

Henkell & Co. records good performance for fiscal year 2016

- **Organic growth of + 3.6%**
- **Dynamic international business**
- **Gains for the core brands in Germany**

Good business performance

Wiesbaden, 10 May 2017 – Henkell & Co.-Gruppe closed out fiscal year 2016 with **sales revenue of 691.3 million euros**. Organic growth amounted to +24.5 million euros, up 3.6%. International business was the source of nearly 60% of revenue at 414.1 million euros; domestic sales totalled 277.2 million euros. Exchange-rate effects and one-off charges had an impact of -22.3 million euros, stemming chiefly from the falling British pound and spirits sales in the Czech Republic.

Henkell and Mionetto growing at home and abroad

The core international brands *Mionetto* and *Henkell Trocken* have continued their successful growth. Sales volume of *Henkell Trocken* increased +4.0% to 1.09 million 9-litre cases. *Mionetto* sales revenue increased despite price increases. Sales volume for the Prosecco brand rose +8.2% to 1.64 million 9-litre cases. *Mionetto* is the quantitative leader of the globally growing Prosecco market, now marketed in more than 70 countries.

Gains for the core brands in Germany

In the **German sparkling wine market** the Group recorded growth for all core brands while shifting away from the low-margin business, in line with strategy. The Group consolidated on its dominance as sparkling wine leader in the premium segment with the brands *Fürst von Metternich*, *Mionetto* and *Menger-Krug*, gaining 5.8% market share up to 54%. *Fürst von Metternich* played a major role in this result, sales of which were up 6.1% to 0.68 million 9-litre cases.

The *Sektmanufaktur* – an in-house production boutique at the Wiesbaden headquarters – is yet another way in which Henkell & Co. communicates the Group's claim to premium sparkling wines, allowing the public to experience first-hand the craftsmanship that goes into the manual production process.

Sales volume rose as well for *Söhnlein Brilliant*, up +2.7% to 1.58 million 9-litre cases. Sales of *Wodka Gorbatschow* climbed +8.0% to 1.43 million 9-litre cases as the brand increased its already substantial lead in the vodka market.

**Western Europe:
growth and
investment**

Dynamic international sales

The Wiesbaden-based corporation with subsidiaries in 20 countries is an expert producer in all significant sparkling wine product categories, and the market leader in numerous countries. In **Western Europe**, Henkell & Co.-Gruppe posted 7.7% growth on a currency-adjusted basis for revenue of 156.0 million euros. The main growth driver is *Mionetto*, which is especially strong in the UK and Benelux. UK subsidiary Copestick Murray, fully acquired in May 2016, again recorded double-digit growth in local currency as *i heart WINES* became the leading brand in the convenience segment. To meet the persistently high level of demand, a modern Prosecco winery is being built at the historic location in Valdobbiadene, to be completed in 2018.

**Consolidation of
market leadership in
Eastern Europe;
major investment in
new vineyards**

In the **Eastern European market** Henkell & Co.-Gruppe generated sales of 198.1 million euros, up 2.4% on a currency-adjusted basis, increasing its dominance in the sparkling wine markets of the Czech Republic, Hungary and Slovakia. Sales revenue rose again for the Bohemia brand in the Czech Republic despite disposal of the Czech spirits brands *Prazska Vodka* and *Dynybyl Gin*. In recent years Henkell & Co. has planted more than 300 hectares of vineyards in Moravia and Hungary, making the Group one of the largest vineyard investors in the region. The Group made gains in the Hungarian sparkling wine market through the launch of *Törley Excellence* and the premium brand *Hungaria*.

**Business strong
outside Europe**

The subsidiaries **Mionetto USA Inc.** and **Henkell & Co. Global**, which has been the central unit in charge of worldwide export marketing since 2016, recorded growth of +6.4% at EUR 60.0 million, propelled in large part by sales of the *Henkell Trocken* and *Mionetto* brands in Canada, the US and Australia. *Henkell* is the market leader in Canada, and in Australia the brand achieved impressive double-digit growth to surpass the million mark for the first time. Today *Henkell Trocken* is the only German Sekt sold in nearly every sparkling wine market in the world.

**Employees and
business investment**

The number of employees of the Henkell & Co. Group was unchanged in 2016 at 1,922 employees. Of this total, 514 personnel were employed in Germany. Henkell & Co.-Gruppe invested a total of 13.6 million euros in its business in 2016, focused on new vineyards and the starting of construction on the new winery facilities in Valdobbiadene.

Outlook

In the current fiscal year, Henkell & Co.-Gruppe is continuing on course for further successful internationalisation, remaining concentrated on strengthening its premium offerings and core brands. This is reflected in the acquisition in March of the international coconut liqueur brand *Mangaroca Batida de Côco*, currently sold in more than 20 countries. “The Group is looking to make further gains by winning over more and more customers around the world with our attractive brands,” commented Management Board Spokesman Dr. Andreas Brokemper.

About Henkell & Co.-Gruppe

Henkell & Co.-Gruppe has subsidiaries in 20 countries, and exports to more than 100 countries around the world. The Group is market leader in numerous countries for Sekt, Prosecco, wine and/or spirits of many varieties. The venerable Henkell winery in Wiesbaden is the headquarters of Henkell & Co.-Gruppe, home of such brands as Fürst von Metternich, Mionetto Prosecco, Henkell, Söhnlein Brillant and Wodka Gorbatschow.

For more information, visit www.henkell-gruppe.com. The latest Henkell & Co. image spot can be viewed at <https://www.youtube.com/watch?v=dTo25XUxDsc&t=1s>

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