



Financial press release

Vranken-Pommery Monopole full-year revenues for 2016: up 1.2% to €300.1 million

Reims, 26 January 2017

Vranken-Pommery Monopole is reporting €300.1 million in revenues at 31 December 2016, up 1.2% from €296.6 million in 2015.

The strong growth in sales of Provence and Camargue wines and the dynamic development of the German and Italian subsidiaries have partially offset the contraction in champagne sales in the UK and in the restaurant sector in France and Belgium.

Vranken-Pommery Monopole, which has a very strong presence in Europe, has been affected by the fallout from the Brexit on the UK market, as well as the drop in sales for the French and Belgian hotel and restaurant sectors following the terrorist attacks.

Champagne branch

Incorporating sales for the "Champagne Branch" under "semi-finished products and generic wines" into 2016 revenues, the overall Champagne business climbed to €243.8 million in 2016, compared with €240.9 million for 2015, up 1.2%.

Outside of Europe, the results achieved in Japan (+25%) and Australia (+29%) are very encouraging, although these markets do not yet represent a significant percentage of the business.

In France, Vranken-Pommery Monopole is consolidating its leading position in the Off-Trade sector, but still faces difficulties in On-Trade following the drop in the number of people visiting restaurants, particularly in the Paris region.

In Europe, the Pound Sterling's depreciation following the Brexit has led to a sharp reduction in the Group's sales volumes in the UK. This reduction on its own represents 2% of the Group's Champagne business, masking the very good performances achieved in Germany and Italy, where business is developing strongly, up 7% and 12% respectively.

Rose Wine branch

The North American continent is a key factor behind the dynamic growth achieved in Grey and Rosé wine sales, which are up 16.7%.

The conversion of over 600 hectares to organic wine production, with 100 hectares in Provence and 500 hectares in the Camargue region, will be a source of growth in future years.

Outlook

Vranken-Pommery Monopole plans to continue moving forward with its sales development policy for its international brands, driven by the creation of new vintages. In 2016, the following Pommery & Greno champagnes were launched:

- Pommery Cuvée Louise 2004 Brut Nature
- Pommery Royal Blue Sky "on ice".

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VRANKEN-POMMERY MONOPOLE - SOCIÉTÉ ANONYME AU CAPITAL DE 134 056 275 EUROS

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In May 2017, sales of “Louis Pommery” Californian Sparkling Wines will be launched for the American and Japanese markets.

Sales of English Sparkling Wines will also be launched for the UK and Australian markets in 2017.

These launches of Sparkling Wines will consolidate the local image of Vranken-Pommery Monopole's US and UK subsidiaries and progressively contribute to growth in revenues for Vranken-Pommery America and Vranken-Pommery UK.

<i>In millions of euros</i>	Year ended 31 December			
	2016	2015	Change	Change as %
Champagnes	230.8	239.6	- 8.8	- 3.7%
Provence and Camargue wines	17.5	15.0	2.5	16.7%
Other	18.5	18.8	- 0.3	- 1.6%
Subtotal for brand sales	266.8	273.4	- 6.6	- 2.4%
Inter-industry sales (semi-finished products) and generic wines	33.3	23.2	10.1	43.5%
Total full-year revenues	300.1	296.6	3.5	1.2%

<i>In millions of euros</i>	Q4 (1 October - 31 December)			
	2016	2015	Change	Change as %
Champagnes	109.9	117.2	- 7.3	- 6.5%
Provence and Camargue wines	2.8	2.2	0.6	27.3%
Other	6.4	6.2	0.2	3.2%
Subtotal for brand sales	119.1	125.6	- 6.5	- 5.2%
Inter-industry sales (semi-finished products) and generic wines	26.6	16.2	10.4	64.2%
Total Q4 revenues (1 October / 31 December)	145.7	141.8	3.9	2.8%

<i>In millions of euros</i>	1 January - 30 September			
	2016	2015	Change	Change as %
Champagnes	120.9	122.4	- 1.5	- 1.2%
Provence and Camargue wines	14.7	12.8	1.9	14.8%
Other	12.1	12.6	- 0.5	- 4.0%
Subtotal for brand sales	147.7	147.8	- 0.1	- 0.1%
Inter-industry sales (semi-finished products) and generic wines	6.7	7.0	- 0.3	- 4.3%
Total revenues (1 January / 30 September)	154.4	154.8	- 0.4	- 0.3%

Next date

Publication of 2016 full-year earnings: 30 March 2017

About Vranken-Pommery Monopole

Vranken-Pommery Monopole is the second largest Champagne group.

With sites in Champagne, Provence, Camargue and Douro, it is Europe's leading wine grower.

Its brand portfolio includes:

- the leading Champagne brands VRANKEN, POMMERY, HEIDSIECK & CO MONOPOLE and CHAMPAGNE CHARLES LAFITTE;
- the ROZES and SAO PEDRO ports and TERRAS DO GRIFO Douro wine brands;
- the Sable de Camargue DOMAINE ROYAL DE JARRAS rosé wines and Côtes de Provence CHATEAU LA GORDONNE.

In addition, it is the joint owner, with the Castel Group, of the LISTEL brand portfolio.

Vranken-Pommery Monopole is listed on NYSE Euronext (Paris and Brussels).

(Codes “VRAP” (Paris), and “VRAB” (Brussels); ISIN: FR0000062796).

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