

2007/08 Interim Net Sales



24 January 2008

Outstanding 10.1%
organic sales growth

Higher full-year growth guidance

- Overall analysis
- Portfolio review
- Growth by region
- Conclusion and outlook

- 2007/08 interim net sales: up 5.9%, i.e. up 10.1% on organic basis
- Acceleration in emerging markets^{**}: up 25%*
- Acceleration in premium spirits^{***}: up 17%*
- Strong growth in key brands with enhanced mix and improved pricing

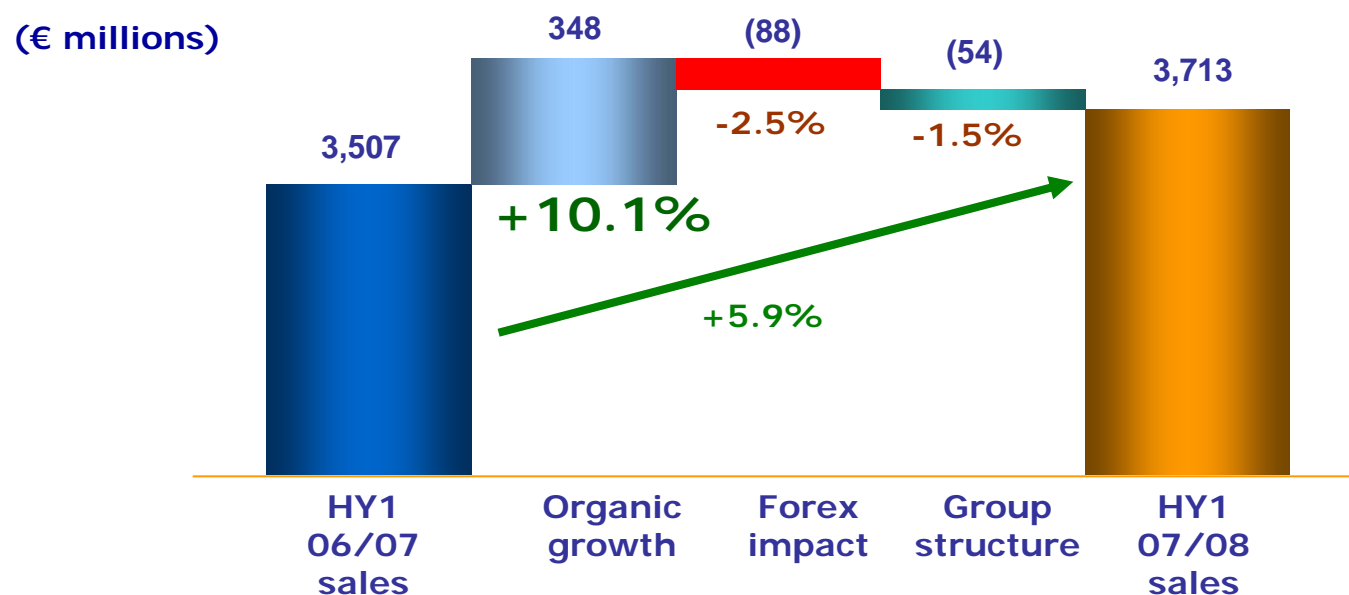
Top 15: up 7% in volume, up 13%* in value

*Organic growth

** GNP/Capita < USD 10,000

*** Brands >= Chivas 12 year old or Martell VS

Vigorous HYI Sales



➔ Organic growth: +10.1% (spirits +11.1%, wines +5.9%)

➔ Group structure: disposal of Rich & Rare (€ 15m), end of co-packing for Fortune Brands (€ 13m), transfer of Seagram's Coolers & Smooth distribution (€ 10m)

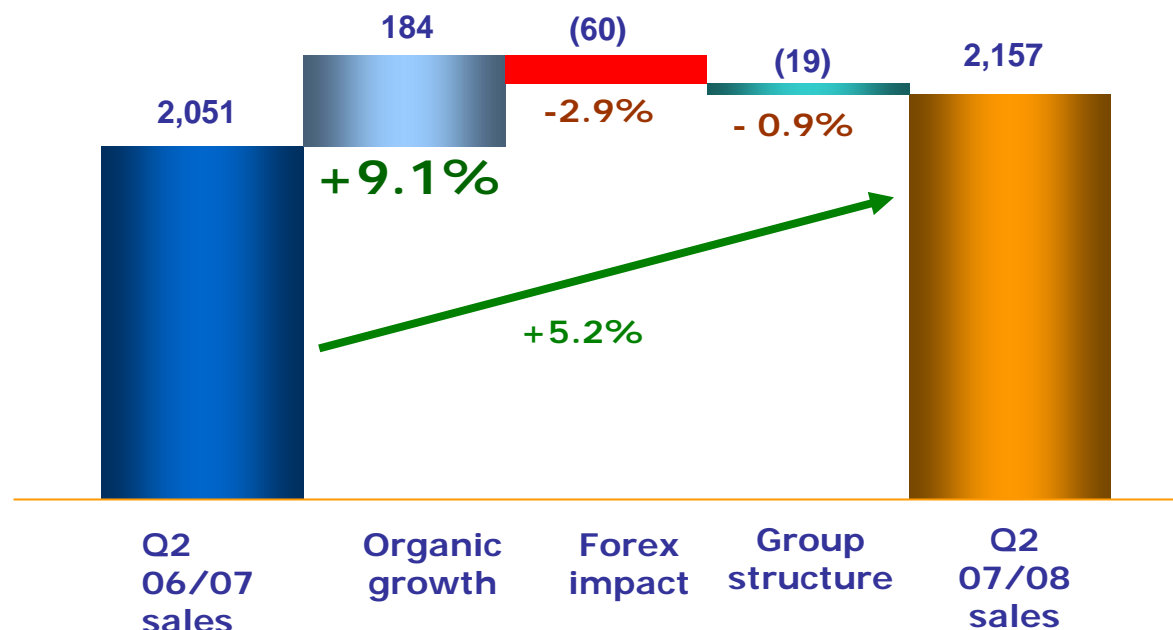
(Negative full-year effect confirmed at about € 110 million on sales and € 10 million on Operating Profit from Ordinary Activities)

➔ Forex impact primarily due to the US Dollar depreciation

(At current exchange rates, the full-year negative forex impact on Operating Profit from Ordinary Activities is assessed at between € 80 million and € 90 million)

Continuing strong Q2 Organic Growth

(€ millions)



- ➔ Organic growth of +9.1% (spirits +9.5%, wines +7.6%)
- ➔ Limited negative Group structure impact in Q2
- ➔ Higher forex impact due to the continuing weakness of US Dollar

Incremental price increases in Venezuela, corresponding to changes in the parallel exchange rate have been excluded from organic growth and treated as a forex impact, totalling €12.7 million (Excluding this restatement, organic growth would have reached 10.5% in HY1 and 9.7% in Q2)

Focus on Q2 2007/08

- ➔ Strong evenly spread growth over the first two quarters
- ➔ Asian, Eastern European and Latin American emerging markets, which now account for close to 30% of our sales, continued their very rapid expansion in Q2

Portfolio Review



TOP 15



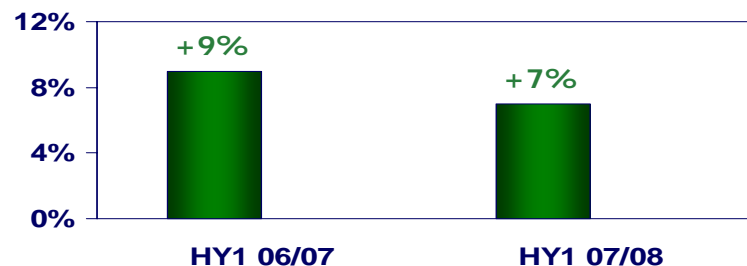
Volume: + 7%
Sales: + 13%*



*Organic growth

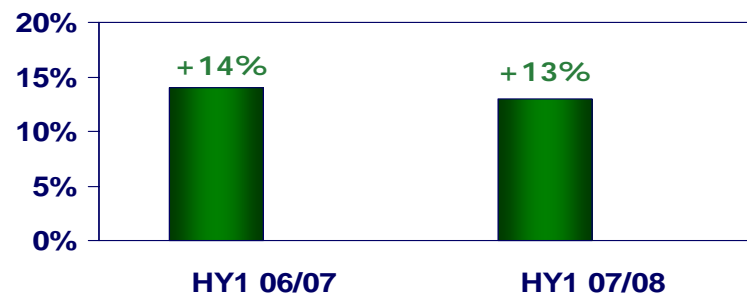
Top 15 growth: 07/08 vs 06/07

VOLUME



A very dynamic Top 15
Favourable comparison basis in
FY 06/07

SALES *



Sales growth 6% higher than volume
growth due to enhanced mix and
pricing

***Sales of every single Top 15 brand grew faster
than volume in HY1 07/08***

*Organic growth

Portfolio Review



Volume +13% Sales* +16%



- ➔ Asia: Accelerated growth in Q2, with strong growth in South Korea, Thailand, Vietnam, in the Persian Gulf and in Duty Free as well as stabilised sales in China
- ➔ Europe:
 - Very strong growth throughout HY1 in Western Europe: strong sales increases in France, Greece and Spain
 - Eastern Europe: Russia, Poland, Romania,... enjoy spectacular growth
- ➔ Americas:
 - US: HY1 depletions = down 7% vs Nielsen = down 8% (in a 12 year old Scotch market down 3%)
 - Strong growth in Mexico, Central and South America and in Duty Free markets

Chivas 18 and 25 year old grew +50% vs +11% for Chivas 12 year old

*Organic growth

Portfolio Review



Volume +8% Sales* +12%



→ Ballantine's Finest:

- Good performance of traditional markets in Western Europe:
 - ⇒ Increase in shipments in Spain, where Ballantine's gained market share in a category that continues to decline
 - ⇒ France: +5% with strong Q2 growth
- Rapid expansion in a number of Central and Eastern European countries: Russia, Poland, Romania, Lithuania, Bulgaria, Czech Republic, ...
- Confirmed dynamism of Latin America

→ Ballantine's Superior Qualities: +15%

- Strong growth in Asia, primarily due to China, South Korea, Taiwan and Duty Free
- 12 year (+25%) and 30 year old (+21%) were the fastest growing products in Ballantine's Family

*Organic growth



Volume +6% Sales* +27%

Implementation of Value Strategy



→ Focus on **superior qualities: volume +27%**

- Rapid development of superior qualities in Asia, primarily in China, Malaysia, Singapore, Taiwan, Vietnam, ...
- Top premium qualities posted outstanding growth rates: Noblige (+90%), Cordon Bleu (+ 32%), XO (+42%)

→ **Martell VS: volume -19%**

- Strong price increases with consequent reduction in volume, in particular in the US and UK, in line with the announced strategy

*Organic growth

Portfolio Review



Volume +14% Sales* +16%

- Double-digit growth in all regions
- France, Greece, Czech Republic, Russia, Canada and Chile achieved very strong growth



Volume +16% Sales* +23%

- Continued outstanding growth in the US with HY1 depletions up 23% (Nielsen +32%)
- Strong double-digit growth in South Africa over the period
- Double-digit growth in Europe, in particular due to a very good Q2 in Ireland, Eastern Europe, Russia and Duty Free



*Organic growth

Portfolio Review



Volume +2% Sales* +3%

- Strong Q2 recovery in France and market share gains
- Overall good performance in other European markets



Volume +15% Sales* +18%

- Continued strength in the US: HY1 depletions = +5% (Nielsen +1% and NABCA +4%)
- Very strong growth in Asia due to Taiwan and Duty Free
- Europe: Double-digit growth due to the UK, France, Germany and Duty Free



*Organic growth

Portfolio Review



Volume +6% Sales* +13%

- Growth in all regions, emphasized by the development of flavours
- Growth in Europe: UK, France, Spain, Belgium and Duty Free
- Dynamic sales in the US: HY1 depletions = +4% (Nielsen +13% and NABCA + 9%)



Volume -3% Sales* -1%

- US:
 - Situation remains difficult, HY1 depletions = -6% (Nielsen = -2%)
 - Launch in Q2 of the new "Dare to be curious" marketing platform
- Growth in Europe, Australia and Canada but decline in shipments to Japan



*Organic growth

Portfolio Review

BEEFEATER
LONDON

Volume +2% Sales* +4%

→ Europe:

- Spain: Stable volume in a declining category
- Strong growth in most markets: UK, Russia, Greece, etc...

→ US: Market that remains difficult, HY1 depletions = -5% (Nielsen -4%)



STOLICHNAYA
RUSSIAN VODKA

Volume +7% Sales* +11%



- US: Continuing volume growth, in spite of price increases, HY1 depletions = +1% (Nielsen +4%)
- Double-digit growth in Europe and Asia
- Doubling of Stolichnaya Elit volume



*Organic growth

Portfolio Review



Volume +9% Sales* +10%

The brand recovered strongly and continues to implement its premiumisation strategy

- Acceleration in Q2 (+10%) and 17% growth in premium ranges throughout HY1
- US: stable depletions (Nielsen +5%) with improved mix



Volume -5% Sales* +6%

- Decline in the two major markets following significant price increases
- UK: Rebound in Q2 and positive impact of mix and price increases
- Very strong growth in US: HY1 depletions = +19% (Nielsen +31%)



*Organic growth

Portfolio Review



Volume +11% Sales* +17%

- ➔ Strong growth in the French market with market share gains in off-trade and on-trade
- ➔ Positive impact of price increases and quality mix (Rosé +109% in France)



Volume +2% Sales* +7%

- ➔ Good growth in the US and France confirmed in Q2
- ➔ Decline in the UK related to an aggressive price increase policy and in Japan where we have taken over distribution from Suntory (unfavourable comparison basis)

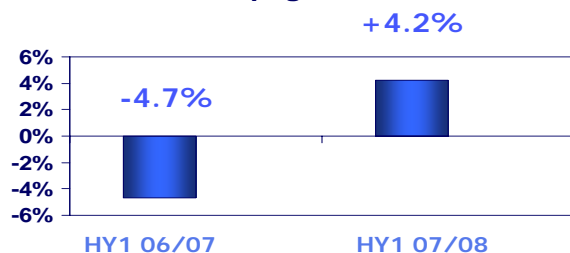


*Organic growth

- ➔ Royal Salute in Asia, and Olmeca and Ararat in Eastern Europe experienced good growth, thereby developing the share of premium brands in these regions
- ➔ Something Special in Venezuela and Wyborowa in Poland also increased strongly
- ➔ Royal Stag remained a powerful growth driver in India
- ➔ However, 100 Pipers in Thailand and Presidente and Don Pedro in Mexico declined over HY1

Wine business excluding fortified and Champagne:

Total wines excluding fortified & Champagne *

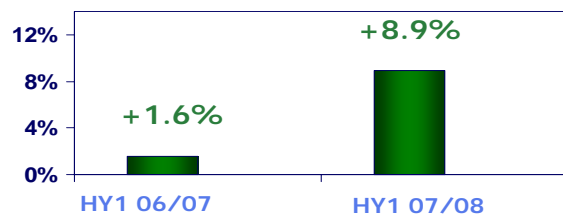


Accelerated growth and continuing implementation of value strategy



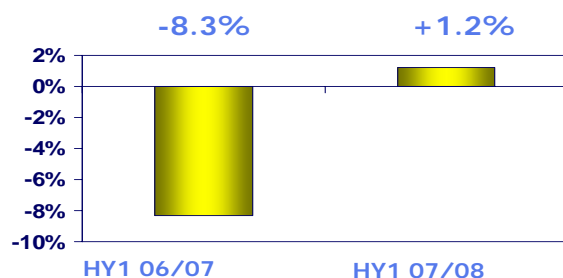
Renewed wine business growth

Jacob's Creek + Montana + Campo Viejo *



Very good performance of our international brand portfolio (Jacob's Creek, Montana, Campo Viejo)

Other brands *



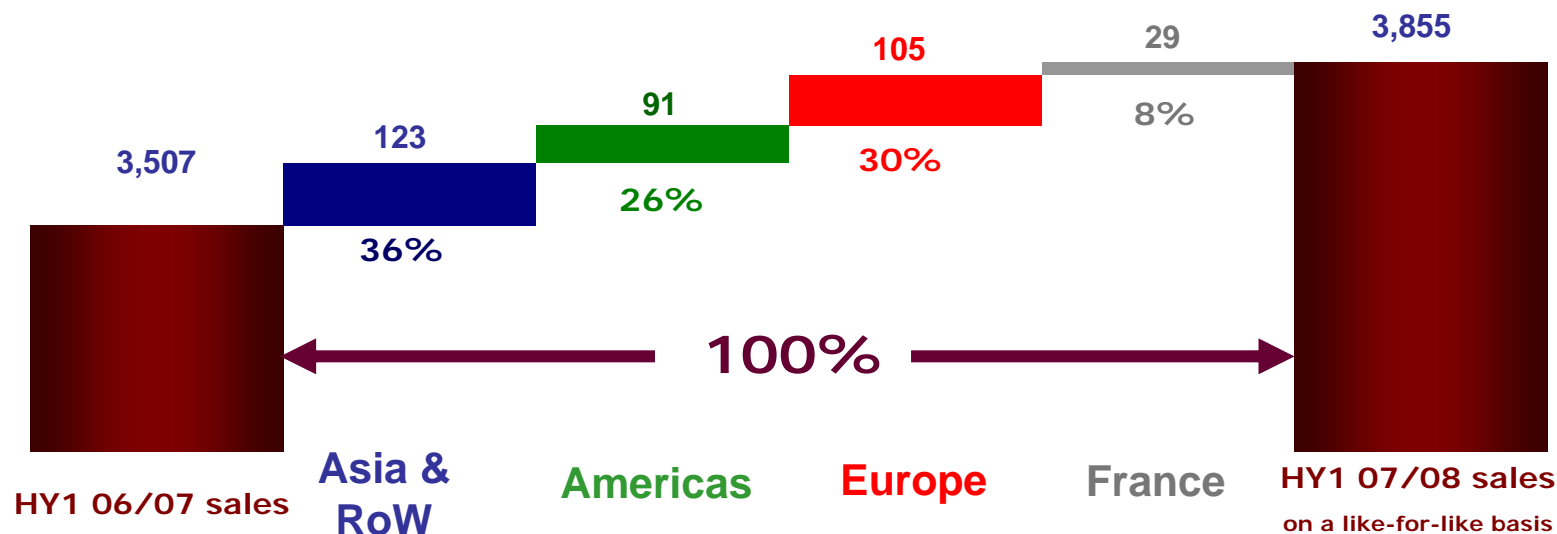
Secondary brands stable

reflecting main efforts being put behind lead brands

*Organic growth

Strong growth in all four regions

Contribution to Organic Growth / Region



- All regions contributed to net sales organic growth
- Emerging markets were responsible for nearly 2/3 of organic growth, including +39%* in Europe, + 18%* in the Americas and + 24%* in Asia / RoW

*Organic growth

Asia – Rest of World

€ millions	HY1 06/07	HY1 07/08	Organic growth	Forex impact	Group structure
Sales	980	1,085	+13%	-2%	-

➔ Martell, Ballantine's and Chivas generated 2/3 of Asia – RoW growth

➔ Asia: Strong growth rate, consistent at +14%*

- China (sales + 31%*) and India (sales + 49%*) also generated 2/3 of Asia – RoW growth and are respectively the number 1 and number 2 contributors to Group organic growth
- China : According to our latest estimates, the whisky category grew slightly and Pernod Ricard maintained its market share ; Cognac category is accelerating
- Other dynamic markets were Duty Free, Taiwan, Malaysia, Indonesia, Vietnam, Singapore, ...
- Thailand's decline slowed down

➔ Pacific: Stable HY1 sales due to Q2 recovery

➔ Africa & Middle-East: continued very strong growth

- By Chivas, Jameson and Ballantine's
- As well as by Stolichnaya, Malibu and Kahlua, starting from lower bases

*Organic growth

Americas

€ millions	HY1 06/07	HY1 07/08	Organic growth	Forex impact	Group structure
Sales	984	970	+10%	-6%	-5%

➔ North America: organic growth +5% (spirits +5%, wines +7%)

US: Similar sales growth between Q1 and Q2

- Dynamic brands continued to grow strongly:
 - ✓ Spirits: Jameson, The Glenlivet, Malibu, Stolichnaya, Wild Turkey
 - ✓ Wines: Montana, Perrier Jouët, Mumm Napa, Campo Viejo
- However some brands had a more difficult HY1:
 - ✓ Kahlua, Chivas, Beefeater declined over the period

Canada: Very good HY1, especially for the Top 15

Mexico: Good growth of international brands but decline of Mexican brandies

➔ Central and South America: Very strong +29% organic growth

- Strong growth by Chivas, Ballantine's, Havana Club and Something Special

Europe

€ millions	HY1 06/07	HY1 07/08	Organic growth	Forex impact	Group structure
Sales	1,175	1,262	+9%	-1%	-1%

➔ Excellent HY1 in Europe, confirmed by a very good Q2

➔ Central and Eastern Europe: +39%*

- Generated more than 60% of European growth, thus accounting for a greater share of sales in the region
- Russia, Poland, Ukraine and Romania were the main contributors to this spectacular development
- Russia (sales + 51%*) is the number 3 contributor to HY1 Group organic growth

➔ Western Europe

- Major Western European markets (Spain, UK, Ireland, Greece) experienced good growth rates, whereas Italy was the major market in decline

*Organic growth

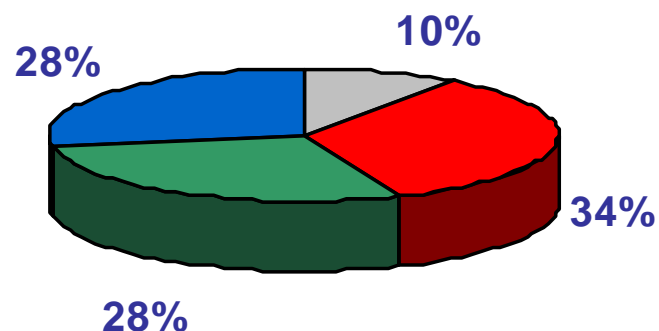
France

€ millions	HY1 06/07	HY1 07/08	Organic growth	Forex impact	Group structure
Sales	368	396	+8%	-	-

- ➔ Very good HY1 in France, including an outstanding Q2
- ➔ Excellent performance by our major whisky brands: Chivas, Ballantine's, Jameson, Aberlour, The Glenlivet and Clan Campbell, in performing categories
- ➔ Mumm: Very strong growth (market share gains, FY 06/07 price increases, favourable mix effect) but HY2 volume will be adversely affected by product availability
- ➔ Ricard: Marked recovery in Q2 and market share gains over the period

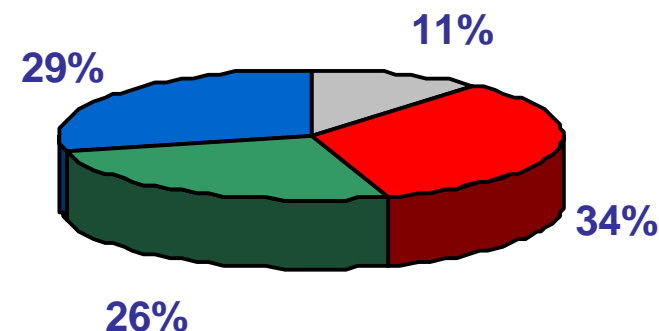
Analysis of Sales by Geographic Region

HY1 06/07



France
Europe
Americas
Asia and
RoW

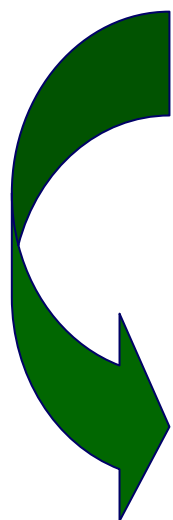
HY1 07/08



→ Continuing successful internationalisation

⇒ The strength of Central and Eastern Europe enabled the Europe region to maintain its relative size over the period

⇒ A weak USD and the Group structure effect adversely affected the Americas region, which saw its relative size decrease in spite of organic growth in line with the Group average



- Excellent first half-year
- Very positive outlook for HY2, especially for premium brands and in emerging markets, even with a tough comparison basis for Q3

Upward revision of growth guidance
for 2007/08 financial year

We now aim for growth in Operating Profit from Ordinary Activities,
on a like-for-like basis*, of about +12%,
compared to around + 10% previously

*Exchange and Group structure



Appendices

Strategic brands volume and organic growth

HY1 2007/08	Volume 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%
15 Strategic Brands	7%	13%

2007/08 interim net sales

€millions	HY1 2006/07		HY1 2007/08		Change		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	368	10%	396	11%	28	8%	29	8%	(0)	0%	0	0%
Wines & Spirits Europe (excluding 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%
Wines & Spirits World	3 507	100%	3 713	100%	206	6%	348	10%	(54)	-2%	(88)	-3%

€millions	Q2 2006/07		Q2 2007/08		Change		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	218	11%	239	11%	21	10%	21	10%	(0)	0%	0	0%
Wines & Spirits Europe (excluding 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%
Wines & Spirits World	2 051	100%	2 157	100%	106	5%	184	9%	(19)	-1%	(60)	-3%

Forex impact analysis

		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)	
Total		(87.9)	100%

Group structure analysis

	€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)
Group Structure	(54.0)