

## 2007/08 full-year sales: € 6,589 million

- **Outstanding growth over the financial year: +8.7%\***
- **Premium spirits\*\* (+14%\*) and emerging markets\*\*\* (+22%\*) are the main growth drivers**
- **Acquisition of Vin & Sprit**
- **Further upward revision of guidance for growth in profit for the year 2007/08**

*Press release - Paris, 24 July 2008 –*

Pernod Ricard sales **increased by 2.3% to € 6,589 million** (excluding tax and duties) **for the 2007/08 financial year** ended 30 June 2008. This performance was the result of an **outstanding 8.7% organic growth**, a strong foreign exchange impact (-4.6%) primarily due to the depreciation of the US dollar and a -1.6% Group structure impact.

Growth\* of the **15 strategic brands** was very strong: **+11% in value and +5% in volume**, perfectly illustrating the premiumisation strategy of the Group, enhanced by the quality of its portfolio of brands and by the power of its distribution network, in particular in emerging countries. Ten of these brands reported double-digit growth\* rates: Martell (+24%), Jameson (+21%), Mumm (+18%), Havana Club (+17%), The Glenlivet (+14%), Perrier Jouët (+14%), Stolichnaya (+12%), Chivas (+11%), Ballantine's (+11%) and Malibu (+10%).

Over the full financial year, the **spirits business** grew in value by +9%\*. The **wine business** grew by +6%\*, compared to +1%\* in the previous financial year, thereby confirming its recovery and significant development potential.

Overall, HY2 growth\* (+7%) remained strong following a very good HY1 (+10%), against a background of further appreciation of the Euro against most other currencies.

Fourth quarter consolidated sales totalled **€ 1,498 million, down 3%**, being **+7% organic growth** (foreign exchange impact -8%, Group structure impact -2%). This strong organic growth, achieved in spite of the Sichuan earthquake, the impact of which reduced quarter growth by about 1%, testifies to the continuing strong dynamism in emerging markets and the good performance of western markets.

The year 2007/08 was also marked by the acquisition of the Vin & Sprit Group, owner of the ABSOLUT brand. The transaction closed on 23 July 2008. ABSOLUT (world leader in premium vodkas) records excellent performances, illustrated by its accelerated growth in the first half of 2008 (+12% compared to +9% in the calendar year 2007) and a volume of 11.3 million 9-litre cases sold over the 12 months period ending 30 June 2008 (+600,000 9-litre cases compared to calendar year 2007). This demonstrates the tremendous commercial and financial prospects linked to the integration of this brand within the Group's portfolio. Pernod Ricard is moreover confident in achieving the top end of the range of cost synergies announced (€ 125 to 150 million). The resulting cash generation, together with a programme of asset disposals valued at about € 1 billion over the coming 12 to 18 months, will allow for a rapid reduction of the Group's indebtedness.

\* Organic growth

\*\* Brands >= Chivas 12 yo or Martell VS

\*\*\* GNP / Inhabitant < 10,000 USD

## All geographic regions contributed to full-year growth

### ◆ Asia / Rest of World: € 2,007 million (+7%, being organic growth of +13%)

- China (+29%\*) and India (+39%\*) represented 2/3 growth in the region and remained the number one and number two contributors to the Group's organic growth, respectively.
- Duty Free, Taiwan, Malaysia, Indonesia, Vietnam, the Persian Gulf and Singapore are also developing rapidly and Thailand experienced a recovery in HY2.
- Australia and New Zealand reported limited full-year growth, with a recovery in HY2 following the slowdown caused by the strong price increases of HY1.
- Africa and the Middle East grew very sharply, due in particular to Jameson, Chivas and Ballantine's.

In the **fourth quarter**, Asia continued to feature double-digit growth (+15%) in spite of the earthquake in Sichuan.

### ◆ Americas: € 1,700 million (-5%, being organic growth of +8%)

- **North America** (+5.0%\*: spirits +4.4%\*, wines +9.6%\*)
  - In the US, there was a shift of consumption from the on-trade to the off-trade, with dynamic brands that continued their vigorous growth: Jameson, The Glenlivet, Malibu and Wild Turkey for spirits and Montana, Perrier Jouët, Mumm Napa and Campo Viejo for wines, but at the same time brands with weaker franchises, which suffered from the economic downturn: Kahlúa, Beefeater and Chivas.
  - The year was excellent in Canada, while in Mexico international brands showed satisfactory growth but brandies declined.
- **Central and South America** (+20.4%\*)  
Chivas Regal (Venezuela and Central America), Ballantine's (Brazil, Central America, Duty Free) and Havana Club (Chile, Cuba) remained the main growth drivers for strategic brands. A slowdown was observed in Venezuela in HY2, due to a generalised downturn in consumption in this country.

### ◆ Europe: € 2,171 million (+4%, being organic growth of +7%)

- **Eastern Europe and Central Europe** continued their spectacular development, mostly thanks to Russia, Poland, Kazakhstan, Ukraine and Romania. Russia (+38%\*) was the number three contributing country to overall Group organic growth.
- All major **Western European** markets (Spain, UK, Ireland, Germany, and Greece) with the exception of Italy, experienced growth over the full financial year, with a more contrasted growth observed in HY2.

A sharp recovery was noted in the **4th quarter** in Germany after a highly unfavourable comparison basis in the 3<sup>rd</sup> quarter, due to the price increases of April 2007. Conversely, Spain and the UK had a tougher fourth quarter.

### ◆ France: € 711 million (+4%, being organic growth of +5%)

Over the full **financial year**, our whisky brands Chivas, Ballantine's, Jameson, The Glenlivet and Clan Campbell reported very good performances in buoyant markets. Mumm and Perrier Jouët also grew rapidly (market share gains, price increases, favourable mix effects) but **fourth quarter** volumes were adversely affected by low inventory availability. The Ricard brand showed a slight decrease in a declining market, confronted with the smoking ban and bad weather.

\* Organic growth

## Conclusion and outlook

The vigour of sales and the highly favourable effects of improved pricing and portfolio premiumisation lead us to anticipate strong growth in our operating profit margin and enable us once again to revise upwards our guidance for growth in **operating profit from ordinary activities to about +13%, on a like-for-like basis\***, for the 2007/08 financial year.

According to Patrick Ricard, Chairman and CEO of Pernod Ricard: *“the year 2007/08 demonstrates our significant growth potential in all emerging markets and the sound basis of our business in western markets. The quality of our portfolio of brands and the power of our distribution network, enable us to start the 2008/09 year with confidence, and to expect very strong growth in emerging markets and moderate growth in western markets. This development, together with the significant opportunities offered to the Group by the Vin & Sprit acquisition, enables us to anticipate a continuation of improving margins and strong organic growth of our operating profit from ordinary activities for the current fiscal year.”*

\* Foreign exchange and Group structure

### **About Pernod Ricard**

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

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

*The Group favours a decentralised organisation, with Brand Owners and Distribution Companies established in each key market, and employs a workforce of more than 17,600 in 70 countries.*

*In addition, Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption of its products. (Ticker: RI ; ISIN code: FR0000120693)*

**For more information about Pernod Ricard, please visit our website:** [www.pernod-ricard.com](http://www.pernod-ricard.com)

**Shareholders' agenda:** 2007/08 Annual Results- Thursday 18 September 2008  
**2008/09 1<sup>st</sup> quarter sales – Thursday 30 October 2008\*\***  
Combined General Meeting - Wednesday 5 November 2008

**\*\* Due to the first consolidation of Vin & Sprit within Pernod Ricard Group, the publication of sales figures for the first quarter 2008/09 has been postponed from Thursday 23 October to Thursday 30 October 2008.**

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*"This press release does not constitute an offer to sell or a solicitation of an offer to buy Pernod Ricard shares. If you wish to obtain more comprehensive information about the Group, please refer to the public documents registered in France with the Autorité des Marchés Financiers, which are also available in French and English versions from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)."*



Pernod Ricard

## Appendices 12 months 2007/08 (\*)

### Net sales split as at 30 June 2008 (€ million)

	June YTD 2006/07	June YTD 2007/08	Variation	Organic Growth	Group Structure	Forex impact
Wines & Spirits France	682 11%	711 11%	29 4%	31 5%	(2) 0%	(0) 0%
Wines & Spirits Europe excl. France	2 091 32%	2 171 33%	81 4%	140 7%	(23) -1%	(36) -2%
Wines & Spirits Americas	1 786 28%	1 700 26%	(87) -5%	139 8%	(77) -4%	(148) -8%
Wines & Spirits Asia / Rest of the World	1 884 29%	2 007 30%	123 7%	237 13%	(2) 0%	(112) -6%
<b>Wines &amp; Spirits World</b>	<b>6 443 100%</b>	<b>6 589 100%</b>	<b>146 2%</b>	<b>547 9%</b>	<b>(104) -2%</b>	<b>(297) -5%</b>

	Q4 2006/07	Q4 2007/08	Variation	Organic Growth	Group Structure	Forex impact
Wines & Spirits France	188 12%	187 12%	(1) 0%	(0) 0%	(0) 0%	(0) 0%
Wines & Spirits Europe excl. France	482 31%	477 32%	(6) -1%	16 4%	(8) -2%	(14) -3%
Wines & Spirits Americas	455 29%	420 28%	(36) -8%	32 7%	(17) -4%	(51) -11%
Wines & Spirits Asia / Rest of the World	419 27%	414 28%	(4) -1%	54 13%	(1) 0%	(58) -14%
<b>Wines &amp; Spirits World</b>	<b>1 544 100%</b>	<b>1 498 100%</b>	<b>(46) -3%</b>	<b>103 7%</b>	<b>(26) -2%</b>	<b>(123) -8%</b>

	HY2 2006/07	HY2 2007/08	Variation	Organic Growth	Group Structure	Forex impact
Wines & Spirits France	314 11%	314 11%	1 0%	2 1%	(2) -1%	(0) 0%
Wines & Spirits Europe excl. France	916 31%	910 32%	(6) -1%	35 4%	(14) -2%	(27) -3%
Wines & Spirits Americas	802 27%	729 25%	(72) -9%	48 6%	(33) -4%	(88) -11%
Wines & Spirits Asia / Rest of the World	904 31%	922 32%	19 2%	114 13%	(2) 0%	(94) -10%
<b>Wines &amp; Spirits World</b>	<b>2 935 100%</b>	<b>2 876 100%</b>	<b>(60) -2%</b>	<b>200 7%</b>	<b>(50) -2%</b>	<b>(209) -7%</b>

### Volume and organic growth of strategic brands

June YTD 2007/08	Volumes (Million of 9 litre cases)	Volumes change	Net Sales organic growth
Chivas Regal	4.5	10%	11%
Ballantine's	6.4	9%	11%
Ricard	5.6	-3%	-1%
Martell	1.6	2%	24%
Malibu	3.7	6%	10%
Kahlua	2.1	-4%	-5%
Jameson	2.6	15%	21%
Beefeater	2.4	1%	4%
Stolichnaya	3.4	9%	12%
Havana Club	3.2	15%	17%
The Glenlivet	0.6	10%	14%
Jacob's Creek	8.0	2%	6%
Mumm	0.7	11%	18%
Perrier Jouet	0.2	3%	14%
Montana	1.4	-2%	9%
<b>15 Strategic Brands</b>	<b>46.3</b>	<b>5%</b>	<b>11%</b>

(\*) period from 1<sup>st</sup> July 2007 to 30<sup>th</sup> June 2008

## Forex impact

		Forex impact (€ million)	% of total impact
US Dollar	USD	(145.3)	49.0%
Korean Won	KRW	(47.4)	16.0%
British Pound	GBP	(39.2)	13.2%
Chinese Yuan	CNY	(16.6)	5.6%
Mexican Peso	MXN	(16.2)	5.5%
Argentinian Peso	ARS	(7.7)	2.6%
Russian rouble	RUB	(7.0)	2.4%
South-African Rand	ZAR	(6.7)	2.3%
Japanese Yen	JPY	(3.8)	1.3%
Venezuelan Bolivar	VEB	(0.5)	0.2%
Australian Dollar	AUD	3.1	-1.0%
Polish Zloty	PLN	4.1	-1.4%
Brasilian Real	BRL	7.4	-2.5%
Other		(20.9)	
<b>Total</b>		<b>(296.7)</b>	<b>100%</b>

## Group structure

	€ million
Disposal Seagram Coolers & Smooth USA	(22.0)
End of Copacking Agreement Fortune Brands	(20.2)
Disposal LDI USA	(30.9)
Disposal Rich & Rare	(16.7)
Disposal Beirao	(8.3)
Others	(6.3)
<b>Group Structure</b>	<b>(104.4)</b>