



## 2007/08 interim net sales: € 3 713 million

- **Outstanding 1<sup>st</sup> half-year organic growth: +10.1%, driven by emerging markets <sup>(1)</sup> (+25%) and premium spirits <sup>(2)</sup> (+17%)**
- **Continuing strong organic growth in Q2: +9.1%**
- **Higher full-year profit growth guidance**

*Press release - Paris, 24 January 2008*

Pernod Ricard consolidated **net sales** (excluding duties and taxes) for the **2007/08 1<sup>st</sup> half-year** (1<sup>st</sup> July to 31 December 2007) increased by **5.9% to € 3 713 million**, compared to € 3,507 million in the 2006/07 1<sup>st</sup> half-year. This growth resulted from the following:

- **outstanding 10.1% organic growth**,
- a 2.5% negative foreign exchange impact, primarily due to the loss in value of the US dollar,
- a 1.5% negative group structure impact (disposal of Rich & Rare and end of co-packing for Fortune Brands).

**The 15 strategic brands were the main drivers of this growth. They grew +7% in volume and +13% in value <sup>(3)</sup>**, which demonstrates the very positive impact of price increases and mix effects.

- **Spirit sales grew +11%<sup>(3)</sup>**, due in particular to the strength of premium spirits<sup>(2)</sup>: +17%<sup>(3)</sup>.

Most strategic brands recorded double-digit growth<sup>(3)</sup> in value: Martell (+27%), Jameson (+23%), The Glenlivet (+18%), Chivas Regal (+16%), Havana Club (+16%), Malibu (+13%), Ballantine's (+12%), Stolichnaya (+11%). Many other spirit brands reported strong growth, in particular Royal Salute in Asia, Ararat and Olmeca in Eastern Europe, Wyborowa in Poland and Royal Stag in India.

- **The wine business recorded organic growth of +6%** in value.

Sales of the three priority brands among our still wines, Jacob's Creek, Montana and Campo Viejo together increased +9%, demonstrating the return to strong and profitable growth of this business due to premiumisation, price increases and innovation. For champagnes, the price increase policy has also been successful as reflected in the growth<sup>(3)</sup> in value of Mumm (+17%) and Perrier Jouët (+7%).

**2<sup>nd</sup> quarter 2007/08** consolidated net sales increased +5.2% to € 2,157 million, with organic growth at +9.1% (including foreign exchange and group structure effects of -2.9% and -0.9%, respectively). Spirit business organic growth totalled +9.5% and that of the wine business +7.6%.

**All geographic regions reported strong growth. Emerging markets<sup>(1)</sup> further enhanced their expansion:** these countries accounted for almost 30% of 1<sup>st</sup> half-year net sales and increased +25%, contributing nearly 2/3 of total Group growth<sup>(3)</sup>.

- ◆ **Asia / Rest of World: € 1,085 million (+10.7%, with organic growth at +13%)**

Martell, Chivas Regal and Ballantine's contributed 2/3 of organic growth for the Asia/Rest of World region. China grew +31%<sup>(3)</sup> due to Martell and Ballantine's. India (+ 49%<sup>(3)</sup>) and Duty Free also recorded double-digit growth rates, as did Taiwan, Malaysia, Indonesia and Vietnam.

◆ **Americas: € 970 million (-1.4%, with organic growth at +10%)**

• **North America**

In North America (US, Canada, Mexico), organic growth was +5%.

- US growth was similar between 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter. Strategic brands such as Jameson, The Glenlivet, Malibu, Stolichnaya and Wild Turkey for spirits and Montana, Campo Viejo, Perrier Jouët and Mumm Napa for wines continued their vigorous growth. However, the Kahlúa, Chivas Regal and Beefeater brands had a more difficult 1<sup>st</sup> half-year.
- In Mexico, international brands grew strongly but Mexican brandies declined.
- Canada had a very good 1<sup>st</sup> half-year, in particular for the 15 strategic brands.

• **Central and South America**

Central and South America reported very strong organic growth (+29%). Chivas Regal (Venezuela, Brazil), Ballantine's (Brazil, Paraguay), Havana Club (Cuba, Chile) and Something Special (Venezuela) are developing rapidly.

◆ **Europe (excluding France): € 1,262 million (+7.4%, with organic growth at +9%)**

The Europe region had an excellent 1<sup>st</sup> half-year, underlined by a very good 2<sup>nd</sup> quarter, due to:

- the spectacular development of Central and Eastern Europe, which generated more than 60% of European growth. Russia (Chivas Regal, Jameson, Ballantine's), Poland (Ballantine's, Wyborowa), Ukraine and Romania were the main contributors to this growth.
- the solid growth in most major Western European markets (Spain, UK, Ireland, Greece). Italy is the main market in decline.

◆ **France: € 396 million (+8%)**

France had a very good 1<sup>st</sup> half-year including an outstanding 2<sup>nd</sup> quarter. All major whisky brands reported growth: Chivas Regal, Ballantine's, Jameson, Aberlour, The Glenlivet and Clan Campbell. Mumm champagne also recorded very strong growth but 2<sup>nd</sup> half-year growth will be adversely affected by product availability. Ricard registered a marked recovery in Q2 and gained market share.

## **Conclusion and outlook**

Patrick Ricard, Chairman and CEO of the Group stated *"I could describe this 1<sup>st</sup> half-year as historic, given the outstanding sales dynamism; this reflects the relevance of the Pernod Ricard model, the performance of our premium brands<sup>(2)</sup> and our very strong geographic presence in emerging markets. These results and the very positive sales outlook for the 2<sup>nd</sup> half-year enable me to be confident for the full financial year and to revise our growth guidance upwards. We now aim for 2007/08 growth in Operating Profit from Ordinary Activities, on a like-for-like basis<sup>(4)</sup>, of about +12%, compared to around +10% previously."*

(1) GNP/capita < USD 10,000

(2) Brands with a price positioning higher or equal to that of Chivas Regal 12 year old or Martell VS

(3) Organic growth

(4) Foreign exchange and group structure

### **About Pernod Ricard**

*Created by the merger between Pernod and Ricard (1975), the Group has undergone sustained development, founded on both organic growth and acquisitions. The purchase of part of Seagram (2001) and the acquisition of Allied Domecq (2005) have made Pernod Ricard the world's n°2 in wines and spirits with sales of € 6.4 billion in 2006/07.*

*Pernod Ricard avails of one of the most prestigious brand portfolio in the sector: Ricard aniseed, Ballantine's, Chivas Regal and The Glenlivet whiskies, Jameson's Irish Whiskey, Martell cognac, Havana Club rum, Stolichnaya vodka (distribution rights), Beefeater gin, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagne, as well Jacob's Creek and Montana wines.*

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

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

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

*For more information: [www.pernod-ricard.com](http://www.pernod-ricard.com)*

**Download the slides on [www.pernod-ricard.com](http://www.pernod-ricard.com) and photos on the "Photolibrary" page of the website's "News" section**

**Shareholder's agenda:** 2007/08 1<sup>st</sup> half-year results –Thursday 28 February 2008

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## Appendices HY1 2007/08 (\*)

### Net sales split as at 31 December 2007 (€ millions)

	HY1 2006/07		HY1 2007/08		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	368	10%	396	11%	28	8%	29	8%	(0)	0%	0	0%
Wines & Spirits Europe excl. France	1 175	34%	1 262	34%	87	7%	105	9%	(9)	-1%	(9)	-1%
Wines & Spirits Americas	984	28%	970	26%	(14)	-1%	91	10%	(45)	-5%	(61)	-6%
Wines & Spirits Asia / Rest of the World	980	28%	1 085	29%	105	11%	123	13%	0	0%	(18)	-2%
<b>Wines &amp; Spirits World</b>	<b>3 507</b>	<b>100%</b>	<b>3 713</b>	<b>100%</b>	<b>206</b>	<b>6%</b>	<b>348</b>	<b>10%</b>	<b>(54)</b>	<b>-2%</b>	<b>(88)</b>	<b>-3%</b>

	Q2 2006/07		Q2 2007/08		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	218	11%	239	11%	21	10%	21	10%	(0)	0%	0	0%
Wines & Spirits Europe excl. France	716	35%	753	35%	37	5%	49	7%	(4)	-1%	(8)	-1%
Wines & Spirits Americas	579	28%	578	27%	(2)	0%	49	9%	(14)	-2%	(36)	-6%
Wines & Spirits Asia / Rest of the World	537	26%	586	27%	50	9%	65	12%	0	0%	(15)	-3%
<b>Wines &amp; Spirits World</b>	<b>2 051</b>	<b>100%</b>	<b>2 157</b>	<b>100%</b>	<b>106</b>	<b>5%</b>	<b>184</b>	<b>9%</b>	<b>(19)</b>	<b>-1%</b>	<b>(60)</b>	<b>-3%</b>

### Volume and organic growth of strategic brands

HY1 2007/08	Volumes change	Net Sales organic growth
Chivas Regal	13%	16%
Ballantine's	8%	12%
Ricard	2%	3%
Martell	6%	27%
Malibu	6%	13%
Kahlua	-3%	-1%
Jameson	16%	23%
Beefeater	2%	4%
Stolichnaya	7%	11%
Havana Club	14%	16%
The Glenlivet	15%	18%
Jacob's Creek	9%	10%
Mumm	11%	17%
Perrier Jouët	2%	7%
Montana	-5%	6%
<b>15 Strategic Brands</b>	<b>7%</b>	<b>13%</b>

(\*) period from 1st July 2007 to 31st December 2007

## Forex impact

		Forex impact (€ millions)	% of total impact
US Dollar	USD	(63,7)	72,5%
Korean Won	KRW	(12,5)	14,2%
Mexican Peso	MXN	(8,9)	10,1%
Chinese Yuan	CNY	(7,5)	8,5%
British Pound	GBP	(6,7)	7,7%
Japanese Yen	JPY	(3,8)	4,3%
Argentinian Peso	ARS	(3,5)	4,0%
Thai Baht	THB	7,5	-8,5%
Venezuelan Bolivar	VEB	4,4	-5,0%
Australian Dollar	AUD	4,4	-5,0%
Brasilian Real	BRL	4,3	-4,9%
Indian Rupee	INR	3,9	-4,4%
NZ Dollar	NZD	3,5	-4,0%
Other		(9,4)	
<b>Total</b>		<b>(87,9)</b>	<b>100%</b>

## Group structure

	€ millions
Disposal Seagram Coolers & Smooth USA	(10,2)
End of Copacking Agreement Fortune Brands	(12,7)
Disposal LDI USA	(13,2)
Disposal Rich & Rare	(15,5)
Others	(2,5)
<b>Group Structure</b>	<b>(54,0)</b>