

# 2010/11 Full-Year Sales and Annual Results\*



Pernod Ricard  
*Créateurs de convivialité*

Very strong performance, above of initial targets

Sales: +7% \*\*

Profit from recurring operations: +8% \*\*

Group share of net profit: +10%

Significant reduction in net debt to € 9 billion



1 Sept 2011

*This presentation can be downloaded from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)*

*\* Audit procedures on consolidated financial statements have been carried out. The Statutory Auditors' report will be issued following their review of the management report.*

*\*\* Organic growth*



## Presentation structure

- Overall analysis
- Sales analysis
- Profit from recurring operations
- Group share of NPRO\*
- Non-recurring items and net profit
- Conclusion and outlook

\*Net profit from recurring operations



## **Pernod Ricard 2010/2011 highlights**

### **Efficient strategy Financial targets exceeded**

- ➔ Dynamic sales: all-time volume record for the Top 14 and 7 of its brands**
- ➔ Strong advertising and promotion support and numerous initiatives in the field of innovation**
- ➔ Strong growth in earnings and continued debt reduction and refinancing**



## 2010/11 Key Figures

➔ **Sales: € 7,643 million (+8%, organic growth +7%)**

Top 14: volume +6%, sales +10% \*

Emerging markets \*\*: sales +17% \*

Renewed growth in mature markets: sales +1.5% \*

➔ **Increase in gross margin to 60.3% (vs. 59.6% in 2009/10)**

➔ **Advertising & promotion expenditure: € 1,441 million, up 11%\* to 18.9% of sales vs. 17.8% in 2009/10**

Top 14: 76% of total expenditure, up 12%\* (A&P to sales ratio of 24.7%)

\* Organic growth

\*\* Annual GNP per capita < USD 10,000



## 2010/11 Key Figures

### → Strong growth in earnings:

Profit from recurring operations: € 1,909 million (+6%, organic growth +8%)

Group share of net profit from recurring operations: € 1,092 million (+9%)

Group share of net profit: € 1,045 million (+10%)

### → Continued rapid debt reduction:

Significant debt reduction (down € 1,546 million) to € 9,038 million

Improvement in the Net Debt\* / EBITDA\* ratio to 4.4 at 30 June 2011 (vs. 4.9 at 30 June 2010)



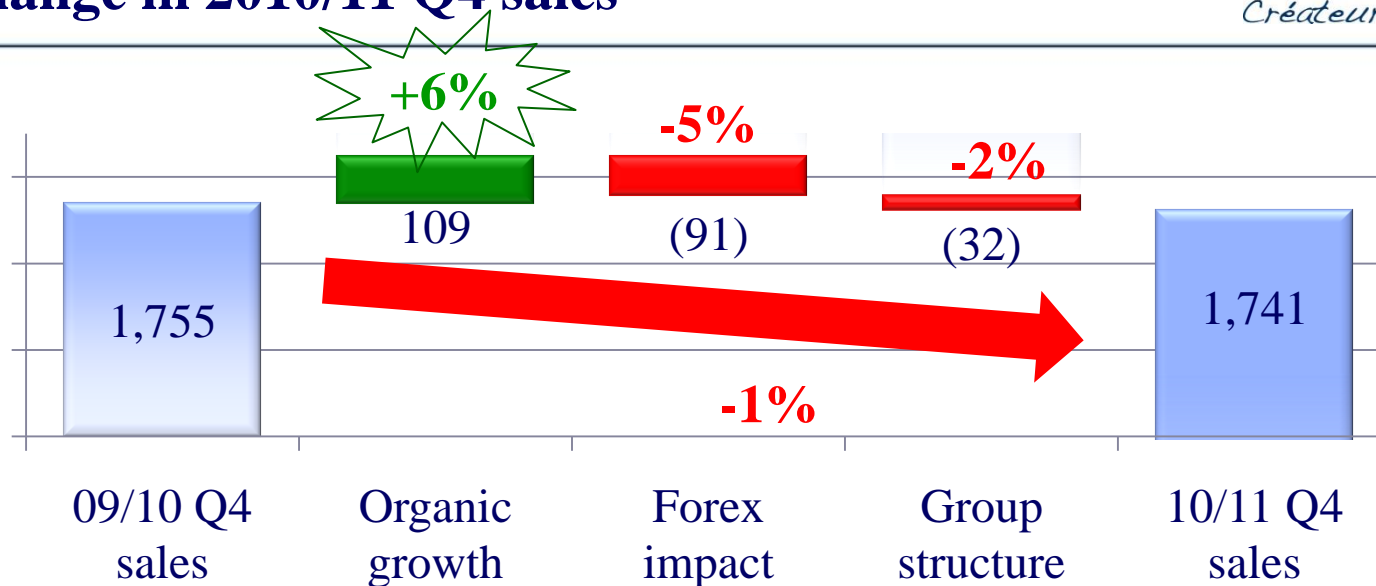
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## Change in 2010/11 Q4 sales

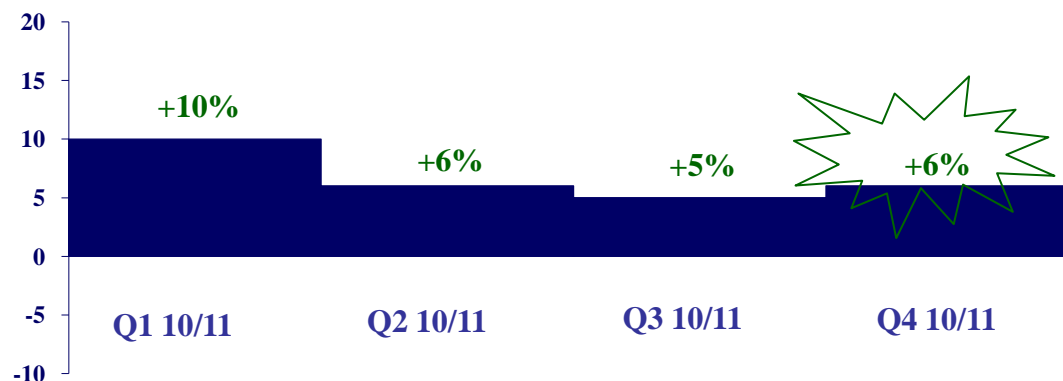


- ➔ **Organic growth: +6% (Spirits +7%, Wines +1%)**
- ➔ **Forex effect primarily related to the fall in value of the USD, CNY and INR**
- ➔ **Group structure effect: disposal of certain Scandinavian, Spanish and New Zealand operations**



## Change in 2010/11 Q4 sales

→ Strong Q4, organic sales growth +6%, in line with the first 9 months of the financial year



→ Continued sustained growth (+8%\*) of the Top 14

→ Confirmation of very strong growth in emerging markets\*\* (+20%\*). Stability\* in mature markets

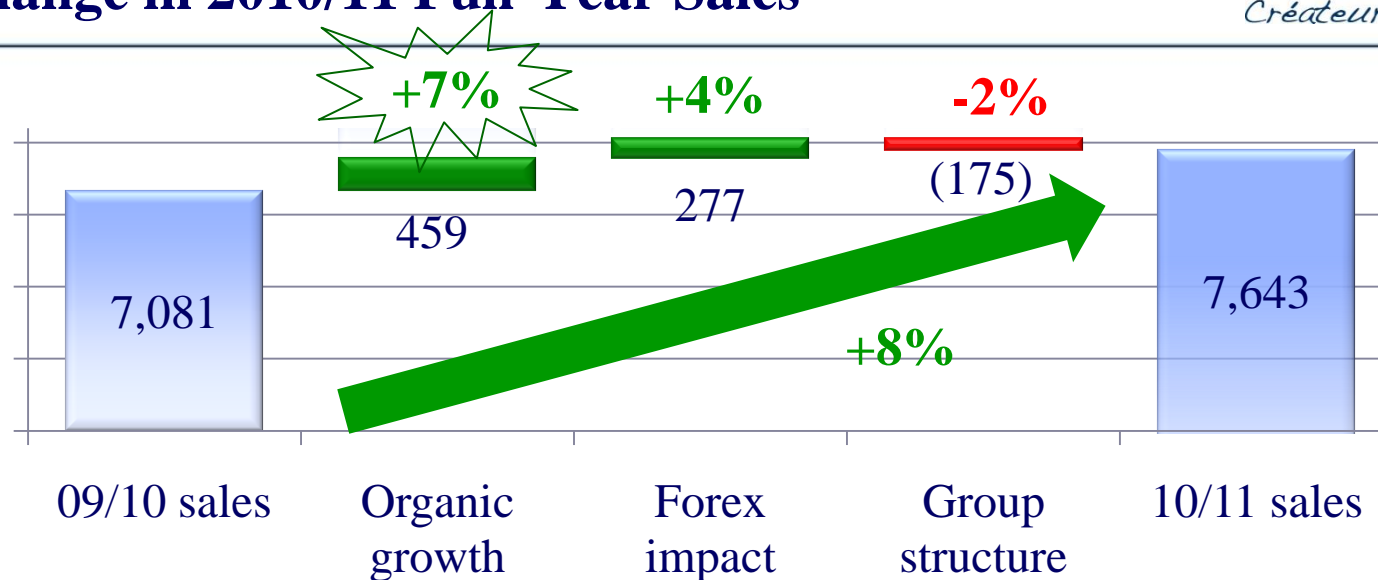
\* Organic growth

\*\* Annual GNP per capita < USD 10,000





## Change in 2010/11 Full-Year Sales



- ➔ **Organic growth: +7%** (Spirits +8%, modest growth for Wines)
- ➔ **Forex effect primarily due to the rise in value of the following currencies:** CNY, USD, AUD, INR, KRW, CAD, MXN, BRL, etc.
- ➔ **Group structure: disposal of certain Scandinavian, Spanish and New Zealand operations**



## Presentation structure

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- Sales analysis
  - by region
  - by brand / marketing initiatives
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## Organic sales growth by region

	<i>FY</i> <i>2009/10</i>	<i>FY</i> <i>2010/11</i>
Asia-RoW	+9%	+15%
America	+4%	+5%
Europe (excluding France)	-5%	0%
France	0%	+4%
<b>World</b>	+2%	+7%

### Growth in all regions:

- Renewed double-digit growth in Asia-RoW
- Significant growth in the Americas
- Improved trend in Europe, with a return to buoyant business activity in Eastern Europe, but also a market that remained difficult in Western Europe
- Continued sound growth in France

# Asia – Rest of World

## Analysis by category

(€ millions)	FY 2009/10	FY 2010/11	Δ	Organic Δ
Sales	2,273	2,711	+19%	+15%

**Very strong dynamism**

- ➔ **Martell** (+26%<sup>\*</sup>): leading growth driver with a very favourable price/mix effect
- ➔ **Top 14 Scotch whiskies** (+16%<sup>\*</sup>): 2<sup>nd</sup> growth driver
- ➔ **Indian whiskies** (+30%<sup>\*</sup>): 3<sup>rd</sup> contributor
- ➔ **Absolut, Jacob's Creek and Champagne** also drove growth in the region

# Asia – Rest of World

## Analysis by country



Pernod Ricard  
*Créateurs de convivialité*

- ➔ **China:** very strong growth (+23%<sup>\*</sup>) driven by Martell, Scotch whiskies and Jacob's Creek
- ➔ **India:** very strong 33%<sup>\*</sup> increase, due to local whiskies. Chivas and Absolut growing in significance
- ➔ Other fast-expanding emerging markets: **Vietnam** (+50%<sup>\*</sup>), **Africa/ME** (+24%<sup>\*</sup>)
- ➔ **Taiwan:** very strong growth, especially Martell and Scotch whiskies
- ➔ **Duty Free markets:** continued buoyant sales (+21%<sup>\*</sup>)
- ➔ **South Korea:** growth of +3%<sup>\*</sup> in line with the market
- ➔ **Thailand:** limited decline over the full year (-2%<sup>\*</sup>), due to significant growth of the Top 14 and strong rebound of 100 Pipers in Q4
- ➔ **Australia:** sales adversely affected by the voluntary exit from secondary wine operations, commercial disputes in HY1 and flooding in Queensland in Q3
- ➔ **Japan:** cumulative sales growth of +3%<sup>\*</sup> in the financial year (note the lack of Chivas sales in Q1 2009/10). Impact of the tsunami on our business (-7%<sup>\*</sup> in Q4) less significant than anticipated

# Americas

## Analysis by category

(€ millions)	FY 2009/10	FY 2010/11	Δ	Organic Δ
Sales	1,911	2,068	+8%	+5%

### Top 14 growth accelerating

- ➔ **Top 14** (+7%\* vs. +4%\* in 2009/10): main growth generator, particularly due to Jameson, Malibu and The Glenlivet in the US, Absolut in Brazil, Chivas in Duty Free markets and Latin America and Havana Club in Cuba
- ➔ **Priority Premium Wines**: decline (-10%\*) primarily due to poor sales of Jacob's Creek in the US in a depressed market for Australian wine
- ➔ **Local brands** (+1%\*): strong decline of Seagram's Gin (-12%\*) in the US but very good performance of Passport (+16%\*) and Orloff (+30%\*) in Brazil

### ➔ Good market trends, both in terms of dynamics and mix:

- Nielsen 12 months at 30 June 2011 + 4% and NABCA +3%
- Return to premiumisation and confirmed recovery in the on-trade
- Decrease in the promotional intensity of certain competitors

### ➔ Pernod Ricard: positive impact of the premium positioning and stepped-up expenditure to support key brands

- Organic sales growth +2%, Top 14 +5%
- Renewed growth by Absolut
- Sales of Jameson, Pernod Ricard USA's leading growth driver, accelerated

Absolut	2009/10	2010/11
Depletions	-2%	+2%
Nielsen	+1%	+3%
NABCA	-2%	+4%

Jameson	2009/10	2010/11
Depletions	+24%	+29%
Nielsen	+16%	+28%
NABCA	+22%	+25%

- Good performance by The Glenlivet, Malibu and Mumm Cuvée Napa. Rebound of Perrier-Jouët





- ➔ **Brazil:** strong growth (+12%<sup>\*</sup>) , driven by the Top 14 (+41%<sup>\*</sup>), particularly Absolut and Scotch whiskies
- ➔ **Mexico:** sustained growth (+7%<sup>\*</sup>) with a very strong development of Scotch Whiskies
- ➔ **Canada:** moderate sales growth, with contrasting performances: strong growth of Absolut and Jameson but decline of Jacob's Creek and Kahlua
- ➔ Significant growth in most other markets: Argentina, Andean countries, Cuba, Central America, etc. The strong decline in Venezuela (restricted access to USD) is now of little significance (about 0.5% of Group sales)

# Europe (excluding France)

## Analysis by category

(€ millions)	FY 2009/10	FY 2010/11	$\Delta$	Organic $\Delta$
Sales	2,176	2,114	-3%	-

**Marked improvement in trend over the year**  
**Sales stable\* in 2010/11 vs. -5%\* in 2009/10**

- ➔ **Top 14:** leading growth driver (+4%\*) driven by Jameson, Absolut, Beefeater, Havana Club, Mumm and Perrier-Jouët. Decline of Chivas in Greece and Ballantine's in Spain
- ➔ **Priority Premium Wines:** return to growth (+2%\*) with the strong development of Campo Viejo in the UK, Germany and Netherlands. Decline of Jacob's Creek in the UK
- ➔ **Local brands:** strong decline of Polish vodkas and Scandinavian aquavits

# Europe (excluding France)

## Analysis by country

- ➔ **Western Europe:** sales decreased by 2%\*, an improved trend vs. 2009/10 (-5%\*)
  - Decline primarily related to two markets: **Greece** (-33%\*) and **Spain** (-5%\*)
  - **Germany:** moderate growth due to the Top 14 (+11%\*), driven by Havana Club and Absolut
  - Virtual stability in the **UK** (-1%\* vs. -10%\* in 2009/10) and **Ireland** (-1%\* vs. -6%\* in 2009/10), a marked improvement compared to the previous financial year
- ➔ **Central and Eastern Europe:** marked upturn (+9%\* vs. -9%\* in 2009/10), gathering pace in HY2 (+12%\*)
  - **Russia:** main contributor to growth in the region (+17%\*, Top 14 +30%\*)
  - **Ukraine:** robust sales recovery (+19%\*)
  - **Poland** (+1%\*): strong growth of imported brands (Top 14 +32%\*), in particular Ballantine's (+49%\*), but overall decline of Polish vodkas



## France

(€ millions)	FY 2009/10	FY 2010/11	$\Delta$	Organic $\Delta$
Sales	721	750	+4%	+4%

### Continued sound growth

- ➔ Continued strong performance of the Top 14 brands (+6%<sup>\*</sup>), especially Ricard, Ballantine's, Mumm, Chivas, Havana Club, Perrier-Jouët, Jameson and Absolut
- ➔ Ricard (+5%<sup>\*</sup>) benefited from the launch of the new bottle in HY2 2010/11
- ➔ Recovery of champagne, both in volume and value



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# Organic sales growth by category

	% sales	FY 2009/10	FY 2010/11
Top 14 Spirits & Champagne	58%	+4%	+10%
Priority Premium Wines	5%	-2%	0%
18 key local spirits brands	17%	+4%	+3%
Other	20%	-3%	+1%
<b>Total</b>	<b>100%</b>	<b>+2%</b>	<b>+7%</b>

**Highly favourable growth mix**

**Premium brands\* represented 71% of sales to 30 June 2011,  
compared to 69% to 30 June 2010**

\* RSP in the US >= USD 17 for spirits and > USD 5 for wine

# Portfolio review

CHIVAS

## Top 14 Spirits & Champagne

ABSOLUT<sup>®</sup>  
*Country of Sweden*  
VODKA



BEEFEATER<sup>®</sup>  
LONDON



Ballantine's<sup>®</sup>  
LEAVE AN IMPRESSION

Kahlúa

Volume: +6%

Sales: +10%\*

% of Group sales: 58%











THE  
GLENLIVET<sup>®</sup>  






# Top 14 Spirits & Champagne

**Increased growth compared to 2009/10  
with a continued very favourable price/mix effect (+4%)**

Organic growth				
		Volume	Net sales	price/mix effect
Absolut		6%	6%	0%
Chivas Regal		7%	9%	2%
Ballantine's		7%	8%	1%
Ricard		-1%	3%	4%
Jameson		17%	20%	3%
Malibu		6%	3%	-3%
Beefeater		3%	4%	1%
Kahlua		-1%	-1%	0%
Havana Club		10%	8%	-2%
Martell		11%	22%	11%
The Glenlivet		13%	14%	1%
Royal Salute		24%	27%	4%
Mumm		6%	7%	1%
Perrier-Jouët		14%	17%	3%
Top 14		6%	10%	4%

➔ 5 out of 14 brands reported **double-digit** organic sales growth

➔ 12 out of 14 brands benefited from a favourable or neutral price/mix effect

➔ All-time record volume for the Top 14 and 7 of its constituent brands



All-time record volume

# Top 14 Spirits & Champagne

## Iconic brands

 <p><b>ABSOLUT</b> <i>Country of Sweden</i> <b>VODKA</b></p> <p>11 M cs      +6%</p>	<ul style="list-style-type: none"> <li>✓ Volume growth +6% (sales +6% *) including +2% in the US and +9% outside the US</li> <li>✓ Overall price/mix effect turned positive in HY2 to +1%</li> <li>✓ Brazil, South Korea, Russia, Turkey, Germany, Andean countries and the UK accounted for half the growth*</li> </ul>
 <p><b>CHIVAS</b></p> <p>4.6 M cs      +7%</p>	<ul style="list-style-type: none"> <li>✓ Growth driven by Asia, Africa/ME, Latin America and Eastern Europe (around 80% of growth*)</li> <li>✓ Continued premiumisation: Chivas 18 years old +23%* and Chivas 25 years old +70%*</li> </ul>

\*Organic growth



All-time record volume

# Top 14 Spirits & Champagne Premium brands



 6.3 M cs      +7%	<ul style="list-style-type: none"> <li>✓ Growth* driven by Asia-RoW (2/3 of growth) → Ballantine's 15 yo and above grew +21%* (vs. +5%* for Ballantine's Finest)</li> <li>✓ Over 1 M cs sold in France, very strong growth in Poland (becoming the 3<sup>rd</sup> export market in Europe) and in Latin America</li> <li>✓ Decline of the brand in Spain (-8%*)</li> </ul>	
 5.4 M cs      -1%	<ul style="list-style-type: none"> <li>✓ Launch of the new bottle in Q3 2010/11</li> <li>✓ Off-trade market share gains in the French market</li> <li>✓ Price/mix effect of +4%: price increase and favourable mix effect</li> </ul>	
 3.8 M cs      +10%	<ul style="list-style-type: none"> <li>✓ Strong development in all markets except Greece and Spain</li> <li>✓ Germany became the main market of the brand in value</li> </ul>	



\*Organic growth

All-time record volume




# Top 14 Spirits & Champagne Premium brands

 3.5 M cs +6%	<ul style="list-style-type: none"> <li>✓ Acceleration in HY2, driven by the US (success of "Malibu cocktails")</li> <li>✓ Recovery in Europe (+2%* vs. -7%* in 2009/10) with contrasting situations</li> </ul>
 3.4 M cs +17%	<ul style="list-style-type: none"> <li>✓ Over 3 M cs sold during this financial year</li> <li>✓ Exceptional performance driven by the US, with 1M cs sold (+29%), Eastern Europe and South Africa</li> </ul>
 2.4 M cs +3%	<ul style="list-style-type: none"> <li>✓ Good performance in Spain (+3%*), in spite of a difficult backdrop</li> <li>✓ Very strong development in emerging markets (from low bases)</li> </ul>
 1.7 M cs -1%	<ul style="list-style-type: none"> <li>✓ Virtual stability* of the brand: moderate decline in the US and growth in Europe and Asia</li> <li>✓ Revival of the brand with the new "Delicioso" advertising campaign</li> </ul>



\*Organic growth  
All-time record volume

# Top 14 Spirits & Champagne Prestige brands

  <p>1.8 M cs    +11%</p>	<ul style="list-style-type: none"> <li>✓ Outstanding growth (+22%*) with a very favourable price/mix effect</li> <li>✓ Very favourable quality mix (XO +29%*, Noblige +42%*)</li> </ul>
  <p>0.7 M cs    +13%</p>	<ul style="list-style-type: none"> <li>✓ Strong development both in its key market (US +7%*) and Duty Free and many markets experiencing rapid growth (particularly in Asia)</li> </ul>
 <p>0.6 M cs    +6%</p>	<ul style="list-style-type: none"> <li>✓ Rebound of the brand (+7%* vs. -8%* in 2009/10) driven by France, Italy and China</li> </ul>
 <p>0.2 M cs    +14%</p>	<ul style="list-style-type: none"> <li>✓ Recovery confirmed in its main markets: US, France and Italy. Very strong development in Asia (+31%*). Decline in the UK</li> </ul>
  <p>0.2 M cs    +24%</p>	<ul style="list-style-type: none"> <li>✓ Very strong growth in Asia and Duty Free markets</li> <li>✓ Good performance in Latin America and Africa/ME on a low base</li> </ul>

\*Organic growth



All-time volume record

# Priority Premium Wines: return to growth for the first time since 2007/2008

**Volume: -1%**  
**Sales: +0.4%\***  
**Value strategy: contribution after A&P +6%\***  
**% of Group sales: 5%**

JACOB'S CREEK®

**Volume -3% sales -1%\***

  
**Campo Viejo**

**Volume +6% sales +8%\***

  
**BRANCOTT™**  
— ESTATE —

**Volume +2% sales -3%\***

**GRAFFIGNA**  
CENTENARIO

**Volume +3% sales +6%\***

\*Organic growth

# 18 key local spirits brands: continued growth, driven by Indian whiskies

**Volume: +6%**  
**Sales: +3%\***  
**% of Group sales: 17%**

- ➔ Very strong development of Indian whiskies (+30%\*), strategic business for the Group
- ➔ Overall performance adversely affected by the decline of Seagram's Gin in the US (-12%\*) and 100 Pipers in Thailand (-13%\*)



**Product innovations**  
**New packaging**  
**Limited editions**  
**Consumer promotions**  
**Sponsorships**  
**Digital initiatives**  
**New advertising campaigns**

# Growth through innovation:

## Product innovations



Pernod Ricard  
*Créateurs de convivialité*



**ABSOLUT**  
*Wild Tea*



**ABSOLUT**  
*Berri Açai*



**ABSOLUT**  
*Orient Apple*



**ABSOLUT**  
*Elyx*



**MALIBU**  
*EZ Cocktails*



**MALIBU**  
*Fresh*



**MALIBU**  
*Black*



**ROYAL  
SALUTE**  
*62 Gun Salute*



**ROYAL SALUTE**  
*A Tribute to Honour*



**JAMESON**  
*Select Reserve*



**THE  
GLENLIVET**  
*Nadurra Triumph*



**HAVANA  
CLUB**  
*Selección de Maestros*



**BRANCOTT  
ESTATE**  
*Sparkling Sauvignon Blanc*



**JACOB'S  
CREEK**  
*Sparkling Moscato*

# Growth through innovation: New packaging



Pernod Ricard  
*Créateurs de convivialité*



**RICARD**  
*New Bottle*



**MARTELL**  
**VSOP**  
*New Packaging*



**HAVANA CLUB 3 Años**  
*New Packaging*



**MUMM**  
*Expert Range Packaging*



**THE GLENLIVET**  
*New Range Packaging*

# Growth through innovation: Limited editions



Pernod Ricard  
*Créateurs de convivialité*



**ABSOLUT**  
*Watkins*



**ABSOLUT**  
*Svea*



**ABSOLUT**  
*Glimmer*



**ABSOLUT**  
*Brooklyn*



**ABSOLUT**  
*SF*



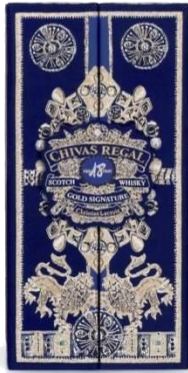
**MALIBU**  
*Snowflake*



**BEEFEATER**  
*Winter Gin*



**CHIVAS REGAL 18**  
*Christian Lacroix*



**CHIVAS REGAL 18**  
*Vivienne Westwood*



**JAMESON**  
*St Patrick's Day*



**PERRIER-JOUËT**  
*Belle Epoque sculptures*





# Growth through innovation: Consumer promotions



Pernod Ricard  
*Créateurs de convivialité*

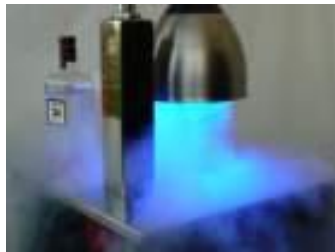
## ON-TRADE



**BEEFEATER 24**  
*Tea Salons*



**BALLANTINE'S**  
*Blue Safari Tastings*



**BEEFEATER 24**  
*Freeze Serve*



**PERRIER-JOUËT**  
*Luxury Hotel Salons*



**RICARD**  
*Triporteurs Bar Tour*



**KAHLÙA**  
*Delicioso Night In*

## OFF-TRADE & EVENTS



**MARTELL**  
*Asian Duty Free Boutiques*



**MARTELL**  
*Cognac Trunk Tour*



**MUMM**  
*Explorer Experiences*



**JAMESON**  
*Cult Film Club*



**BEEFEATER**  
*Forever London Events*

# Growth through innovation: Sponsorships



**BALLANTINE'S CHAMPIONSHIP**  
*South Korea*



**JACOB'S CREEK**  
*Australian Open Tennis Sponsorship*



**JACOB'S CREEK**  
*Official Wine of Wimbledon*



**CHIVAS REGAL 25**  
*Cannes Film Festival*



**ROYAL SALUTE**  
*Polo Sponsorship*



**CHIVAS REGAL**  
*Asian Film Awards*



**BRANCOTT ESTATE**  
*Rugby World Cup Sponsorship*

# Growth through innovation: Digital initiatives



**ABSOLUT**  
*Drinkspiration iPad App*



**CHIVAS REGAL**  
*China: Voices of Chivalry Virtual Band*



**BALLANTINE'S Finest**  
*ElPlanBtv Virtual Music Platform*



**BALLANTINE'S Finest**  
*Human API*



**JAMESON**  
*Empire 'Done in 60 Seconds'*



**MALIBU**  
*Music Mixer app*



**PERRIER-JOUËT**  
*Favourite Website Award*



**WORLD'S BEST BARS**  
*iPhone app*



**KAHLUA**  
*Talkabout iPhone App*



**DRINKOLOGY**  
*UK Mixology Forum*



# Growth through innovation: New advertising campaigns



Pernod Ricard  
*Créateurs de convivialité*



**ABSOLUT - Blank**



**CHIVAS REGAL - Live with Chivalry**



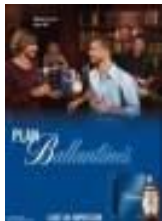
**CHIVAS REGAL 18**



**JAMESON Global - Easygoing Irish**



**JAMESON - Mexico**



**BALLANTINE'S - Leave an Impression**



**KAHLÚA - Delicioso**



**HAVANA CLUB Global**



**MARTELL Cordon Bleu**



**MARTELL - Noblige**



**THE GLENLIVET Taiwan**



**BRANCOTT ESTATE - Stay Curious**



**JACOB'S CREEK China**



**JACOB'S CREEK Australia**



**JACOB'S CREEK US - Australia**



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  - Summary income statement
  - Analysis by geographic region
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# Summary income statement

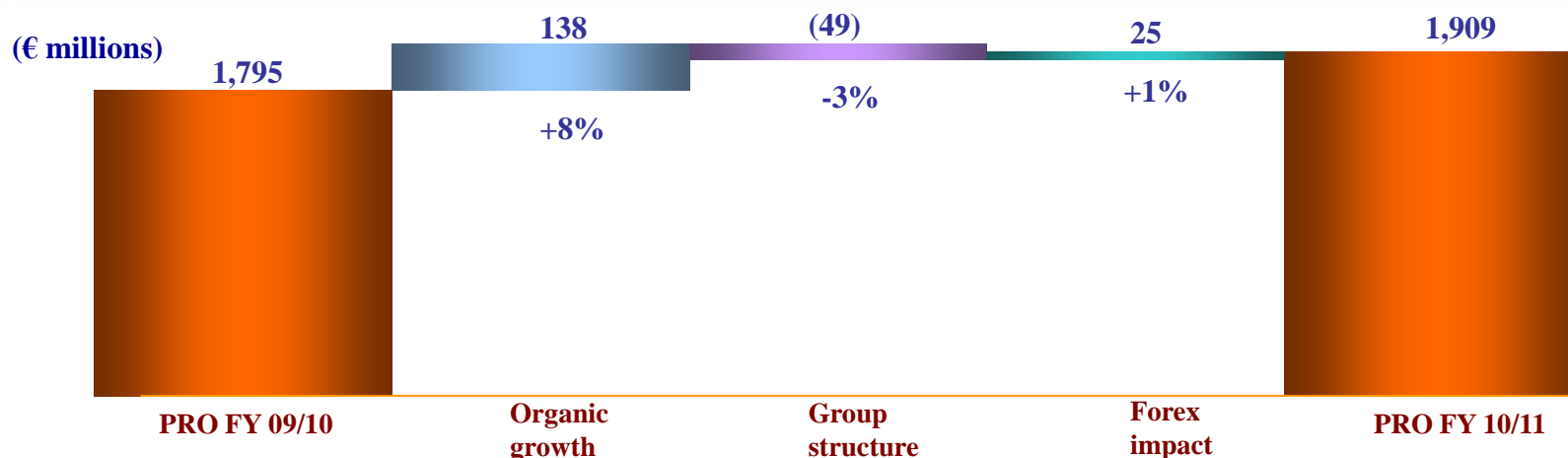
(€ millions)	FY 09/10	FY 10/11	Δ	Organic Δ 10/11	Organic Δ 09/10
Sales	7,081	7,643	+8%	+7%	+2%
Gross margin after logistics costs	4,218	4,610	+9%	+8%	+4%
GM / sales	59.6%	60.3%			
Advertising & promotion expenditure	(1,262)	(1,441)	+14%	+11%	+5%
A&P / sales	17.8%	18.9%			
Contribution after A&P expenditure (CAPE)	2,956	3,169	+7%	+7%	+4%
CAPE / sales	41.7%	41.5%			
Profit from recurring operations (PRO)	1,795	1,909	+6%	+8%	+4%
PRO / sales	25.4%	25.0%			

## ➔ Strong growth in profit from recurring operations:

- Return to substantial sales growth
- Further increase in gross margin rate (favourable price/mix effect)
- Continued strong growth in investment to support brands



## Foreign exchange / group structure effects on PRO



- ➔ € 49 million negative group structure on 2010/11 PRO, due particularly to the disposal of operations in Spain, Scandinavia and New Zealand  
(€ 7 million\* negative effect forecast on 2011/12 PRO)
- ➔ € 25 million forex impact, positive overall over the financial year, with:
  - Favourable impact of the rise in the average exchange rate of many currencies, primarily USD (EUR/USD = 1.36 vs. 1.39 in 2009/10) and CNY, partly offset by the rise in value of SEK, AUD and GBP
  - Very favourable € 98 million effect in HY1, but € 73 million unfavourable in HY



## Gross margin after logistics costs

(€ millions)	FY 09/10	Organic growth	FY 10/11
Gross margin after logistics costs	4,218	+8%	4,610
GM / sales	59.6%		60.3%
<b>+75bps</b>			

➔ Further strong improvement in gross margin after logistics costs to sales ratio

➔ This increase was particularly due to:

- a favourable mix effect: growth in Top 14 sales higher than Group growth, strong increase in superior qualities (Martell, Ballantine's, Chivas)
- price increases (an average +1.5% for the Top 14)
- limited increase in COGS (average +1.5%)





## Advertising & promotion expenditure

(€ millions)	FY	Organic growth	FY
	09/10		10/11
A&P expenditure	(1,262)	+11%	(1,441)
A&P / sales	17.8%		18.9%
<b>+103bps</b>			

- ➔ As announced, Pernod Ricard significantly increased expenditure to support its brands (+11%\*)
- ➔ A&P to sales ratio growth mainly due to the increase of share of the Top 14 in Group sales
- ➔ 76% of advertising and promotion expenditure focused on the Top 14 (24.7% A&P to sales ratio vs. 24.3% en 2009/10)
- ➔ Expenditure priority given to emerging markets (54% of total expenditure growth)

# Structure costs



Pernod Ricard  
Créateurs de convivialité

	FY		FY
(€ millions)	09/10	Organic growth	10/11
Structure costs*	(1,160)	+5%	(1,260)
Structure costs / sales	16.4%		16.5%

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

**+10bps**


- ➔ +5% increase\* in structure costs, which was less than sales growth
- ➔ 15 bps decrease in structure costs to sales ratio, on a like-for-like basis.  
Reported increase of 10 bps (impact of disposals)
- ➔ Resources allocated based on potential for market growth:
  - Distribution network strengthened in emerging countries with a strong potential: China (+24%\*), India (+29%\*), Russia (+23%\*), Brazil (+17%\*)
  - Creation of subsidiaries in Vietnam and Sub-Saharan Africa
  - Moderate decline\* in structure costs in Western Europe

\*Organic growth





## Profit from recurring operations

(€ millions)	FY	Organic growth	FY
	09/10		10/11
Profit from recurring operations	1,795	+8%	1,909
PRO / sales	25.4%		25.0%
			

➔ +8% \* PRO growth:

- Growth doubled compared to 2009/10 (+4% \*)
- Growth exceeded the target announced at the start of the financial year (+6% \*)

➔ PRO to sales ratio: 28 bps improvement on a like-for-like basis, despite the strong rise in the A&P to sales ratio

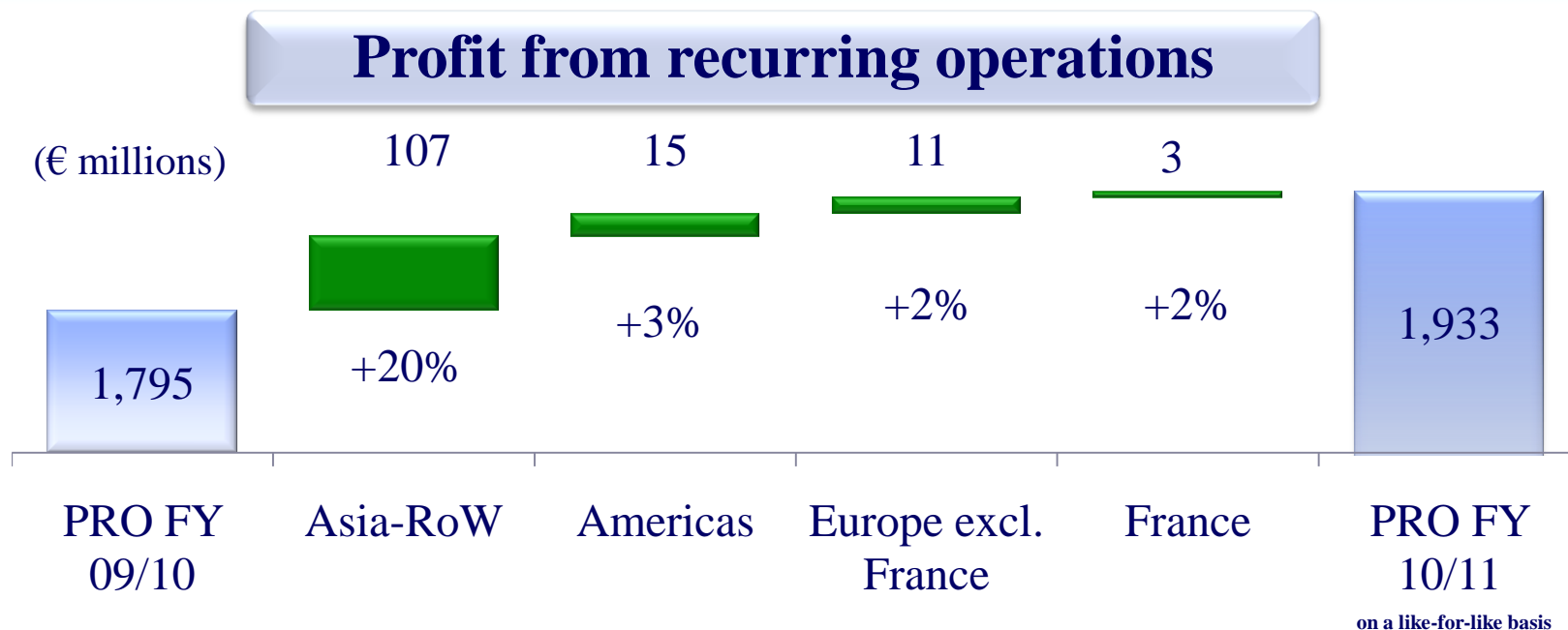


## Presentation structure

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## Contribution to PRO growth\* by region



**All regions contributed to organic growth in the Group's profit from recurring operations, with a very buoyant Asian region (China, India, Vietnam, Taiwan and Duty Free markets)**

# Asia – Rest of World



Pernod Ricard  
*Créateurs de convivialité*

(€ millions)	FY 09/10	FY 10/11	Δ	Organic growth
Sales <sup>(1)</sup>	2,273	2,711	+19%	+15%
Gross margin after logistics costs	1,263	1,559	+23%	+19%
GM / sales	55.6%	57.5%		
Advertising & promotion expenditure	(424)	(531)	+25%	+19%
A&P / sales	18.7%	19.6%		
Profit from recurring operations <sup>(2)</sup>	566	684	+21%	+20%
PRO / sales	24.9%	25.2%		
PRO / sales (excl. customs duties)	28.3%	28.4%		

(1) including customs duties      (2) head office costs are allocated in proportion to contribution

✓ **Very strong PRO growth (+20%\*), driven by sales**

✓ **Strong increase in advertising and promotion expenditure and structure costs to consolidate Pernod Ricard's development and leadership in the most buoyant region**

\*Organic growth



(€ millions)	FY 09/10	FY 10/11	Δ	Organic growth
Sales	1,911	2,068	+8%	+5%
Gross margin after logistics costs	1,193	1,277	+7%	+5%
GM / sales	62.4%	61.7%		
Advertising & promotion expenditure	(332)	(379)	+14%	+10%
A&P / sales	17.4%	18.3%		
Profit from recurring operations <sup>(1)</sup>	541	558	+3%	+3%
PRO / sales	28.3%	27.0%		

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

## ✓ Sound performance

✓ Significant increase in advertising and promotion expenditure (+10%\*, being double the sales growth), especially in the US (+9%\*), Brazil (+46%\*) and Mexico (+17%\*)

✓ Moderate rise in structure costs (+3%\*). Significant increase in Brazil

## Europe (excluding France)



Pernod Ricard  
*Créateurs de convivialité*

(€ millions)	FY 09/10	FY 10/11	Δ	Organic growth
Sales	2,176	2,114	-3%	-
Gross margin after logistics costs	1,234	1,228	-	+2%
GM / sales	56.7%	58.1%		
Advertising & promotion expenditure	(337)	(343)	+2%	+2%
A&P / sales	15.5%	16.2%		
Profit from recurring operations <sup>(1)</sup>	501	479	-5%	+2%
PRO / sales	23.0%	22.7%		

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

- ✓ **Marked improvement in performance vs. 2009/10: rebound in the East, less significant decline in the West**
- ✓ **Moderate increase in advertising and promotion expenditure (+2%\*) and structure costs (+1%\*), allocated in priority to markets with potential (Eastern Europe, etc.)**
- ✓ **Face-value decline in regional PRO, due to negative group structure (disposals in Spain and Scandinavia) and foreign exchange effects**

\*Organic growth



(€ millions)	FY 09/10	FY 10/11	Δ	Organic growth
Sales	721	750	+4%	+4%
Gross margin after logistics costs	528	546	+3%	+4%
GM / sales	73.2%	72.7%		
Advertising & promotion expenditure	(170)	(189)	+11%	+11%
A&P / sales	23.6%	25.2%		
Profit from recurring operations <sup>(1)</sup>	187	189	+1%	+2%
PRO / sales	25.9%	25.1%		

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

✓ Continued PRO growth

✓ Rise in A&P / sales ratio, particularly due to the launch of the new Ricard bottle in Q3

✓ Reduction in structure costs (-2%\*)

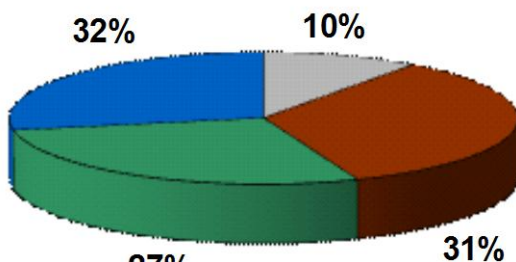




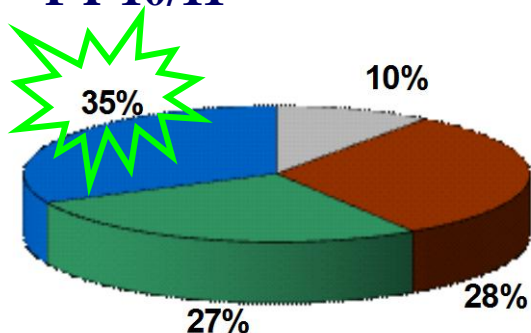
## Analysis by geographic region

### Sales

**FY 09/10**



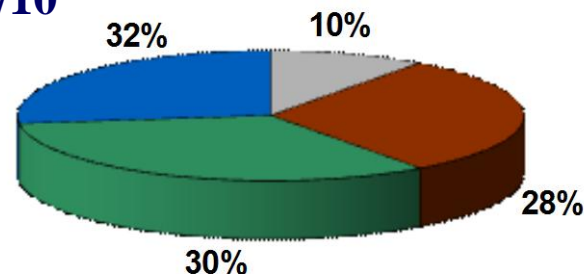
**FY 10/11**



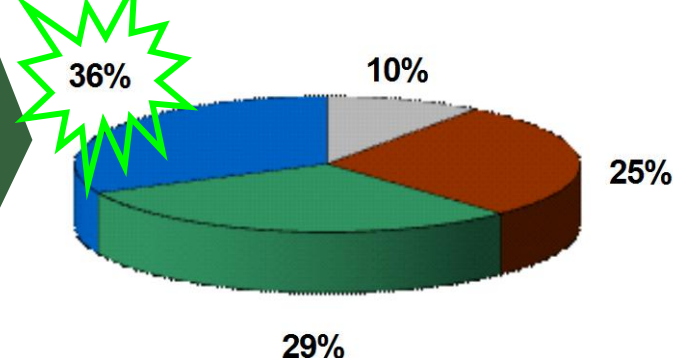
France  
Europe  
Americas  
Asia and ROW

### Profit from recurring operations

**FY 09/10**



**FY 10/11**



- ➔ Asia - RoW strengthened its status as the Group's main region in 2010/11
- ➔ Contribution of each region consistent between sales and PRO



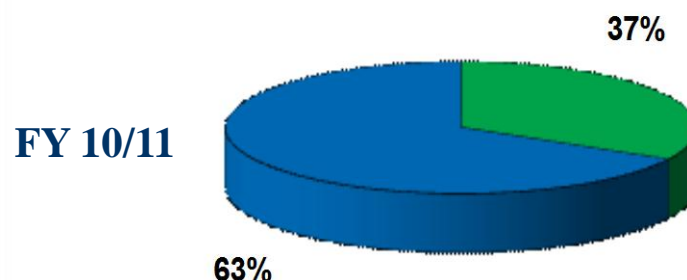
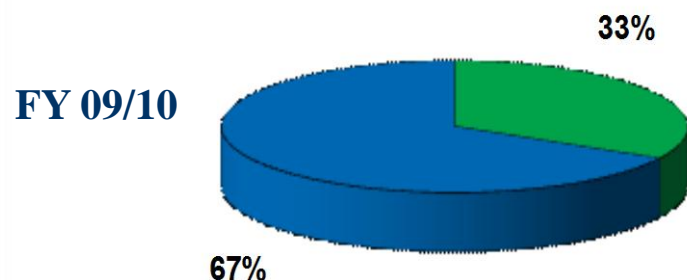
Pernod Ricard

*Créateurs de convivialité*

# Share of emerging markets in 2010/11

## Sales

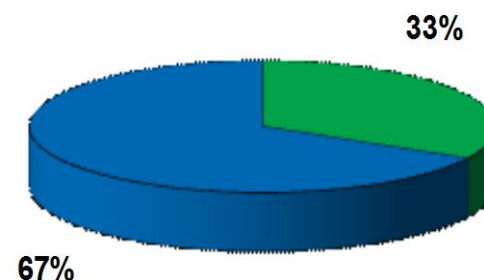
## Profit from recurring operations



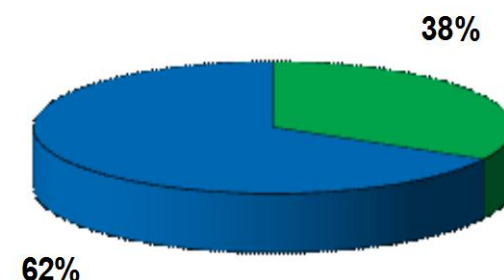
Emerging  
markets\*

Mature  
markets

**FY 09/10**



**FY 10/11**



**An increasingly powerful growth driver for the Group**

\* Annual GNP per capita < USD 10,000



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# Financial income/(expenses) from recurring operations



Pernod Ricard  
*Créateurs de convivialité*

(€ millions)	FY 09/10	FY 10/11
Net financing costs	(446)	(446)
Other financial income/(expenses) from recurring operations	(51)	(23)
Financial income/(expenses) from recurring operations	(497)	(469)

## Improvement in financial expenses from recurring operations

### ➔ Stability of net financing costs from recurring operations:

- Average cost\* of debt maintained at a low level (4.7% vs. 4.3% in 2009/10), below the original target of 5%
- The effect of the debt reduction offset the rise in the average cost\* of debt

### ➔ Reduction in other financial income/(expenses) from recurring operations, primarily due to the decrease in net financial expenses relating to retirement benefits

*NB: Based on current interest rates, the target for the 2011/12 financial year is to maintain the average cost\* of debt close to 5%*

\* (Net financing costs from recurring operations + commitment fees) / average net debt



## Free Cash Flow

(€ millions)	FY 09/10	FY 10/11
Profit from recurring operations	1,795	1,909
Amortisation, depreciation and provision movements and other	196	174
Self-financing capacity from recurring operations	1,991	2,083
Decrease/(increase) in WCR	(4)	15
Financial income/(expenses) and taxes	(643)	(724)
Net acquisitions of non financial assets and other	(184)	(183)
<b>Free Cash Flow from recurring operations</b>	<b>1,160</b>	<b>1,191</b>
Non-recurring items	(50)	(190)
<b>Free Cash Flow</b>	<b>1,110</b>	<b>1,001</b>

➔ Strong cash generation once again: Free Cash Flow from recurring operations of € 1,191 million, a moderate increase compared to 2009/10



## Free Cash Flow

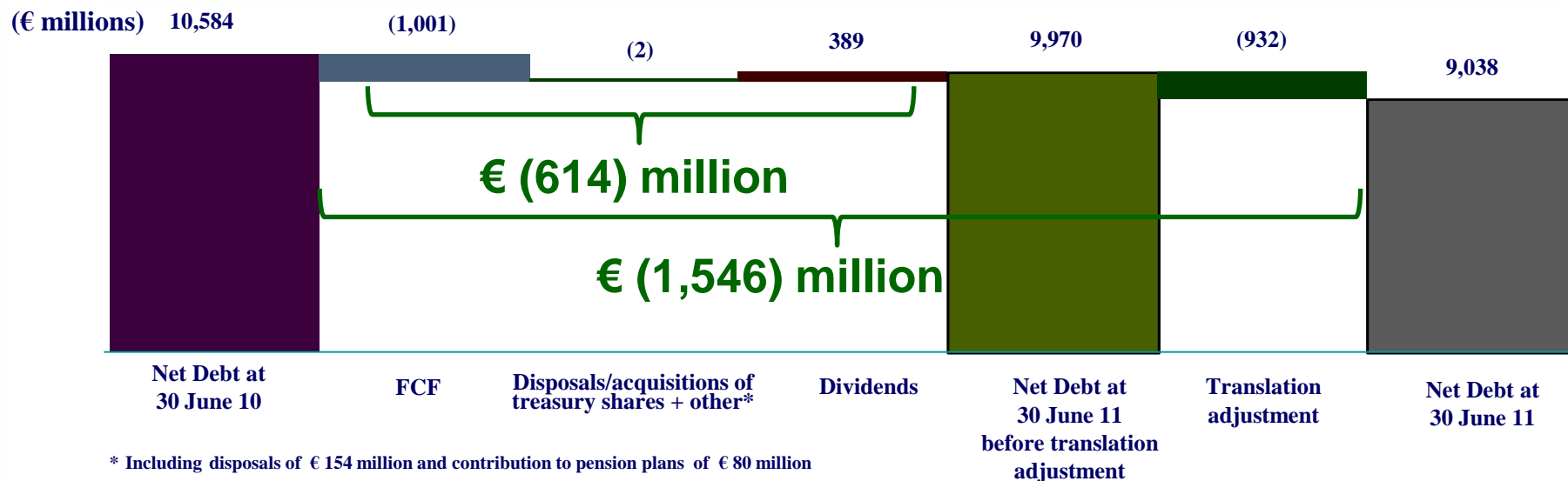
➔ Strong generation of FCF from recurring operations, due to:

- Growth in profit from recurring operations
- Controlled working capital requirements, down € 15 million, despite sales growth:
  - Moderate growth in ageing inventories (€ 85 million)
  - Decline of € 100 million in operating WCR\*, thanks to the optimisation of customer payment terms and inventories of dry raw materials and finished goods
- Controlled capital expenditure, stable at € 183 million

➔ Adverse trend for FCF from non-recurring operations, primarily due to unfavourable comparatives (tax refund of € 105 million in the US in 2009/10)



## Change in net debt



➔ Very substantial decline of € 1,546 million in reported debt thanks to a strong free cash flow and a highly favorable translation adjustment of € 932 million (EUR/USD rate = 1.45 at 30 June 2011 vs. 1.23 at 30 June 2010)



# Change in Net Debt / EBITDA ratio



Pernod Ricard  
Créateurs de convivialité

	Closing rate	Average rate
<i>Change in EUR/USD rate: 09/10 → 10/11</i>	1.23 → 1.45	1.39 → 1.36
Ratio at 30 June 2010	5.3	4.9
EBITDA & cash generation excluding forex and group structure effects	(0.6)	(0.6)
Group structure	0.1	0.1
Forex impact	(0.6)	
Ratio at 30 June 2011	4.2 <sup>(1)</sup>	4.4 <sup>(2)</sup>



➔ 2010/11, a further significant stage in the reduction of Group debt:

- Strong decline in Net Debt / EBITDA ratio
- Syndicated loan margin reduced to 100 bps since January 2011

(1) Basis for syndicated loan margin rate

(2) Basis for covenants of syndicated loan

## ➔ Active management of refinancing with attractive conditions:

- two bond issues
  - EUR 1,000 million in March 2011
  - USD 1,000 million (inaugural issue in the US) in April 2011
- two bilateral financing packages of € 150 million and USD 201 million in December 2010

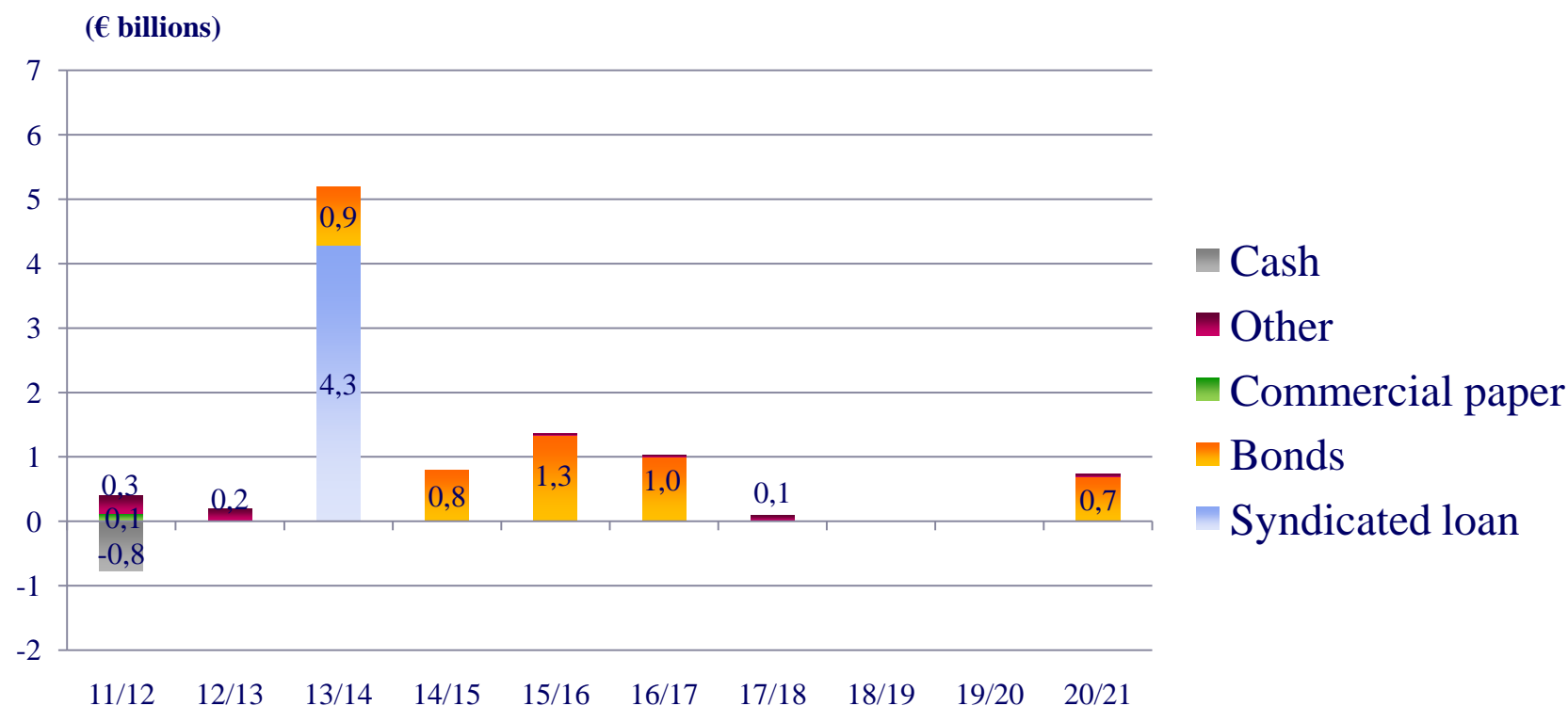
## ➔ At 30 June 2011:

- bond debt represented 48% of gross debt (ahead of the progress plan to achieve the announced target of 50%)
- the success of the inaugural issue in the US market has broadened the investor base and made future refinancing maturities more secure
- the weighted maturity of the debt was extended by 3 years and 7 months, with a smoother future repayment profile



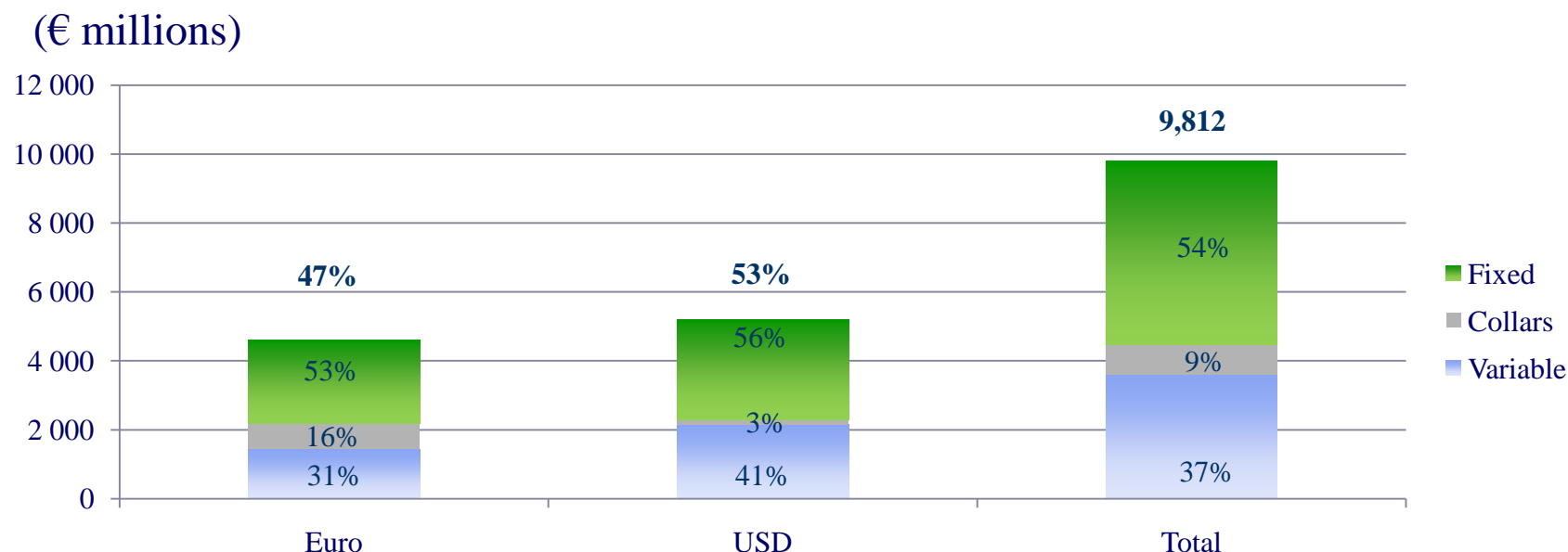
## Debt maturity at 30 June 2011

- ➔ At 30 June 2011, Pernod Ricard held € 0.8 billion in cash and € 1.5 billion in undrawn credit lines
- ➔ No major debt maturities before July 2013





## Gross debt hedging at 30 June 2011



➔ Debt breakdown\* by currency consistent with that of EBITDA

➔ About 1/3 of debt maintained at variable rate

\* After forex hedging

**Corporate income tax: € (318) million**

**Corporate income tax on items from  
recurring operations:  
€ (317) million - Rate: 22%**

**Corporate income tax on non-  
recurring items: € (1) million**

- ➔ Effective corporate income tax rate of 22%, a moderate increase compared to 2009/10 (20.9%)
- ➔ Non-recurring items: net cost limited to € (1) million

# Group Share of NPRO and Net earnings per share from recurring operations

(€ millions and €/share)	FY 09/10	FY 10/11	Δ
Profit from recurring operations	1,795	1,909	+6%
Financial income/(expenses) from recurring operations	(497)	(469)	-5%
Income tax on items from recurring operations	(271)	(317)	+17%
Minority interests and other	(26)	(31)	+18%
Group Share of net profit from recurring operations	1,001	1,092	+9%
<i>Diluted net earnings per share from recurring operations (NEPSRO)</i>	3.78	4.12	+9%

- ➔ Further growth in net profit from recurring operations due to a robust PRO and a controlled average cost of debt
- ➔ Diluted net earnings per share from recurring operations increased by +9% during the 2010/11 financial year, in line with the growth in net profit from recurring operations



## Dividend: €1.44 / share



Pernod Ricard  
*Créateurs de convivialité*

(€)	06/07 <sup>(1)</sup>	07/08 <sup>(1)</sup>	08/09	09/10	10/11*
Proposed dividend	1.17	1.22	0.50	1.34	1.44

\*10/11 dividend subject to approval by the Annual General Meeting of 15 November 2011

➔ A dividend of €1.44 (+7.5%) is proposed for the 2010/11 financial year, in line with the usual policy of distribution in cash of about 1/3 of net profit from recurring operations

(1) Dividends restated to take account of the 1-for-5 share allocation of 16 January 2007, the 1-for-2 par value split of 15 January 2008, the share capital increase of 14 May 2009 and the allocation of 1 free share for every 50 held of 18 November 2009.



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## Non-recurring items

### → Other operating income and expenses

(€ millions)	FY 10/11
Capital gains and losses on disposals and asset valuations	
• Impact of disposals: certain Spanish and New Zealand assets, Suntory equity investment, ...	19
• Impact of impairment tests on assets: primarily Polish vodkas	(42)
Restructuring costs	(17)
Other non-recurring income and expenses (primarily provision movements)	(16)
Other operating income and expenses	(56)

### → Non-recurring financial items

(€ millions)	FY 10/11
Other financial income and expenses (primarily foreign exchange gains)	11



## Group share of net profit

(€ millions)	FY 09/10	FY 10/11	Δ
Profit from recurring operations	1,795	1,909	+6%
Other operating income and expenses	(88)	(56)	NA
Operating profit	1,707	1,852	+8%
Financial income/(expenses) from recurring operations	(497)	(469)	-5%
Other non-recurring financial items	(10)	11	NA
Income tax	(223)	(318)	NA
Minority interests and other	(26)	(31)	+18%
Group share of net profit	951	1,045	<b>+10%</b>

➔ Group share of net profit up 10%



# Conclusion and outlook

### ➔ In 2010/11, Pernod Ricard successfully:

- strengthened its market positions, particularly in emerging markets, where very strong growth was achieved once again
- continued its strategy of innovation and premiumisation, thanks to substantial, targeted investment
- increased its gross margin rate
- accelerated its organic growth in profit from recurring operations, up 8% (+4% in 2009/10, initial target for 2010/11 was +6%)
- continued its debt reduction and increased the share of its bond financing (EUR & USD)



→ Our remarkable performance over the 2010/11 financial year demonstrated the relevance of our strategy and of our decentralised model

→ For 2011/12:

- the beginning of the financial year confirms the resilience of our markets
- we will continue to grow, by capitalising on the strength of our portfolio of brands, the quality of our distribution network and the powerful leverage of emerging markets
- we will pursue our debt reduction and the optimal management of our financing (*Confirmation of our target of a Net Debt\* / EBITDA\* ratio close to 4 at 30 June 2012*)

**In line with our practice, we will communicate our earnings guidance for the current financial year as part of our communication on 1<sup>st</sup> quarter sales, on 20 October 2011**



## ➔ Next communications from Pernod Ricard Holding:

- 2011/12 Q1 sales and 2011/12 guidance: 20 October 2011
- 2010/11 Annual General Meeting: Tuesday 15 November 2011
- Americas conference call: Thursday 15 December 2011, with Philippe Dréano
- Asia conference call: Tuesday 20 March 2012, with Pierre Coppéré



# Pernod Ricard

*Créateurs de convivialité*

## Appendices



Pernod Ricard

*Créateurs de convivialité*

# Brand Organic Growth

	Volumes FY 2009/10 (Million of 9 litre cases)	Volumes FY 2010/11 (Million of 9 litre cases)	Volume growth	Net Sales organic growth	Price/mix effect
<b>Absolut*</b>	<b>10.4</b>	<b>11.0</b>	<b>6%</b>	<b>6%</b>	<b>0%</b>
<b>Chivas Regal*</b>	<b>4.3</b>	<b>4.6</b>	<b>7%</b>	<b>9%</b>	<b>2%</b>
<b>Ballantine's</b>	<b>5.9</b>	<b>6.3</b>	<b>7%</b>	<b>8%</b>	<b>1%</b>
<b>Ricard</b>	<b>5.4</b>	<b>5.4</b>	<b>-1%</b>	<b>3%</b>	<b>4%</b>
<b>Jameson*</b>	<b>2.9</b>	<b>3.4</b>	<b>17%</b>	<b>20%</b>	<b>3%</b>
<b>Malibu</b>	<b>3.3</b>	<b>3.5</b>	<b>6%</b>	<b>3%</b>	<b>-3%</b>
<b>Beefeater</b>	<b>2.3</b>	<b>2.4</b>	<b>3%</b>	<b>4%</b>	<b>1%</b>
<b>Kahlua</b>	<b>1.8</b>	<b>1.7</b>	<b>-1%</b>	<b>-1%</b>	<b>0%</b>
<b>Havana Club*</b>	<b>3.5</b>	<b>3.8</b>	<b>10%</b>	<b>8%</b>	<b>-2%</b>
<b>Martell*</b>	<b>1.6</b>	<b>1.8</b>	<b>11%</b>	<b>22%</b>	<b>11%</b>
<b>The Glenlivet*</b>	<b>0.6</b>	<b>0.7</b>	<b>13%</b>	<b>14%</b>	<b>1%</b>
<b>Royal Salute*</b>	<b>0.1</b>	<b>0.2</b>	<b>24%</b>	<b>27%</b>	<b>4%</b>
<b>Mumm</b>	<b>0.6</b>	<b>0.6</b>	<b>6%</b>	<b>7%</b>	<b>1%</b>
<b>Perrier-Jouët</b>	<b>0.2</b>	<b>0.2</b>	<b>14%</b>	<b>17%</b>	<b>3%</b>
<b>Top 14*</b>	<b>42.9</b>	<b>45.6</b>	<b>6%</b>	<b>10%</b>	<b>4%</b>
<b>Jacob's Creek</b>	<b>7.1</b>	<b>6.8</b>	<b>-3%</b>	<b>-1%</b>	<b>3%</b>
<b>Brancott Estate</b>	<b>1.3</b>	<b>1.3</b>	<b>2%</b>	<b>-3%</b>	<b>-5%</b>
<b>Campo Viejo</b>	<b>1.5</b>	<b>1.6</b>	<b>6%</b>	<b>8%</b>	<b>3%</b>
<b>Graffigna</b>	<b>0.3</b>	<b>0.3</b>	<b>3%</b>	<b>6%</b>	<b>3%</b>
<b>Priority Premium Wines</b>	<b>10.2</b>	<b>10.1</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>

\* All-time record volumes





# Sales Analysis by Period and Region

Net Sales (€ millions)	FY 2009/10		FY 2010/11		Change		Organic Growth		Group Structure		Forex impact	
France	721	10.2%	750	9.8%	30	4%	30	4%	(0)	0%	0	0%
Europe excl. France	2,176	30.7%	2,114	27.7%	(63)	-3%	5	0%	(101)	-5%	33	2%
Americas	1,911	27.0%	2,068	27.1%	157	8%	87	5%	(6)	0%	76	4%
Asia / Rest of the World	2,273	32.1%	2,711	35.5%	438	19%	337	15%	(67)	-3%	168	7%
<b>World</b>	<b>7,081</b>	<b>100.0%</b>	<b>7,643</b>	<b>100.0%</b>	<b>562</b>	<b>8%</b>	<b>459</b>	<b>7%</b>	<b>(175)</b>	<b>-2%</b>	<b>277</b>	<b>4%</b>

Net Sales (€ millions)	Q4 2009/10		Q4 2010/11		Change		Organic Growth		Group Structure		Forex impact	
France	195	11.1%	202	11.6%	6	3%	7	3%	(0)	0%	(0)	0%
Europe excl. France	490	27.9%	480	27.6%	(10)	-2%	6	1%	(13)	-3%	(4)	-1%
Americas	543	30.9%	504	29.0%	(39)	-7%	9	2%	(2)	0%	(46)	-8%
Asia / Rest of the World	527	30.0%	555	31.9%	29	5%	87	17%	(17)	-3%	(41)	-8%
<b>World</b>	<b>1,755</b>	<b>100.0%</b>	<b>1,741</b>	<b>100.0%</b>	<b>(13)</b>	<b>-1%</b>	<b>109</b>	<b>6%</b>	<b>(32)</b>	<b>-2%</b>	<b>(91)</b>	<b>-5%</b>

Net Sales (€ millions)	HY2 2009/10		HY2 2010/11		Change		Organic Growth		Group Structure		Forex impact	
France	324	9.8%	335	10.0%	11	4%	11	4%	(0)	0%	(0)	0%
Europe excl. France	929	28.2%	879	26.2%	(51)	-5%	(19)	-2%	(34)	-4%	2	0%
Americas	911	27.7%	917	27.3%	6	1%	49	5%	(3)	0%	(40)	-4%
Asia / Rest of the World	1,128	34.3%	1,230	36.6%	102	9%	146	13%	(34)	-3%	(10)	-1%
<b>World</b>	<b>3,292</b>	<b>100.0%</b>	<b>3,361</b>	<b>100.0%</b>	<b>69</b>	<b>2%</b>	<b>187</b>	<b>6%</b>	<b>(71)</b>	<b>-2%</b>	<b>(48)</b>	<b>-1%</b>

# Summary Consolidated Income Statement

(€ millions)	30/06/2010	30/06/2011	Change
<b>Net sales</b>	<b>7,081</b>	<b>7,643</b>	<b>8%</b>
<b>Gross Margin after logistics costs</b>	<b>4,218</b>	<b>4,610</b>	<b>9%</b>
A&P expenditure	(1,262)	(1,441)	14%
<b>Contribution after A&amp;P expenditure</b>	<b>2,956</b>	<b>3,169</b>	<b>7%</b>
Structure costs	(1,160)	(1,260)	9%
<b>Profit from recurring operations</b>	<b>1,795</b>	<b>1,909</b>	<b>6%</b>
Financial income/(expense) from recurring operations	(497)	(469)	-6%
Corporate income tax on items from recurring operations	(271)	(317)	17%
Net profit from discontinued operations, minority interests and share of net income from associates	(26)	(31)	19%
<b>Group share of net profit from recurring operations</b>	<b>1,001</b>	<b>1,092</b>	<b>9%</b>
Other operating income & expenses	(88)	(56)	-36%
Non-recurring financial items	(10)	11	NA
Corporate income tax on items from non recurring operations	48	(1)	NA
<b>Group share of net profit</b>	<b>951</b>	<b>1,045</b>	<b>10%</b>
Minority interests	27	32	19%
<b>Net profit</b>	<b>978</b>	<b>1,077</b>	<b>10%</b>

# Minority interests and other

(€ millions)	FY 09/10	FY 09/10
Minority interests	(27)	(32)
Other	1	1

➔ Minority interests notably include:

- Havana Club
- Corby (Canada)
- JBC (South Korea)



# Profit from recurring operations by region

## World

(€ millions)	FY 2009/10	FY 2010/11	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	7,081 100.0%	7,643 100.0%	562 8%	459 7%	(175) -2%	277 4%
Gross margin after logistics costs	4,218 59.6%	4,610 60.3%	392 9%	338 8%	(56) -1%	111 3%
Advertising & promotion	(1,262) 17.8%	(1,441) 18.9%	(179) 14%	(136) 11%	7 -1%	(50) 4%
Contribution after A&P	2,956 41.7%	3,169 41.5%	213 7%	201 7%	(49) -2%	61 2%
<b>Profit from recurring operations</b>	<b>1,795 25.4%</b>	<b>1,909 25.0%</b>	<b>113 6%</b>	<b>138 8%</b>	<b>(49) -3%</b>	<b>25 1%</b>

## Asia / Rest of the World

(€ millions)	FY 2009/10	FY 2009/10	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	2,273 100.0%	2,711 100.0%	438 19%	337 15%	(67) -3%	168 7%
Gross margin after logistics costs	1,263 55.6%	1,559 57.5%	296 23%	240 19%	(20) -2%	76 6%
Advertising & promotion	(424) 18.7%	(531) 19.6%	(106) 25%	(79) 19%	2 0%	(30) 7%
Contribution after A&P	839 36.9%	1,029 37.9%	189 23%	161 20%	(18) -2%	47 6%
<b>Profit from recurring operations</b>	<b>566 24.9%</b>	<b>684 25.2%</b>	<b>118 21%</b>	<b>107 20%</b>	<b>(18) -3%</b>	<b>28 5%</b>

## Americas

(€ millions)	FY 2009/10	FY 2009/10	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	1,911 100.0%	2,068 100.0%	157 8%	87 5%	(6) 0%	76 4%
Gross margin after logistics costs	1,193 62.4%	1,277 61.7%	84 7%	59 5%	(4) 0%	29 2%
Advertising & promotion	(332) 17.4%	(379) 18.3%	(47) 14%	(33) 10%	0 0%	(14) 4%
Contribution after A&P	861 45.1%	898 43.4%	37 4%	26 3%	(4) 0%	15 2%
<b>Profit from recurring operations</b>	<b>541 28.3%</b>	<b>558 27.0%</b>	<b>16 3%</b>	<b>15 3%</b>	<b>(4) -1%</b>	<b>5 1%</b>



# Profit from recurring operations by region

## Europe excluding France

(€ millions)	FY 2009/10	FY 2009/10	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	2,176 100.0%	2,114 100.0%	(63) -3%	5 0%	(101) -5%	33 2%
Gross margin after logistics costs	1,234 56.7%	1,228 58.1%	(6) 0%	20 2%	(32) -3%	6 0%
Advertising & promotion	(337) 15.5%	(343) 16.2%	(6) 2%	(5) 2%	5 -1%	(6) 2%
Contribution after A&P	898 41.2%	886 41.9%	(12) -1%	14 2%	(27) -3%	0 0%
<b>Profit from recurring operations</b>	<b>501 23.0%</b>	<b>479 22.7%</b>	<b>(23) -5%</b>	<b>11 2%</b>	<b>(27) -5%</b>	<b>(7) -1%</b>

## France

(€ millions)	FY 2009/10	FY 2009/10	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	721 100.0%	750 100.0%	30 4%	30 4%	(0) 0%	0 0%
Gross margin after logistics costs	528 73.2%	546 72.7%	18 3%	19 4%	(0) 0%	(1) 0%
Advertising & promotion	(170) 23.6%	(189) 25.2%	(19) 11%	(19) 11%	0 0%	(0) 0%
Contribution after A&P	358 49.6%	356 47.5%	(1) 0%	(0) 0%	(0) 0%	(1) 0%
<b>Profit from recurring operations</b>	<b>187 25.9%</b>	<b>189 25.1%</b>	<b>2 1%</b>	<b>3 2%</b>	<b>(0) 0%</b>	<b>(1) -1%</b>

# Foreign Exchange Effect 2010/11



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Forex impact FY 2010/11 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		2009/10	2010/11	%		
US dollar	USD	1.39	1.36	-2.0%	31	22
Chinese yuan	CNY	9.50	9.03	-4.9%	33	17
Indian rupee	INR	64.93	61.80	-4.8%	20	6
Korean won	KRW	1.64	1.54	-6.2%	17	6
Japanese yen	JPY	127.38	113.22	-11.1%	14	6
Russian rouble	RUB	42.05	40.39	-3.9%	7	4
Canadian dollar	CAD	1.47	1.36	-7.1%	16	4
Malaysian ringgit	MYR	4.71	4.20	-10.8%	6	4
Mexican peso	MXN	17.98	16.68	-7.2%	16	4
Brazilian real	BRL	2.50	2.28	-8.7%	16	4
South african rand	ZAR	10.56	9.55	-9.5%	7	3
Thai baht	THB	46.14	41.73	-9.6%	14	3
Taiwan dollar	TWD	44.85	40.93	-8.7%	6	3
Singapourian dollar	SGD	1.96	1.76	-9.9%	6	2
Pound sterling	GBP	0.88	0.86	-2.5%	9	(7)
Australian Dollar	AUD	1.58	1.38	-12.6%	28	(10)
Swedish Krona	SEK	10.09	9.12	-9.6%	7	(18)
Currency translation variance/FX hedging						(36)
Other currencies					25	9
<b>Total</b>					<b>277</b>	<b>25</b>



# Reminder of sensitivity of profit and debt to EUR/USD exchange rate

- ➔ **Estimated impact of a 1% depreciation of the USD and linked currencies<sup>(1)</sup>:**
- **€ (12) million on profit from recurring operations (PRO) and + € 2 million on financial expenses, i.e. € (10) million on pre-tax profit from recurring operations (average annual exchange rate 1.36 during FY 2010/11)**
  - **€ (50) million on net debt (closing exchange rate 1.45 at 30 June 2011)**
- ➔ **Certain other currencies also negatively impact sales and PRO: GBP, AUD, SEK, KRW, IND, RUB, BRL, ...**

(1) CNY, HKD

# Group Structure Effect

Group structure FY 2010/11 (€ millions)	On Net Sales	On Profit from Recurring Operations
Scandinavian assets	(72)	(20)
New Zealand assets	(25)	(6)
Spanish assets	(19)	(6)
Other	(58)	(17)
<b>Total Group Structure</b>	<b>(175)</b>	<b>(49)</b>

# Consolidated Balance Sheet 1/2

Assets (€ millions)	30/06/2010	30/06/2011
<b>(Net book value)</b>		
<b>Non-current assets</b>		
Intangible assets and goodwill	17,757	16,332
Property, plant and equipment and investments	2,083	2,156
Deferred tax assets	1,307	1,459
<b>Total non-current assets</b>	<b>21,148</b>	<b>19,947</b>
<b>Current assets</b>		
Inventories	4,007	3,875
<i>Work-in-progress</i>	<i>3,170</i>	<i>3,150</i>
Receivables	944	904
Other trade receivables	218	136
Other current assets	49	59
Cash and cash equivalents	701	774
<b>Total current assets</b>	<b>5,918</b>	<b>5,748</b>
Assets held for sale	42	4
<b>Total assets</b>	<b>27,107</b>	<b>25,699</b>

(\*) after disposals of receivables of:

435	425
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# Consolidated Balance Sheet 2/2

Liabilities and shareholders' equity (€ millions)	30/06/2010	30/06/2011
<b>Shareholders' equity</b>	9,122	9,284
Minority interests	216	190
of which profit attributable to minority interests	27	32
<b>Shareholders' equity – attributable to equity holders of the parent</b>	<b>9,337</b>	<b>9,474</b>
Non-current provisions and deferred tax liabilities	3,599	3,612
Bonds	2,893	4,657
Non-current financial liabilities and derivative instruments	7,300	5,004
<b>Total non-current liabilities</b>	<b>13,792</b>	<b>13,272</b>
Current provisions	312	265
Operating payables	1,871	1,884
Other operating payables	25	23
Other current liabilities	303	361
Bonds	934	82
Current financial liabilities and derivatives	529	337
<b>Total current liabilities</b>	<b>3,975</b>	<b>2,953</b>
Liabilities held for sale	2	-
<b>Total equity and liabilities</b>	<b>27,107</b>	<b>25,699</b>



# Analysis of working capital requirement

(€ millions)	June 2010	June 2011	Δ June 2011 vs. June 2010	FX effects and reclassifications	FY 2010/11 WC variation	FY 2009/10 WC variation
<b>Work-in-progress</b>	<b>3,170</b>	<b>3,150</b>	<b>(20)</b>	<b>(105)</b>	<b>85</b>	<b>104</b>
Trade receivables before factoring/securitization	1,596	1,466	(130)	(128)	(2)	(32)
Other inventories	836	725	(111)	(78)	(33)	(15)
Trade payables and other	1,896	1,907	11	(68)	79	(63)
<b>Gross Operating Working Capital</b>	<b>536</b>	<b>284</b>	<b>(253)</b>	<b>(139)</b>	<b>(114)</b>	<b>16</b>
Factoring/Securitization impact	435	425	(10)	(13)	3	72
<b>Net Operating Working Capital</b>	<b>102</b>	<b>(141)</b>	<b>(243)</b>	<b>(125)</b>	<b>(117)</b>	<b>(56)</b>
<b>Net Working Capital</b>	<b>3,272</b>	<b>3,009</b>	<b>(263)</b>	<b>(230)</b>	<b>(32)</b>	<b>48</b>

# Change in net debt



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(€ millions)	30/06/2010	30/06/2011
<b>Self-financing capacity</b>	<b>1,893</b>	<b>1,916</b>
Decrease (increase) in working capital requirements	(48)	32
Financial result and tax cash	(573)	(734)
Net acquisitions of non financial assets	(163)	(213)
<b>Free Cash Flow</b>	<b>1,110</b>	<b>1,001</b>
Disposals/acquisitions assets and others	91	3
Change in Group structure	12	
Dividends, purchase of treasury shares and others	(123)	(389)
<b>Decrease (increase) in net debt (before currency translation adjustments)</b>	<b>1,090</b>	<b>614</b>
Foreign currency translation adjustment	(786)	932
<b>Decrease (increase) in net debt (after currency translation adjustments)</b>	<b>304</b>	<b>1,546</b>
Initial debt	(10,888)	(10,584)
Final debt	(10,584)	(9,038)





## Bond issues

Currency	Par value	Premium	Issue date	Maturity date	Comments
Euro	€ 300 M	Euribor 3M + 50 bps	06/12/2006	06/06/2011	<b>Redeemed</b>
	€ 550 M	4.625%	06/12/2006	06/12/2013	
	€ 800 M	7.000%	15/06/2009	15/01/2015	
	€ 1,200 M	4.875%	18/03/2010	18/03/2016	
	<b>€ 1,000 M</b>	<b>5.000%</b>	<b>15/03/2011</b>	<b>15/03/2017</b>	<b>Oversubscribed 4X Spread 193</b>
USD	<b>\$ 201 M</b>	<b>Libor 3M + spread</b>	<b>21/12/2010</b>	<b>21/12/2015</b>	<b>Bilateral</b>
	<b>\$ 1,000 M</b>	<b>5.750%</b>	<b>07/04/2011</b>	<b>07/04/2021</b>	<b>Oversubscribed 6X Spread 245</b>
GBP	£ 450 M	6.625%	18/04/2001	18/04/2011	<b>Redeemed</b>
	£ 250 M	6.625%	12/06/2002	12/06/2014	



## Number of shares used in EPS calculation

(x1000)	FY 09/10	FY 10/11
Number of shares in issue at end of period	264,232	264,722
Weighted number of shares in issue (pro rata temporis)	263,950	264,424
Number of treasury shares	(1,257)	(1,740)
Dilutive impact of stock options	2,164	2,348
Number of shares used in EPS calculation	264,856	265,032

**Stability in the number of shares used for the calculation of earnings per share  
between the 2009/10 and 2010/11 financial years**