



PRESS RELEASE

**NET INCOME GROWTH
DESPITE THE DIFFICULTIES ON THE UK AND FRENCH MARKETS
FINANCIAL STRUCTURE FURTHER STRENGTHENED**

Reims, Thursday March 29, 2018 - 5:45 pm

LANSON-BCC is reporting 4.5% growth in net income for 2017, up to 11.65 million euros. The impacts of the sterling's further depreciation and an unfavorable competitive environment in France and Europe on net profitability for the year were offset by a better end to 2017 than 2016, progress on several Export destinations, positive pricing trends and the continued reduction in financial expenses. This has enabled the Group to continue strengthening its financial structure. In 2018, it is moving forward with its investments, in line with its long-term value development strategy.

Consolidated earnings

IFRS (€m)	2017	2016
Revenues	261.59	259.15
Gross margin	93.66	94.80
% of revenues	35.8%	36.6%
EBIT	20.39	23
% of revenues	7.8%	8.9%
Financial income / expense	-3.95	-6.60
Corporate income tax	-4.78	-5.25
Net income	11.65	11.15
% of revenues	4.5%	4.3%

2017 **consolidated revenues** came to **261.59 million euros** (+0.9%). Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, consolidated revenues represent **256.36 million euros** (+1.6%).

The Group's **EBIT** represents **20.39 million euros**, compared with 23 million euros (-11%). On the one hand, the sterling's continued depreciation (-6.5%) in 2017 once again affected performances in the UK, the Group's primary export market. On the other hand, strong competitive pressure undermined sales in France. The positive price-mix effects in France and for export were not able to fully offset these changes and the increase in the cost price of bottles sold during the year. EBIT for the year also factors in the ongoing programs for major investments in several Houses to further strengthen their potential for development.

Financial expenses primarily concern financing for the aging of Champagne stocks and represent **-3.95 million euros**, compared with -6.60 million euros, thanks to the continued reduction in the **average rate** for financial debt, down to less than 1%.

Pre-tax earnings came to **16.43 million euros** (+0.2%), with **-4.78 million euros** in income tax. The Group's **effective corporate income tax rate** was **29.1%**.

Net income is up to **11.65 million euros** (+4.5%), giving a **net margin rate** of **4.5%**.

Consolidated balance sheet

Shareholders' equity represents **273 million euros**, up from 264.55 million euros at end-2016.

Consolidated **net financial debt** totaled **505.55 million euros** (73% fixed rate), versus 500.70 million euros at end-2016. Out of this debt, **437.38 million euros**, compared with 434.13 million euros at end-2016, are allocated for financing the ageing of **Champagne stocks**, with a book value of **507.22 million euros**, versus 473.53 million euros at end-2016.

Other financial debt represents **68.17 million euros**, compared with 66.58 million euros at end-2016, and concerns investments for the various Houses.

The Group has continued to strengthen its financial structure: its **gearing** of **1.85** is at a normal position for the Champagne industry, in line with its high levels of stocks for aging, down from a high of 5.68 at end-2006 following the acquisition of Maison Burtin and Champagne Lanson. Excluding stocks, this ratio drops to 0.25.

In line with its commitments to normalize its dividend after clearing its acquisition-related debts, LANSON-BCC's Board of Directors will be submitting a proposal for approval at the General Meeting on June 1, 2018 for a **dividend** of **0.50 euros** per share, to be paid out on June 8, 2018. For reference, since 2006, the majority of earnings have been capitalized in order to give the Group the resources needed to drive its development.

Outlook

Confident about its future, LANSON-BCC is reasserting its long-term **value development** strategy. **The significant investments made in the Group's Houses are making it possible to promote their image and further strengthen their positioning in the high-end and luxury sector.**

The Group's development is underpinned by the effective fit between its Houses, combined with the increasingly widely recognized quality of their wines, their efficient production facilities and their effective management.

Additional information

The consolidated financial statements for 2017 were approved by the Board of Directors on March 29, 2018. The procedures to audit the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalized for filing the 2017 registration document.

Considering the importance of the last quarter of the calendar year, the LANSON-BCC Group will not be releasing any quantified targets for 2018. It has also decided to no longer report quarterly revenues from 2018.

LANSON-BCC is a group built around seven Houses that produce Champagne wines, created and led by Champagne families. The Group unites together outstanding Houses, renowned for their unique wines and benefiting from the effective fit between their customer segments. The blend of ancestral know-how and leading-edge technical capabilities, creative independence and rational synergies enables each one of its Houses to develop its performances, ensuring the LANSON-BCC Group's sustainability.

- **Champagne Lanson**, prestigious House founded 1760, Reims, with 80% distributed on international markets.

- **Champagne Chanoine Frères**, House founded 1730, Reims, wines intended primarily for the European mass retail market (Chanoine brand), reputed above all for its famous **Tsarine** cuvee.

- **Champagne Boizel**, House founded 1834, Epernay, French mail-order market leader (BtoC), distributed in the traditional sector for international markets.

- **Maison Burtin**, Epernay, European mass retail supplier and owner of the **Besserat de Bellefon** brand, which is distributed through traditional networks (restaurants, wine stores).

- **Champagne De Venoge**, House founded 1837, Epernay, sold on selective retail markets, notably with its **Louis XV** grande cuvee.

- **Champagne Philipponnat**, House founded 1910, Mareuil sur Aÿ, which owns the renowned **Clos des Goisses**, with wines also available on selective retail markets as well as in the world's leading restaurants.

- **Champagne Alexandre Bonnet**, Les Riceys, owner of a vast vineyard, with wine sold in traditional sectors.

www.lanson-bcc.com

Euronext Compartment B

ISIN: FR0004027068

Ticker: LAN

Reuters: LAN.PA

Bloomberg: LAN:FP

Indices: CAC All Shares,
CAC Beverages, CAC Consumer
Goods, EnterNext PEA-PME 150

Eligible for SME share-based savings
schemes
(implementing order of March 5, 2014)

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