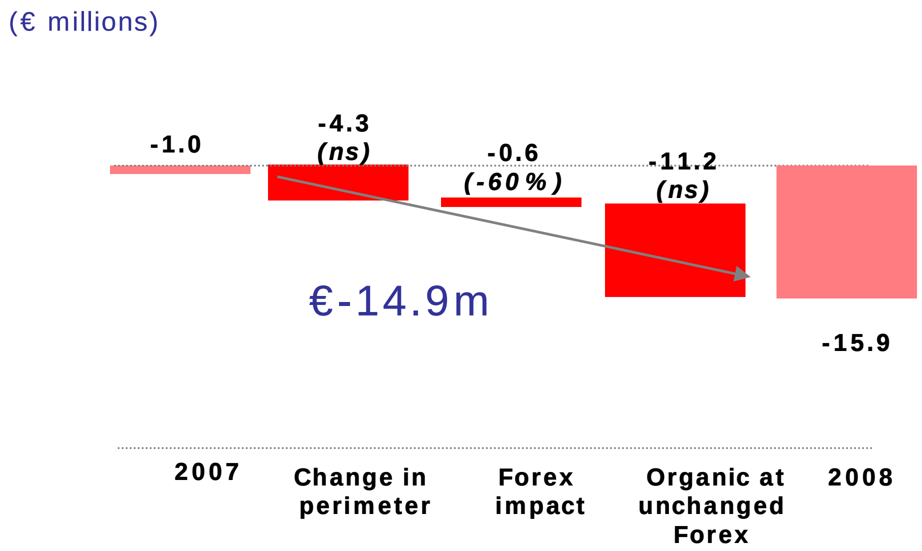
EBITDA: historical vs. new markets

Full year 2008

EBITDA for **historical** markets (*)



EBITDA for **new** markets (**)



- New markets account for a loss of €15.9m in EBITDA over the year
- Historical markets are stable despite the Safeguard Procedure

(*) Historical markets: Poland, France, Bulgaria, Lithuania

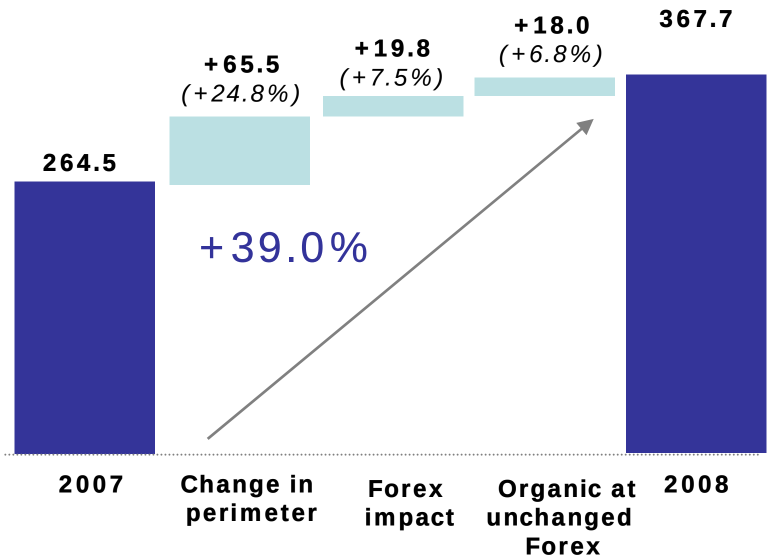
(**) New markets: USA, Ukraine, Brazil, Turkey, Russia, Denmark…

Historical and New markets do not include Corporate Costs

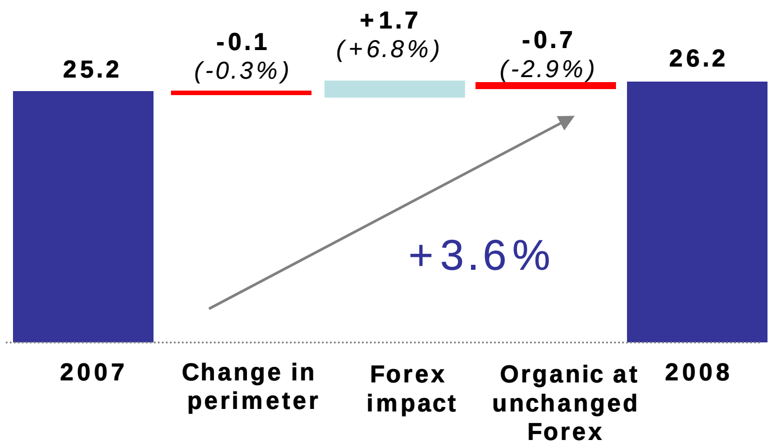
Focus on the Polish activity

Full year 2008

Net sales in Poland (€ millions)



Current Ebitda in Poland (€ millions)



- ➢ Significant growth in sales
- ➢ Lower profitability ratio due to recent integration of distributors

Ranking of the main Polish vodka distillers

Full year 2008

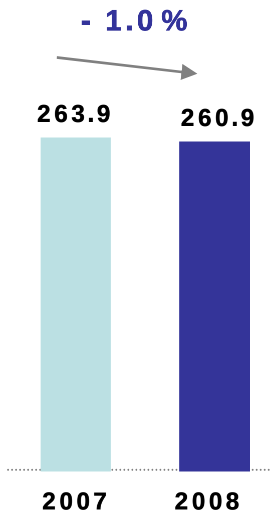
(% market share in volume)	Brands	DEC 07	DEC 08
Sobieski Polska, *Belvedere, France*	Sobieski, Zawisza,..	*25.8*	*22.6*
CEDC, *USA*	Zubrowka, Absolwent, Bols	29.2	26.9
Polmos Lublin, Oaktree Capital, USA	Zoladkowa Gorzka	12.2	19.8
Polmos Zielona Gora, *Vin & Spirit Centralen, Sweden*	Luksusowa	9.5	8.0
Wyborowa SA, *Pernod Ricard, France*	Wyborowa, Lodowa	3.9	5.1
Finlandia Polska, *Oy Alko, Finland*	Finlandia	4.2	4.3
Polmos B Biala		2.8	2.4
Polmos Jozefow		2.8	1.5

(source : Nielsen)

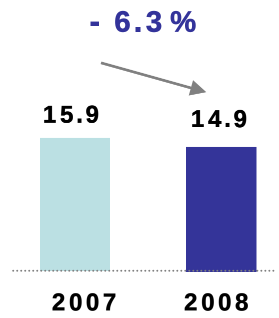
Focus on France

Full year 2008

France (€ millions)



Net Sales
(€ millions)



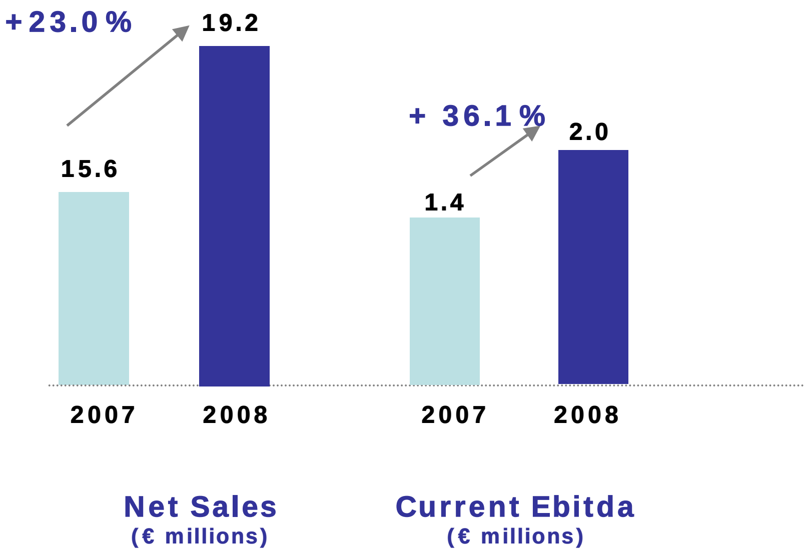
Current Ebitda
(€ millions)

- As expected the Wine sales has decreased by 16.4% at €112.5m due to the reduction in non-profitable wine sales (the Wine gross margin ratio increased by 2 points over the period)
- The company is now ready to increase its profitability despite the safeguard procedure

Focus on Bulgaria & Lithuania

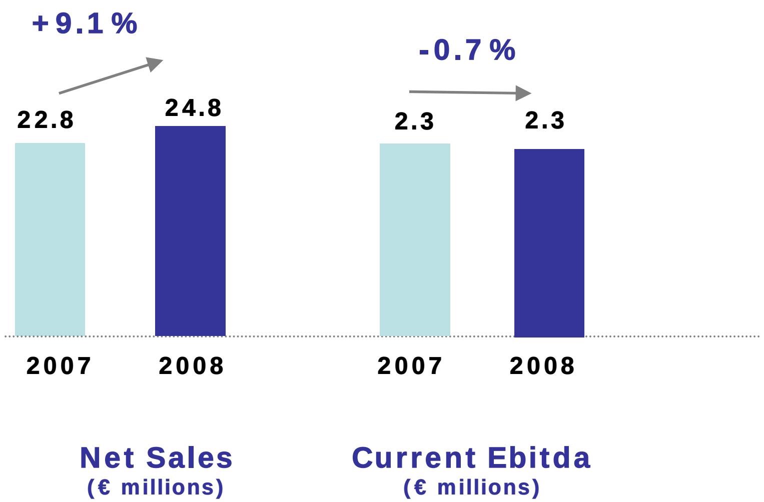
Full year 2008

Bulgaria



- Increase in revenues and EBITDA arising from price policy

Lithuania

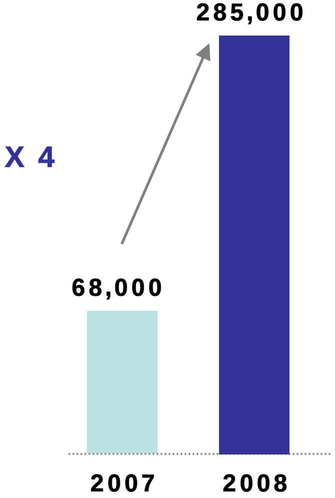


- Strong growth in sales
- Constant level of margin

Focus on new markets

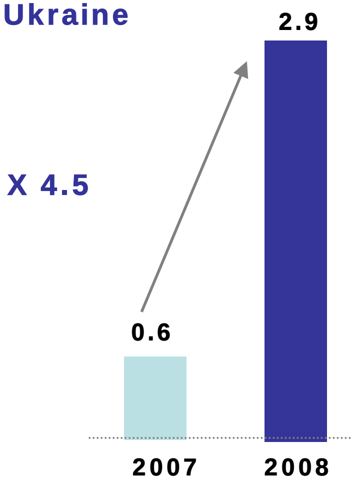
Full year 2008

USA



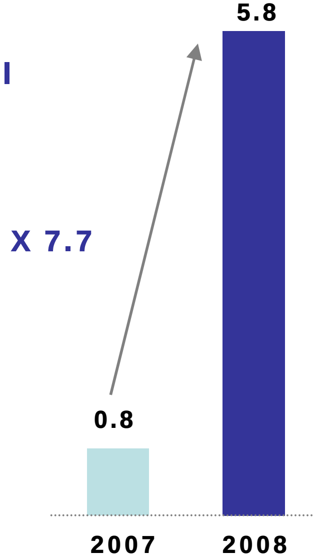
Volumes of Sobieski
(9 L cases)

Ukraine



Net Sales
(€ millions)

Brazil



Net Sales
(€ millions)

Strategic markets in the coming years

Change in the financial debt

Full year 2008

(In € millions)	As of 31 December 2007	As of 31 December 2008	
Cash, cash equivalents and investments	**(135,5)**	**(26,1)**	
Overdraft	**83,4**	**57,4**	
Short term senior debt	**6,9**	**6,4**	
Long term debt	**473,2**	**514,5**	
Floating Rate Notes	*363,8*	*394,3*	*(*)*
OBSAR Bonds	*90,8*	*102,7*	*(*)*
Other long term debt	*18,6*	*17,5*	
Total net financial debt	**428,0**	**552,1**	
Total shareholders' Equity	**119,6**	**10,8**	

(*) In 2008, FRN and OBSAR loans are classified in current liabilities

- The *Cash, cash equivalents and investments* include €21.3m of Cash and cash equivalents and placements of €4.8m for a term exceeding 3 months. Pursuant to IFRS 39, these placements are classified as ‘Financial assets’ in the balance sheet.

- The change in cash and cash equivalents is detailed in this document in the cash flow statement notes.

Change in the financial result

Full year 2008

€ millions	2007	2008
Revenues from cash and cash equivalents	2,6	1,9
Cost of gross financial debt	(45,3)	(64,5)
Cost of net financial debt	**(42,7)**	**(62,7)**
Other financial income	8,5	9,1
Other financial expenses	(9,5)	(23,1)
Financial result	**(43,8)**	**(76,7)**

COST OF DEBT

The cost of gross financial debt totals €64.5m. The €21.6m increase (versus 2007) is mostly due to :

- the amortization of issuing costs for the FRN and OBSAR debts: those costs were amortized until 2013 and 2014 (loan maturities). As the 2 loans were reclassified in current liabilities, the issuing costs were fully amortized this year and recorded as €20m in expenses,
- the increase in interests rates.

OTHER FINANCIAL EXPENSES

These net expenses total €14m over 2008 vs €1m over 2007. The financial loss is mainly due to the collapse of the financial markets that generated a fair market value adjustment of a security portfolio and losses on disposals for (-€9.1m).

The impact of foreign exchange losses is (-€4.7m).

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Scope of consolidation

Incoming companies

- **Polish distributors** have been consolidated for the first time:

  JIMBO, acquired in Jan. 2008 (contribution to 2008 sales: €5.4m)
  MULTIHURT, acquired in Jan. 2008 (contribution to 2008 sales: €13.4m)
  SOMMELIER, acquired in Jan. 2008 (contribution to 2008 sales: €1.6m)
  MAAK, acquired in April 2008 (contribution to 2008 sales: €6.5m)

- **Turkey:** in April 2008, Belvedere acquired 2 companies to extend the Group’s sales network to this area (2008 contribution to sales: €6.1m)

Income statement (1/2)

Full year 2008

Income statement (€ millions)	2007	2008
Turnover	**1 043,2**	**1 185,5**
Consumed purchases	-429,6	-523,0
Salaries and wages	-72,2	-87,2
External expenses	-91,2	-113,5
Tax and duties	-416,6	-436,2
Depreciation and amortization	-14,1	-16,3
Other operating income	18,0	20,9
Other operating expenses	-16,7	-21,8
Current operating result	**20,8**	**8,3**
Other non-current operating income	2,4	15,3
Other non-current operating expenses	0,0	-6,1
Operating result	**23,2**	**17,5**

Income statement (2/2)

Full year 2008

Income statement (€ millions)	2007	2008
Turnover	**1 043,2**	**1 185,5**
Current operating result	**20,8**	**8,3**
Operating result	**23,2**	**17,5**
Revenues for cash and cash equivalents	2,6	1,9
Cost of gross financial debt	-45,3	-64,5
Cost of net financial debt	**-42,7**	**-62,7**
Other financial income	8,5	9,1
Other financial expenses	-9,5	-23,1
Financial result	**-43,8**	**-76,7**
Result before tax	**-20,5**	**-59,2**
Interests in associated businesses	0,2	0,2
Tax expense	13,8	2,0
Net result before discontinued operations	**-6,5**	**-57,0**
Net result of discontinued operations	7,4	-4,1
Net result	**0,9**	**-61,2**

Income Statement

EBITDA ANALYSIS

Consolidated current EBITDA totals €23.5m, compared to €39.1m over 2007 (-8%). This level of EBITDA in 2009 results from the addition of:

- an increase of EBITDA by 0.9% up to €45.4m on the historical markets;
- a negative EBITDA of -€15.9m (vs. -€1m) on new markets due mostly to; 1) €11.9m of promotion costs for the launch of Sobieski vodka in the USA and Ukraine two strategic markets; 2) a negative contribution of -€3m from Denmark, Turkey and Russia.
- Corporate costs for -€5.9m (vs. -€4.8m)

NON-CURRENT INCOME AND EXPENSES

The -€6.1m non-current expenses arise from provisions for restructuring in Marie Brizard (-€3.3m), the depreciation of a foreign receivable (-€1.6m), and a tax-related provision in France (-€1m). The €13.9m non current income arises from the profit resulting from the sale of the *Vinegar and cooking wine* business in the US.

DISCONTINUED OPERATIONS

On 2008, the €4.1m expense stands for the compensation paid to the buyer for the release of all the guarantees relating to the sale of the discontinued operations.

Balance sheet

Full year 2008

Assets (€millions)	31/12/2008	31/12/2007
Goodwill	190,5	196,1
Intangible fixed assets	164,2	166,2
Tangible fixed assets	125,1	124,0
Financial assets	40,6	45,5
Equity interests in associated businesses	2,8	2,6
Deferred tax assets	2,9	1,8
Non-current assets	**526,1**	**536,3**
Inventories and work in progress	123,8	136,1
Trade accounts receivable	181,6	180,3
Tax receivable	1,2	0,3
Other accounts receivable	29,2	33,6
Cash and cash equivalents	21,3	122,4
Assets held for sale		6,3
Current assets	**357,1**	**478,8**
Total assets	**883,1**	**1 015,1**

Liabilities (€millions)	31/12/08	31/12/07
Capital	5,0	5,0
Premium	99,1	99,1
Reserves	(42,0)	5,0
Consolidated result	(61,2)	0,6
Equity (group share)	**0,9**	**109,7**
Minority interests	**9,8**	**9,6**
Total equity	**10,8**	**119,3**
Long-term provisions	9,9	9,8
Long-term loans - part > 1 year	17,7	469,4
Non-current tax liabilities	51,6	58,7
Other non-current liabilities	1,1	1,2
Non-current liabilities	**80,3**	**539,1**
Short-term provisions	2,0	1,1
Long-term loans - part < 1 year	503,1	10,7
Short-term loans	57,4	83,4
Trade accounts payable and other related creditors	106,3	122,1
Tax payable	20,3	25,5
Other current liabilities	103,0	114,0
Current liabilities	**792,0**	**356,7**
Total equity and liabilities	**883,1**	**1 015,1**

Balance sheet

<u>Equity :</u>
As of 31/12/08, the group shareholders' equity reflects the €61m loss for the period and €30m acquisitions of treasury stocks.

<u>Current assets and liabilities :</u>
The working capital requirement totals €125.3m as of 31 December 2008 compared to €113.9m as of 31 December 2007. The change mainly comes from the Safeguard proceeding side effects.

<u>Financial debt:</u>
Along to the settlement of the Safeguard Procedure, the FRN and OBSAR loans have become automatically due. Pursuant to the IFRS standards, these 2 loans are disclosed in the Current Liabilities.

Cash flow statement(1/2)

Full year 2008

Cash flow statement (€ millions)	2007	2008
Consolidated net result	0,9	-61,2
Interests in associated business	-0,2	-0,2
Amortizations and provisions	11,8	23,5
Fair value adjustments gains and losses	-0,1	3,0
Net Proceeds from assets' disposals	-17,4	-14,6
Net cash flow of integrated companies after tax and financial costs	**-5,1**	**-49,4**
Change in deferred tax	-10,0	-2,0
Cost of debt	42,7	68,4
Net cash flow of integrated companies before tax and financial costs	**27,6**	**17,1**
Change in working capital requirement	-5,7	-17,0
Tax paid	-12,4	-11,8
Cash flow from operating activities	**9,5**	**-11,7**

Cash flow statement(2/2)

Full year 2008

Cash flow statement (€ millions)	2007	2008
Consolidated net result	0,9	-61,2
Cash flow from operating activities	**9,5**	**-11,7**
Purchases of subsidiaries	-76,4	-3,0
Purchases of tangible and intangible assets	-23,8	-23,2
Purchases of financial assets	-0,3	-1,2
Increase in loans and advances made	-0,7	-3,3
Decrease in loans and advances made	0,3	0,0
Sales of businesses	178,0	0,0
Sales of tangible and intangible assets	4,7	23,3
Sales of financial assets	0,0	-5,7
Dividends received	0,2	0,1
Cash flow from investing activities	**82,0**	**-13,0**
Capital increase	0,0	0,0
Purchases of treasury stocks	-45,2	-30,9
Sales of treasury stocks	9,5	0,5
Proceeds from borrowings	5,9	5,7
Repayments of borrowings	-3,8	-6,3
Net financial interests paid	-33,8	-20,4
Dividends paid to group shareholders	-1,2	0,0
Dividends paid to minority interests	-0,2	0,0
Net flow from short-term financing	17,8	-21,2
Cash flow from financing activities	**-51,0**	**-72,6**
Effects of exchange rate changes	-0,5	-1,5
Effects of changes in accounting procedures	0,0	-2,2
Increase (decrease) in cash	**40,0**	**-101,0**
Opening cash position	82,4	122,4
Closing cash position	122,4	21,3
Increase (decrease) in cash	**40,0**	**-101,0**

Cash flow statement

Cash flows from operating activities

The operating cash flows results in a -€11.7m cash outflow including a €17.1m cash inflow from operations, and a €17m cash outflow from changes in the working capital requirement. The income tax paid on the period is €11.8m (US, Poland, France and Spain).

Cash flows from investing activities

The current capital expenditure amounts to €23.2m vs. €23.8m for the comparative period.

The sale of the *Vinegar and cooking wine* business in the US generated a €21.1m cash inflow.

Cash flows from financing activities

The €72.2m outflow arises from; 1) the debt service payment (€20.4m); 2) repayments of credit lines and loans (€21.8m); 3) net purchases of treasury stocks (€30.4m).