



Press release

ANNUAL RESULTS 2013

Operating result up 10.1 %
 Net result + 33.3 %
 Good progress in sales of brand Champagnes
 despite a falling market

REIMS, 27 March 2014 – The Vranken-Pommery Monopole Board of Directors met on 27 March 2014 under the chairmanship of Paul-François Vranken and in the presence of the Auditors, to close the accounts of the Group for the 2013 financial year.

In millions of euros	2013	2012 Corrected*	Variation	2012 published
- Consolidated turnover	315.1	326.1	- 3.4 %	326.1
- Current operating result % turnover	33.3 10.6 %	33.0 10.1 %	+ 0.9 %	34.1 10.5 %
- Operating result % turnover	32.7 10.4%	29.7 9.1%	+ 10.1 %	30.8 9.4 %
- Consolidated net result % turnover	8.0 2.6 %	6.0 1.8 %	+ 33.3 %	6.7 2.1 %
- Group share of net result % turnover	7,8 2,5 %	6,0 1,8 %	+ 30,0 %	6,7 2,1 %

* The 2012 accounts were corrected on the basis of historical adjustments, the impacts of which remain limited: € 1.2 million for equity capital and € 0.7 million for the net result.

Business analysis

The group applied the strategy announced by focusing on sales of wines from the *Maisons, Domaines & Châteaux* which, in 2013, rose by 5.7 %. At the same time, a policy of reducing sales of generic wines and/or interprofessional sales with small margin has been implemented.

Consequently, the consolidated turnover for 2013 amounted to € 315.1 million, compared with € 326.1 million in 2012.

The group's four *Maisons de Champagne* saw the turnover of their Brands rise by 5.1 % on a market for which the Interprofessional Committee of Champagne Wines announced a global reduction in consignments of 1.5 % in 2013. The group, which has a strong presence on the national market, confirmed its leadership positions in Germany and the Benelux.

Sales of the Rosé Wines branch of Vranken-Pommery Monopole continued to progress in 2013, with turnover up by over 8 %.

The popularity of Camargue and Provence rosé wines, both in France and for export, has not waned.

The marketing of still wines from the Douro valley boosted the Portuguese subsidiary.

Financial elements

The level of the Current Operating Result, which increased from € 33.0 million to € 33.3 million, and the trend in the Operating Result, which rose by over 10 % to € 32.7 million, confirm the choices made by the group as announced in the strategic plan unveiled at the start of the financial year.

As for the EBITDA, neutralizing the appropriations to depreciations (€ 12.7 million) generated by the group's significant asset structure, it rose by 8.3 % to € 45.4 million.

The increase in the net financial charges from € 19.4 million to € 20.3 million remains measured given the strategic decision to diversify the sources of financing. Although the average cost of the debt is falling, the acquisition at the end of 2012 of winegrowing and -making companies, which allowed to secure the group's supplies, entailed additional financial costs in 2013 (scope effect).

The net result rose by 33.3 % to € 8 million 2013 (compared with € 6.0 million in 2012).

The group has taken all the measures presented in its strategic plan which led, in particular, to a debt reduction of € 27.2 million between 2012 and 2013.

The measures taken to bring down the overall indebtedness will take full effect over the coming financial years and result in a fall in the net financial indebtedness (€ 640.9 million at the end of 2013) and the corresponding financial costs.

Furthermore, the financing structure has been reinforced by the diversification and extension of the maturity of the debt undertaken in 2013 by means of two bond issues amounting to a total of € 175 million.

As for the equity capital, this stood at € 352.1 million as at 31 December 2013.

The processes of auditing and issuing the audit report on certification are underway.

Dividends

At the General Meeting of 5 June 2014, Vranken-Pommery Monopole will propose a dividend of € 0.80 per share.

This dividend will be paid out on 15 July and would correspond to a gross return of 3.43 % on the basis of the most recent stock-market price.

Outlook

The end of the year was marked by a certain recovery in Champagne sales which limited the downturn in sales over the year as a whole to 1.5 %, while the figures for consignments during the first three months of 2014 by all operators confirm the reversal of the downward trend.

Vranken-Pommery Monopole is also following this very positive trend with the sales of its major Champagne Houses, Vranken, Pommery & Greno, Heidsieck & C° Monopole and Charles Lafitte.

The brand Rosé Wines market remains well oriented and is becoming increasingly international. The association in Listel and the commercial alliance with the Castel group will accelerate this dynamic movement in areas of high potential that are complementary for the two groups.

Backed up by this context, Vranken-Pommery Monopole is firmly resolved to continue with its strategy which will focus mainly on the production and marketing of wines with a strong identity and guaranteed origin, made by its Maisons in Champagne, its Châteaux in Provence, its Domaines in Camargue and its Quintas in Douro.

Vranken-Pommery Monopole's export strategy is underpinned by the integrated distribution network of its subsidiaries and the commercial agreements gradually being validated with the partner Castel.

Forthcoming statement

Turnover first quarter 2014: 18 April 2014

About Vranken-Pommery Monopole

Vranken-Pommery Monopole is the second largest champagne group. Its portfolio comprises the leading brands of VRANKEN with its Diamant and Demoiselle vintages, POMMERY with its Louise and Pop vintages, HEIDSIECK & CO MONOPOLE with its Impératrice vintage and CHARLES LAFITTE with its Orgueil de France vintage. Vranken-Pommery Monopole owns the premium ROZES port wine brand and TERRAS DO GRIFO Douro wines. The group is the leading distributor of rosé wines with Sables de Camargue - Gris de Gris wines - from DOMAINES LISTEL and Côtes de Provence – rosé wines – from the CHATEAU LA GORDONNE.

Vranken-Pommery Monopole owns the largest vineyard in Europe, spread among Champagne, Provence, the Camargue and Portugal.

Vranken-Pommery Monopole is listed on the NYSE Euronext Paris and Brussels.
(Code "VRAP" (Paris), code "VRAB" (Brussels); code ISIN: FR0000062796).

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