



**Press release**

**ANNUAL RESULTS 2010**

**A year of consolidation  
Current operating result up 30.6 %**

**REIMS, 31 March 2011** – The Board of Directors of Vranken-Pommery Monopole met on 30 March 2011, under the chairmanship of Paul-François Vranken and in the presence of the Auditor to close the accounts of the Group for the 2010 financial year.

In millions of euros	2010	2009 revised (*)	2009 published
<b>- Consolidated turnover</b>	364.4	269.8	269.8
<b>- Turnover excluding inter-champagne transactions</b>	342.1	269.8	269.8
<b>- Current operating result</b>	38.4	29.4	30.9
<i>% turnover excluding inter-champagne transactions</i>	11.2 %	10.9 %	
<b>- Operating result</b>	38.0	70.4 (*)	42.3
<i>% turnover excluding inter-champagne transactions</i>	11.1 %	NS	
<b>- Consolidated net result</b>	14.7	46.7 (*)	18.3
<i>% turnover excluding inter-champagne transactions</i>	4.3 %	NS	
<b>- Group share of net result</b>	14.7	46.8 (*)	18.2
<i>% turnover excluding inter-champagne transactions</i>	4.3 %	NS	

(\*) Upward revision of the badwill recorded on the takeover of the Domaines Listel further to the valuation of the Group's assets by independent experts.

*“The Vranken-Pommery Monopole group is based on an economic model with a worldwide scope borne exclusively by premium and prestigious brands whose value is enhanced by unique “heritage” assets and recognized know-how in wine making. Our strong points lie in our brand portfolio, in having the stocks necessary and sufficient for their development and in a worldwide distribution network.*

*As part of the implementation of this strategy, 2010 was a year of consolidation for Vranken-Pommery Monopole.*

*- Consolidation because we completed the structuring of our international network, enabling us to cover efficiently the countries that represent over 90 % of world champagne consumption. The investment phase is now over.*

*- Consolidation because we have significantly strengthened our financial structure by undertaking an equity capital increase of over 20 %, bringing it to EUR 311 million, and by reducing net financial indebtedness by almost EUR 20 million”;*

declared Paul-François Vranken.

## Business analysis

The Vranken-Pommery Monopole group recorded strong growth in business during the financial period that closed on 31 December 2010, thanks among other things to the integration of the DOMAINES LISTEL business.

With an unchanged structure and before the integration of Domaines Listel, the turnover amounted to EUR 309.1 million, up + 14.6 %, marking the recovery of our activities.

Non-recurrent inter-champagne transactions without added value accounted for EUR 22.3 million.

VRANKEN-POMMERY MONOPOLE has continued its original strategy focusing on a portfolio of sole and complementary international brands, which cover all segments of the market.

- Market shares therefore remained unchanged, making the growth recorded by the Champagne business (+ 6.7 %) remarkable.
- Volume rose by + 4% and the mix/price effect for Vranken-Pommery Monopole improved by + 2.7 %, reflecting the growth strategy for international brands and the reduction in national down-market brands.
- The VRANKEN and CHARLES LAFITTE brands saw significant growth in France and in Europe. The leading international brands HEIDSIECK & C° MONOPOLE and POMMERY also increased their share of the export market.  
The international brands were more severely affected in 2008 and 2009 and are recovering more gradually.
- **For the first time since it was established, the Vranken-Pommery Monopole Group recorded more champagne sales for export (52 %) than in France.**

The ROZES and TERRAS DO GRIFO port wine brands recorded very significant progress in excess of 10% both in France and for export.

The turnover recorded by the wine business amounted to EUR 55.3 million, down by a planned 4.6%. The group continued the strategy of strengthening the LISTEL (Sables de Camargue gris de gris wines) and LA GORDONNE (Rosé, Côte de Provence) brands, while reducing its trading and business activities. In the end, the turnover reflects a 5.8% improvement in the price mix.

## Financial elements

The Group's operating result for 2010 amounted to EUR 38.4 million, compared with EUR 29.4 million in 2009.

- The good progress in the current operating result benefited from the growth in sales in both volume and value of the champagne business, and from the integration of the Listel business which is undergoing restructuring, for just EUR 2.3 million over this financial period.
- The 2010 operating result integrates costs of almost EUR 20 million allocated to supporting and winning over the world market. These sustained investments give the group a major competitive advantage.
- Net financial charges fell to EUR 17.2 million during the 2010 financial year, compared with EUR 20.6 million in 2009, owing to the combined effect of the reduction in net financial indebtedness and the fall in interest rates.

The net result stands at EUR 14.7 million.

. The Group's financial situation has been strengthened by the fall in net financial indebtedness of EUR 19.3 million to EUR 551.8 million, compared with EUR 571.1 million in 2009. Taking into account the extraordinary carry-over of the grape harvest payment from 5 December 2009 to 5 January 2010, the fall in net financial indebtedness would be EUR 41 million.

. As in the past, the value of champagne stocks covers the champagne operating financial indebtedness by over 104 %. **The substantial, high-quality stock reflects the choice made by the group to give preference to premium vintages which represent a certain charge during the current financial period but which guarantee our future development on the international market.**

. Consolidated equity capital amounts to EUR 311.1 million, reflecting the asset wealth of Vranken-Pommery Monopole. For instance, the Group's gearing (debts/equity capital) has fallen to 1.77, compared with 2.27 in 2009.

Finally, the actual fair value method has been adopted for all the group's real-estate assets. On the basis of reports from independent experts, the revaluations have been integrated into the accounts for EUR 35.5 million (before tax impact) for Pommery and EUR 47.4 million (before tax impact) to correct for goodwill in 2009 in the accounts of Domaines Listel.

## Dividends

At the general meeting of 8 June 2011, Vranken-Pommery Monopole will propose a dividend of EUR 1.05 per share.

This dividend will be paid on 8 July 2011 and is expected to correspond to a gross yield of 3.1 % on the basis of the most recent stock market price.

## Outlook

*"The year 2010 ended well and confirms the trends anticipated by the Group. While champagne consumption is being maintained in France, it is developing mainly in the rest of the world. Vranken-Pommery Monopole is investing on the international market, where high-added value growth will be achieved. Moreover, the group intends to continue its strategy of upgrading by 2014, on the one hand by means of specialisation and by streamlining its production sites and on the other hand by optimising the brand price mix, while curbing growth in the volume of sales. Our premium and prestigious brands Vranken, Pommery, Heidsieck & C° Monopole, Listel, La Gordonne and Rozès are expected to generate an improvement in the operating margin of around 50 % by the year 2014"* declared Group Chairman Paul-François Vranken.

## About Vranken-Pommery Monopole

Vranken-Pommery Monopole is the second largest champagne group. Its portfolio of leading champagne brands comprises VRANKEN, with its Diamant and Demoiselle vintages, POMMERY, with its Louise and POP vintages, CHARLES LAFITTE and HEIDSIECK & CO MONOPOLE. The company owns the premium ROZES and TERRAS DO GRIFO port wine brands. Finally, 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.

The Vranken-Pommery Monopole group 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); ISIN code: FR0000062796).

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## APPENDICES

### Vranken-Pommery Monopole

#### Consolidated Financial Statements for the year ended December 31,2010

#### Consolidated Income Statement - IFRS

(in € thousands)	31/12/20098 Adjusted		31/12/2009 Reported	
<b>Revenue</b>	<b>269 810</b>		<b>269 810</b>	
<b>Purchases used in production</b>	-	<b>189 521</b>	-	<b>187 964</b>
Personnel costs *	-	35 920	-	35 710
Other operating income	990		990	
Other operating expenses	-	732	-	732
Taxes other than on income	-	3 986	-	3 986
Reversals of depreciation, amortization and provisions; expense transfers	-	1 735	-	1 405
Depreciation, amortization and provision expense	-	9 517	-	10 057
<b>Recurring operating profit</b>	<b>29 389</b>		<b>30 946</b>	
Other income	41 780		12 057	
Other expenses				
<b>operating profit</b>	<b>71 169</b>		<b>43 003</b>	
Financial income	1 996		1 996	
Financial expenses	-	22 646	-	22 646
<b>Profit before tax</b>	<b>50 519</b>		<b>22 353</b>	
Income tax expenses	-	2 987	-	3 386
<b>Profit for the period</b>	<b>47 532</b>		<b>18 967</b>	
- of which minority interests	-	36	-	82
<b>- of which profit attributable to equity holders of the parent</b>	<b>47 568</b>		<b>18 885</b>	

\*Including statutory and discretionary profit-sharing

## APPENDICES

### Vranken-Pommery Monopole

#### Consolidated Financial Statements for the year ended December 31,2010

##### Assets

in € thousands	31/12/2010	31/12/2009 Adjusted	31/12/2009 Reported
Goodwill			-
Intangible assets	94 302	95 528	97 170
Property, plant and equipment	283 615	249 071	200 726
Other non-current assets	20 350	16 618	16 618
Deferred tax assets	7 817	11 295	9 136
<b>Total non-current assets</b>	<b>406 084</b>	<b>372 512</b>	<b>323 650</b>
Inventories	538 515	556 220	560 885
Trade receivables	124 971	119 648	119 648
Other current assets	55 611	56 859	56 859
Current financial assets	299	201	201
Cash and cash equivalents	7 400	4 795	4 795
<b>Total current assets</b>	<b>726 796</b>	<b>737 723</b>	<b>742 388</b>
<b>Total assets</b>	<b>1 132 880</b>	<b>1 110 235</b>	<b>1 066 038</b>

##### Equity and liabilities

in € thousands	31/12/2010	31/12/2009 Adjusted	31/12/2009 Reported
Share capital	100 542	100 542	100 541
Reserve and share premium account	183 357	118 928	121 991
Profit for the period	14 650	46 758	18 208
<b>Equity attributable to equity holders of the parent</b>	<b>298 549</b>	<b>266 228</b>	<b>240 740</b>
<b>Minority interests</b>	<b>12 512</b>	<b>12 474</b>	<b>11 131</b>
<b>Total Equity</b>	<b>311 061</b>	<b>278 702</b>	<b>251 871</b>
Long-term borrowings	422 937	144 316	144 316
Employee benefit obligations	8 104	6 838	6 838
Deferred tax liabilities	58 781	46 896	30 572
<b>Total non-current liabilities</b>	<b>489 822</b>	<b>198 050</b>	<b>181 726</b>
Trade payables	156 539	162 935	161 893
Short-term provision	678	677	677
Income taxes payable	21 283	20 570	20 570
Other current liabilities	16 896	17 529	17 529
Short-term borrowings	132 726	423 786	423 786
Current financial liabilities	3 875	7 986	7 986
<b>Total current liabilities</b>	<b>331 997</b>	<b>633 483</b>	<b>632 441</b>
<b>Total equity and liabilities</b>	<b>1 132 880</b>	<b>1 110 235</b>	<b>1 066 038</b>