LANSON-BCC

PRESS RELEASE

2012 FIRST-HALF EARNINGS

Reims, Wednesday September 12th, 2012, 5:45 pm. *The LANSON-BCC Group is releasing its audited earnings for the first half of 2012.*

Highlights

In terms of volumes, the first halves of 2011 and 2012 reveal different characteristics for the entire Champagne sector: following a clear upturn in sales in 2010, the first half of 2011 was still dynamic (+5.2%), while the first half of 2012 (-6.6%), following on from the second half of 2011 (-1.2%), was impacted by the major global economic slowdown (source: CIVC).

In this environment, the LANSON-BCC Group recorded an 11.3% drop in its sales volumes, after limiting their contraction to only 2.5% for the first six months of 2011. The priority commercial focus has been maintained: further strengthening the positionings of the various Houses, in line with the value strategy applied for several years now. Its positive effects are making it possible to offset the consequences linked to lower volumes for secondary brands.

IFRS (€'000,000)	**H1 2012**	**H1 2011**	**Change**
Revenues	**92.99**	109.01	-14.7%
EBIT	**11.55**	13.39	-13.7%
Operating margin (% of revenues)	***12.4%***	*12.3%*	
Financial expenses	**-6.22**	-6.39	+2.7%
Net income (Group share)	**3.23**	4.47	-27.7%

Consolidated income statement

The second quarter's better level of sales made up for part of the delay recorded during the first quarter. As a result, **consolidated revenues** came to **92.99 million euros** for the first half of 2012, compared with 109.01 million euros at June 30th, 2011, down 14.7%. Excluding the brokerage subsidiary CGV, whose activity is traditionally subject to fluctuations, consolidated revenues totaled **90.92 million euros** for the first half of 2012, compared with 99.31 million euros, a drop of 8.5%.

43% of revenues were generated on **export**, primarily reflecting the reduction in lower value-added volumes sold by the Group's Houses, particularly in the UK, which is still the number one export market.

EBIT came to **11.55 million euros**, compared with 13.39 million euros at June 30th, 2011, down 13.7% (9.37 million euros at June 30th, 2010). Nevertheless, the **operating margin ratio** is up to **12.4%** of sales, versus 12.3% for the first half of 2011 and 9% for the first half of 2010. This reflects a positive price mix effect (+4.6%), despite the increase in the cost price of bottles sold during the first half of 2012.

Net financial expenses totaled **6.22 million euros**, compared with 6.39 million euros at June 30th, 2011.

Pre-tax earnings came to **5.34 million euros**, compared with 6.99 million euros at June 30th, 2011.

Net income represents **3.23 million euros**, compared with 4.47 million euros at June 30th, 2011 and 1.75 million euros at June 30th, 2010. Moreover, the Group had an effective corporate income tax rate of 36.10% at June 30th, 2012, versus 34.43% at June 30th, 2011.

Consolidated balance sheet
Shareholders' equity represented **184.06 million euros** at June 30th, 2012, compared with 176.43 million euros at June 30th, 2011.

Consolidated net debt rose to **513.67 million euros** at June 30th, 2012, up +11.6% from 460.22 million euros at June 30th, 2011. This change primarily reflects the available harvest for 2011 (+19% in volume and +4% for the price per kg of grapes in relation to 2010). Almost 78% of the debt is allocated to the ageing of wine stocks.

Gearing represents 2.79. Excluding the securities bought back in June 2012 (4.4% of the capital, as treasury stock), gearing is stable in relation to June 30th, 2011 (2.6). It is expected to show an improvement at December 31st, 2012.

In view of the yield on the available harvest for 2012, with 11,000 kg (individual release included for winegrowers who were not expecting this level of harvest), representing -12% in terms of volume and approximately +3% for the price per kg, the Group will see a reduction in its working capital requirements and debt levels.

Outlook
The Group's results for the first half of the year are positive, whereas the economic climate and the usual seasonal patterns for Champagne wine sales are not favorable. For reference, the first half of the year accounts for 50% of fixed costs, but only generates around one third of sales. Furthermore, since the first half of 2011 was particularly dynamic, any comparison with the first half of 2012 is not relevant. In this way, these results must not be extrapolated over the full year for 2012. The level of consumption at the end of the year will be decisive. In view of the weakness of the global economy, the Group is maintaining a cautious approach in terms of its prospects for the full year.

2012 third-quarter revenues will be released on Wednesday November 7th (after close of trading).

The accounts have been subject to a “limited” review by the statutory auditors.
The half-year financial report was approved by the Board of Directors on September 12th, 2012 and is available on the Group website: www.lanson-bcc.com.

LANSON-BCC fully owns seven Champagne Houses:

- **Champagne Lanson** (Reims), the prestigious international brand.
- **Champagne Chanoine Frères** (Reims), wines intended primarily for the European mass retail market (Chanoine brand), including the **Tsarine** Cuvée range.
- **Champagne Boizel** (Epernay), French mail-order market leader, with wines distributed in the traditional sector for international markets.
- **Maison Burtin** (Epernay), a European mass retail supplier and owner of the **Besserat de Bellefon** brand, distributed through traditional networks (restaurants, wine stores).
- **Champagne De Venoge** (Epernay), sold on selective retail markets, notably with its **Louis XV** grande cuvée.
- **Champagne Philipponnat** (Mareuil sur Aÿ), which owns the prestigious **Clos des Goisses**, with wines also available on selective retail markets as well as in leading restaurants.
- **Champagne Alexandre Bonnet** (Les Riceys), owner of a vast vineyard (wine sold in traditional sectors).

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