LANSON-BCC

PRESS RELEASE

SOLID EARNINGS FOR 2013

FINANCIAL STRUCTURE FURTHER STRENGTHENED

Reims, Thursday March 27th, 2014 - 5:45 pm
Following a first half of the year marked by a significant contraction in net income, the actions taken to boost consumption during the fourth quarter enabled LANSON-BCC to record 17 million euros in net income for 2013. Alongside this, the Group has continued to further strengthen its financial structure.

Consolidated earnings
Champagne shipments represented 304.1 million bottles (-1.5%) in 2013 (source: CIVC). Despite a dynamic end to the year, the downturn in shipments over 2013 for the whole of the European Union was expected considering the very difficult economic environment.

LANSON-BCC figures			
IFRS (€'000,000)	**2013**	**2012**	Change
Revenues	**286.76**	**274.68**	+ 4.4%
Gross margin	**110.47**	**110.18**	+ 0.3%
% of revenues	*38.5%*	*40.1%*	
EBIT	**39.33**	**41.13**	- 4.4%
% of revenues	*13.7%*	*15%*	
Financial expenses	**-11.54**	**-12.49**	+ 7.6%
Corporate income tax	**-10.79**	**-11.04**	- 2.3%
Effective tax rate	*38.8%*	*38.5%*	
Net income	**17.00**	**17.60**	- 3.4%
% of revenues	*5.9%*	*6.4%*	

In 2013, consolidated **revenues** totaled **286.76 million euros**, compared with 274.68 million euros in 2012 (+4.4%). Excluding the brokerage subsidiary CGV, whose activity is traditionally subject to fluctuations, consolidated revenues came to 280.55 million euros, compared with 269.33 million euros in 2012 (+4.2%) The unfavorable change in the €/£ exchange rate and the importance of the United Kingdom, the Group's leading export market, are reflected in a 1.5 million euro revenue shortfall.
The Group's **gross margin** is stable, with **110.47 million euros** for 2013, versus 110.18 million euros in 2011.
The Group's **EBIT** came to **39.33 million euros**, versus 41.13 million euros (-4.4%), with an **operating margin** of **13.7%**, compared with 15% in 2012. This change factors in the intense level of competition, affecting margins, as well as the commercial investments made on several markets and in particular the United States, the second largest export market for champagne, where the Group's presence is still very limited. These efforts will be maintained over 2014.
Financial expenses primarily concern financing for the aging of stocks, representing **-11.54 million euros**, compared with -12.49 million euros. Consolidated **debt** has an **average rate** of **2.34%**.
Pre-tax earnings came to **27.79 million euros**, compared with 28.64 million euros (-2.8%).
The Group's **effective corporate income tax rate** has risen further, up from 38.5% in 2012 to **38.8%**. More specifically, this rate takes into account the theoretical rate (33.33%), the social contribution rate (+3.3%), the "exceptional" contribution rate (+10.7%) and the non-deductibility of 15% of the financial expenses recorded. As a result of the small harvest in 2013, combined with the dynamic end to the year, two of the Group's Houses have been unable to benefit from the option to deduct financial expenses for the aging of wine stocks, whose rotation represents more than three years of shipments: Article 212 ii and 223 b ii of the French general tax code. This tax measure is

particularly regrettable because it will have a major impact (with a rate of 25% from 2014) on outstanding sectors with "long-term stocks" and investments.
Net income came to **17 million euros**, compared with 17.6 million euros (-3.4%), giving a **net margin** of **5.9%** for the Group, versus 6.4% in 2012.

Financial structure further strengthened
Shareholders' equity represented a total of **224 million euros**, compared with 197.46 million euros at the end of 2012 (+13.4%), with this change due to the following three reasons: the payment of the 2012 dividend in May 2013 (-2 million euros), the proceeds from the July 2013 reclassification of 305,000 treasury shares (4.7% of the capital), with CM-CIC Capital Finance (+11.3 million euros), and the recognition of 2013 net income (+17 million euros).
Consolidated **net financial debt** totaled **478.45 million euros**, compared with 499.43 million euros at the end of 2012. Out of this debt, **367.26 million euros**, compared with 386.22 million euros at end-2012, are allocated for financing the **aging of wine stock**, with a strict book value of **434.83 million euros**, versus 422.61 million euros at end-2012.
Gearing represents **2.14**, down from 5.68 at the end of 2006 following the acquisition of Maison Burtin and Champagne Lanson.

2013 dividend and awarding of new shares
LANSON-BCC's Board of Directors will be submitting a proposal for approval at the General Meeting on May 16th, 2014 for the **dividend to be kept at 0.35 euros** per share, with a payout ratio representing 13.3% of consolidated net income. The distribution of 10% of consolidated net income on average over eight years has contributed towards further strengthening the Group's financial structure. In addition, a capital increase based on the incorporation of reserves will make it possible to freely award **one new bonus share for every 10 existing shares held** by the end of June 2014.

Outlook
LANSON-BCC is reasserting its long-term value development strategy. The strong level of competition on all its markets highlights the benefits of an ongoing policy, moving in the right direction, to not ignore any segment. The Group's development is underpinned by the effective fit between its Houses, combined with the increasingly widely recognized quality of their wines, their more efficient production facilities and their effective management.
As usual, considering the fact that the last quarter alone accounts for nearly 50% of business for the full year, the LANSON-BCC Group, in line with its cautious policy, is not publishing any target figures for 2014.

Additional information
The consolidated financial statements for 2013 were approved by the Board of Directors on March 27th. The audit procedures on the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalized for filing the 2013 registration document.

LANSON-BCC fully owns seven Champagne Houses	Euronext Compartment B ISIN: FR0004027068 Ticker: LAN Reuters: LAN.PA Bloomberg: LAN:FP www.lanson-bcc.com
- **Champagne Lanson** (Reims), the prestigious international brand. - **Champagne Chanoine Frères** (Reims), wines intended primarily for the European mass retail market (Chanoine brand), reputed above all for its famous Tsarine Cuvée. - **Champagne Boizel** (Epernay), French mail-order market leader, with wines distributed in the traditional sector for international markets.	Eligible for SME share-based savings schemes (implementing order of March 5th, 2014)
- **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).	**LANSON-BCC** Nicolas Roulleaux Dugage Tel: +33 3 26 78 50 00 investisseurs@lansonbcc.com actionnaires@lansonbcc.com **CALYPTUS** Communications consultant Cyril Combe Tel: +33 1 53 65 68 68 cyril.combe@calyptus.net