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First-half 2009 results
Strong resilience of current operating profit : 9.0% of sales

Consolidated income statement (€m)	H1 2008	H1 2009
Sales	**64.0**	**57.7**
o/w Closures	29.0	29.0
o/w Barrels	35.0	28.7
Current operating profit	**6.1**	**5.2**
o/w Head Office	-0.5	-0.3
o/w Closures	3.2	4.4
o/w Barrels	3.4	1.1
Operating profit	5.8	3.1
Cost of net financial debt	-3.6	-2.9
Income tax	0.4	-0.6
Net income	**1.9**	**0.2**

The consolidated 2009 first-half accounts were approved by the Oeneo Board of Directors at its meeting on September 11, 2009.

The Oeneo group has shown strong resilience during the first half of 2009, maintaining its current operating profit at 9% of sales at a time of lower activity. The significant improvement in margins in the Closures Division with the ramp-up of sales of the DIAM range offset the less satisfactory performance of the Barrels Division, which can be directly attributed to the poor economic climate.

The operating profit figure includes a one-off charge of €2.1 million in the Barrels Division, to record a provision for restructuring in order to boost competitiveness. The cost of debt fell by €0.7m due to interest rate cuts, and to the recording of a theoretical tax expense (without cash impact) corresponding to €0.6 million.

The group has published only a slightly positive net income figure for this first half. Excluding the restructuring plan and the tax effect, the group would have generated higher net income than in June 2008.

Further investments and debt under control

As of 30 June 2009, group shareholders' equity stood at €67.0 million. Net debt amounted to €125.2 million at the end of the half year, a level that includes both a working capital that is traditionally unfavourable for the Barrels Division during the first half, and continued strategic group investments.

These investments, amounting to €5.4 million over the first half, are related to the start of the construction programme for the new DIAM plant in the Closures Division, and to the extension of the stave-wood plant (where oak is transformed to manufacture barrels) in the Barrels Division.

Analysis of performance and outlook for the Divisions

BARRELS DIVISION: activities more competitive

Despite a marked cyclical fall-off in its activity during the first half, the group has been able to safeguard a positive level of current operating margin by adjusting its structures to its activity level via a reorganisation plan, and also thanks to constant efforts in productivity improvements.

Although principals are still affecting a wait-and-see attitude, especially in the United States, the second half should see a marked improvement in profitability compared with the first half, as it notably benefits from the traditionally seasonal nature of this activity as the European and North American grape harvests get underway. The investment in the stave making business will also help the group to advance from being 30% self-sufficient in terms of supplies to over 50%, which is synonymous with additional growth in margins.

The group is also actively continuing its effort to innovate, especially on the high-end segment as it seeks to bolster its offering and reap the full benefit of the expected market improvement.
The resilience of the market for alternative products recorded in the first half also vindicates the group's ambitious development strategy on this very high-growth market.

CLOSURES DIVISION: "virtuous" growth for DIAM closures

The Division turned in an excellent performance, generating current operating margin of 15.1% for an identical level of sales over the first half, compared with 11.0% in the first half of 2008.

The group has derived the full benefit of the success of the DIAM range of closures with steadily growing sales. The customer portfolio also continues to expand regularly, confirming the very considerable growth potential for the range in the marketplace. In this respect, the group plans to bring its new DIAM plant into operation in late 2010.

The group is hoping to continue regularly improving the economic fundamentals of this Division in the months ahead.

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