



2008 Annual Results:
Current operating profit up 9.3%
Gearing ratio down

Consolidated income statement (€m) IFRS	2008	2007	Change
Sales	145.8 (*)	149.7	- 2.6 %
Closures	54.5	54.5	+0.1%
Barrels	91.2 (*)	95.2	-4.3%
Current Operating Profit	21.1	19.3	+9.3%
Head office	-0.6	-0.9	
Closures	5.8	4.4	
Barrels	15.9	15.8	
Other extraordinary income and expenses	-0.7	0.7	
Operating profit	20.5	20.0	+2.5%
Cost of net financial debt	-8.1	-7.7	
Other financial income and expenses	-2.6	-1.3	
Pre-tax profit	9.8	11.0	- 10.9%
Corporate income tax	4.6	11.4	
Net income	14.5	22.4	ns

Not audited figures

(*) The Boisé France company was consolidated as of 30 September 2008, and not over nine months as indicated in the previously published annual sales figures. As a result Boisé France contributed €0.9 million to 2008 group sales.

The yearly 2008 accounts ending on December 31, were signed off by the Oeneo Board of Directors on 18 March 2009. Over the year, the group has proved highly resilience in a downturn business environment and has continued to reap the benefits of its strategic choices.

The group has increased its shareholders' equity and slightly decreased its financial debt while keeping investments at a high level to drive development.

Despite the slight cyclical fall in Barrels Division sales, current operating profit rose by 9.3% to €21.1 million. This brings the current operating margin to 14.5% of sales, compared with 12.9% in 2007. This performance is the outcome of the gradual optimisation of productivity levels in the Barrels Division and of a steady improvement in margins in the Closures Division, largely as a result of the success of the "Diam" range of closures.

The group's restored profit outlook made it possible to activate €4.5 million-worth of deferred tax in 2008 (€11.4 million in 2007) taking net income for the full year to €14.5 million.

ANALYSIS AND OUTLOOK BY ACTIVITY

Barrels Division: Satisfactory resistance to deteriorating economic climate

During a somewhat downbeat 2008 due to smaller grape harvests and widespread caution on the part of principals towards year-end, the group successfully focused on improving its operating performance. The Division's operating margin improved by 17.4% compared with 16.6% in 2007, as it steadily caught up with the best-performing market players.

As already indicated, for 2009, the group is expecting another year of consolidation and will make it a priority to bolster the competitive advantages of its customer offering. Oeneo will also continue to work actively on adapting and improving its manufacturing processes in order to boost its competitiveness and to guarantee its long-term success.

Closures Division: Virtuous effect of “Diam” closures sales growth

The increased proportion of “Diam” closures in sales (43% in 2008 compared with 30% in 2007) has had a beneficial impact on the Division’s margins, at comparable sales. The current operating margin for 2008 stands at 10.6%, versus 8.0% in 2007.

This “virtuous” trend should keep on 2009 as long as “Diam” closures account for more than half of the Division’s sales. So far, the current year has got off to a particularly promising start for this range of closures.

In 2009, Oeneo will also start the first part of the €15 million investment program (spread over two years) to extend the “Diam” closures manufacturing facility in order to keep pace with the increased success of this product range among a growing number of clients.

BALANCE SHEET: DECREASE OF GEARING RATIO

ASSETS	2008	2007	LIABILITIES	2008	2007
Fixed assets	100.7	92.1	Shareholders' equity	66.9	50.8
Inventories	91.1	76.5	Net financial debt	108.1	108.7
Receivables and current assets	45.9	45.0	Other non-current liabilities	4.2	3.1
Net assets held for sale	-	0.2	Payables and other liabilities	58.5	51.1
Total	237.7	213.8	Total	237.7	213.8

Group shareholders’ equity rose sharply to €66.9 million. Cash flow from operations financed the whole of the group’s 2008 strategic investments:

- acquisition of a high quality stock of raw materials in the Barrels Division,
- development of a new production facility for the Seguin Moreau Barrels unit in Chagny, Burgundy,
- acquisition by Seguin Moreau of a majority equity stake in Bois  France to leverage synergies.

Net financial debt amounts to 161% of shareholders’ equity, compared with 212% in 2007 and 411% in 2006. The group is thus restoring its financial ratios while actively continuing its strategic investments, over the years.

CHANGE TO FINANCIAL YEAR CLOSING DATE

In order to be on line with the seasonal nature of the sector, the Oeneo Board of Directors will be proposing a resolution at the Annual General Meeting of Shareholders on 18 March 2009 to modify the closing date for the accounting period to 31 March instead of 31 December. If the resolution is approved by shareholders, the current financial year will exceptionally run for 15 months, covering the period from 1 January 2009 to 31 March 2010.

EXTENSION TO BSAR WARRANT MATURITY DATE

In view of adverse stock market conditions, the Oeneo Group, which is confident in its future, is planning to propose to all warrant holders and then to all Oeneo shareholders at their respective Annual General Meetings that the maturity of warrants initially set for 1 July 2009 should be extended to 1 July 2012, combined with a change in the warrant redemption parity, such that four warrants can be exchanged for one new Oeneo share. The other features of the warrants remain unchanged.

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