



## First Half 2009

### Strong Performance by Closures Division Barrels Division Affected by Economic Downturn

€m IFRS	2008	2009	Change	Like-for-like change (*)
Total First Half	63.9	57.7	-9.7%	-10.9%

(\*) like-for-like and at constant exchange rates

Over the full 6-month period Oeneo generated sales of €57.7 million as against €63.9 million in the first half of 2008. Activity levels at the Group's two divisions are contrasted, with Closures proving resilient, driven by sales of Diam closures, and a cyclical fall-off in sales at Barrels.

Improved margins in the Closures division mean that group first-half current operating profit will be significantly positive, although lower than in the first half of last year.

During the second half, the Oeneo group will continue to develop its Diam family in the Closures division. In the Barrels division, an activity which traditionally benefits from a substantial seasonal effect in the second half in terms of profitability, the group's priority will be to reduce its costs, optimise processes, and progressively integrate its staveboard supply sources while simultaneously sustaining sales and marketing pressure to boost market share.

#### Analysis of half-yearly sales and outlook by activity

€m IFRS	2008	2009	Change	Like-for-like change
Closures	29.0	29.0	0.0%	-0.3%
Barrels	34.9	28.7	17.7%	-19.5%
<b>Total First Half</b>	<b>63.9</b>	<b>57.7</b>	<b>-9.7%</b>	<b>-10.9%</b>

#### **Closures: nearly 60% of sales generated by Diam closures**

During the period, sales by the Closures division, at €29.0 million, were stable compared with the year-earlier period.

The breakdown of sales has, however, significantly changed, with closures in the Diam range now accounting for 59% of sales compared with 42% a year ago. The trend towards high-value added products has gathered pace, especially as the group continues to favour Diamant product margins and volumes.

Unit sales of Diam closures totalled 186 million during the first half, for a 45% volume increase. The customer base saw further steady growth, testifying to the growing commercial success of this range in a virtuous circle driven by high levels of customer loyalty.

Profitability in the division will benefit from the more favourable product mix and is forecast to improve significantly in the first half, in line with group objectives.

**Barrels: a year of transition, with further action to optimise mid-term economic performance**

During the first half the group was adversely affected by sluggish activity levels in Australia and the Americas, since in both regions harvests were smaller than in previous years.

The Oeneo group notes that, traditionally, the first half accounts for no more than one-third of the division's annual activity, as the second half benefits from grape harvests in Europe and the United States, its biggest markets. Principals remain cautious, however, with respect to order forecasts.

The new barrel manufacturing facility in Burgundy continues to ramp up production and is steadily winning new customers, demonstrating the validity of the group's strategic investment programme.

The expected sales synergies are also coming on stream in alternative markets following the acquisition of Boisé France. Initial sales figures confirm the group's development potential in this area going forward.

The Oeneo group also continues to invest in R&D, notably with the full-scale deployment at Radoux of Oakscan, a fast, stave-by-stave analysis system based on near-infrared spectrometry (NIRS), together with the full-scale use of the "Icône" at Seguin Moreau, which uses a technique of selecting wood according to the chemical markets influencing the barrel-wine relationship.

Oeneo intends to rapidly reap the economic fruits of its structural efforts as soon as the economic environment improves.

Oeneo will publish its half-yearly results on 15 September before the start of trading.

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