PRESS RELEASE

2013 FIRST-HALF EARNINGS

Reims, Tuesday September 10th, 2013 (5:45 pm) - *The LANSON-BCC Group is releasing its audited earnings for the first half of 2013.*

Highlights

In terms of volumes, for the Champagne industry as a whole, the first halves of 2012 (-6.6%) and 2013 (-3.1%) were quite similar. Affected by the major economic slowdown in France and across Europe, the trends for both periods followed on from the economic downturn seen during the second half of 2011 (source: CIVC).

In this climate, the LANSON-BCC Group's sales contracted 4.6% in volume terms during the first half of 2013. 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.

Consolidated income statement

IFRS (€'000,000)	H1 2013	H1 2012	Change
Revenues	**93.46**	92.99	+0.5%
EBIT	**10.02**	11.55	-13.3%
Financial expenses	**-5.77**	- 6.22	+7.2%
Net income (Group share)	**2.39**	3.23	-25.8%

The progress made during the first quarter (+9.7%) offset the second quarter's downturn (-7.1%). As a result, **consolidated revenues** climbed to **93.46 million euros** for the first half of 2013, compared with 92.99 million euros at June 30th, 2012, up 0.5%. Excluding the brokerage subsidiary CGV, whose activity is traditionally subject to fluctuations, consolidated revenues totaled **91.39 million euros** for the first half of 2013, compared with 90.92 million euros (+0.5%).

Exports generated **41.3%** of revenues (44.5% for the Champagne industry as a whole - source CIVC). This reflects weaker performances on several difficult markets in the European region, particularly the UK, where Champagne Lanson has historically had strong market shares. However, a dynamic policy has paved the way for encouraging progress in several destinations, including Australia, Japan and the United States.

EBIT came to **10.02 million euros**, compared with 11.55 million euros at June 30th, 2012 (-13.3%). The operating margin rate represents 10.7% of sales, versus 12.4% for the first half of 2012. This change is linked to a positive "price / mix / exchange" effect, although insufficient over the period to offset the negative volume effect, as well as the increase in the cost price of bottles sold during the first half of 2013 and certain inter-industry sales with low margins.

Net financial expenses totaled **5.77 million euros**, compared with 6.22 million euros at June 30th, 2012 (-7.2%). Consolidated debt has an **average rate** of **2.35%**.

Pre-tax earnings (before corporate income tax) came to **4.25 million euros**, compared with 5.34 million euros at June 30th, 2012 (-20.4%).

Net income came to **2.39 million euros**, compared with 3.23 million euros at June 30th, 2012 (-25.8%). The fact that 15% of financial expenses can no longer be deducted has on its own led to an additional corporate income tax charge of 0.32 million euros. In this way, the impact of corporation tax for the half-year period is up 14% (2.81 million euros, versus 2.47 million euros for the first half of 2012), ultimately giving an **effective corporate income tax rate** of **38.5%**, compared with 37.3% for the first half of 2012.

Consolidated balance sheet

Shareholders' equity represented **197.73 million euros** at June 30th, 2013, compared with 184.06 million euros at June 30th, 2012 and 197.46 million euros at December 31st, 2012.

Consolidated net debt dropped to **498.17 million euros** at June 30th, 2013, compared with 513.67 million euros at June 30th, 2012 (-3%). This change factors in the small size of the available harvest for 2012 (-12% in volume terms), combined with a lower volume of sales during the first half of 2013 in relation to the first six months of 2012. 77% of this debt is allocated to the ageing of wine stocks. In addition to the fact that holding stock is an integral part of the process for creating Champagne wines, this stock has an accounting value which offers real security, representing 113% of the dedicated financing. Its value is recorded exclusively including direct costs and excluding financial expenses.

Gearing represents **2.52**, compared with 2.79 at June 30th, 2012 and 2.53 at December 31st, 2012.

Outlook

The Group's results for the first half of the year are still clearly positive, whereas the economic climate and the usual seasonal patterns for Champagne wine sales are not favorable. Indeed, the first half of the year accounts for 50% of fixed costs, but only generates around one third of sales. In this way, these results must not be extrapolated over the full year for 2013. As visibility for the end of the year is still limited by the persistently difficult economic environment in European markets, the Group is not releasing any information concerning the outlook for the full year.

Additional information

The consolidated half-year accounts have been subject to a "limited" review by the statutory auditors (Grant Thornton and KPMG), in accordance with the regulations in force. The half-year financial report was approved by the Board of Directors on September 10th, 2013 and is available on the Group website: www.lanson-bcc.com.

2013 third-quarter revenues will be released on **Thursday November 7th, 2013** (after close of trading).

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), notably with 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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