LANSON~BCC

PRESS RELEASE

EARNINGS RESILIENT IN 2014

FINANCIAL STRUCTURE FURTHER STRENGTHENED

Reims, Thursday March 26th, 2015 - 5:45 pm

Following a dynamic end to 2013 and first half of 2014, the impacts on profitability due to a more challenging environment over the second half of the year were largely offset by the significant reduction in financial expenses. This enabled LANSON-BCC to record 16 million euros in net income for 2014. Alongside this, the Group has continued to further strengthen its financial structure.

Consolidated income statement

LANSON-BCC figures			
IFRS (€'000,000)	**2014**	**2013**	Change
Revenues	**276.06**	**286.76**	- 3.7%
Gross margin	105.68	110.47	
% of revenues	*38.3%*	*38.5%*	
EBIT	**33.10**	**39.33**	- 15.8%
% of revenues	*12.0%*	*13.7%*	
Financial income / expense	**-7.58**	**-11.54**	+ 34.3%
Corporate income tax	-9.52	-10.79	
Effective tax rate	*37.3%*	*38.8%*	
Net income	**16.00**	**17.00**	- 5.9%
% of revenues	*5.8%*	*5.9%*	

In 2014, consolidated **revenues** totaled **276.06 million euros**, compared with 286.76 million euros in 2013. Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, consolidated revenues came to 268.28 euros, compared with 280.55 million euros for 2013.

The Group's **gross margin** developed in line with the business, coming in at **105.68 million euros**.

The Group's **EBIT** came to **33.10 million euros**, compared with 39.33 million euros, reflecting strong competition in terms of volumes and pricing, particularly in France and neighboring European countries, as well as ongoing commercial investments in several of the Group's Houses.

The **operating margin** represented **12%**, compared with 13.7% for 2013.

Financial expenses primarily concern financing for the aging of Champagne stocks, coming in at **-7.58 million euros**, compared with -11.54 million euros. This positive change reflects the reduction in the **average rate** for consolidated debt, down to **1.60%**.

Pre-tax earnings came to **25.52 million euros** (-8.2%).

The Group recorded an **effective corporate income tax rate** of **37.3%**.

Net income came to **16 million euros**, compared with 17 million euros, with the **net margin** rate stable at **5.8%**.

Priority focus maintained to strengthen the financial structure

Shareholders' equity represented a total of **242.4 million euros**, up from 224 million euros at the end of 2013 (+8.2%), with this change reflecting the following factors: the payment of the 2013 dividend in May 2014 (-2.3 million euros), the recognition of 2014 net income (+16 million euros), the recognition of the "fair value" of the vineyards (+6.8 million euros), and the actuarial gains and losses relating to employee benefits (-2.3 million euros).

Consolidated **net financial debt** totaled **473.94 million euros** (60% fixed-rate), compared with 478.45 million euros. Out of this debt, **380.14 million euros**, compared with 367.26 million euros at end-2013, are allocated for financing the aging of Champagne stocks, with a book value of **451.16 million euros**, versus 434.83 million euros at end-2013.

Gearing has continued to improve, dropping from 5.68 at the end of 2006 following the acquisition of Maison Burtin and Champagne Lanson to **1.95**. The objective to move back down to less than 2, a normal position for the Champagne industry due to its high levels of stocks, has been achieved.

LANSON-BCC's Board of Directors will be submitting a proposal for approval at the General Meeting on May 22nd, 2015 for the **dividend** to be kept at **0.35 euros** per share and paid on May 28th, 2015, with a payout ratio representing 15.5% of consolidated net income. The Group has capitalized 90% of consolidated net income on average since 2006, enabling it to significantly strengthen its financial structure.

Outlook

Despite the current sluggish consumption trends in France, LANSON-BCC is reasserting its long-term value development strategy and continuing to make major investments. 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 efficient production facilities and their effective management.

As usual, considering the fact that the last quarter of the calendar year accounts for nearly 50% of business for the full year, LANSON-BCC, in line with its cautious policy, is not publishing any target figures for 2015. To further strengthen the Group's development over the medium term, investments are continuing to move forward in the Group's Houses, particularly Champagne De Venoge in Epernay and Champagne Lanson in Reims.

Additional information

The consolidated financial statements for 2014 were approved by the Board of Directors on March 26th. The procedures to audit the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalized for filing the 2014 registration document.

LANSON-BCC is a group built around seven Houses that produce Champagne wines, created and led by Champagne families. The Group unites together outstanding Houses, renowned for their unique wines and benefiting from the effective fit between their customer segments. The blend of ancestral know-how and leading-edge technical capabilities, creative independence and rational synergies enables each one of its Houses to develop its performances, ensuring the LANSON-BCC Group's sustainability.

- **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** cuvee.
- **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 cuvee.
- **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, with wine sold in traditional sectors.

www.lanson-bcc.com

Euronext Compartment B

ISIN: FR0004027068
Ticker: LAN

Reuters: LAN.PA

Bloomberg: LAN:FP

Indices: CAC Mid & Small, CAC All-Tradable, CAC Beverages, EnterNext PEA-PME 150

Eligible for SME share-based savings schemes
(implementing order of March 5th, 2014)

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