



**Pernod Ricard accelerates its deleveraging plan with the disposal of Wild Turkey for US\$ 575 million and the intention to raise €1 billion of capital by way of a rights issue**

- **With the sale of Wild Turkey to Campari for a transaction value of US\$ 575 million, Pernod Ricard has now completed nearly 60% of its €1 billion non strategic assets disposal plan announced in July 2008**
- **Intention to raise € 1 billion in equity capital by way of a rights issue, which will both strengthen the capital structure and address the major part of refinancing needs until July 2013**
- **Confirmed guidance of double-digit growth in Group net profit from recurring operations over the full 2008/09 fiscal year (at least € 1 billion)**

Press release - Paris, 8<sup>th</sup> April, 2009

**The Wild Turkey disposal**

Pernod Ricard announces that it has signed a definitive agreement to sell its Wild Turkey American straight bourbon and related businesses to Gruppo Campari for a total purchase price of US\$ 575 million to be paid in cash, or € 433 million at current exchange rate, representing approximately 10 times the brand's historic contribution after advertising and promotion.

The transaction includes the Wild Turkey brands, along with American Honey liqueur, distillery facilities in Kentucky and related assets, together with aged bulk bourbon inventory. It also provides that Pernod Ricard will continue to distribute the Wild Turkey brands in Australia and New Zealand, for a transitory period, and in Japan, the second largest non-US market, pursuant to distribution agreements with Campari.

The transaction is subject to antitrust approvals and is expected to close in the second quarter. BNP Paribas and J.P. Morgan acted as financial advisors to Pernod Ricard and Debevoise & Plimpton LLP acted as legal advisor.

The sale of Wild Turkey is an important part of the € 1 billion disposal plan of non strategic assets communicated after the Vin & Sprit acquisition. With the disposals of Glendronach, Cruzan, Bisquit, as well as of the Serkova and Vin & Sprit brands sold at the request of the competition authorities, the overall disposal gross proceeds reach approximately € 577 million as of today. The Group confirms its intention to complete this plan within 12 months.

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## **On the back of steady progress on its disposal plan, Pernod Ricard announces its intention to raise approximately € 1 billion in equity capital by way of a rights issue**

As authorized by the tenth resolution voted at the November 7th, 2007 annual general meeting of shareholders, Pernod Ricard today announces its intention to raise € 1 billion in equity capital by way of a rights issue (“*augmentation de capital avec maintien du droit préférentiel de souscription*”) in order to enable existing shareholders to support the Group and preserve their interests. Proceeds will be used to pay down debt.

The proceeds from the rights issue and the completion of the well-advanced non strategic assets disposal plan will allow the Group to strengthen its balance sheet and address the major part of its refinancing needs until July 2013. Besides, the rights issue will allow for quicker decrease of the Group’s Net Debt /EBITDA ratio which will further reduce the syndicated loan margins.

Société Anonyme Paul Ricard and its subsidiary Lirix have confirmed their support to the rights issue and will subscribe through a cash-neutral transaction (“*opération blanche*”).

Groupe Bruxelles Lambert has also signaled its confidence in the Group’s outlook by indicating its intention to fully subscribe to its pro rata share of the rights issue.

A group of banks is currently advising Pernod Ricard in connection with the rights issue, which it intends to launch as soon as possible, subject to both market conditions and agreement on final terms by the Board of Directors. It is also subject to the granting of a visa by the French market regulator AMF on the related prospectus.

### **Full-year 2008/09 dividend policy**

In line with the objective of strengthening the capital structure, the Board of Directors intends to submit to the vote of the next annual general meeting of shareholders the following full-year 2008/09 dividend policy:

- Overall pay-out to shareholders equivalent to a third of net income from recurring operations, in keeping with the Group’s long-term dividend policy
- Cash dividend per share of €0.50 to be paid in July 2009, equivalent to roughly 38% of the €1.32 dividend paid for the 2007/08 fiscal year. The remainder will be paid in the form of a free distribution of new shares issued through the capitalization of reserves, which will be proposed at the next annual shareholders' meeting



## **Confirmed guidance of double-digit growth in Group net profit from recurring operations over the full 2008/09 fiscal year**

As previously announced, Q3 2008/09 organic sales growth should be negative. As anticipated, growth was adversely impacted by one-off technical items: Chinese New Year's Eve being later in the year, increases in excise duties and a larger than anticipated de-stocking from our wholesalers and distributors. De-stocking is the result of wholesalers and distributors reducing inventories due to credit tightening but also due to Pernod Ricard's greater focus on receivable risk management.

As a result, organic growth should be negative at around -13% for Q3 2008/09. This trend does not reflect demand from final consumers as measured by consumer panels. Indeed, those panels remained in line in 2009 with the trends observed during H1.

In this context, Pernod Ricard aims for organic growth in profit from recurring operations of between +3% and +5% for the 2008/09 fiscal year (versus between +5% and +8% previously announced).

The successful integration of Vin & Sprit, the accelerated implementation of synergies and an average cost of borrowing below 5% allow the Group to confirm its guidance of double-digit growth in Group net profit from recurring operations, which for the first time should exceed € 1 billion over the full 2008/09 fiscal year, based on exchange and interest rates as of 30 March 2009.

Our target to achieve free cash flow from recurring operations of close to € 1 billion over the full 2008/09 fiscal year is also confirmed.

Commenting on today's announcements, Pierre Pringuet, Chief Executive Officer, said: *"Confirmation of our target for strong growth in net income despite current environment demonstrates Pernod Ricard's resilient business profile"*. He added: *"By accelerating its deleveraging plan, Pernod Ricard will enhance its financial flexibility for growth"*.

**Pierre Pringuet, Chief Executive Officer, and Emmanuel Babeau, Deputy Managing Director, Finance, will answer your questions on a conference call today between 8h30 and 9h30**

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## **About Pernod Ricard**

*Created by the merger of Pernod and Ricard (1975), the Group has undergone sustained development, based on both organic growth and acquisitions. The purchase of part of Seagram (2001), the acquisitions of Allied Domecq (2005) and of Vin & Sprit (2008) have made Pernod Ricard the world's co-leader in wines and spirits with sales of € 6,589 million in 2007/08.*

*Pernod Ricard holds one of the most prestigious brand portfolios in the sector: ABSOLUT Premium Vodka, Ricard pastis, Ballantine's, Chivas Regal and The Glenlivet Scotch whiskies, Jameson Irish Whiskey, Martell cognac, Havana Club rum, Beefeater gin, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek and Montana wines.*

*The Group favours a decentralised organisation, with 7 Brand Owners and 70 Distribution Companies established in each key market, and employs a workforce of more than 19,300 people. Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption. Pernod Ricard is listed on the NYSE Euronext exchange (Ticker: RI; ISIN code: FR0000120693) and is a member of the CAC 40 index.*

More comprehensive information about Pernod Ricard may be obtained on its Internet website ([www.pernod-ricard.com](http://www.pernod-ricard.com)), under Regulated Information, including its reference document filed under n° D.08-0656 on October 2, 2008 with the *Autorité des marchés financiers* (also available on the Internet website of the *Autorité des marchés financiers*, [www.amf-france.org](http://www.amf-france.org)) and its half-year financial report dated February 13, 2009. Pernod Ricard draws the attention of investors to the risk factors section in the reference document.

This press release contains forward-looking statements. These statements are by their nature subject to risks and uncertainties as described in Pernod Ricard's reference document. These statements do not necessarily reflect future performance of Pernod Ricard, which may materially differ.

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