



Pernod Ricard

Business and Financial Press Kit

“LUXURY IN

A BOTTLE”

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Created by the merger between Pernod and Ricard (1975), the Group has undergone sustained development, founded on both organic growth and acquisitions. The purchase of part of Seagram (2001) and the acquisition of Allied Domecq (2005) have made Pernod Ricard the world's n°2 in wines and spirits with sales of € 6.4 billion in 2006/07. Pernod Ricard consolidated net sales for the 2007/08 1st half-year (1st July to 31 December 2007) increased by 5.9% to € 3 713 million.

Pernod Ricard is one of the world's leading companies in wines and Premium spirits, the market segments that are seeing the strongest growth prospects. The Group is number one in the Ultra Premium spirits market.

The strength of Pernod Ricard is based on three key assets.

- Firstly, a **unique portfolio of prestigious brands** with leaders in each category.
- Secondly, a **total control of the distribution** throughout the world. This is a key factor for success in taking advantage of opportunities rapid growth offered by the emerging countries: China, India, Russia, Brazil and Mexico. The management teams in the Group's subsidiaries all have an entrepreneurial spirit and know how to take the necessary initiatives to optimise our international strategy at the local level.
- Finally, our strength is built on a **marketing culture** based on history and respect for the brands. Martell and Jameson were created in the 18th century, while Chivas Regal, Ballantine's, The Glenlivet, Mumm and Perrier-Jouët date from the 19th century. They have successfully survived many eras thanks to their constant quality and the strength of their characteristics. They are the ambassadors of an art of living, of a culture: those of Scotland and Ireland for whiskies, and of France for cognac and champagnes.

The Group favours a **decentralised organisation**, with Brand Owners and Distribution Companies established in each key market, and employs a workforce of around 18,000 in 70 countries.

In addition, Pernod Ricard is strongly committed to a sustainable development policy and thus encourages **responsible consumption** in order to prevent alcohol abuse.



Pernod Ricard, luxury in a bottle

Pernod Ricard has a portfolio of exceptional brands that now make the group one of the leading players in the world of upmarket brands.

Today, the Group ranks **second in the Premium** ⁽¹⁾ spirits segment and **first in the Ultra Premium segment** ⁽²⁾. The very sharp rise in sales of Premium and Ultra-Premium products is driven by the United States and emerging countries such as China or Russia.

The premiumisation strategy meets the expectations of consumers who want to drink less, but to consume higher quality products. At the same time, this strategy is a powerful lever for accelerating growth in sales and increasing margins.

(1) Products with a price equal to or higher than USD 26 a bottle.

(2) Products with a price equal to or higher than USD 84 a bottle.

From Premium to Ultra Premium

Standard Premium
SPIRITS AND CHAMPAGNES > USD 17*
WINES > USD 5*

Premium
SPIRITS AND CHAMPAGNES > USD 26*
WINES > USD 10*

Super Premium
SPIRITS AND CHAMPAGNES > USD 42*
WINES > USD 15*

Ultra Premium
SPIRITS AND CHAMPAGNES > USD 84*
WINES > USD 20*

* Price for a 75 cl. bottle



Section 2

15 strategic brands

Spirits

World n°2 with 75 million cases^{1, 2}

Anise drinks



Ricard
(5,7 Mc¹)

Whiskies

Ballantine's
(5,9 Mc¹)



Chivas Regal
(4,1 Mc¹)



Cognac

Jameson
(2,3 Mc¹)



Martell
(1,6 Mc¹)

The Glenlivet
(0,5 Mc¹)



Liqueurs

White Spirits



Malibu
(3,5 Mc¹)

Beefeater
(2,4 Mc¹)



Kahlúa
(2,2 Mc¹)

Havana club
(2,8 Mc¹)



Wines & Champagne

World n°4 with 24 million cases^{1, 3}

Wines

Champagnes



Jacob's Creek
(7,8 Mc¹)

Mumm
(0,6 Mc¹)



Montana
(1,4 Mc¹)

Perrier-Jouët
(0,2 Mc¹)



¹ 2006/2007 data in million 9-litre cases.

² Source: IWSR 2006 – Western Style spirits, excluding agency brands, RTDs, wines, wine based aperitifs

³ Source : IWSR 2006 – Quality wine the price of which is superior to \$3US a bottle.

⁴ Stolichnaya distribution rights.



Section 3

We sell our brands with our people

- A leading international player established in 70 countries



* Source: IWSR 2005 – “Western style” spirits, excluding RTDs, wine and wine-based aperitifs

Pernod Ricard holds first or second place among the international spirits companies:

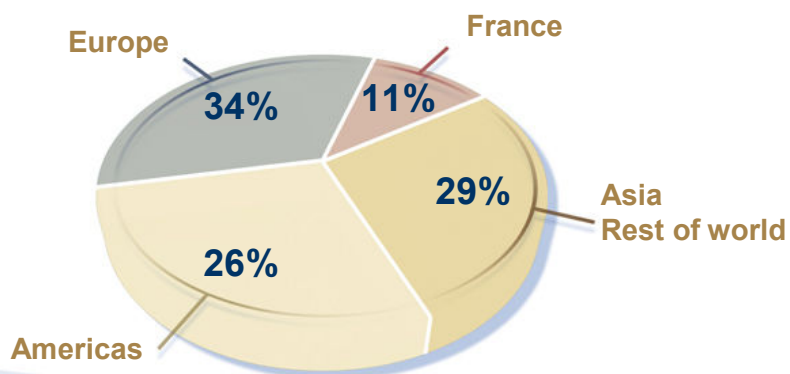
- in Western markets*:

- n°1 in France, Ireland and Japan,
- n°2 in Canada, Greece, Spain, Italy and the United Kingdom.

- and in developing countries*:

- n°1 in Argentina, China, India, Mexico, Russia and South Korea (ex-aequo),
- n°2 in Brazil.

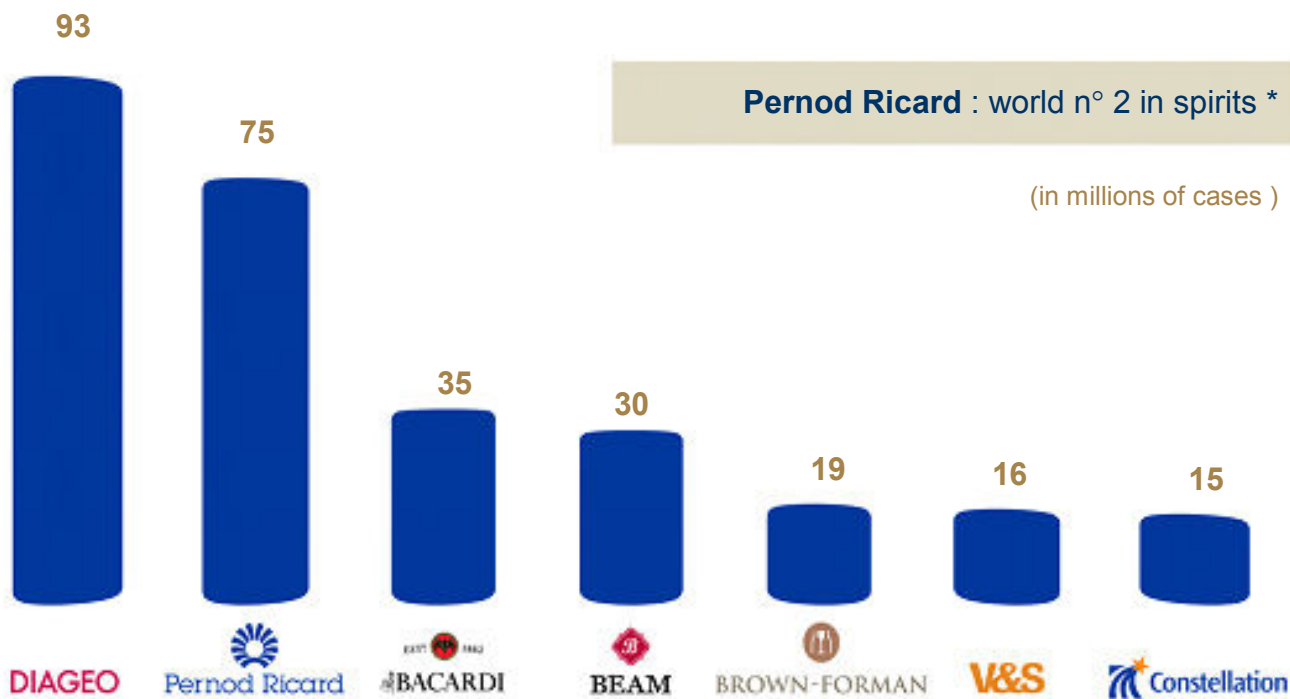
- Geographic split of the half-year sales 2007/08





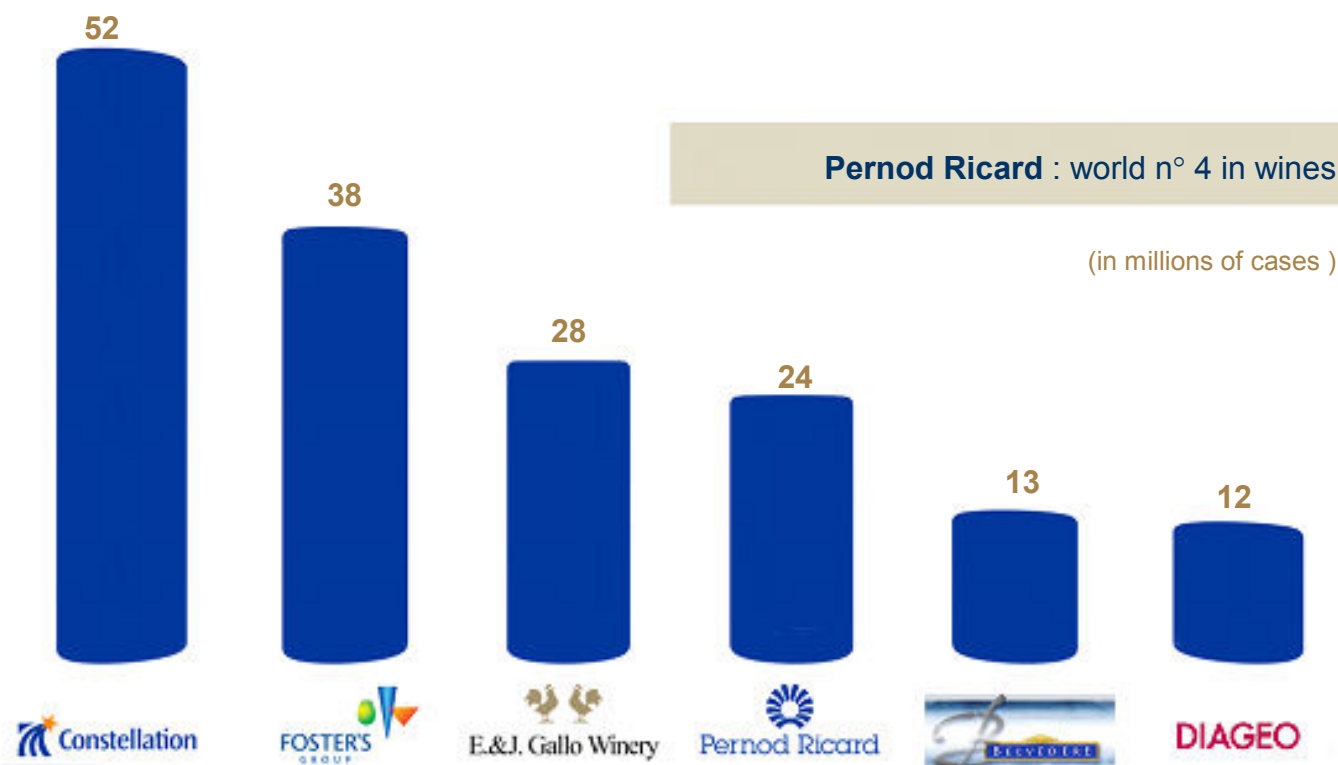
Section 4

Strong Wine and Spirits position



* Source: IWSR 2006 – "Western style" Spirits, excluding agency brands, RTD, wines and wine-based aperitifs.

** Source: Impact magazine 2006.



Source: IWSR 2006 – Quality wine the price of which is superior to \$3US a bottle.

Section 5

Key figures

● Full-year summarised income statement (1st July – 30 June)

€ millions	2005 - 2006	2006 - 2007	Δ
Sales (excl. duties and taxes)	6 066	6 443	+6,2%
Gross margin*	3 578	3 827	+6,9%
Distribution costs	(213)	(240)	+12,5%
A&P expenditure	(1 035)	(1 101)	+6,3%
Contribution after A&P expenditure	2 330	2 486	+6,7%
Trading costs and overheads**	(1 075)	(1 039)	-3,4%
Profit from recurring operations	1 255	1 447	+15,3%
Result from non-recurring operations	(126)	20	n/a
Operating profit	1 129	1 467	+29,9%
Recurring financial income/(expenses)	(350)	(341)	-2,5%
Non-recurring financial items	(60)	(10)	n/a
Profit from discontinued operations	57	-	n/a
Income tax	(108)	(260)	n/a
Income from associates	2	1	n/a
Minority interests	(30)	(25)	n/a
Net profit - Group share	639	831	+30,0%

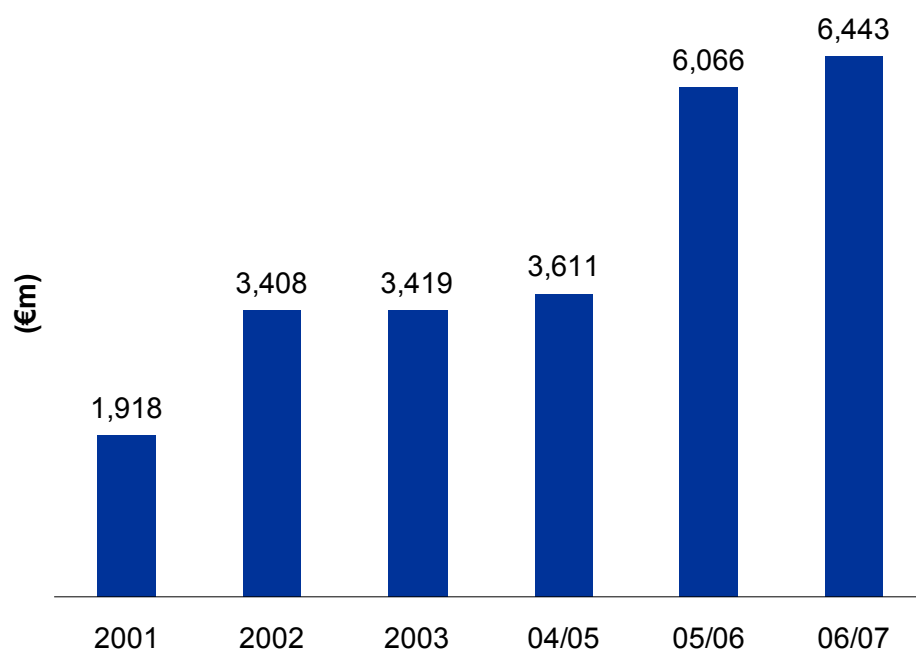
Financial year runs from 1 July to 30 June, since 1 July 2005 following an exceptional 18 month financial reporting period.
 Figures under IFRS

* After production costs

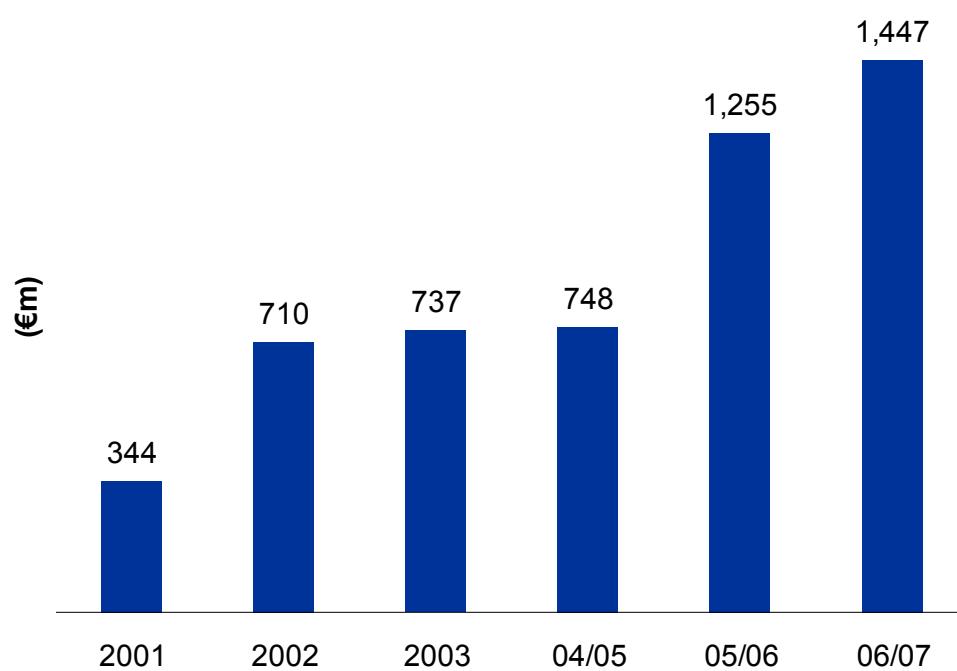
** including other income and expense



● Net sales (wines & spirits only)



● Ebita (wines & spirits only)



● Half-year summarised income statement (1st July – 31 December)

€ millions	2006 - 2007	2007 - 2008	Δ
Net sales (excl. duties and taxes)	3 507	3 713	+5.9%
Gross margin*	2 088	2 249	+7.7%
Logistics costs	(125)	(123)	-1.9%
Gross margin after logistics costs	1 963	2 126	+8.3%
A&P expenditure	(561)	(623)	+11.1%
Contribution after A&P expenditure	1 402	1 503	+7.2%
Structure costs**	(516)	(538)	+4.2%
Operating profit from ordinary activities	886	966	+9.0%
Other operating income and expenses	(21)	5	NC
Operating profit	865	970	+12.2%
Financial income/(expenses) from ordinary activities	(173)	(176)	+1.6%
Other financial items	5	(9)	NC
Profit from discontinued operations	-	-	NC
Income tax	(183)	(184)	+0.6%
Minorities interests & Associates	(14)	(13)	-8.1%
Net profit - Group share	500	588	+17.7%

Financial year runs from 1 July to 30 June, since 1 July 2005 following an exceptional 18 month financial reporting period.

Figures under IFRS

* After production costs

** including other income and expense



Section 6

Successful decentralised organisation

With global ambition reinforced by its local roots, Pernod Ricard created a **decentralised organisational structure** in order to unite its local and global dimensions. Group management are firm believers that decentralisation constitutes a determining factor in **motivation** and **effectiveness**.

● The Holding company, setting strategic direction

- The holding company in this type of structure focuses on **setting overall strategy** and **controlling Group activity**, leaving subsidiaries with the responsibility for operational decision-making on the ground.
- List of Regional Holdings: Pernod Ricard Europe, Pernod Ricard Americas, Pernod Ricard Asia and Pernod Ricard Pacific.

“We must set a global strategy, and then adapt it in accordance with the local needs and the customs of each country. We cannot successfully react to a South American consumer from an office in Paris.”

Patrick Ricard,
Entreprendre 30th anniversary special issue

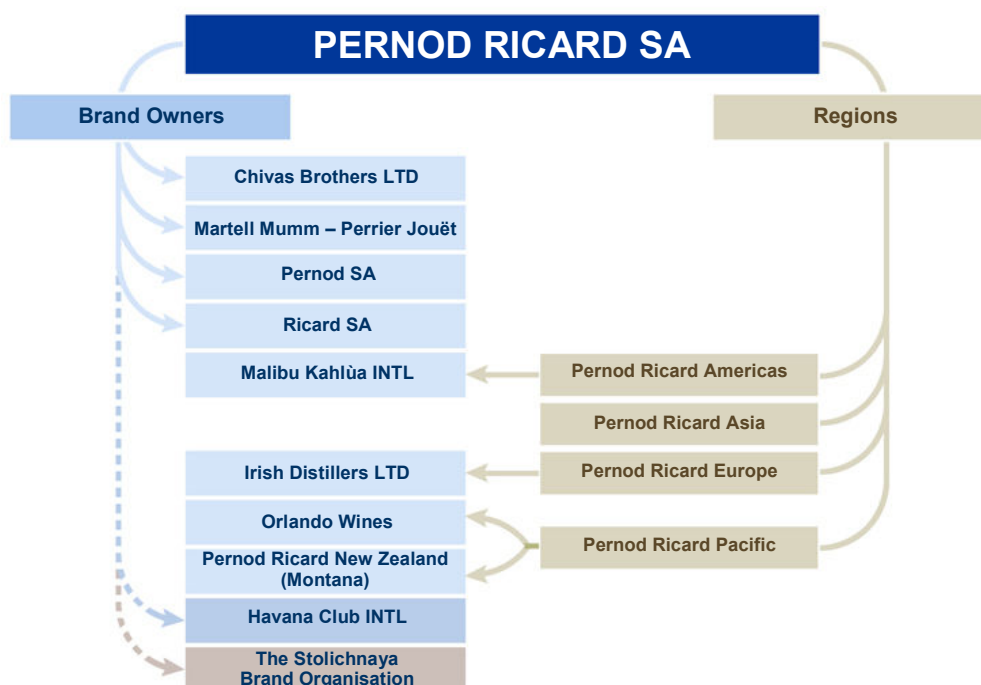
Successful decentralised organisation

● The subsidiaries: operational decision-makers

The Group is composed of

- "Brand owner" companies who have a thorough understanding of the brands and are responsible for the production and strategy for their brands, and
- Distribution companies of these international brands, grouped together by regions, which market them to all key markets, supported by powerful local brands.

Decentralised management structure



- Operational decision-making takes place at the level of brand owners and their distribution subsidiaries.
- Brand owners develop their marketing strategy and the distribution subsidiaries adapt this strategy to national markets, in partnership with brand owners.
- Operating subsidiaries, brand owners or distributors, are thus independent and responsible: they are close to their consumers and to the individual cultures of each of the brands.
- List of principal brand owner companies: Ricard, Pernod, Chivas Brothers Ltd, Martell-Mumm-Perrier Jouët, Irish Distillers Ltd, Montana Wines Int, Orlando Wines Int, Malibu-Kahlúa Int, the joint venture Havana Club International and the Stolichnaya Brand Organisation.

"We must be able to react quickly in each market. That is why managers of Pernod Ricard subsidiaries across the world operate as if they were managing their own companies."

Patrick Ricard,
Entreprendre 30th anniversary special issue



Pernod Ricard's **30 years** of existence can be broken down into five critical phases:

● 1975: Creation of Pernod Ricard

Fierce competitors in the French market, Ricard and Pernod decide in December 1974 to join forces in order to conquer international markets. The new Group includes Campbell Distillers (Scotch whiskies) and JFA Pampryl.

"With Pernod Ricard, we shall be able to quickly develop our exports and our international operations."

Paul Ricard

● 1980 to 1984: First international acquisitions

Pernod Ricard completes its first acquisitions in whisky, which is already the top selling spirit in the world. Then the Group builds a global sales network.

- **1981**: Acquisition of the **US group Austin Nichols**, producer and distributor of Wild Turkey bourbon.
- **1982**: Takeover of **SIAS MPA**, the world's n°1 producer of fruit preparations for the agri-foods industry.
For the first time, international sales exceed sales in France.
- **1984**: Acquisition in a non-alcoholic drink area: La Compagnie Française des Produits Orangina.

● 1985 to 1996: Building a global network

- **1985**: Acquisition of the **Italian group Ramazzotti**.
- **1988**: Acquisition of the only producer of **Irish** whiskey in the world, **Irish Distillers**, owner of prestigious brands (Jameson, Paddy, Bushmills and Powers).
- **1989**: Acquisition of the **Australian** wine group **Orlando Wyndham**, renowned for its Jacob's Creek brand.
- **1991**: First successes in Asia.
- **1993**: Pernod Ricard and the **Cuban** company Cubaron create **Havana Club International**, a 50/50 joint venture for the commercialisation of Havana Club rum.

"We have acquired brands on a country by country basis, taking care to preserve their local roots in order to satisfy our global ambition."

Patrick Ricard,
Entrepreneur 30th anniversary special issue

From a European business to a global leader

● 1997 to 2000: Structuring

- **1997:** Acquisition of the **Larios company** (Spain) and acquisition of an interest in the **Czech** bitters Becherovka producer **Jan Becher**.
- **1999:** Acquisition of **Yerevan Brandy company** (Ararat) (Armenia) and acquisition of **Agros** and the international rights to Wyborowa.
- **2000:** Acquisition of the **Mexican** tequila producer **Viuda de Romero**.

● 2001 to 2005: Major acquisitions – refocusing on core business

- **2001:** Acquisition of 38% of Seagram's wine and spirits activities for \$3.2 billion.
Disposal programme for non-alcohol sector assets: Orangina, JFA Pampryl and SIAS MPA are sold.
Chivas Regal, Martell and The Glenlivet added to the original brand portfolio.
The Group doubles its size in the wine and spirits sector and thus becomes one of the world's leading three operators.

Acquisition of the **Polish** vodka producer Wyborowa.
- **2002:** Partnership agreements with Sogrape for the distribution of Sandeman (Port)
Partnership agreement with Kirin for the distribution of Four Roses (Bourbon).
Continued disposals of non-alcohol sector assets.
- **2004:** Acquisition of the **New Zealand** wine producer Framingham Winery.
- **2005:** Acquisition of **Allied Domecq** in partnership with Fortune Brands for €10.7 billion .

The spirit brands of Ballantine's, Malibu, Kahlúa, Beefeater, Stolichnaya (distribution rights) and wines (Montana, Campo Viejo, Graffigna) as well as the champagnes Mumm & Perrier-Jouët join the portfolio of the Group.
Sale of the Old Bushmills distillery and Larios gin.

"If we continue on the same track, in ten years time we should be close to becoming N°1, then we will realise our wishes"

Patrick Ricard,
Entreprendre 30th anniversary special issue



Section 8

Stock market performance

● Pernod Ricard listing information

Stock market listing: Eurolist compartiment A.

Codes: ISIN: FR0000120693; Reuters: PERP.PA; Bloomberg: RI FP.

Deferred Settlement Service (SRD) eligibility: Yes

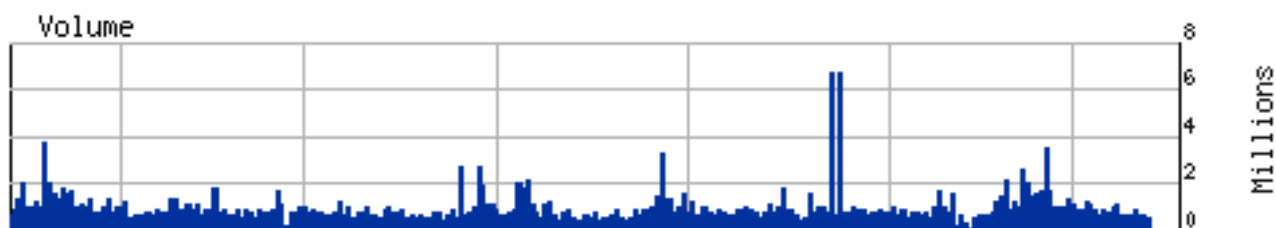
Pernod Ricard shares were first listed on the Paris Stock Exchange on 1 January 1975.

The Group was included in the CAC 40 index, the Paris Stock Exchange premier index, when it was created on 31 December 1987. After an absence of 6 years, it was again included in the CAC 40 index on 11 July 2003.

● Overview

	Share price at 26/02/2008	Lowest 12-month close	Highest 12-month close	Overall 12-month close
Pernod Ricard	70.48 €	61.65 €	79.97 €	-10.84%
CAC 40	4 973.07 points	4 505.14 points	5 665.94 points	-11,42%

● 12-month share price performance (rebased to 100)



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Section 9

Executive management biographies

Patrick RICARD - Chairman-Chief Executive Officer

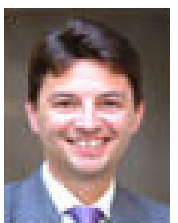
It was in 1967 that Patrick Ricard joined the Ricard company, founded by his father Paul in 1932. He held successive positions in the company's main departments, becoming managing director in 1972. With the creation of Pernod Ricard in 1975 he was appointed Group managing director and then, in 1978, Chairman and CEO of the Group. He was the architect of the Group's ambitious strategy of growth through acquisition, aimed at broadening the product range and accelerating the development of the international business. The strategy proved a resounding success, sales outside France now accounting for 90% of turnover as against 17% when the Group was formed. Despite such exceptional growth, the Group's guiding operational principle – decentralisation – has remained unchanged. Maintaining this management style throughout its acquisitions has helped new employees integrate quickly and empowered managers. Since its formation, Pernod Ricard has doubled in size every seven years, its market capitalisation growing fivefold over the last five years. This exemplary record led American magazine Fortune to name Patrick Ricard 'European Businessman of the Year' in 2006. Born in 1945, Patrick Ricard is married with three children. His interests include hunting and opera. Patrick Ricard has received numerous distinctions including that of the Commander of the Legion of Honour and Knight of the National Order of the Merit.

**Pierre PRINGUET - Managing Director**

A graduate of the Ecole Polytechnique and the Ecole des Mines, Pierre Pringuet started his career in the French civil service. He became an advisor to the government minister Michel Rocard from 1981 to 1985 before being given responsibility for the farming and food-processing industries at the Ministry of Agriculture. He joined Pernod Ricard in 1987 as development director, playing an active role in the Group's international development and occupying the posts of managing director of the Société pour l'Exportation des Grandes Marques (1987-1996) and then chairman and CEO of Pernod Ricard Europe (1997 – 2000). In 2000 he joined Patrick Ricard at the corporate headquarters, together with Richard Burrows, as one of Pernod Ricard's two joint Managing Directors. Pierre Pringuet led the successful acquisition of Allied Domecq in 2005, and then the integration process. In December of that year he became the Group's sole managing director. A board member of Pernod Ricard since 2004, Pierre Pringuet also chairs the Comité Sully, which promotes the French food-processing industry. He holds the rank of Chevalier of the Légion d'Honneur and the Ordre National du Mérite, and of Officier du Mérite Agricole. He was born in 1950 and is married with two children. His interests are skiing, golf and opera.

**Emmanuel BABEAU - Deputy Managing Director Finance**

ESCP Business School - Emmanuel Babeau joined the Group in 1993 at Pernod Ricard Holding as Internal Auditor and then took the responsibility for the Financial Services. In 1997, he is appointed Financial Director of Pracs (today Pernod Ricard España) and in 2001 is nominated at the Holding as Development Director. In 2003, he is nominated Chief Financial Officer Group Pernod Ricard. Since September 2006, he is the Deputy Managing Director in charge of Finance.

**Bruno RAIN - Deputy Managing Director Human Resources**

HEC Business School - Bruno Rain has joined the Group in 1987 as Internal Auditor at the Holding. In 1989, he is appointed Finance and Administration Director at SEGM (presently Pernod Ricard Europe), before becoming the Group Finance Director in 1994. At the beginning of 1997 he is appointed CEO of Pernod Ricard Argentina and becomes, three years later, CEO of Pernod Ricard Larios, today Pernod Ricard España. Since September 2006, he is Deputy Managing Director in charge of Human Resources.

**Thierry BILLOT - CEO Pernod Ricard Europe**

Thierry BILLOT, ESCP qualified, joined Pernod Ricard in 1983 as an internal auditor, then Head of Financial Services. Appointed Administration and Finance Director of Cusenier in 1985, he becomes Finance Director of Pernod Ricard in 1986. Since 1992, he has been General Manager, then Chairman and CEO of Austin Nichols in 1994. In 1996, he became CEO of Pernod then in 2002, CEO of Pernod Ricard Europe.



Executive management biographies

Michel BORD – CEO Pernod Ricard Americas

Michel BORD, an arts graduate, Chairman and CEO of Martell in Venezuela then Managing Director of Seagram in Venezuela, joined the Group in 1991 as Managing Director of Prasca, SEGM's subsidiary in Spain. In 1997, he became CEO for Pernod Ricard North America then in 2005 CEO of Pernod Ricard Americas.



Lionel BRETON – CEO Martell Mumm Perrier-Jouët

Lionel BRETON graduated as an Engineer of the Ecole Supérieure Physique Chimie de Paris and possesses a university post-graduate research degree in organic chemistry. He first joined Pernod Ricard as Product Group Manager in February 1983. Then, he successively held positions as Pernod Marketing Director (1985/1991), Africa and Asia Director for Orangina International (1991/1992), CEO and eventually Chairman and CEO of San Giorgio Flavors (1992/1996), CEO of Prasca (1996/1997), CEO of Pernod Ricard Larios (1998/2000), and CEO of SIAS MPA. He was appointed CEO of Martell & Co in 2001.



Pierre COPPÉRÉ – CEO Pernod

Pierre COPPÉRÉ, ESCP qualified, joined SEGM in 1979 as Export Market Manager, and since then, has successively held the posts of Sales Director for SEGM in Germany, Group Marketing Manager for SEGM in Paris and up until January 1996, Sales Director for Renault Bisquit. In 1996, he becomes Director of Pernod Ricard Asia's South East Asia zone as well as Managing Director of Perithaï (Thailand). In 1997, he becomes General Manager of Polacek and Preco (Poland, The Czech Republic and Hungary) then in 1998 Managing Director of Pernod Ricard Nederland. Since 2001, he has been CEO of Pernod.



Philippe DRÉANO – CEO Pernod Ricard Asia

Philippe DREANO, ESSEC qualified, joined the Group in 1989. In 1991, he becomes Export Director of Pernod International then since 1994, Managing Director of Perithaï (Thaïlande). In 1996, he became Managing Director of Pernod Ricard Japan then in 2000 CEO of Pernod Ricard Asia.



Laurent LACASSAGNE – CEO Pernod Ricard Pacific

Laurent LACASSAGNE, HEC, DECS, joined the Group in 1988 as Auditor at Pernod Ricard before being appointed, in 1990, Finance and Administration Director of Besserat de Bellefon and later of Cusenier.

In 1994, he became Finance and Administration Director of SEGM, the former name of Pernod Ricard Europe. From 1997, he was Pernod Ricard Finance Director.

In 2003, he became Chairman and Chief Executive Officer of Orlando Wyndham in Australia. Then in 2006, Chief Executive Officer, Pernod Ricard Pacific Region.



Christian PORTA – CEO Chivas Brothers

Christian PORTA, ESCP, joined Pernod Ricard in 1988 as Internal Auditor before taking the position of Head of Financial Services. In 1994, he was appointed Finance and Administration Director of Pernod, and became in 1998 Managing director of Campbell Distillers. In 1999, he was appointed Chairman and Chief Executive Officer of Orlando Wyndham, the Group subsidiary in Australia. Since 2004, he has been Chief Executive Officer of Chivas Brothers.



Philippe SAVINEL - CEO de Ricard

Philippe SAVINEL, ESSEC, joined Pernod Ricard in 1985 as Internal Auditor, before taking up responsibility of the Planning Budgeting Service at the Holding in 1987. In 1989, he was appointed Finance Director of Orangina and in September 1993 he joined the Ricard company where he was Finance Director and then National Sales Director as of 1997. Since 2001, he has been Chief Executive of Irish Distillers. Philippe SAVINEL has been Chief Executive Officer of Ricard since 2005.

