

# HIJOS DE ANTONIO BARCELÓ

## Export sales and business growth

Internationalisation, with 40% of turnover coming from foreign markets and EBITDA up 4%, shaped a successful year in terms of recognition.

Founded in 1876, Hijos de Antonio Barceló is one of Spain's top 20 wine groups. The company focuses on producing, ageing, bottling and marketing quality wines, and operates in Spain and in other countries.

International business accounts for 40% of turnover, while the Company's exposure to leading Spanish Denominations of Origin provides it with diversification and potential to expand. America accounts for 24% of sales, and Europe for 15%.

### THE WINERIES AND THEIR BRANDS

The Company has wineries in five of Spain's most prestigious winegrowing areas, where it operates various business lines:

- Ribera del Duero, Rueda and Toro Denominations of Origin account for 30% of the wine group's total turnover, mainly under the Viña Mayor brand, which covers wines from all three districts.
- Rioja Denomination of Origin: the Glorioso and Cosme Palacio brands are the key assets of Bodegas Palacio. Turnover increased by 11% in 2015 to account for 27% of the total.
- Quality rosé wines by Bodegas Peñascal (Valladolid). Peñascal, Spain's leading rosé wine brand, accounts for 18% of total turnover.

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- Aperitif and other sweet wines, and wines from Castilla y León, account for the remaining 25% of turnover.

The Company, which combines tradition and innovation in the winemaking process, is certified to the following standards: ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), and ISO 22000 (Food Safety Management Systems). Moreover, as a reflection of its commitment to the environment, our Ribera del Duero vineyards conform to the EU rules for organic wine. The Company is a member of *Wineries for Climate Protection* and plays an active role in activities to promote sustainability.

Greater focus on our main brands, which expanded sales by 13% in a market that grew by just 2.8%, coupled with process optimisation, resulted in a change in

product mix and improved unit returns. As a result, EBT increased by 15% and EBITDA by 4%. Notable events in 2015:

- Hijos de Antonio Barceló was ranked 16th among the Top 100 Wineries of the World and 4th among Spanish wineries.
- The Company continued to work on enhancing its brands through advertising in the media and at events.
- The Cosme Palacio brand was revitalised and the Cosme Palacio 1894 red 2012 achieved 95 points in the Peñin Guide.
- The Bodegas Palacio winery and surroundings are being refurbished. Work is scheduled to be completed in the first quarter of 2016.
- Optimisation of logistics and operational processes will enable us to be more competitive.