



Pernod Ricard
Créateurs de convivialité

2012/13 Half-Year Sales and Results

14 February 2013



This presentation can be downloaded from our website: www.pernod-ricard.com

Limited audit procedures have been carried out on the half-year financial statements. The Auditors' report on their limited review is being prepared.



Contents

- Overall analysis
- Sales analysis
- Profit from recurring operations
- Net profit
- Conclusion and outlook
- Appendices

Good performance

Despite a less buoyant environment than in 2011/12...

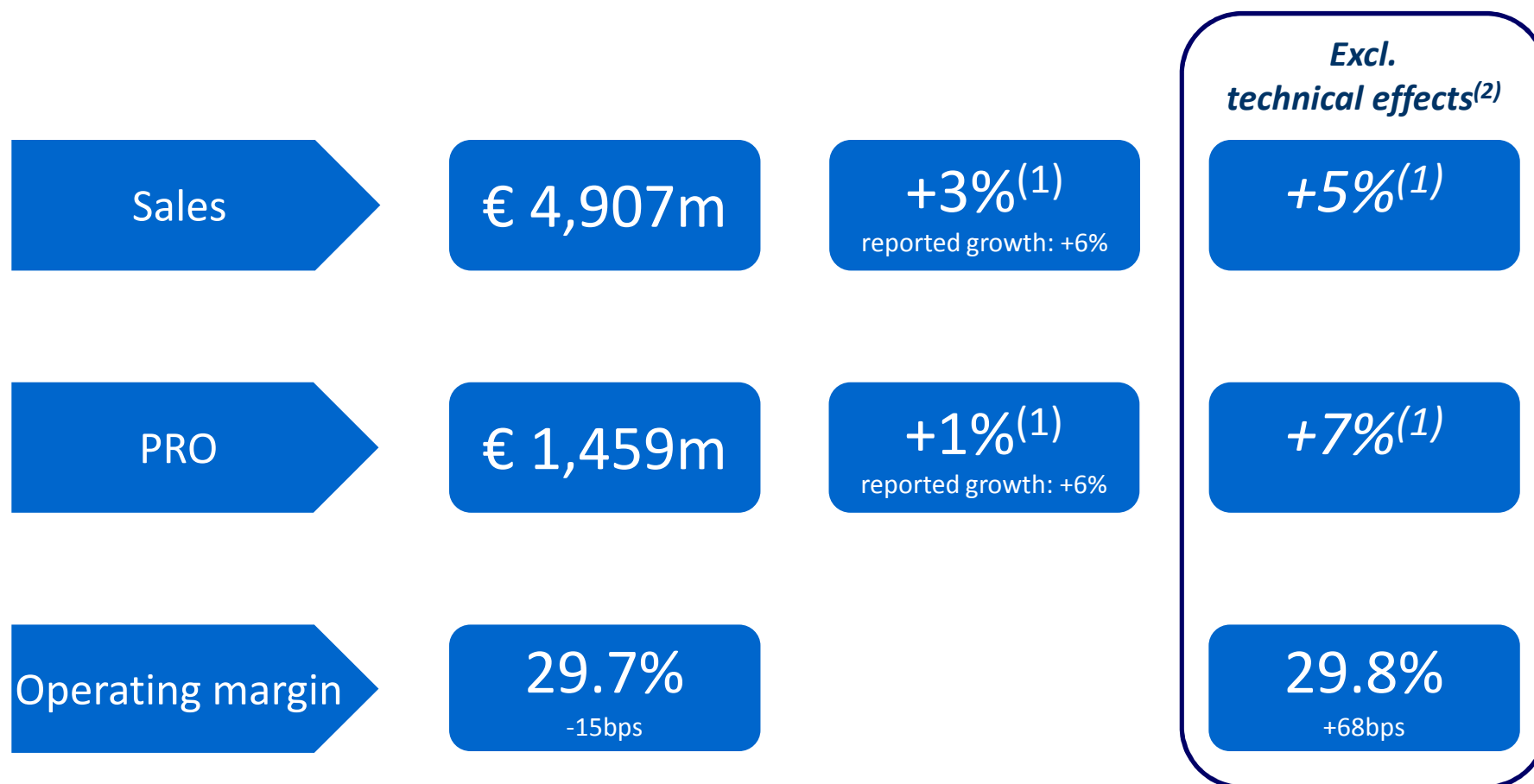
- ✓ **Environment:** remains **particularly challenging in Southern Europe**
- ✓ **Emerging markets⁽³⁾:** continued **dynamic growth** albeit at a slower pace than last year
- ✓ **US: solid growth**

... and taking into account major technical effects⁽²⁾ in HY1

€ (72)m impact on PRO:

- ✓ French pre-buying in HY1 2011/12 due to excise duty hike of 1 January 2012, € (64)m
- ✓ Later Chinese New Year, € (8)m

Key figures



(1) Organic growth

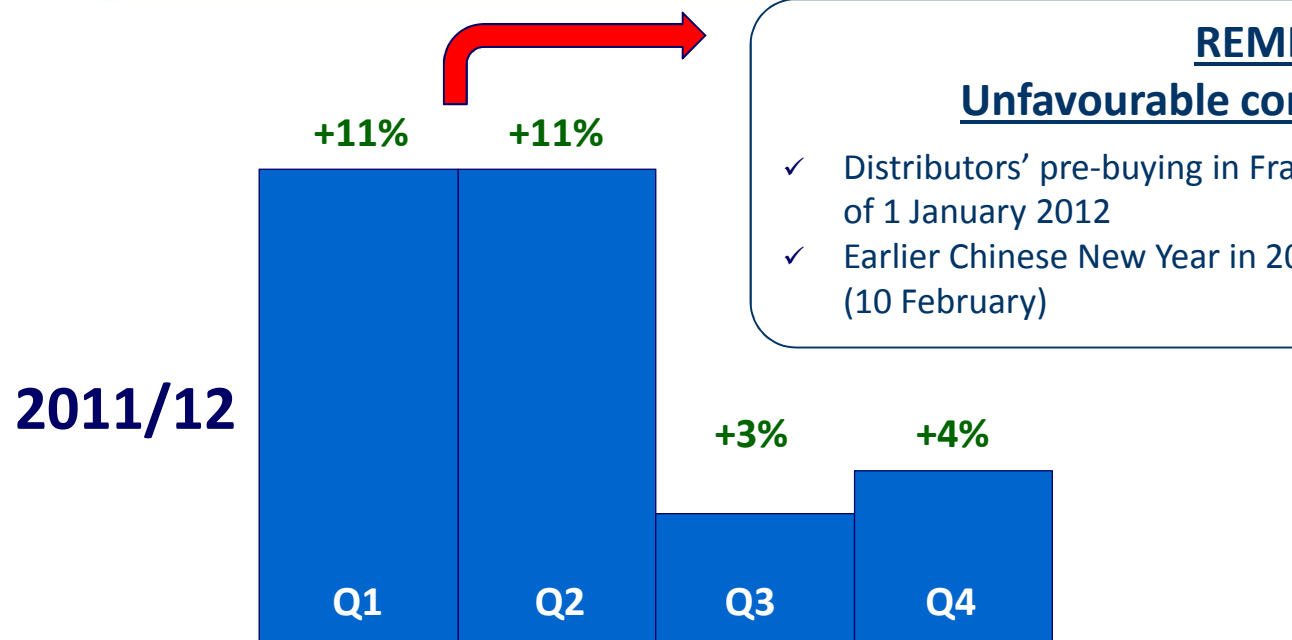
(2) French pre-buying and Chinese New Year; see appendix



Pernod Ricard

Créateurs de convivialité

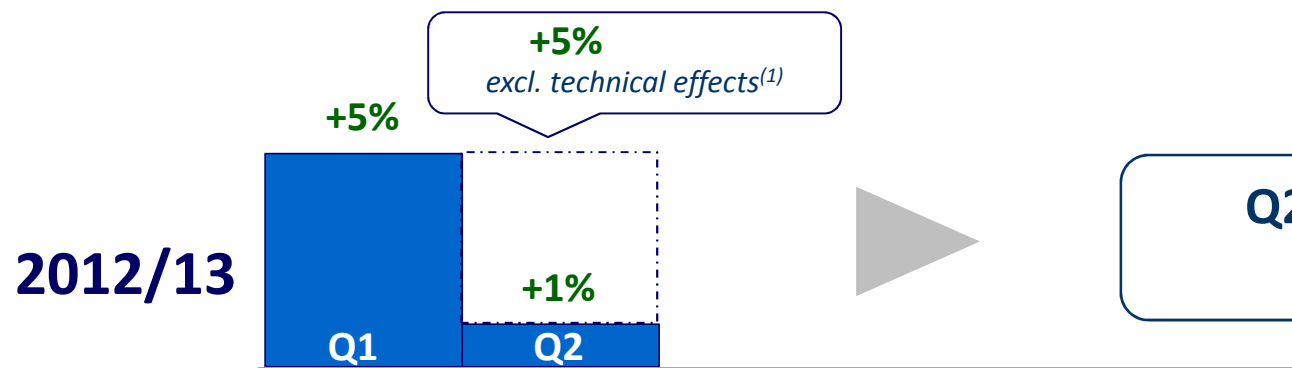
Organic sales growth by quarter



REMINDER

Unfavourable comparatives in HY1

- ✓ Distributors' pre-buying in France ahead of excise duty hike of 1 January 2012
- ✓ Earlier Chinese New Year in 2012 (23 January) than 2013 (10 February)



**Q2 underlying growth
in line with Q1**

(1) French pre-buying and Chinese New Year; see appendix



HY1 2012/13 Sales and Highlights

Good sales growth
in a less buoyant environment than FY 2011/12

Portfolio

- ✓ Continued **sustained value growth** of strategic brands
 - ✓ **Excellent growth** of **Martell** and **Jameson**
 - ✓ **Good performance** of **white spirits** but **slowdown** of **Scotch whisky** in HY1 (high base of comparison)
 - ✓ Continued **favourable price/mix** for the Top 14
- ✓ **Dynamism of Indian whiskies, strengthening our leadership in the premium end**

Trends by market

- ✓ **Growth⁽¹⁾ still strong in emerging markets⁽²⁾ (+14%⁽¹⁾)**
 - ✓ **Asia still very strong** (+13%⁽¹⁾): **China** (+18%⁽¹⁾) and **India** (+17%⁽¹⁾) remained the main growth drivers
 - ✓ Continued **strong dynamism in Eastern Europe** (+12%⁽¹⁾)
- ✓ **Contrasted performance in mature markets**
 - ✓ **Solid growth in US**: +9%⁽¹⁾
 - ✓ Significant **decline⁽¹⁾ in France** primarily due to technical and conjunctural effects. Underlying trend -3%
 - ✓ **Challenging environment in Southern Europe** (particularly Spain)

(1) Organic growth

(2) List of emerging markets available in appendix



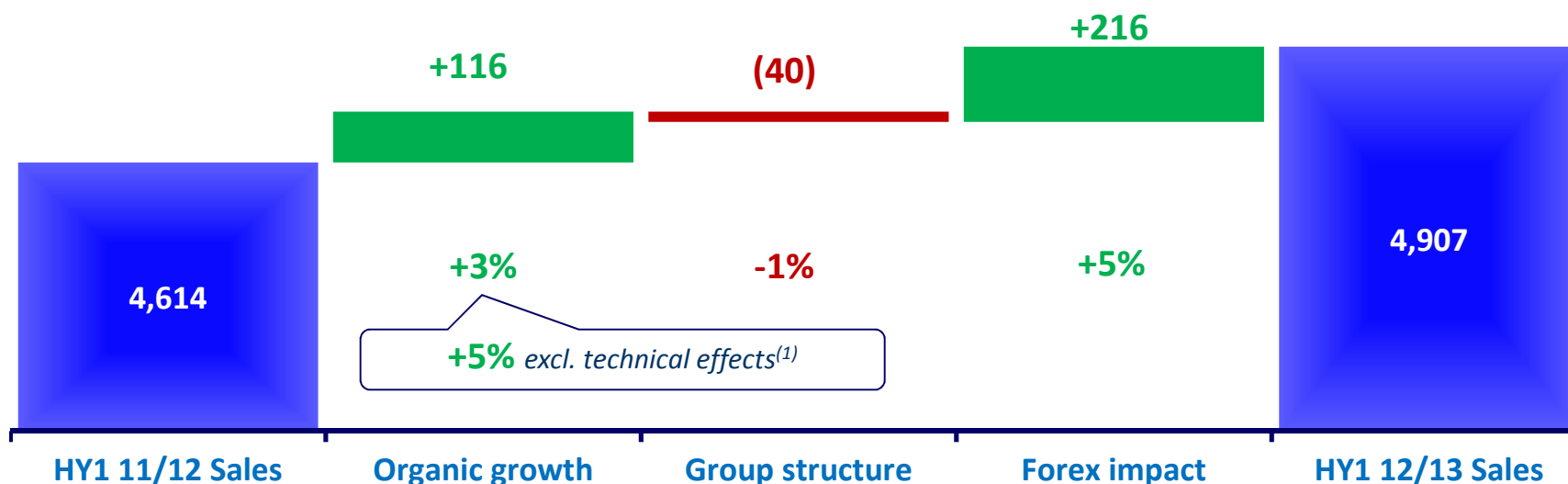
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Change in HY1 2012/13 Sales

Sales for the 6 months to 31 December 2012: +6%

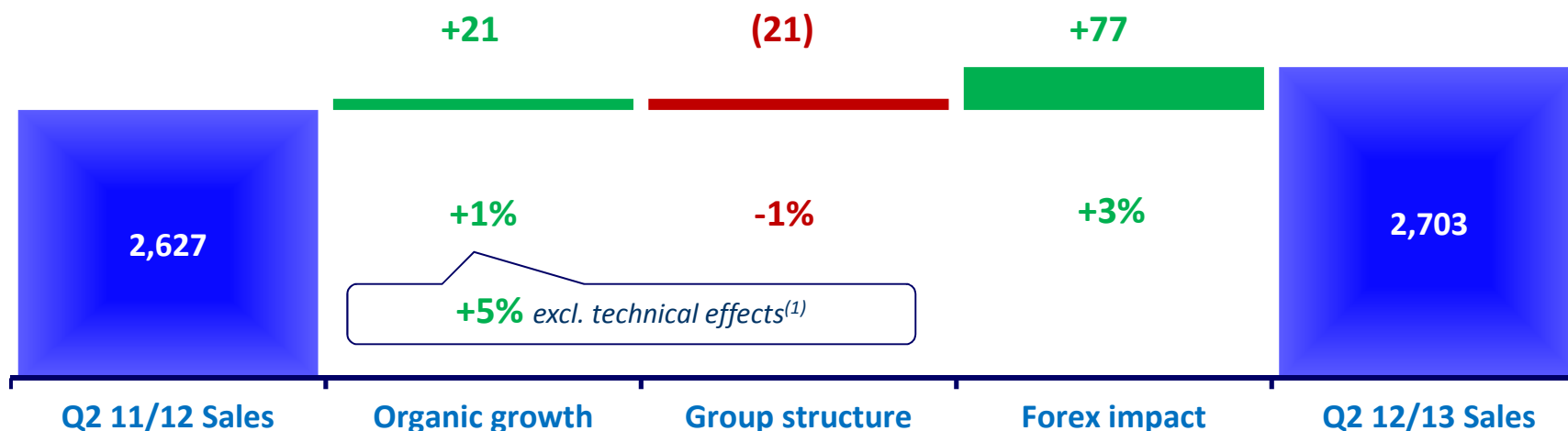


- ➔ **Organic growth:** +3% or +5% excl. technical effects⁽¹⁾
- ➔ **Limited Group structure impact** (primarily due to the disposal of certain Canadian activities in FY 2011/12)
- ➔ **Highly favourable forex impact** (primarily due to stronger USD and CNY); average rate EUR/USD 1.27 for HY1 2012/13 vs. 1.38 for HY 2011/12



Change in Q2 2012/13 Sales

Sales for the 3 months to 31 December 2012 (Q2): +3%



- ➔ **Organic growth:** +1% or +5% excl. technical effects⁽¹⁾
- ➔ **Limited Group structure impact** (primarily due to the disposal of certain Canadian activities in FY 2011/12)
- ➔ **Favourable forex impact** (primarily due to stronger USD and CNY); average EUR/USD 1.30 for Q2 2012/13 vs. 1.35 for Q2 2011/12

Q2 underlying growth in line with Q1



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Strong growth in HY1 2012/13

Organic sales growth by region	% sales	FY 2011/12	HY1 2012/13	Comments
Asia-RoW	41%	+15%	+11%	Growth remains very dynamic Leadership strengthened
Americas	26%	+6%	+6%	Solid growth driven by US
Europe (excl. France)	25%	+2%	-1%	Confirmed dynamism in the East Western Europe remains challenging
France	8%	-1%	-28%	Decline largely exacerbated by technical and conjunctural effects
World	100%	+8%	+3%	+5% excl. technical effects ⁽¹⁾

(1) French pre-buying and Chinese New Year; see appendix

ASIA – REST OF THE WORLD

Growth remains very dynamic

Analysis by category

(€ millions)	HY1 2011/12	HY1 2012/13	Δ	Organic Δ
SALES	1,699	2,005	+18%	+11%

→ Martell (+25%⁽¹⁾):

- Excellent performance despite the economic slowdown and leadership change in China
- Marginal impact of the later Chinese New Year: commercial strategy of anticipating shipments to pre-empt this key period

→ Indian whiskies (+21%⁽¹⁾): still very dynamic

- Leadership strengthened in the most buoyant segment: local premium
- +4pts market share gain on Premium Admix thanks notably to the success of new products (Blender's Pride Reserve Collection and Royal Stag Barrel Select)

→ Top 14 Scotch whiskies: marginal growth in HY1

- Challenging South Korean market
- Conjunctural decline in China

→ New growth drivers (Absolut, champagne, wine): good development

→ Imperial (+12%⁽¹⁾): solid growth with market share gains

- Performance bolstered by price hikes on 1 January 2013

→ 100 Pipers (-7%⁽¹⁾): persistent difficulties in Thailand

ASIA – REST OF THE WORLD

Growth remains very dynamic

Analysis by market

→ China:

- Growth still very dynamic (+18%⁽¹⁾), driven by **Martell** which continues to gain share
- Conjunctural difficulties for **Scotch whiskies** in a market down in volumes
- Very strong growth of **Absolut** and **Jacob's Creek**

→ Vietnam:

- Strong growth of Chivas, Martell and Ballantine's

→ India:

- Dynamism of **local Indian whiskies** (+18%⁽¹⁾) bolstered by premiumisation
- Strong growth of **100 Pipers** and **Top 14** (Chivas, Absolut and The Glenlivet)

→ Africa/Middle East:

- +13%⁽¹⁾, growth driven by the Top 14
- Promising start of new subsidiaries: Angola, Kenya, Morocco...



ASIA – REST OF THE WORLD

Growth remains very dynamic

Analysis by market

- ➔ **Travel Retail:** continued dynamic activity (+15%⁽¹⁾), driven by premium brands
- ➔ **South Korea:**
 - Growth enhanced by **price increases** on 1 January 2013
 - Structural decline of traditional on-trade
 - Continued rapid development of Absolut (+64%⁽¹⁾), driven by rapidly-expanding modern on-trade
- ➔ **Thailand:** on-going unfavourable environment for 100 Pipers; strong dynamism of Top 14 (+13%⁽¹⁾)
- ➔ **Japan** (+3%⁽¹⁾): strong growth driven by the Top 14 (+7%⁽¹⁾), particularly champagnes
- ➔ **Australia:** strong growth⁽¹⁾ of the Top 14, particularly Mumm. Pursuit of high-value strategy for Priority Premium Wines

AMERICAS

Solid growth driven by US

Analysis by category

(€ millions)	HY1 2011/12	HY1 2012/13	Δ	Organic Δ
SALES	1,166	1,282	+10%	+6%

- **Top 14 (+7%⁽¹⁾)**: driven in particular by Jameson, The Glenlivet, Absolut and Malibu
- **Priority Premium Wines (+2%⁽¹⁾)**: continued growth driven by Canada
- **Key local brands**: double-digit growth of Something Special (Venezuela) and Passport (Mexico)

AMERICAS

Solid growth driven by US

Analysis by market: US sales +9%⁽¹⁾



Solid growth

Dynamic consumption⁽²⁾

<u>Pernod Ricard performance</u>	<u>Volumes</u>	<u>Value</u>
Nielsen	+1%	+4%
NABCA	+2%	+6%

Top 14 +9%⁽¹⁾

Main growth driver

Price/Mix +3%⁽¹⁾

Good overall performance of our other brands

- ✓ Avión
- ✓ Mumm Cuvée Napa
- ✓ Seagram's Gin
- ✓ Promising launch of Oddka

Strong dynamism of Premium brands

Absolut +1%⁽¹⁾

recent price increases in 6 states, upcoming launch of Elyx

Jameson +24%⁽¹⁾

remains the main growth driver

Malibu +10%⁽¹⁾

confirmed success of innovations launched last year

Beefeater +16%⁽¹⁾

very good performance led by Beefeater 24 in a context of renewed category growth

Perrier-Jouët +17%⁽¹⁾

- (i) excellent volume growth
- (ii) very favourable price/mix

The Glenlivet +21%⁽¹⁾

good growth, pricing power intact, price increase taken in the fall

Analysis by market

→ Brazil:

- **Favourable underlying trends** for the strategic brands:
Latest Nielsen data⁽²⁾: **Absolut (+20%), Chivas (+12%), Ballantine's (+25%)**
- Sales decline⁽¹⁾ in HY1 due to lag in shipments/depletions (tax reform, decrease in market inventories, etc.)

→ Mexico: new business model in place

- Renewed growth: +8%⁽¹⁾ during the quarter, +5%⁽¹⁾ over 6 months
- Very favourable price/mix: +7%⁽¹⁾ for the Top 14

→ Canada:

- Growth driven by wine (particularly Jacob's Creek) as well as Wiser's, The Glenlivet and Jameson

→ Travel Retail:

- Stable⁽¹⁾ sales on a unfavourable comparison
- Clearly improved trend in Q2, which will continue into HY2

→ Strong performance in most **other markets**, particularly in Andean markets

EUROPE (EXCLUDING FRANCE)

Confirmed dynamism in the East, W. Europe remains challenging

Analysis by category

(€ millions)	HY1 2011/12	HY1 2012/13	Δ	Organic Δ
SALES	1,232	1,245	+1%	-1%

→ **Top 14:** main growth driver (+2%⁽¹⁾)

- Performance driven by Jameson, Chivas, Absolut, Havana Club and Beefeater
- Challenging HY1 for Ballantine's (-7%⁽¹⁾)

→ **Priority Premium Wines:** overall stability⁽¹⁾

- Improved trend compared to previous years, particularly due to Campo Viejo

→ **Key local brands** (-1%⁽¹⁾): contrasted performances

- Strong growth of ArArAt and Olmeca (Russia), Seagram's Gin (Spain) and Wyborowa (Poland)
- Challenging HY1 for Ramazzotti (commercial dispute in Germany), Ruavieja (Spain) and Becherovka (temporary ban on all spirits sales in Czech Republic market in the last two weeks of September)

EUROPE (EXCLUDING FRANCE)

Confirmed dynamism in the East, W. Europe remains challenging

Analysis by market

→ **Eastern Europe:** continued sustained growth (+12%⁽¹⁾)

- **Russia:** principal market contributing to growth, driven by Jameson, ArArAt, Chivas, Olmeca and Ballantine's
- **Poland:** slight decline⁽¹⁾ primarily due to local standard vodkas
 - Strong development of Wyborowa and Passport
 - Sustained growth of Chivas but decline of Ballantine's in HY1 (high-value strategy: price/mix +5%⁽¹⁾)
- **Czech Republic** (-15%⁽¹⁾): decline due to ban on spirits sales (2 weeks at end September) due to public health issues
- **Ukraine:** growth driven by Jameson, Absolut, Ballantine's, ArArAt, etc.
- **Kazakhstan** (+29%⁽¹⁾): rapid development in this highly promising market

→ **Western Europe:** decline of -4%⁽¹⁾, in a challenging economic climate

- Southern Europe primary reason for decline
- **Spain's** decline (-9%⁽¹⁾) was more accentuated compared to previous years, but market share gains mean Pernod Ricard has seized **value leadership**

FRANCE

Decline largely exacerbated by technical and conjunctural effects

Technical analysis

(€ millions)	HY1 2011/12	HY1 2012/13	Δ	Organic Δ
SALES	517	374	-28%	-28%

Decline exacerbated by technical effects...

- ✓ significant pre-buying in HY1 2011/12 (€ 98m impact on sales), resulting in unfavourable comparatives for HY1 2012/13



excluding this effect, sales -11%⁽¹⁾

...and conjunctural effects

- ✓ residual inventory reduction in Q1 2012/13
- ✓ lower inventories at a number of distributors (priority to beer inventories ahead of excise duty hike⁽²⁾)
- ✓ promotional offers ("50% off") not repeated by major retailers in HY1

Underlying sales trend -3% in HY1

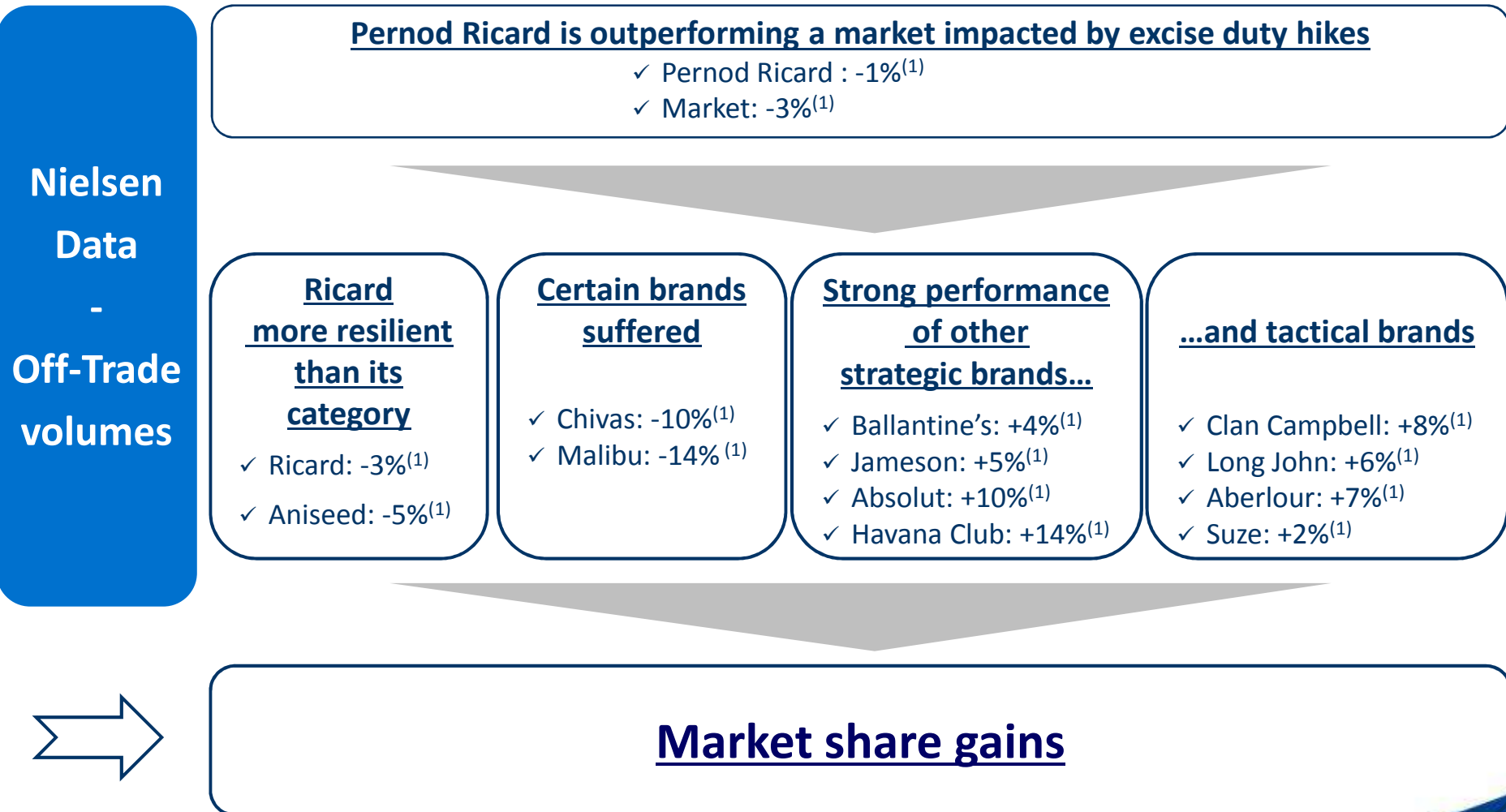
(1) Organic growth

(2) Excise tax increase on beer of +160% as of 1 January 2013

FRANCE

Decline largely exacerbated by technical and conjunctural effects

Market trends: Nielsen data





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Continued premiumisation

Organic sales growth by category	% sales	FY 2011/12	HY1 2012/13	Excl. technical effects ⁽¹⁾ HY1 2012/13
Top 14 Spirits & Champagnes	63%	+10%	+4%	+7%
Priority Premium Wines	5%	+4%	+2%	+2%
18 key local brands	17%	+8%	+4%	+8%
Other	15%	+2%	-4%	-3%
Total	100%	+8%	+3%	+5%

Premium brands⁽²⁾ represent 76% of sales
vs. 73% in the 2011/12 financial year

(1) French pre-buying and Chinese New Year; see appendix

(2) RSP in the US >= USD 17 for spirits and > USD 5 for wines

Top 14: Strong price/mix

CHIVAS

Top 14 Spirits & Champagnes

ABSOLUT®
Country of Sweden
VODKA



Kahlúa

BEEFEATER
LONDON



Ballantine's
LEAVE AN IMPRESSION

Volume: -5%

Sales: +4%⁽¹⁾

63% of Group sales

Excl. technical effects⁽²⁾

Volume: -1%

Sales: +7%⁽¹⁾



THE
GLENLIVET



(1) Organic growth

(2) French pre-buying and Chinese New Year; see appendix



Top 14 Spirits & Champagnes

TOP 14 ⁽²⁾	Net sales ⁽¹⁾	Volumes	Price/mix ⁽¹⁾	Net sales excl. technical effects ⁽³⁾
ABSOLUT	4%	2%	2%	
CHIVAS REGAL	3%	-3%	6%	
BALLANTINE'S	-11%	-11%	0%	-6%
RICARD	-34%	-34%	0%	-13%
JAMESON	13%	7%	6%	
MALIBU	-1%	-2%	0%	1%
HAVANA CLUB	4%	2%	2%	
BEEFEATER	5%	2%	3%	
KAHLUA	2%	-2%	4%	
MARTELL	23%	8%	15%	
THE GLENLIVET	21%	17%	4%	
MUMM	-5%	-6%	1%	
PERRIER-JOUËT	7%	0%	8%	
ROYAL SALUTE	3%	0%	3%	
TOP 14	4%	-5%	9%	7%
<i>Top 14 excl. technical effects⁽³⁾</i>	7%	-1%	8%	

Top 14: Leading growth driver

- **Price/mix** remains **favourable**
- Continued **excellent performance** of **Martell (+23%⁽¹⁾)** and **Jameson (+13%⁽¹⁾)**
- **Strong performance⁽¹⁾ of white spirits:**
 - Absolut: continued recovery in US, strong development in emerging markets⁽²⁾
 - Havana Club: improved trend, driven by Europe (Germany in particular)
 - Beefeater: good growth, especially in US, Spain and Russia
- **Near stability⁽¹⁾ for Scotch whiskies (unfavourable comparison base: HY1 2011/12, +12%⁽¹⁾):**
 - very favourable price/mix and outstanding growth of The Glenlivet

but {

 - slower growth in Asia (conjunctural in China, structural in South Korea) and difficulties in Spain
 - unfavourable technical effects (significant Duty Free shipments and French pre-buying in HY1 2011/12)
- **Decline⁽¹⁾ of Ricard** due to lower consumption in France (excise duty hike), **largely exacerbated by technical effects** (pre-buying in HY1 2011/12, promotional phasing)
- **Contrasted performance of champagnes**
 - strong performance of Perrier-Jouët (Americas, Asia and France)
 - decline of Mumm (primarily Western Europe)

(1) Organic growth

(2) List of emerging markets available in appendix

Priority Premium Wines: on-going high-value strategy and geographic diversification



Priority Premium Wines



Volume -1% Sales +3%⁽¹⁾



Volume -6% Sales -6%⁽¹⁾

Volume: stable

Sales: +2%⁽¹⁾

Contribution⁽²⁾: double-digit growth⁽¹⁾

5% of Group sales

Strong development in Asia: Sales +20%⁽¹⁾



Volume +12% Sales +11%⁽¹⁾

GRAFFIGNA
CENTENARIO

Volume -18% Sales -10%⁽¹⁾

(1) Organic growth

(2) Contribution after advertising and promotion expenditure

18 key local brands: Very strong overall performance

18 key local brands



Volume: +5%

Sales: +4%⁽¹⁾

17% of Group sales

Excl. technical effects⁽²⁾

Volume: +8%

Sales: +8%⁽¹⁾

- Continued **dynamism of Indian whiskies** (+21%⁽¹⁾), Royal Stag, Blender's Pride, Imperial Blue, with strong price/mix (launch of Royal Stag Barrel Select)
- **Passport** (+14%⁽¹⁾): **continued sustained growth** (targeting the emerging middle class) particularly in Mexico and Russia
- **Strong performance** of **ArArAt** (+24%⁽¹⁾), **Olmecca** (+21%⁽¹⁾) and **Something Special** (+32%⁽¹⁾)
- **Imperial** (+12%⁽¹⁾) boosted by **price hike in Korea on 1 January 2013**, but **100 Pipers** (-7%⁽¹⁾) facing persistent difficulties
- **Unfavourable technical impact** on brands particularly exposed to France (Pastis 51, Clan Campbell)

(1) Organic growth

(2) French pre-buying and Chinese New Year; see appendix



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Deepening ties with art and fashion



Pernod Absinthe

Maison Kitsuné

Limited-edition bottle, Capsule Collection and Music Partnership



Displays at: Colette, Paris; Waitrose, London; Alchemist, Miami; Montoak, Tokyo...



Art Basel

Absolut deepens its ties with art through the sponsorship of this premier international arts show for modern and contemporary works

Perrier-Jouët

Value-added packaging

conceived by famed British textile designer Claire Coles

Absolut



Ricard



Mathieu Mercier pour Ricard

Collaboration with a French modern artist

Enlarging our consumer base

Kahlúa Midnight



Kahlúa Midnight

High ABV (35%) Rum & Black Coffee liqueur
focused on high-energy occasions for shots



Brancott Estate Flight



Vibrant wine range, naturally lower in alcohol

Sauvignon Blanc & Pinot Gris at 9% ABV-
broadening the wine drinking occasion and
recruiting new consumers

Chivas Brothers Blend

Modern interpretation of famously smooth style

Tribute to founding brothers James and John
this first new addition to the Chivas range since the re-launch
of Chivas 25 in 2007 is available in more than 40 airports
worldwide will remain a permanent part of the portfolio,
exclusive to this channel



Malibu

Malibu Island Spiced

Lower in calories, big on taste



Creating excitement through limited editions

Absolut Unique



One of a kind. Millions of expressions.

Creation of 4 million uniquely-designed
and individually-numbered bottles
Setting a new standard in limited editions

Jameson

Great urban escapes

Travel retail exclusive
captures urban iconography
and highlights top bars in
major cities.
Includes specially-created
city guide app



Ballantine's

17YO Signature Distillery Miltinduff Edition



Offering unique flavour propositions

Oddka



Exciting flavours that challenge the norm

Flavors that encourage experimentation: Fresh Cut Grass, Apple Pie, Electricity, Salty Caramelized Popcorn and Wasabi



FRiS

Strong flavours & Bold new bottle

Launch of Citrus Freeze, Orange Freeze and Whipped Freeze. New flavours coincide with the line's revamped bottle and new look & feel

Kahlúa

Holiday flavours

Introduction of Gingerbread
Relaunch of Peppermint Mocha and Cinnamon Spice



Enriching the consumer experience

Ricard Twist'R

The Twist'R Ritual – Don't Shake It, Twist It

For a perfectly blended Ricard cocktail, just turn the Twist'R



1. Choose Mixer



2. Pour



3. Twist



Ritual by Havana Club – convenience pack

One-stop Shopping

Providing consumers' party essentials with ease



Kahlúa cans

Convenient Formats

Addressing on-the-go and outdoor occasions with a ready-to-drink cocktail

Creating buzz through technology

Havana Club



Gap year

Global contest to win an around the world gap year. Applications submitted and voted for via internet. Generating buzz around the brand with over 100,000 friends on facebook in only a few weeks



Ballantine's



Breakthrough Innovation

Ballantine's LoudBlue converts photos into music.
Supported with 360 activation
Launched in Brazil with DJ Felguk



The Glenlivet

Taste The Glenlivet iPad app

Experience the Taste with augmented reality; fully interactive iPad app, a first for the single malt category
Enables consumers to create and save their visual tasting notes and tells the brand's rich history

Embracing authenticity

Martell XO

Wings TVC

Inspiring platform paying tribute to the legend and heritage of the Martell Cognac House. Uplifting film directed by James Gray, reinforcing the brand's message through an invitation to "Rise Above"



Havana Club



Mojito Embassy

Bringing a taste of contemporary Havana to cities around the world

Pop-up bar initiative teaching consumers to make authentic Cuban mojitos using fresh, natural ingredients and Havana Club 3 yo rum. Over 35,000 people in Europe, Australia and Cuba have been educated

Beefeater

This is my London

Global advertising campaign tells the story of real Londoners. Perfect for the world's best-selling authentic London gin



The Glenlivet



The Legacy Tasting

Immersive, interactive and entertaining whisky tastings bringing the brand's rich story to life with a contemporary twist



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Pernod Ricard

Créateurs de convivialité

Summary income statement

(€ millions)	HY1 11/12	HY1 12/13	Δ	Organic Δ
Sales	4,614	4,907	+6%	+3%
Gross margin after logistics costs (GM)	2,863	3,096	+8%	+3%
<i>GM / Sales</i>	62.1%	63.1%		
Advertising & promotion expenditure (A&P)	(817)	(888)	+9%	+4%
<i>A&P / Sales</i>	17.7%	18.1%		
Contribution after A&P expenditure (CAPE)	2,046	2,208	+8%	+3%
<i>CAPE / Sales</i>	44.3%	45.0%		
Profit from recurring operations (PRO)	1,379	1,459	+6%	+1%
<i>PRO / Sales</i>	29.9%	29.7%		

Good performance excl. technical effects⁽¹⁾

Sales

+5%⁽²⁾

PRO

+7%⁽²⁾

Operating margin expansion

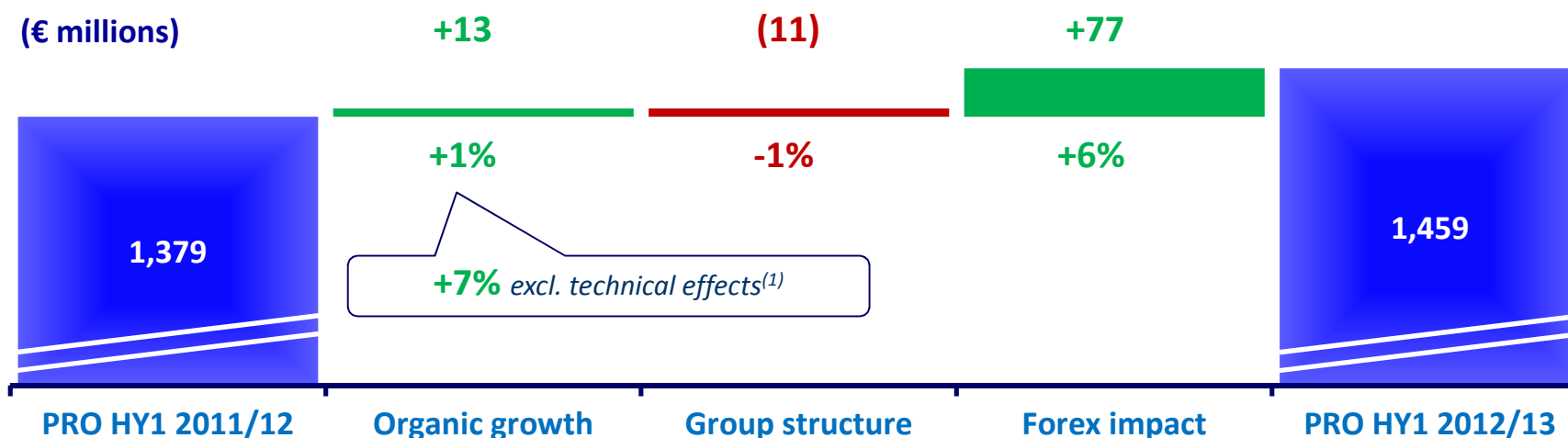
+68bps

(1) French pre-buying and Chinese New Year; see appendix

(2) Organic growth



Forex and Group structure effects on PRO



- **Organic PRO growth** +1% or **+7%** excl. technical effects⁽¹⁾
- **Very favourable forex impact** in HY1 particularly due to stronger USD and CNY; average rate EUR/USD 1.27 for HY1 2012/13 vs. 1.38 for HY 2011/12

Forex impact on profit from recurring operations now estimated to be **slightly positive⁽²⁾** for **full FY 2012/13**

(1) French pre-buying and Chinese New Year; see appendix

(2) Based on foreign exchange rates as of 11 February 2013, particularly EUR/USD = 1.34



Gross margin after logistics costs

(€ millions)	HY1 11/12	% change	HY1 12/13
Gross margin after logistics costs	2,863	+3% ⁽¹⁾	3,096
GM / Sales	62.1%	+105bps	63.1%
GM / Sales excl. technical effects ⁽²⁾	61.7%	+146bps	63.1%

Portfolio mix positive

Top 14 sales growth⁽¹⁾ higher than Group growth

Quality mix favourable

+4% on the Top 14

Price increases

+4% on average for the Top 14

Input cost control

+3% excluding mix effects

Forex impact favourable

approximately +50bps

Significant increase in gross margin to sales ratio

+146bps excl. technical effects⁽²⁾

(1) Organic growth

(2) French pre-buying and Chinese New Year; see appendix



Advertising and promotion expenditure

(€ millions)	HY1 11/12	% change	HY1 12/13
A&P expenditure	(817)	+4% ⁽¹⁾	(888)
<i>A&P / Sales</i>	<i>17.7%</i>	<i>+39bps</i>	<i>18.1%</i>
<i>A&P / Sales excl. technical effects⁽²⁾</i>	<i>17.8%</i>	<i>+34bps</i>	<i>18.1%</i>

→ Investments allocated to priority brands and markets:

- Top 14: +5%⁽¹⁾
- Double-digit growth in US and emerging markets⁽³⁾
- Optimisation in less buoyant markets (near stability in mature markets) while preserving investment in strategic priorities (e.g.: Ritual in Spain)

→ Near stability of the A&P / Sales ratio despite unfavourable technical effects:

- Phasing of Absolut investments (relatively lower in HY1 2011/12 vs. HY2 2011/12)
- 2012/13 media spend in Russia focused on HY1 (A&P +30%⁽¹⁾ vs. Sales +22%⁽¹⁾) ahead of media restrictions as of 1 January 2013



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Structure costs

(€ millions)	HY1 11/12	% change	HY1 12/13
Structure costs ^(*)	(667)	+8% ⁽¹⁾	(749)
Structure costs / Sales	14.5%	+80bps	15.3%
Structure costs / Sales excl. technical effects ⁽²⁾	14.8%	+44bps	15.2%

(*) Structure costs: Selling expenses + General and Administrative + Other income/(expenses)

→ Continued **increase** in resources allocated to **rapidly-expanding markets**

- Emerging markets⁽³⁾ +28%⁽¹⁾ vs. near stability in mature markets
- Continued expansion of distribution network: China, India and Russia
- New subsidiaries opened in Africa (approximately 100 people)

→ **Reduction**⁽¹⁾ in less buoyant markets (Western Europe -2%⁽¹⁾, France -5%⁽¹⁾)

→ **Finalisation in 2012/13 of resource expansion cycle originating from the Agility project:** Innovation, Digital, HR, PR University



Profit from recurring operations

(€ millions)	HY1 11/12	% change	HY1 12/13
Profit from recurring operations	1,379	+1% ⁽¹⁾	1,459
<i>PRO / Sales</i>	29.9%	-15bps	29.7%
<i>PRO / Sales excl. technical effects⁽²⁾</i>	29.1%	+68bps	29.8%

→ **+7%⁽¹⁾ PRO growth**, excl. technical effects⁽²⁾

→ **Operating margin +68bps**, excl. technical effects⁽²⁾

- Significant increase in gross margin, still driven by premiumisation and input cost control
- Controlled advertising and promotion expenditure
- Favourable forex impact (contributing +28bps to operating margin expansion)

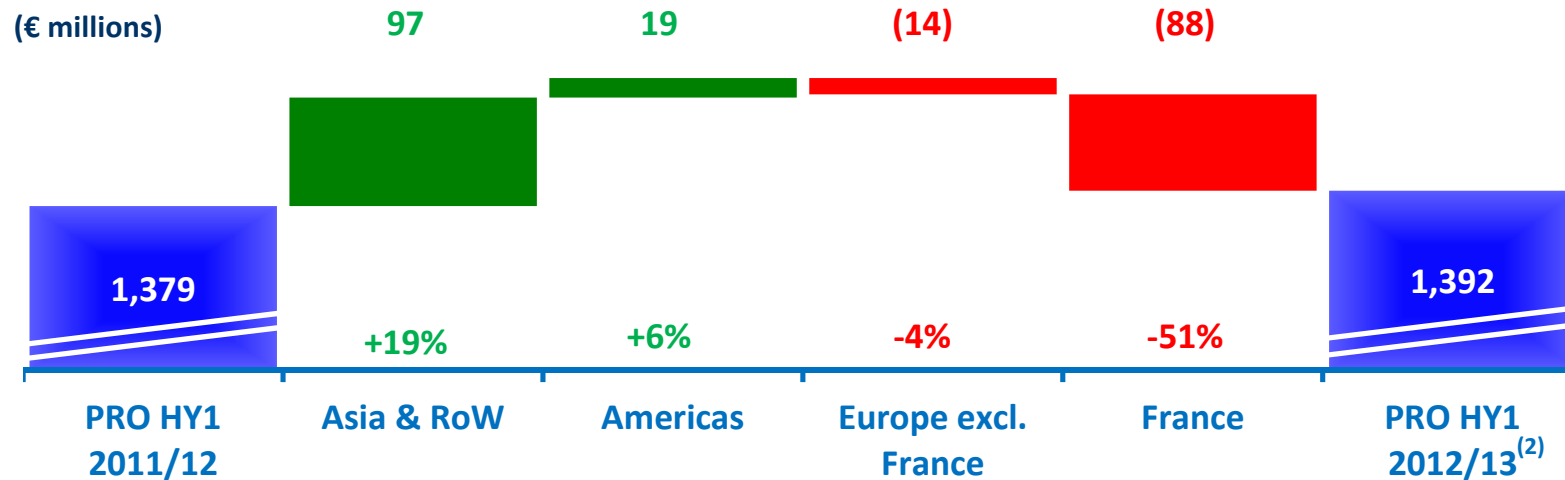


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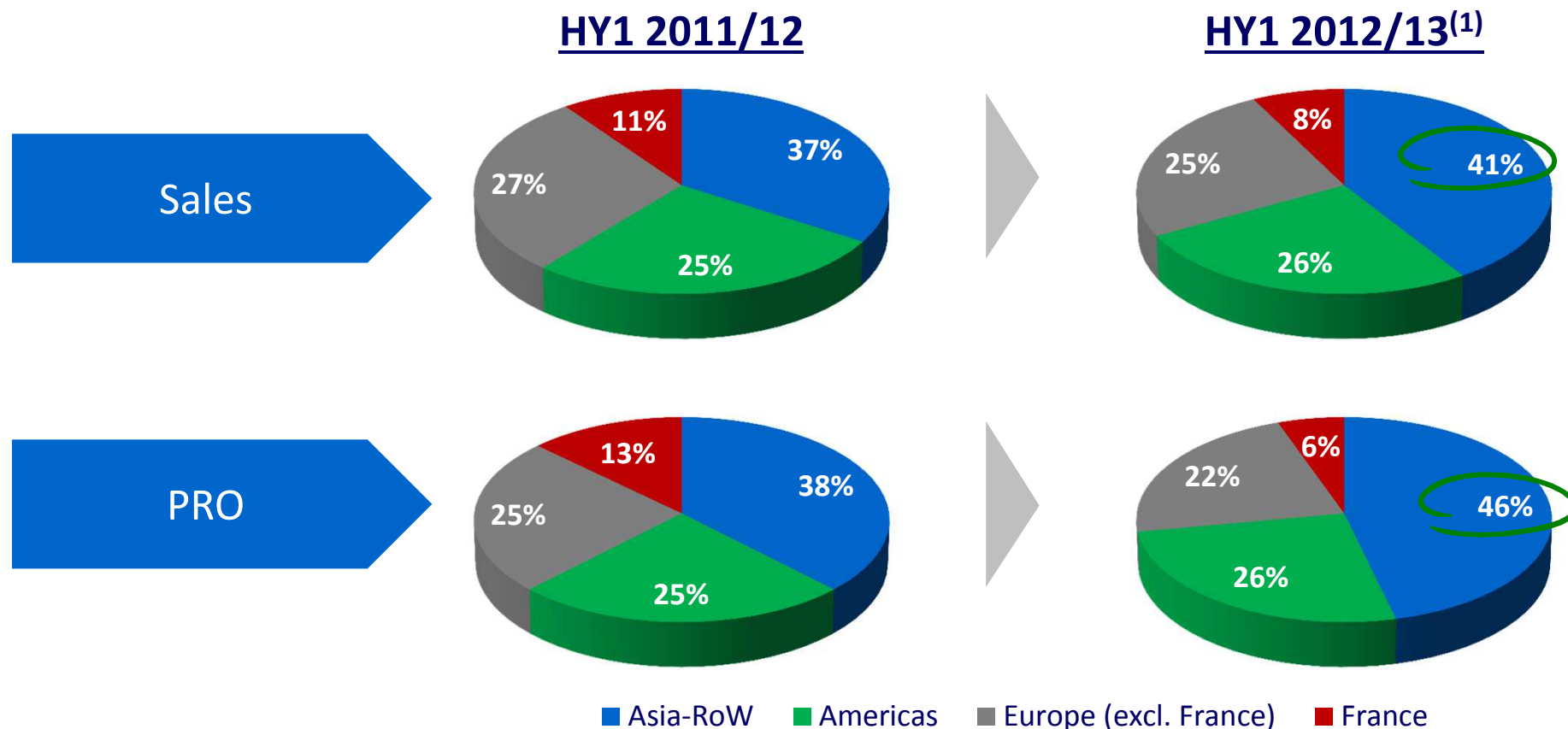
PRO growth⁽¹⁾ by region



- ➔ **Asia & RoW:** continued PRO growth⁽¹⁾ at same pace as last year (excl. technical effects⁽³⁾) despite economic slowdown and leadership change in China
- ➔ **Americas:** acceleration⁽¹⁾ driven by US
- ➔ **Europe excl. France:** slowdown⁽¹⁾ due to Southern Europe, yet excellent trend on-going in Eastern Europe
- ➔ **France:** decline⁽¹⁾ largely exacerbated by technical⁽³⁾ and conjunctural effects (PRO HY1 2011/12: +47%⁽¹⁾)



Analysis by geographic region



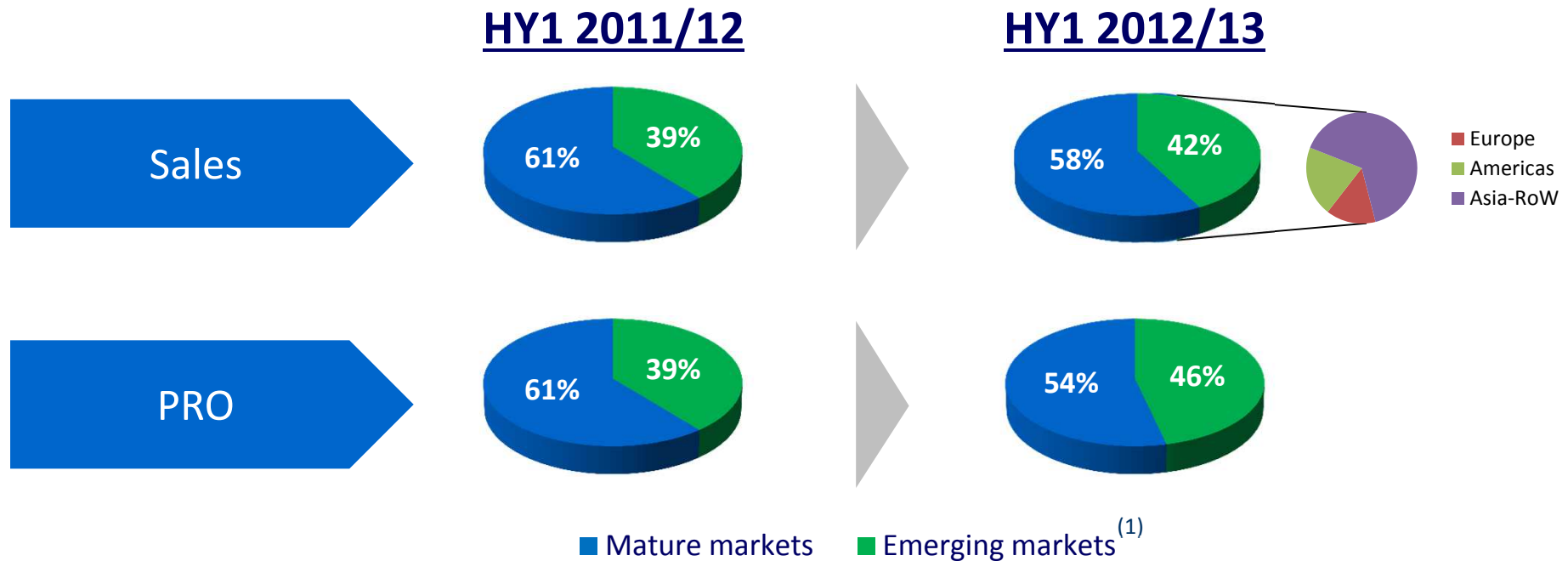
- Asia-RoW, the most rapidly expanding region, represents almost half of profits
- Sales in the Euro zone in HY1 limited to **20% of total Group sales**

(1) Data may not add up due to rounding

(2) French pre-buying and Chinese New Year; see appendix

Share of emerging markets

Continued increased weight of emerging markets



Increased weight of emerging markets
positively impacts margins

(1) List of emerging markets available in appendix



Asia - Rest of the World

(€ millions)	HY1 11/12	HY1 12/13	Δ	Organic Δ
Sales ⁽¹⁾	1,699	2,005	+18%	+11%
Gross margin after logistics costs	1,025	1,262	+23%	+15%
<i>GM / Sales</i>	60.4%	62.9%		
Advertising and promotion expenditure	(317)	(359)	+13%	+6%
<i>A&P / Sales</i>	18.7%	17.9%		
Profit from recurring operations ⁽²⁾	527	674	+28%	+19%
<i>PRO / Sales</i>	31.0%	33.6%		

→ Very strong growth in PRO (+19%⁽³⁾, well above net sales growth⁽³⁾)

- **Excellent increase in gross margin**, which continues to benefit from **improved price/mix** and positive forex impact
- **Economies of scale** for advertising and promotion expenditure in major markets and brands

→ Substantial improvement in operating margin rate



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Americas

(€ millions)	HY1 11/12	HY1 12/13	Δ	Organic Δ
Sales	1,166	1,282	+10%	+6%
Gross margin after logistics costs	721	831	+15%	+9%
<i>GM / Sales</i>	<i>61.8%</i>	<i>64.8%</i>		
Advertising and promotion expenditure	(204)	(243)	+19%	+13%
<i>A&P / Sales</i>	<i>17.4%</i>	<i>18.9%</i>		
Profit from recurring operations ⁽¹⁾	338	378	+12%	+6%
<i>PRO / Sales</i>	<i>29.0%</i>	<i>29.5%</i>		

- ➔ Strong increase in **gross margin rate (+301bps)**: positive price/mix
- ➔ Significantly higher **A&P expenditure (+13%⁽²⁾)**:
 - low HY1 in FY 2011/12 (phasing)
 - significant growth ambitions in this region
- ➔ Continued increase in **resources allocated to route to market (+8%⁽²⁾)**, in particular in Latin America

(1) Head office costs are allocated in proportion to contribution

(2) Organic growth



Europe (excl. France)

(€ millions)	HY 11/12	HY 12/13	Δ	Organic Δ
Sales	1,232	1,245	+1%	-1%
Gross margin after logistics costs	731	744	+2%	+1%
<i>GM / Sales</i>	<i>59.3%</i>	<i>59.7%</i>		
Advertising and promotion expenditure	(176)	(193)	+10%	+7%
<i>A&P / Sales</i>	<i>14.3%</i>	<i>15.5%</i>		
Profit from recurring operations ⁽¹⁾	339	326	-4%	-4%
<i>PRO / Sales</i>	<i>27.5%</i>	<i>26.2%</i>		

- ➔ **Gross margin increase (+1%⁽²⁾)** thanks to Eastern Europe despite a challenging environment in Southern Europe
- ➔ Substantial increase in A&P expenditure / Sales ratio in HY1 notably due to **2 conjunctural factors**:
 - Media spend in Russia concentrated in HY1 before advertising restrictions come into effect as of 1 January 2013
 - Spend on Ritual in Spain to support the development of this new strategic product
- ➔ **Strict allocation of structure costs**:
 - Reduction in Western Europe: -2%⁽²⁾
 - Significant increase in Eastern Europe (+16%⁽²⁾) to strengthen leadership and support geographic expansion strategy

(1) Head office costs are allocated in proportion to contribution

(2) Organic growth



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France

(€ millions)	HY1 11/12	HY1 12/13	Δ	Organic Δ
Sales	517	374	-28%	-28%
Gross margin after logistics costs	386	259	-33%	-31%
<i>GM / Sales</i>	74.7%	69.4%		
Advertising and promotion expenditure	(121)	(93)	-23%	-23%
<i>A&P / Sales</i>	23.3%	25.0%		
Profit from recurring operations ⁽¹⁾	174	80	-54%	-51%
<i>PRO / Sales</i>	33.7%	21.5%		

Technical effects

- ✓ Pre-buying through end-December 2011

PRO⁽²⁾
€ (64)m

Conjunctural effects

- ✓ Residual inventory reduction in Q1 2012/13
- ✓ Low inventories at end 2012 at certain distributors (beer inventories)
- ✓ Promotional activities not repeated by major retailers in HY1
- ✓ Decrease in consumption following excise duty hike

PRO⁽²⁾
€ (24)m

Decline⁽²⁾ in PRO in HY1 of € (88)m due to technical and conjunctural effects, now behind us

Full FY 2012/13: PRO decline limited to approximately € (25)m

(1) Head office costs are allocated in proportion to contribution

(2) Organic growth



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Financial income (expense) from recurring operations

(€ millions)	HY1 11/12	HY1 12/13
Financial income (expense) from recurring operations	(233)	(272)
<i>Cost of debt</i>	4.9%	5.4%

→ Average cost of debt 5.4% in HY1 2012/13:

- increase compared to last year primarily due to debt refinancing in FY 2011/12, which enabled the Group to:
 - increase the share of bond debt (>80%)
 - extend the average maturity (close to 7 years)
 - secure attractive long-term rates (fixed-rate portion⁽¹⁾ > 90%)

→ For the full FY 2012/13:

- average cost of debt should be close⁽²⁾ to that of HY1
- in HY2, financial expenses from recurring operations will improve vs. HY2 2011/12

→ Significant reduction in the average cost of debt expected in FY 2013/14 to 5%⁽²⁾

(1) Fixed rates and collars

(2) Based on current rate curve

Cash flow statement

(€ millions)	HY1 11/12	HY1 12/13
Profit from recurring operations	1,379	1,459
Amortisation, depreciation, provision movements and others	81	86
Self-financing capacity from recurring operations	1,459	1,544
<i>Decrease/(increase) in strategic inventories⁽¹⁾</i>	32	(15)
<i>Decrease/(increase) in operational WCR</i>	(337)	(552)
Decrease/(increase) in recurring WCR	(305)	(568)
Non-financial capital expenditure	(91)	(105)
Financial income (expense) and taxes	(343)	(434)
Non-recurring items	(112)	(22)
Free Cash Flow	607	416

(1) Ageing stocks and wine inventories – includes changes in payables and advances to suppliers of strategic inventories



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Free Cash Flow: € 416m

Free cash flow largely impacted by technical and conjunctural effects

Technical and conjunctural effects

€ (130)m

- ✓ French impact (pre-buying in December 2011): approximately € (60)m
- ✓ HY1/HY2 phasing of certain payments (notably excise and taxes)
- ✓ Unfavourable base of comparison in WCR: impact in 2011/12 of optimisation initiatives (notably in Asia/RoW)

Growth in investments

€ (60)m

- ✓ Capital expenditure
- ✓ Strategic inventories

Increase in financial charges and cash tax...

€ (90)m

...offset by improvement of non-recurring items

+€ 90m

Increase in financial charges

- ✓ Average cost of debt below expectations, but higher than the prior year: 5.4% vs. 4.9%
- ✓ Decline expected in 2013/14

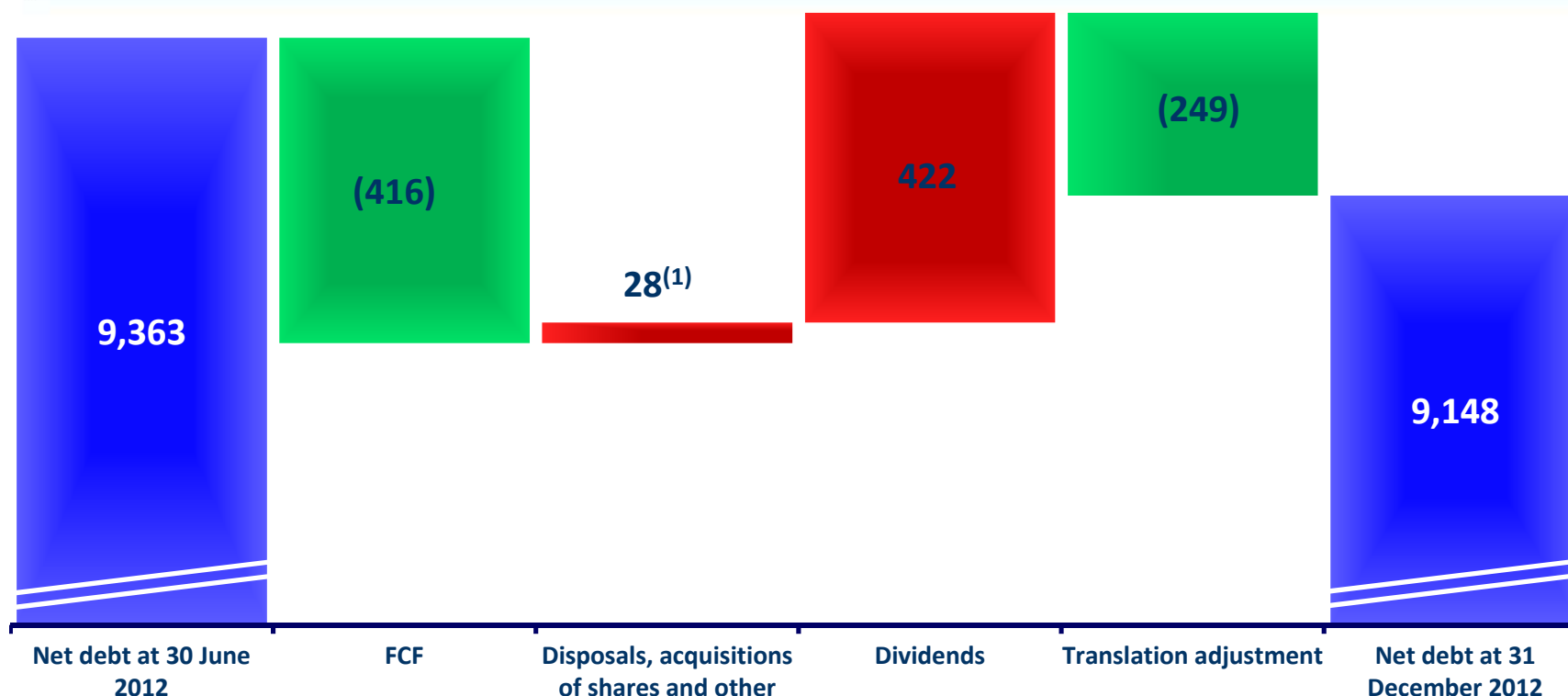
Increase in cash tax

- ✓ Including the impact of measures in France

**Cash generation will accelerate in HY2,
thus contributing to further deleveraging**



Change in net debt (€ million)



- ➔ **€ 215 m reduction in net debt** particularly due to a favourable forex impact: EUR/USD closing rate of 1.32 at 31 December 2012 vs. 1.26 at 30 June 2012
- ➔ Stability of Net debt/EBITDA ratio⁽²⁾ due to unfavourable technical⁽³⁾ and conjunctural effects in HY1



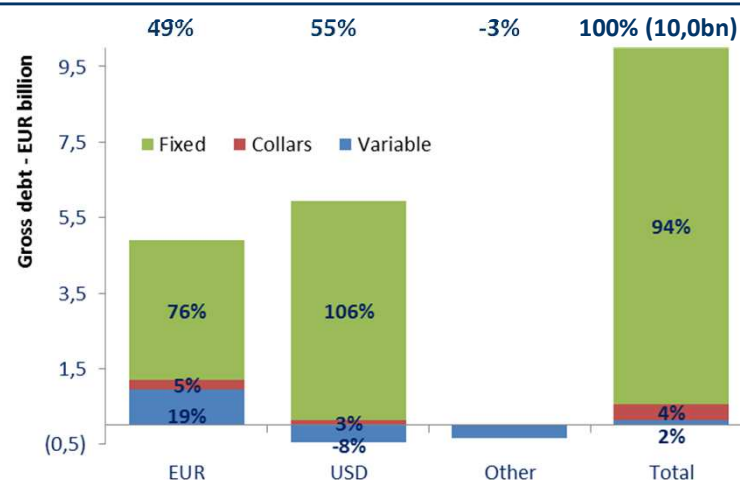
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Debt structure



- ✓ Bank and bond maturities in CY2013 and CY2014 are covered by forecasted cash flows and existing credit facilities
- ✓ As of 31 Dec. 2012, syndicated loan drawn at € 0.6bn vs. a maximum availability of € 2.5bn



- ✓ Natural hedging of the debt: EUR/USD split mirroring EBITDA
- ✓ Large proportion of debt kept at fixed rates



Income tax

(€ millions)	HY1 11/12	HY1 12/13
Corporate income tax on items from recurring operations	(283)	(319)
<i>Rate</i>	24.7%	26.8%

- ➔ Increase in corporate income tax primarily due to the impact of tax reforms in France as mentioned in Q1 communication:
€ (16)m on net profit
- ➔ Full FY 2012/13 income tax rate from recurring operations will be close to that of HY1 due to the impact of tax reforms in France

Non-recurring items: net impact limited to € (10)m

(€ millions)	HY1 12/13
Restructuring costs <i>(notably in Spain, Australia, New Zealand)</i>	(39)
Depreciation of intangible assets <i>(Brancott Estate)</i>	(64)
Other	2
Other operating income and expenses	(101)
Non-recurring financial items <i>(foreign exchange losses, etc.)</i>	(0)
Non-recurring financial items	(0)
Corporate income tax on non-recurring items <i>(including updated deferred tax rates)</i>	91
Corporate income tax on non-recurring items	91



Group share of net profit

(€ millions)	HY1 11/12	HY1 12/13	Δ
Profit from recurring operations	1,379	1,459	+6%
Financial income (expense) from recurring operations	(233)	(272)	+17%
Corporate income tax on recurring items	(283)	(319)	+13%
Minority interests and other	(19)	(11)	-44%
Group share of net profit from recurring operations	843	857	+2%
Other operating income and expenses	(53)	(101)	n/a
Financial income (expense) from non-recurring operations	(40)	(0)	n/a
Corporate income tax on non-recurring items	50	91	n/a
Group share of net profit	800	847	+6%



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Conclusion and outlook FY 2012/13

Good performance in HY1

- ✓ in a less favourable macro-economic environment, as anticipated
- ✓ taking into full account major technical effects⁽¹⁾, now behind us

Group's growth drivers remain unchanged:

- ✓ Premiumisation and Innovation
- ✓ Top 14 and Indian whiskies
- ✓ Emerging markets⁽²⁾ and US

**FY 2012/13
guidance**

Confirmation of FY 2012/13 target of organic growth in
Profit from Recurring Operations close to +6%

(1) French pre-buying and Chinese New Year

(2) List of emerging markets in appendix



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Technical Effects

Impacts (€ millions)	French pre-buying	Chinese New Year	TOTAL
Sales	(98)	(16)	(114)
PRO	(64)	(8)	(72)

→ French pre-buying:

- average 14% increase in excise duty on 1 January 2012 had incited distributors to build inventories in HY1 2011/12

→ Chinese New Year:

- 10 February 2013, compared to 23 January 2012, generating later shipments for this key period in Asia
- business strategy of anticipating shipments to pre-empt this key period had a mitigating effect this year

Emerging Markets

Asia-Rest of World	Americas	Europe
Africa	Argentina	Albania
Cambodia	Bolivia	Armenia
China	Brazil	Azerbaijan
India	Caribbean CESAM	Balkans
Indonesia	Chile	Belarus
Iran	Colombia	Bosnia
Iraq	Costa Rica	Bulgaria
Jordan	Cuba	Croatia
Laos	Dominican Republic	Georgia
Lebanon	Ecuador	Hungary
Malaysia	Guatemala	Kazakhstan
Maldives	Honduras	Latvia
Persian Gulf	Mexico	Lithuania
Philippines	Panama	Macedonia
Saudi Arabia	Paraguay	Moldova
Sri Lanka	Peru	Poland
Syria	Puerto Rico	Romania
Thailand	Uruguay	Russia
Turkey	Venezuela	Serbia
Vietnam		Ukraine

Top 14 Organic Growth

Top 14	Net Sales*	Volumes	Price/Mix
Chivas Regal	3%	-3%	6%
Absolut	4%	2%	2%
Ballantine's	-11%	-11%	0%
Jameson	13%	7%	6%
Ricard	-34%	-34%	0%
Malibu	-1%	-2%	0%
Beefeater	5%	2%	3%
Kahlua	2%	-2%	4%
Havana Club	4%	2%	2%
Martell	23%	8%	15%
The Glenlivet	21%	17%	4%
Royal Salute	3%	0%	3%
Mumm	-5%	-6%	1%
Perrier-Jouët	7%	0%	8%
Top 14	4%	-5%	9%

* Organic growth

Sales analysis by region

Net Sales (€ millions)	Q1 2011/12		Q1 2012/13		Change		Organic Growth		Group Structure		Forex impact	
France	162	8.1%	149	6.8%	(12)	-8%	(12)	-8%	0	0%	0	0%
Europe excl. France	524	26.4%	524	23.8%	0	0%	(8)	-1%	(2)	0%	10	2%
Americas	508	25.6%	579	26.3%	71	14%	32	7%	(16)	-3%	54	11%
Asia / Rest of the World	794	39.9%	951	43.2%	158	20%	83	11%	(1)	0%	76	10%
World	1,987	100.0%	2,203	100.0%	216	11%	95	5%	(19)	-1%	140	7%

Net Sales (€ millions)	Q2 2011/12		Q2 2012/13		Change		Organic Growth		Group Structure		Forex impact	
France	356	13.5%	225	8.3%	(131)	-37%	(131)	-37%	(0)	0%	0	0%
Europe excl. France	708	26.9%	721	26.7%	13	2%	1	0%	(2)	0%	14	2%
Americas	658	25.1%	703	26.0%	45	7%	41	6%	(16)	-2%	21	3%
Asia / Rest of the World	905	34.5%	1,054	39.0%	149	16%	110	12%	(3)	0%	42	5%
World	2,627	100.0%	2,703	100.0%	76	3%	21	1%	(21)	-1%	77	3%

Net Sales (€ millions)	HY1 2011/12		HY1 2012/13		Change		Organic Growth		Group Structure		Forex impact	
France	517	11.2%	374	7.6%	(143)	-28%	(143)	-28%	(0)	0%	0	0%
Europe excl. France	1,232	26.7%	1,245	25.4%	14	1%	(7)	-1%	(4)	0%	24	2%
Americas	1,166	25.3%	1,282	26.1%	116	10%	73	6%	(32)	-3%	75	6%
Asia / Rest of the World	1,699	36.8%	2,005	40.9%	307	18%	193	11%	(4)	0%	118	7%
World	4,614	100.0%	4,907	100.0%	293	6%	116	3%	(40)	-1%	216	5%

Summary Consolidated Income Statement

(€ millions)	31/12/2011	31/12/2012	Change
Net sales	4,614	4,907	6%
Gross Margin after logistics costs	2,863	3,096	8%
A&P expenditure	(817)	(888)	9%
Contribution after A&P expenditure	2,046	2,208	8%
Structure costs	(667)	(749)	12%
Profit from recurring operations	1,379	1,459	6%
Financial income/(expense) from recurring operations	(233)	(272)	17%
Corporate income tax on items from recurring operations	(283)	(319)	13%
Net profit from discontinued operations, minority interests and share of net income from associates	(19)	(11)	-44%
Group share of net profit from recurring operations	843	857	2%
Other operating income & expenses	(53)	(101)	NA
Non-recurring financial items	(40)	(0)	NA
Corporate income tax on items from non recurring operations	50	91	NA
Group share of net profit	800	847	6%
Minority interests	20	11	-45%
Net profit	820	858	5%



Profit from Recurring Operations by region 1/2

World

(€ millions)	HY1 2011/12	HY1 2012/13	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	4,614 100.0%	4,907 100.0%	293 6%	116 3%	(40) -1%	216 5%
Gross margin after logistics costs	2,863 62.1%	3,096 63.1%	233 8%	98 3%	(10) 0%	145 5%
Advertising & promotion	(817) 17.7%	(888) 18.1%	(71) 9%	(30) 4%	0 0%	(41) 5%
Contribution after A&P	2,046 44.3%	2,208 45.0%	162 8%	68 3%	(10) 0%	104 5%
Profit from recurring operations	1,379 29.9%	1,459 29.7%	80 6%	13 1%	(11) -1%	77 6%

Asia/Rest of World

(€ millions)	HY1 2011/12	HY1 2012/13	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	1,699 100.0%	2,005 100.0%	307 18%	193 11%	(4) 0%	118 7%
Gross margin after logistics costs	1,025 60.4%	1,262 62.9%	237 23%	151 15%	(3) 0%	89 9%
Advertising & promotion	(317) 18.7%	(359) 17.9%	(42) 13%	(18) 6%	0 0%	(24) 8%
Contribution after A&P	708 41.7%	903 45.0%	195 28%	133 19%	(3) 0%	65 9%
Profit from recurring operations	527 31.0%	674 33.6%	147 28%	97 19%	(3) -1%	53 10%

Americas

(€ millions)	HY1 2011/12	HY1 2012/13	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	1,166 100.0%	1,282 100.0%	116 10%	73 6%	(32) -3%	75 6%
Gross margin after logistics costs	721 61.8%	831 64.8%	110 15%	63 9%	(5) -1%	53 7%
Advertising & promotion	(204) 17.4%	(243) 18.9%	(39) 19%	(26) 13%	(0) 0%	(13) 6%
Contribution after A&P	518 44.4%	589 45.9%	71 14%	36 7%	(6) -1%	40 8%
Profit from recurring operations	338 29.0%	378 29.5%	40 12%	19 6%	(7) -2%	28 8%



Profit from Recurring Operations by region 2/2

Europe excluding France

(€ millions)	HY1 2011/12	HY1 2012/13	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	1,232 100.0%	1,245 100.0%	14 1%	(7) -1%	(4) 0%	24 2%
Gross margin after logistics costs	731 59.3%	744 59.7%	13 2%	4 1%	(1) 0%	10 1%
Advertising & promotion	(176) 14.3%	(193) 15.5%	(17) 10%	(13) 7%	(0) 0%	(4) 2%
Contribution after A&P	555 45.0%	551 44.2%	(4) -1%	(9) -2%	(1) 0%	6 1%
Profit from recurring operations	339 27.5%	326 26.2%	(12) -4%	(14) -4%	(1) 0%	3 1%

France

(€ millions)	HY1 2011/12	HY1 2012/13	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	517 100.0%	374 100.0%	(143) -28%	(143) -28%	(0) 0%	0 0%
Gross margin after logistics costs	386 74.7%	259 69.4%	(127) -33%	(120) -31%	(0) 0%	(7) -2%
Advertising & promotion	(121) 23.3%	(93) 25.0%	27 -23%	27 -23%	0 0%	(0) 0%
Contribution after A&P	266 51.4%	166 44.4%	(100) -38%	(93) -35%	(0) 0%	(7) -3%
Profit from recurring operations	174 33.7%	80 21.5%	(94) -54%	(88) -51%	(0) 0%	(6) -3%

Foreign Exchange Effect

Forex impact HY1 2012/13 (€ million)		Average rates evolution			On Net Sales	On Profit from Recurring Operation
		2011/12	2012/13	%		
US dollar	USD	1.38	1.27	-7.7%	85	53
Chinese yuan	CNY	8.82	8.03	-9.0%	56	42
Korean won	KRW	1.54	1.42	-7.9%	13	8
Russian ruble	RUB	41.61	40.15	-3.5%	6	4
Thai baht	THB	42.18	39.51	-6.3%	4	3
Canadian dollar	CAD	1.38	1.27	-8.4%	10	2
Mexican peso	MXN	17.87	16.63	-6.9%	7	2
Taiwan dollar	TWD	40.97	37.54	-8.4%	4	2
Japanese yen	JPY	107.01	101.88	-4.8%	4	2
Malaysian ringgit	MYR	4.26	3.94	-7.5%	3	2
New Zealand dollar	NZD	1.72	1.56	-9.0%	5	0
Singapourian dollar	SGD	1.73	1.57	-9.2%	3	(0)
Brazilian real	BRL	2.36	2.60	10.1%	(10)	(1)
Australian dollar	AUD	1.34	1.23	-8.3%	11	(4)
Hong Kong dollar	HKD	10.75	9.88	-8.1%	2	(5)
Indian rupee	INR	66.60	69.63	4.6%	(13)	(5)
Pound sterling	GBP	0.87	0.80	-7.8%	18	(17)
Currency translation variance/FX hedging						(4)
Other currencies					8	(7)
Total					216	77

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of 1% appreciation of the USD and linked currencies⁽¹⁾

Impact on the P&L	€m		Impact on the balance sheet	€m
Profit from Recurring Operations	+18	&		
Financial items	(2)			
Pre-tax profit from recurring operations	+16		Increase/(decrease) of net debt	+49

(1) CNY, HKD

Group Structure Effect

Group structure HY1 2012/13 (€ million)	On Net Sales	On Profit from Recurring Operations
Canadian activities	(10)	(3)
Other	(30)	(8)
Total Group Structure	(40)	(11)

Consolidated Balance Sheet 1/2

Assets (€ millions)	30/06/2012	31/12/2012
(Net book value)		
Non-current assets		
Intangible assets and goodwill	17,360	16,871
Property, plant and equipment and investments	2,477	2,517
Deferred tax assets	1,965	1,758
Total non-current assets	21,802	21,146
Current assets		
Inventories	4,295	4,282
<i>Work-in-progress</i>	<i>3,494</i>	<i>3,502</i>
Trade receivables and other (*)	1,376	2,030
Other non operating assets	63	60
Cash and cash equivalents	787	878
Total current assets	6,522	7,251
Assets held for sale	52	49
Total assets	28,375	28,445

(*) after disposals of receivables of:

500	707
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Consolidated Balance Sheet 2/2

Liabilities and shareholders' equity (€ millions)	30/06/2012	31/12/2012
Shareholders' equity	10,803	11,291
Minority interests	169	167
of which profit attributable to minority interests	27	11
Shareholders' equity – attributable to equity holders of the parent	10,972	11,458
Non-current provisions and deferred tax liabilities	4,134	3,911
Bonds	8,044	7,852
Non-current financial liabilities and derivative instruments	1,511	1,307
Total non-current liabilities	13,689	13,070
Current provisions	178	164
Trade payables and other	2,161	2,293
Other non operating liabilities	391	261
Bonds	153	225
Current financial liabilities and derivative instruments	824	968
Total current liabilities	3,707	3,911
Liabilities held for sale	7	6
Total equity and liabilities	28,375	28,445

Working capital analysis

(€ millions)	June 2011	December 2011	June 2012	December 2012
Work-in-progress**	3,150	3,286	3,494	3,502
Trade receivables before factoring/securitization	1,784	2,783	1,877	2,737
Other inventories	725	762	801	779
Trade payables and other	1,907	2,399	2,161	2,293
Gross Operating working capital	602	1,146	517	1,224
Factoring/Securitization impact	425	709	500	707
Net Operating Working Capital	177	437	16	517
Net Working Capital	3,327	3,723	3,510	4,019

HY1 2011/12 WC variation*	HY1 2012/13 WC variation*
21	25
963	913
7	(1)
430	174
540	738
265	215
275	523
296	548

* excl. FX effects and reclassifications

** excl. associated payables and advances

of which recurring variation
of which non recurring variation

305	568
(9)	(21)

Change in net debt

(€ millions)	31/12/2011	31/12/2012
Self-financing capacity	1,363	1,491
Decrease (increase) in working capital requirements	(296)	(548)
Financial result and tax cash	(365)	(434)
Net acquisitions of non financial assets	(95)	(94)
Free Cash Flow	607	416
Disposals/acquisitions assets and others	(33)	(32)
Change in Group structure		
Dividends and other	(383)	(419)
Decrease (increase) in net debt (before currency translation adjustments)	191	(34)
Foreign currency translation adjustment	(564)	249
Decrease (increase) in net debt (after currency translation adjustments)	(372)	215
Initial debt	(9,038)	(9,363)
Final debt	(9,410)	(9,148)



Change in Net Debt/EBITDA ratio

	Closing rate	Average rate
<i>Change in EUR/USD: 11/12 → 12/13</i>	<i>1.26 → 1.32</i>	<i>1.34 → 1.27</i>
Ratio at 30/06/2012	3.9	3.8
EBITDA & Cash génération excl. Group structure and Forex	(0.0)	(0.0)
Group structure	0.0	0.0
Forex	(0.2)	
Ratio at 31/12/2012	3.7	3.8⁽¹⁾

- ➔ Stability of the ratio given unfavourable technical⁽²⁾ and conjunctural effects in HY1 (phasing)

Bond issuances

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 550m	4.625%	06/12/2006	06/12/2013
	€ 800m	7.000%	15/06/2009	15/01/2015
	€ 1,200m	4.875%	18/03/2010	18/03/2016
	€ 1,000m	5.000%	15/03/2011	15/03/2017
USD	\$ 201m	Libor 3M + spread	21/12/2010	21/12/2015
	\$ 1,000m	5.750%	07/04/2011	07/04/2021
	\$ 1,500m	4.450%	20/10/2011	15/01/2022
	\$ 2,500m o/w: \$ 850m at 5 years \$ 800m at 10.5 years \$ 850m at 30 years	2.950% at 5 years 4.250% at 10.5 years 5.500% at 30 years	12/01/2012	15/01/2017 15/07/2022 15/01/2042
GBP	£ 250m	6.625%	12/06/2002	12/06/2014

Number of shares used in diluted EPS calculation

(000's)	HY1 11/12	HY1 12/13
Number of shares in issue at end of period	265,062	265,422
Weighted number of shares in issue (pro rata temporis)	264,862	265,356
Number of treasury shares	(2,254)	(1,901)
Dilutive impact of stock options	1,755	2,780
Number of shares used in diluted EPS calculation	264,363	266,234