

# 2003 CONSOLIDATED SALES

5 February 2004

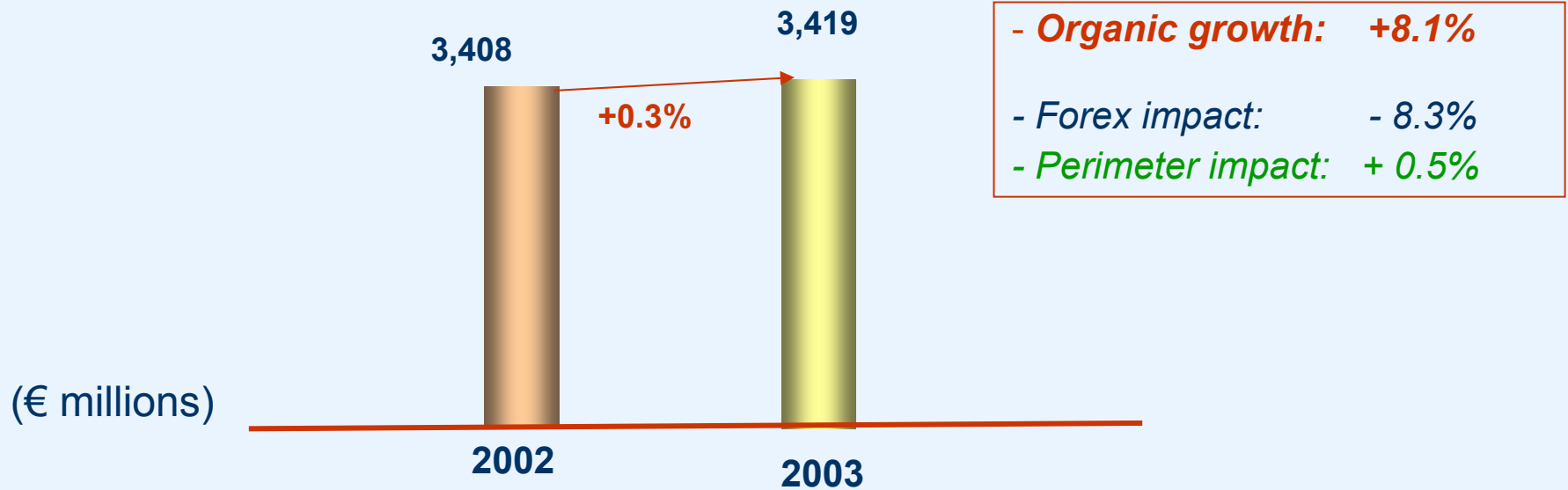
## Wine & Spirits:

- Organic growth: + 8.1%
- 12 key brands: accelerated 2<sup>nd</sup> HY year sales growth: + 6.4%
- Chivas, Martell: increased dynamism during 4<sup>th</sup> quarter



# Wine & Spirits

2003 Sales



▶ Acceleration of organic growth:

2002:	+ 4.5%	2003:	+ 8.1%
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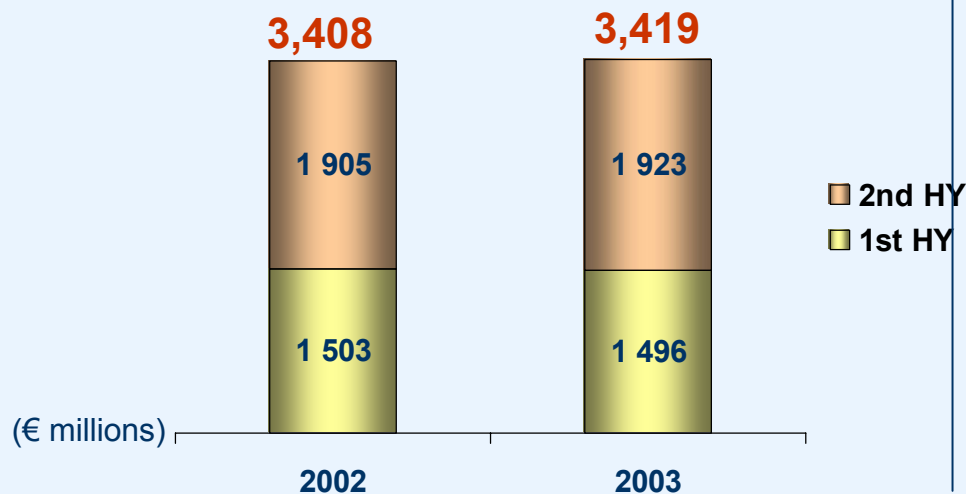
▶ Growth across the entire portfolio (global **AND** local brands)



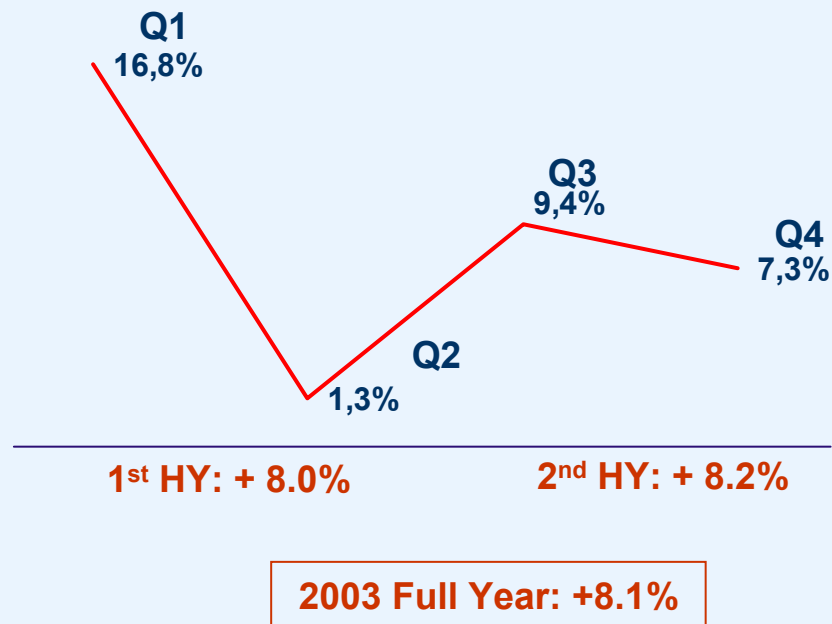
# Wine & Spirits

2003 Sales

## ▶ Half-year sales



## ▶ Quarterly organic growth rate

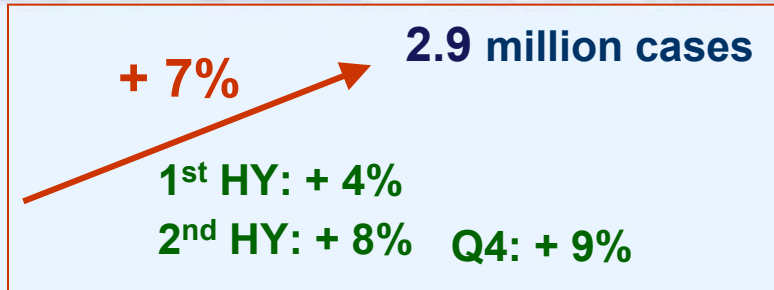


- ▶ 1<sup>st</sup> half-year sales results (Q1- favourable base, Q2 - international environment)
- ▶ Uniform 2<sup>nd</sup> half-year sales results featuring strong growth



# Wine & Spirits

Chivas

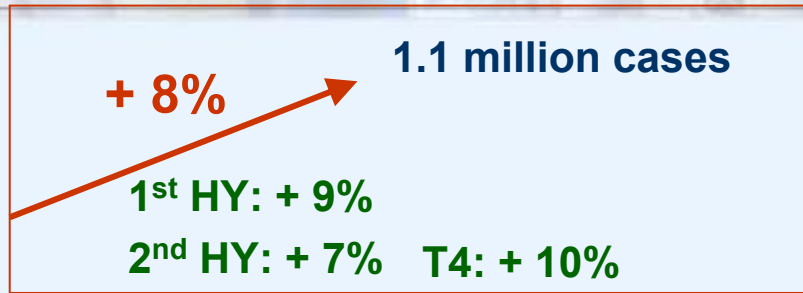


- ▶ Strong acceleration of growth during the 2<sup>nd</sup> half-year
- ▶ Asia is becoming the most important market:
  - due to growth in China (4<sup>th</sup> most important market for the brand), Taiwan, Malaysia and Hong Kong
  - despite a difficult environment in Japan, Korea and Duty Free
- ▶ Europe = 2<sup>nd</sup> most important market: good growth in Spain (+ 11%), Greece (+ 23%) and Russia
- ▶ USA: improvement in ‘depletions’ during the 2<sup>nd</sup> half-year, with near stable volumes for the whole year
- ▶ Central and South America: difficult year (- 4%), with strong recovery in the 4<sup>th</sup> quarter



# Wine & Spirits

Martell



Only a few can tell



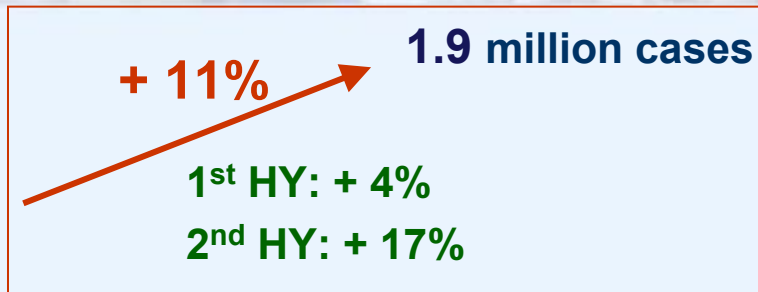
- ▶ Spectacular recovery of the brand, resulting in a resumption of growth, which accelerated during the 4<sup>th</sup> quarter (+ 10%)
- ▶ Asia (+ 14%):
  - ▶ China: growth in volume and market shares (most important market for Cordon Bleu)
  - ▶ Taiwan, Malaysia: growth that compensates for the decline of Japan and Duty Free
- ▶ Strong growth in the United Kingdom (+ 25%) and promising development in Russia and Ireland
- ▶ USA: decrease for the full year, **BUT** relaunch in the 2<sup>nd</sup> half-year

Depletions	1 <sup>st</sup> HY -10.6%	2 <sup>nd</sup> HY +3.7%
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# Wine & Spirits

## Havana Club

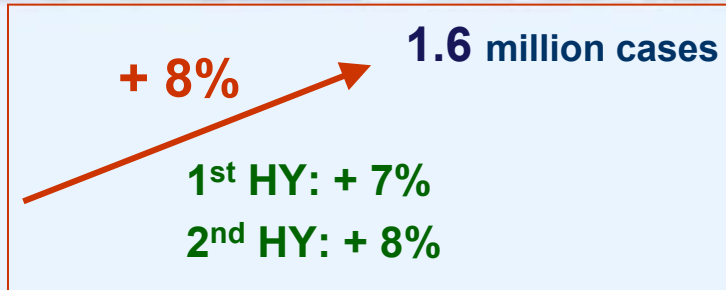


- ▶ **Very strong growth in the 2<sup>nd</sup> half-year (+ 17%), driven by:**
  - traditional markets (Italy, Cuba)
  - new growth countries (Germany, France, UK)
- ▶ **Good reception for changes in the range**
  - New packaging
  - Success of Anejo Blanco and Anejo Especial
- ▶ **Stability in Spain**



# Wine & Spirits

Jameson

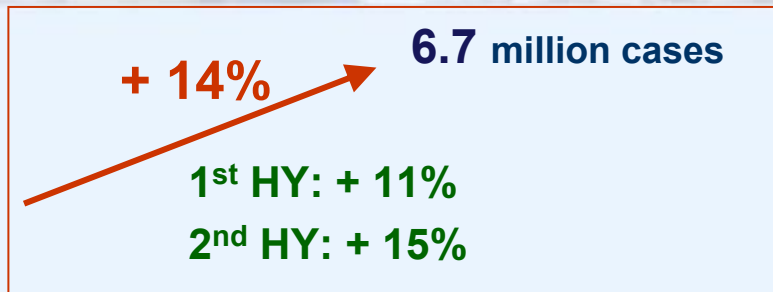


- ▶ Reversal in Ireland (- 11%, increase in duties), but brand's export activities dynamic (+ 11%)
- ▶ Remarkable performance in the USA (+ 18%), its most important market
- ▶ New markets to be conquered: Spain, Portugal, South Africa, Australia
- ▶ Strong development of Duty Free (+ 23%)
- ▶ Disappointing performance in France (- 6%)



# Wine & Spirits

Jacob's Creek



- ▶ In a difficult environment for New World wines (price pressures), Jacob's Creek pursues its double-digit sales growth
- ▶ UK: good performance by the brand (+ 10%) in a very competitive market
- ▶ USA: very strong volume growth (+ 26%) and value growth (increase in Reserve range share = 1/3 of growth)
- ▶ Australia: acceleration of growth (+ 20% for full year, vs + 12% for the 1<sup>st</sup> half-year), in part due to the Rugby World Cup



# Wine & Spirits

## French Brands



	Volume (Mc)	Change	1 <sup>st</sup> HY	2 <sup>nd</sup> HY
Ricard	6.2	-5%	-9%	-1%
Pastis 51	1.9	-7%	-12%	-2%
Clan Campbell	1.5	-5%	-9%	0%

### France

- ▶ In a very difficult market (consumption, Sarkozy effect), the Group maintained its market shares\* for anise (56.6%) and whiskies (16%)
- ▶ Uncertainties regarding 2004 market conditions

### Belgium

- ▶ Remarkable performance by Ricard (+ 19%)

\* Market shares value – Source: IRI as at 28.12.03

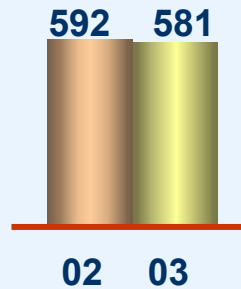


# Wine & Spirits

## Sales Value (€ millions) and Organic Sales Growth Rate by Region

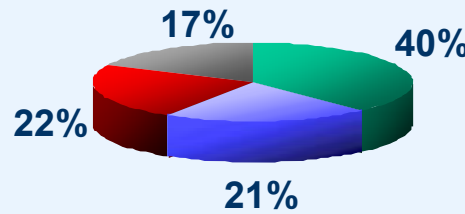
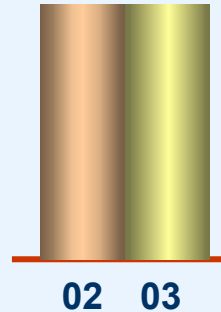
**France - 1.1%**

Perimeter impact	-0.9%
Forex impact	-
<b>Total sales decrease</b>	<b>- 2%</b>



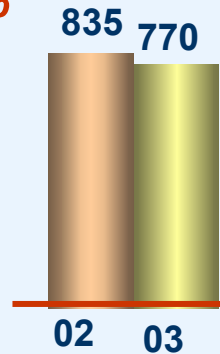
**Europe + 4.7%** 1,330 1,360

Perimeter impact	+ 1.1%
Forex impact	- 3.5%
<b>Total sales growth</b>	<b>+2.2%</b>



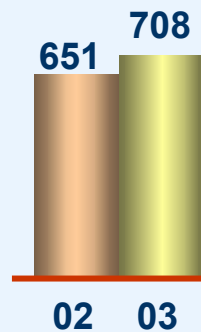
**Americas + 12.4%**

Perimeter impact	-0.4 %
Forex impact	-19.7%
<b>Total sales decrease</b>	<b>-7.7 %</b>



**Rest of World + 17,9%**

Perimeter impact	+ 1.9%
Forex impact	-11.1%
<b>Total sales growth</b>	<b>+8.8%</b>



# Wine & Spirits

## Analysis of Sales by Region

### ▶ Europe

- ▶ 4.7% sales growth despite a difficult environment
- ▶ Italy, UK, Germany, Greece, Russia showed strong dynamism
- ▶ Spain: volume stability and contrasting performances depending on segments
  - Decline for gin
  - Stability for rum
  - Growth for whiskies and liqueurs
- ▶ Ireland and Poland: very difficult markets in the 4<sup>th</sup> quarter that adversely impacted on this Region's growth (6.8% annual sales growth excl. these two markets)



# Wine & Spirits

## Analysis of Sales by Region

### ▶ United States: excellent performance achieved

#### ▶ Organic growth sustained throughout 2003

1 <sup>st</sup> HY:	+5.7%	2 <sup>nd</sup> HY:	+7.2%
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- ▶ Spectacular growth for Jameson (+18%), Jacob's Creek (+26%)
- ▶ Strong development for The Glenlivet (+6%), which accelerated during the 2<sup>nd</sup> half-year
- ▶ Seagram's Gin and Wild Turkey enjoyed growth while Chivas was stable
- ▶ Successful launch of Seagram's Vodka (0.5 million cases)
- ▶ Promising relaunch of Martell



# Wine & Spirits

## Analysis of Sales by Region



### ▶ Central and South America

- ▶ Strong growth during the 2<sup>nd</sup> half year:
  - Reversal of trends for Venezuela, Argentina
  - Development of sales to Cuba (resumption of direct distribution of our brands)
- ▶ Sales growth for local brands (Blenders Pride, Dunbar) **AND** imported brands (Chivas, Something Special, 100 Pipers)
- ▶ Price increases in Venezuela (= 2-point impact on the Americas Region organic growth)



# Wine & Spirits

## Analysis of Sales by Region



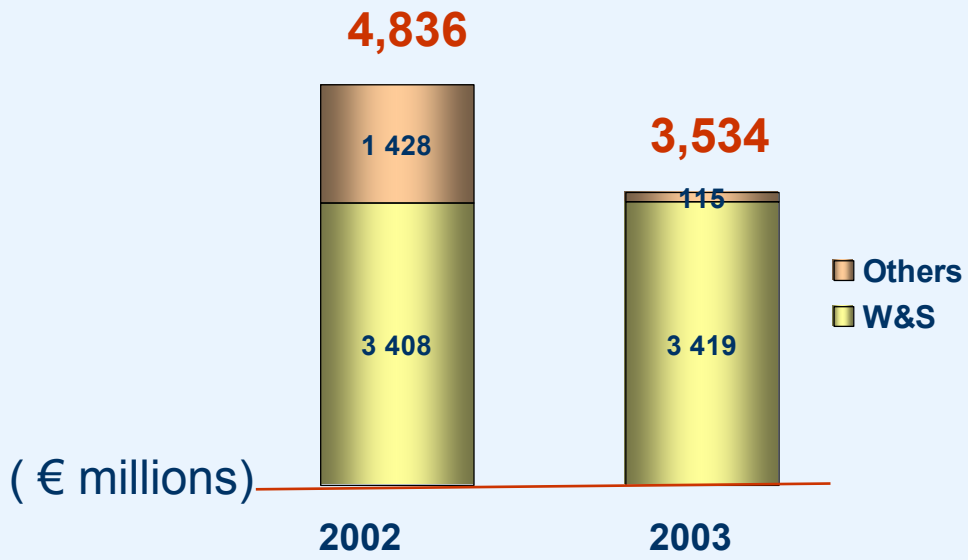
### ▶ Asia-Pacific +17.9%

- ▶ Another quarter of very strong growth (+ 20%)
- ▶ China, Taiwan, Malaysia: pursuit of the vigorous growth experienced in previous quarters thanks to the development of Chivas and Martell
- ▶ Successful relaunch of Royal Salute
- ▶ Good recovery of Duty Free activity (+ 34% for 4<sup>th</sup> quarter, all brands included)
- ▶ No signs of improvement for Japan and Korea



# 2003 Consolidated Sales

- **Organic growth:** + 5.5%
- **Forex impact:** - 5.9%
- **Perimeter impact:** - 26.6%



# 2003 Consolidated Sales

## Conclusions and outlook

- ▶ These very good sales performances should be reflected in the financial results for 2003 and enable the Group to anticipate
  - ▶ A surpassing of the NPEEI\* organic growth objectives previously communicated
  - ▶ An increase of around +5% in profit before tax and exceptional despite very unfavourable exchange rates and perimeter impacts
- ▶ In addition, Pernod Ricard has pursued its rapid debt reduction during the 2nd half-year

*\* Net profit excluding exceptional items: after-tax profit net of equity affiliates and minorities*







# Appendices



# 2003 Sales Volumes

	Volumes (Mc)	2003 Full Year	1 <sup>st</sup> HY	2 <sup>nd</sup> HY
Jacob's Creek	6.7	+14%	+11%	+15%
Ricard	6.2	-5%	-9%	-1%
Seagram Gin	3.3	+3%	+1%	+4%
Chivas Regal	2.9	+7%	+4%	+8%
Havana Club	1.9	+11%	+4%	+17%
Pastis 51	1.9	-7%	-12%	-2%
Jameson	1.6	+8%	+7%	+8%
Clan Campbell	1.5	-5%	-9%	0%
Amaro Ramazzotti	1.2	+9%	+16%	+3%
Martell	1.1	+8%	+9%	+7%
Wild Turkey	0.7	0%	-1%	+1%
The Glenlivet	0.4	+7%	+3%	+10%
<b>Total of 12 key brands</b>	<b>29.4</b>	<b>+3.6%</b>	<b>+0.2%</b>	<b>+6.4%</b>

**Total Spirits**

**+5%**

**Total Wines & ABV**

**+7%**



# 2003 Sales

## Forex impact



Devises		Variance	Forex impact (M€)	% Forex impact
US Dollar and related currencies	USD	-20%	-150	53%
Pound Sterling	GBP	-10%	-30	11%
Thai Bath	TNB	-40%	-14	5%
Brazilian Real	BRL	-24%	-14	5%
Venezuelan Bolivar	VEB	-63%	-25	9%
Other currencies			-51	18%
<b>Total</b>			<b>-283</b>	<b>100%</b>

