



First half 2008 :

Sales up 2.5% at constant exchange rates

Strong confidence in margins improvement

€m IFRS	2007	2008	Change	Change at constant exchange rates
First quarter	32.7	34.3	+5.0%	+6.3%
Second quarter	30.8	29.6	-3.8%	- 1.6%
Total first half	63.5	63.9	+0.7%	+2.5%

Over the half of the year, Oeneo's sales were up 2.5% at constant exchange rates. The change is in line with the group's road map, although with a slightly different breakdown of sales between the first and second quarters compared with the same period in 2007, especially for Barrels Division.

The increasing share of sales generated by Diam corks, related to continuing efforts to optimise productivity will again help the group to lift its operating profitability over the half of the year.

Breakdown of half-yearly sales by activity

€m IFRS	2007	2008	Change	Change at constant exchange rates
Closures	28.6	29.0	+1.4%	+2.4%
Barrels	34.9	34.9	+0.1%	+2.5%
Total first half	63.5	63.9	+0.7%	+2.5%

Closures Division: 42% of sales generated by "Diam" corks

During the first half, Oeneo recorded a sales increase of 2.5% at constant exchange rates. The growth is the outcome of increasing Diam corks sales, which climbed to over 128 million units during the 6-month period, compared with 86 million during the same period in 2007, representing an increase of 49%.

During the half-year the Diam range accounted for 42% of sales compared with 30% in 2007. This trend will continue over the coming months as the group has recently seen signs of significant interest from key accounts. The first orders are expected to come in the second half, with the potential for a sharp rise in the years ahead.

With these changes and the managed progressive decrease in technical closure solutions other than those in the Diamant range, the group is benefiting from a more profitable product mix and is, as a result, looking forward to a substantial improvement in the division's profits as of this coming second half.

Barrels Division: Activity on line with forecast

During the first half year, which is traditionally slower than the second half due to the seasonal grapes harvests in the two hemispheres, the group generated sales of €34.9 million, up 2.5% at constant exchange rates, mainly coming from strong sales in South America.

Consolidating its global leadership position, the group has pursued its plans to improve productivity and R&D investment.

In this connection, Seguin Moreau just inaugurated a new production site in Burgundy, launching a state-of-the-art, efficient facility to take advantage of the substantial global expansion in Pinot Noir and Chardonnay plantings.

Oeneo will publish its half-yearly results after close of trade on 15 September 2008, and fully expects these results to bear out the group's confidence in its improved margins.

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