

# 2007/08 9 month sales



30 April 2008

Highly dynamic sales  
9 month sales: €5,091 million  
Organic growth: +9.3 %

Continuing strong growth  
in the third quarter

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

## Key figures at 31 March 2008

→ 9 month sales up 3.9% to € 5,091 million, being +9.3% organic growth

→ Dynamic key brand growth with a strengthening mix and improved pricing effect

Top 15: Volume +6%, Value +12%\*

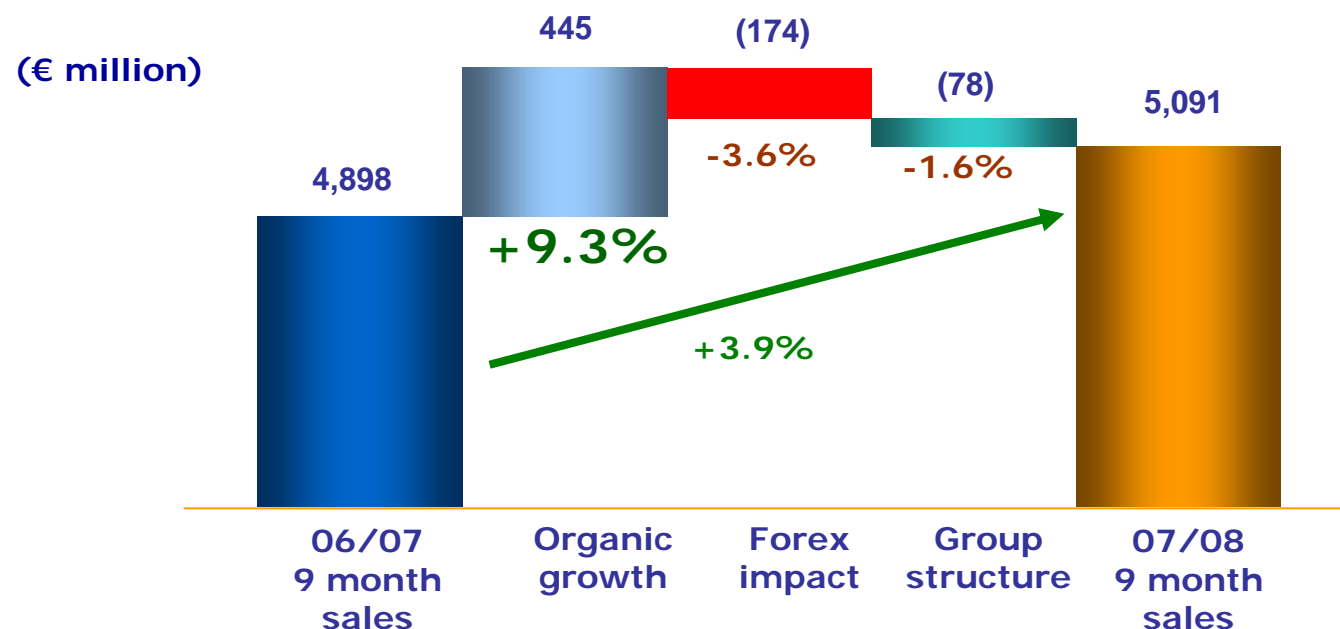
→ Emerging markets\*\* (+22%\*) and premium spirits\*\*\* (+14%\*) remained the leading growth drivers

\*Organic growth

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

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

# Dynamic sales at 31 March 2008



➔ Organic growth: +9.3% (Spirits = +9.8%, Wines = +6.6%)

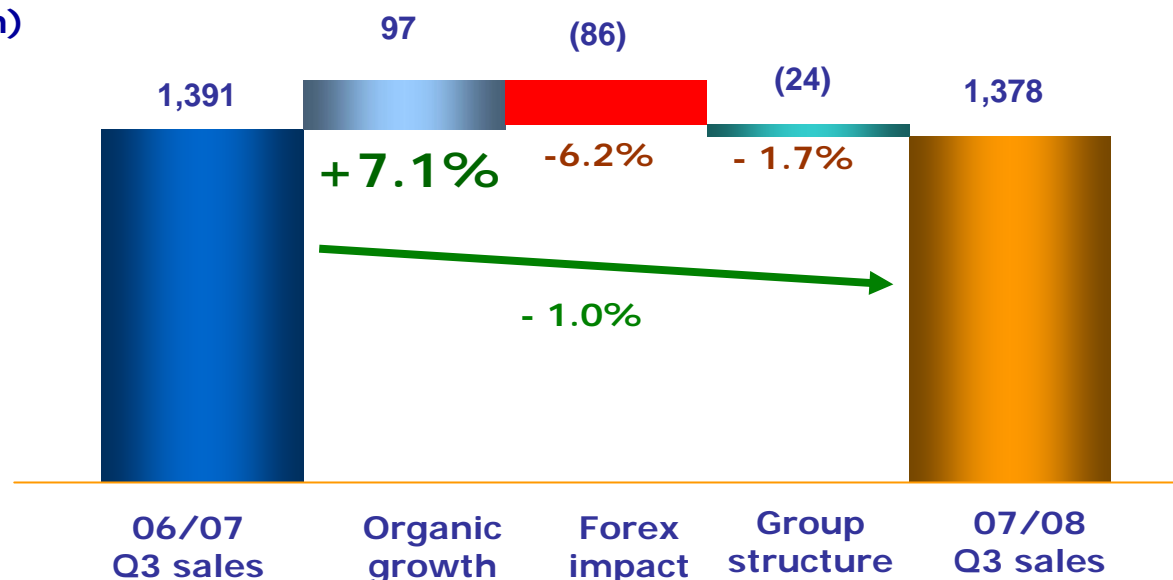
➔ Group structure: Disposal of LDI (€ 23 million), disposal of Rich & Rare (€ 16 million), end of co-packing for Fortune Brands (€ 16 million), transfer of Seagram's Coolers & Smooth distribution (€ 15 million) ...

(Negative full-year effect confirmed at about € 100 million on sales and € 10 million on Operating Profit from Ordinary Activities)

➔ Forex impact primarily due to the depreciation of the USD, KRW, GBP and CNY

## Continuing strong organic growth in Q3

(€ million)



- ➔ Organic growth: +7.1% (Spirits = +6.8%, Wines = +8.9%) on a tough comparison basis
- ➔ Limited negative group structure impact in Q3, in line with our full-year guidance
- ➔ The forex impact increases due to the acceleration of the depreciation against the euro of the US dollar and currencies tied to it, the Korean won, and the pound sterling

# Focus on 3<sup>rd</sup> quarter

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- ➔ Pernod Ricard announced the acquisition of Vin & Sprit on 31 March 2008
- ➔ Continuing strong growth in Q3:
  - Emerging markets now account for close to 30% of our sales and continued their very fast expansion in Q3
  - Continuing growth in the US, within a more difficult environment, thanks to the dynamism of our premium brands
  - Satisfactory growth in other markets in spite of an overall unfavourable comparison basis



## Forex impact: Impact on sales and operating profit from ordinary activities

- ➔ Sales : the sharp depreciation of the main foreign currencies against the euro in Q3 (USD, GBP, KRW, ...) resulted in a lower average exchange rate for these currencies over the 9 month period, leading us to recognise an overall cumulative negative forex impact of € 174 million at end March 2008, of which € 86 million in Q3
- ➔ At current exchange rates, the full-year negative forex impact on operating profit from ordinary activities is estimated at between € 100 million and € 110 million
  - Since 28 February, further depreciation of the USD and currencies tied to it and of some Asian currencies (Korean won, Thai baht) had a stronger impact on our OPOA
  - This was only partly offset by the GBP depreciation, that reduced our cost basis



- Overall analysis
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# Portfolio review



TOP 15



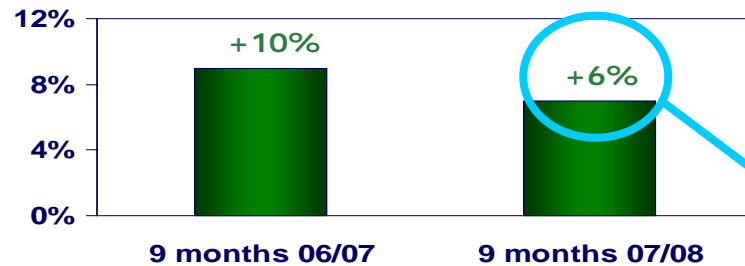
9 month volume: + 6 %  
9 month sales: + 12 %\*



\*Organic growth

## Top 15 growth: 07/08 vs 06/07

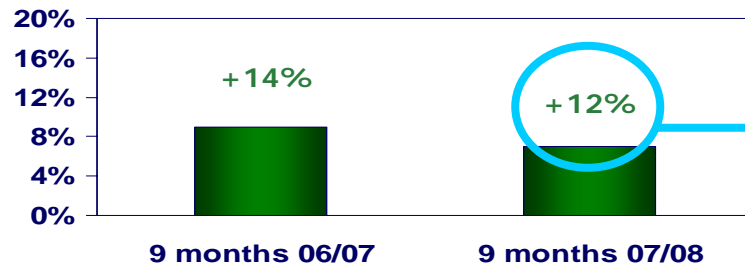
### VOLUME



A very dynamic Top 15

Favourable comparison basis in FY 06/07  
and unfavourable in FY 07/08

### SALES \*



Sales growth double that of volume  
growth

*Highly favourable mix and improved pricing effect for all our strategic brands*

\*Organic growth

# Portfolio review



Volume +9% Sales\* +11%

*Chivas 18 and 25 years old grew by +44% vs +8% for Chivas 12 years old*



## → Asia:

- Growth due in particular to Thailand, Duty Free, Vietnam and the Persian Gulf
- Decline in shipments to China, related to the introduction of the new packaging in 06/07 (expected rebound in Q4)

## → Europe:

- Strong growth in Western Europe: double-digit growth in France, Spain, Belgium and the UK
- Spectacular development in Eastern Europe: Russia, Poland, Romania,...

## → Americas:

- US: 9 month depletions = -7% vs Nielsen = -8% (in a 12 year old Scotch market down 2%)
- Confirmed strong growth: Mexico, Central and South America and Duty Free markets

\*Organic growth

# Portfolio review



Volume +9% Sales\* +12%



## → Ballantine's Finest:

- Western Europe:
  - ⇒ Rise in the two main markets, France and Spain
  - ⇒ Good performance by Duty Free due to strong recovery in Q3
- Rapid expansion in numerous Central and Eastern European countries: Russia, Poland, Romania, Lithuania, Bulgaria, Czech Republic, ...
- Continuing very strong growth in Latin America

## → Ballantine's Superior Qualities: volume +14%

- Strong growth in Asia, primarily due to China, South Korea and Taiwan
- Confirmed overall improvement in the brand's "quality mix"

\*Organic growth

# Portfolio review



**Volume +14% Sales\* +20%**

- ➔ Continuing outstanding development in the US with 9 month depletions = +23% (Nielsen +30%, NABCA +16%)
- ➔ Strong double-digit growth maintained over the period in South Africa
- ➔ Confirmed double-digit growth in Europe, due in particular to Ireland, Eastern Europe, the UK and Duty Free



**Volume +12% Sales\* +14%**

- ➔ Continuing dynamism in the US: 9 month depletions = +4% (Nielsen +4%, NABCA +2%)
- ➔ Very strong growth confirmed in Asia due to Taiwan and Duty Free
- ➔ Europe: double-digit growth, further accelerated by the UK, France, Germany and Duty Free



\*Organic growth



Volume +5% Sales\* +24%

## *Implementation of Value Strategy*



→ Focus on superior qualities: volume +21%

- Rapid development of superior qualities in Asia, primarily in China, Malaysia, Singapore, Taiwan, Vietnam,...
- Top premium qualities posted the most outstanding growth rates: Noblige (+81%), Cordon Bleu (+20%), XO (+25%)

→ Martell VS: volume -18%

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

\*Organic growth



# Portfolio review



Volume -1% Sales\* +0%

- France: stability of the brand in a market in slight decline
- Overall stability also in all other European markets



Volume +14% Sales\* +16%

- Continuing double-digit growth in all regions
- In Europe, France, Greece, the UK, Belgium, Austria, the Czech Republic and Russia confirmed their very strong growth
- Very strong development in Canada and in Chile (growth rates in excess of 50%)
- Continuing growth in Cuba



\*Organic growth

# Portfolio review



Volume +6% Sales\* +12%

- Growth in Europe: UK, Spain, Belgium, Russia, Poland and Duty Free
- Dynamic sales in the US: 9 month depletions = +3% (Nielsen +9%, NABCA +15%)
- Launch of the new “Get Your Island On” campaign



Volume -3% Sales\* -3%

- US:
  - Situation remains difficult, 9 month depletions = -6% (Nielsen = -1%, NABCA -10%)
  - Launch in Q2 of the new "Dare to be curious" marketing platform
- Slight growth in all other markets



\*Organic growth

# Portfolio review

**BEEFEATER**  
LONDON

Volume +1% Sales\* +4%

→ Europe:

- Spain: slight volume growth in a declining category
- Strong growth in several key markets: UK, Russia, Czech Republic, ...

→ US: market that remains difficult, 9 month depletions = -4% (Nielsen -1%)



**STOLICHNAYA**  
RUSSIAN VODKA

Volume +10% Sales\* +14%

→ US: sales growth due to price increases, 9 month depletions = -1% (Nielsen +3%, NABCA -6%)

→ Double-digit growth in Europe, Canada, Latin America, Africa and Asia



\*Organic growth

# Portfolio review



**Volume +8% Sales\* +12%**

The brand recovered strongly and continued its premiumisation strategy

- Double-digit volume growth in its leading market: the UK
- Slight growth in the second market: Australia
- 18% growth in superior qualities over the first 9 months of the financial year



**Volume -5% Sales\* +8%**

- Continuing implementation of the value strategy
- Decline in the two major markets (UK and Oceania) following price increases
- Strong growth in the US: 9 month depletions = +19% (Nielsen +28%)
- Successful launch in certain secondary markets: Ireland, the Netherlands, ...

\*Organic growth



# Portfolio review



Volume +12% Sales\* +20%

- Confirmed strong growth in the French market with market share gains in off-trade and on-trade
- Decline in the UK, but strong growth in Italy, Spain and Switzerland



Volume +3% Sales\* +14%

- Strong price increases in all markets
- Confirmed growth in the US and France in Q3
- Decline in the UK and strong Q3 in Japan following the take over of the distribution from Suntory



\*Organic growth

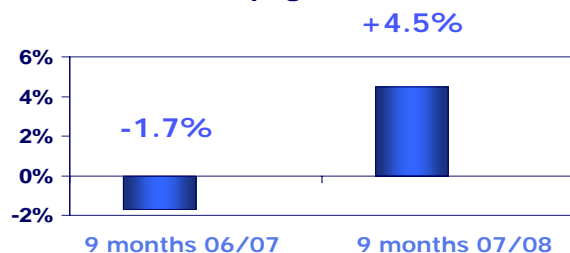
## Other Spirit Brands

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- ➔ Royal Salute in Asia and Olmeca and Ararat in Eastern Europe remained growth drivers in these regions
- ➔ Becherovka in the Czech Republic, Ruavieja in Spain and Wyborowa in Poland also increased strongly
- ➔ Royal Stag remained a powerful growth driver in India and 100 Pipers recovered over Q3 in Thailand
- ➔ However, Presidente and Don Pedro in Mexico and Montilla in Brazil declined over the first 9 months of the financial year

# Wine business excluding fortified wines and Champagne:

Total wines excluding fortified & Champagne \*

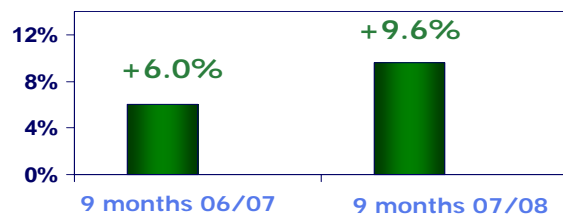


Renewed growth and continuing implementation of the value strategy



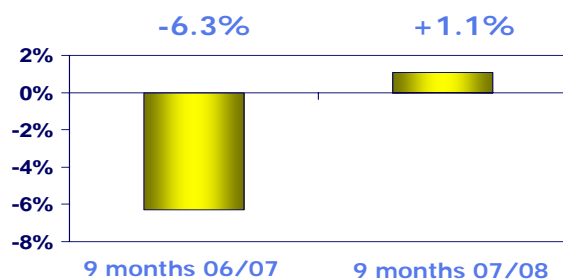
Renewed wine business growth

Jacob's Creek + Montana + Campo Viejo \*



Acceleration of our international brands  
(Jacob's Creek, Montana, Campo Viejo)

Other brands \*



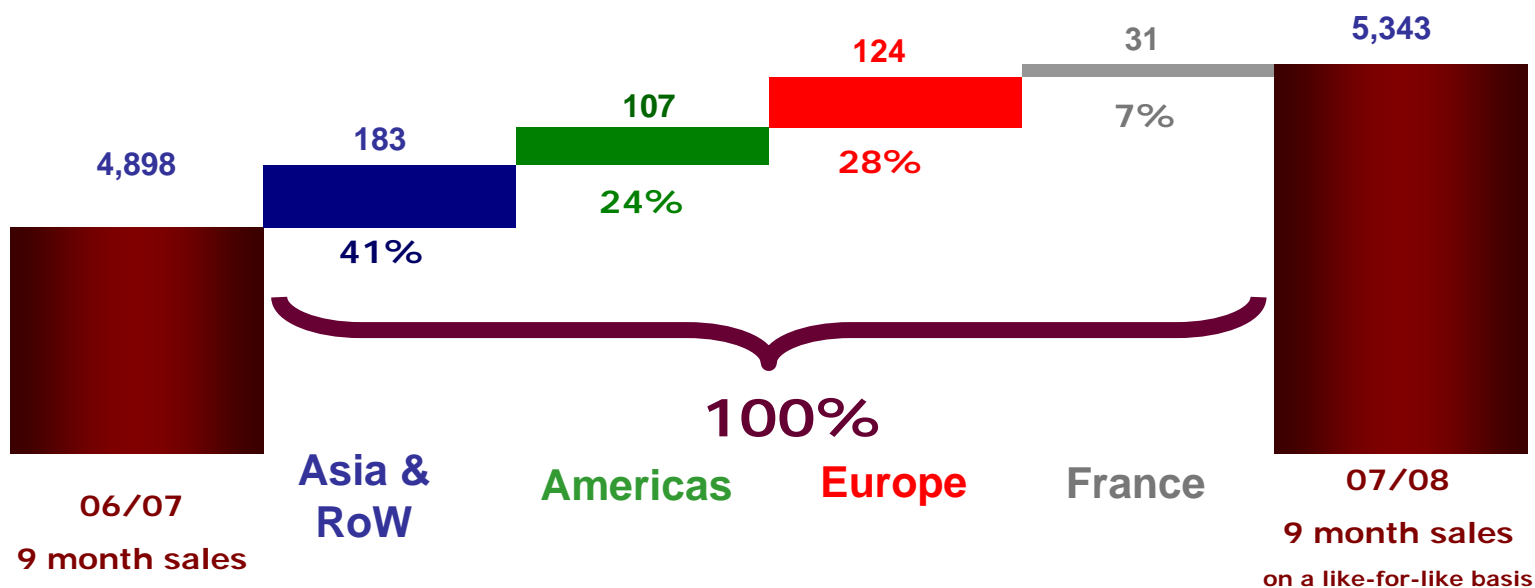
Stable secondary brands

\* Organic growth



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# Contribution to Organic Growth / Region



- All regions contributed to sales organic growth
- Emerging markets remained responsible for nearly 2/3 of organic growth, including +33%\* in Europe, +16%\* in the Americas and +22%\* in Asia / RoW over the first nine months of the 2007/08 financial year

\*Organic growth

# Asia – Rest of World

€ million	06/07 9 months	07/08 9 months	Organic growth	Forex impact	Group structure
Net sales	1,465	1,593	+13%	-4%	-

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

→ Asia: continuing strong 14%\* growth

- China (sales +26%\*) and India (sales +41%\*) represented 2/3 of Asia – RoW growth and remained the first and second contributor to the Group's organic growth, respectively
- China: according to our latest estimates, the whisky category achieved slight growth and Pernod Ricard maintained its market share; the cognac category remained highly dynamic in spite of strong price increases
- Duty Free, Taiwan, Malaysia, Indonesia, Vietnam and Singapore are also developing rapidly
- Thailand experienced a sharp recovery in Q3

→ Pacific: renewed growth confirmed in Q3 following the Q2 recovery

→ Africa & the Middle-East: very strong growth

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

\*Organic growth

# Americas

€ million	06/07 9 months	07/08 9 months	Organic growth	Forex impact	Group structure
Net sales	1,331	1,280	+8%	-7%	-5%

➔ Excellent performance by Chivas, Stolichnaya, Jameson and Something Special

➔ North America: organic growth +4.5% (spirits +4%, wines +7%)

US:

- Dynamic brands continued their strong growth:
  - ✓ Spirits: Jameson, The Glenlivet, Malibu, Wild Turkey
  - ✓ Wines: Montana, Perrier-Jouët, Mumm Napa, Campo Viejo
- Brands featuring weaker franchise suffered from the economic downturn:
  - ✓ Kahlua, Chivas, Beefeater declined over the period

Canada / Mexico: highly satisfactory growth by international brands, in particular the Top 15, but decline of Mexican brandies

➔ Central and South America: very strong organic growth +24%

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

# Europe

€ million	06/07 9 months	07/08 9 months	Organic growth	Forex impact	Group structure
Net sales	1,608	1,695	+8%	-1%	-1%

→ Major growth drivers: Chivas, Jacob's Creek, Ballantine's, Jameson, Ararat and Wyborowa

→ Eastern Europe and Central Europe:

- Generated more than 60% of Europe's growth, thereby increasing their relative size in the region
- Russia, Poland, Ukraine and Romania were the main contributors to such spectacular growth
- Russia (sales +37%\*) was the third contributing country to Group organic growth

→ Western Europe:

- Major Western Europe markets (Spain, UK, Ireland, Greece) experienced good growth
- Sales development in Germany was adversely affected by a highly unfavourable comparison basis effect, related to the April 2007 price increases
- Italy remained a difficult market

\*Organic growth

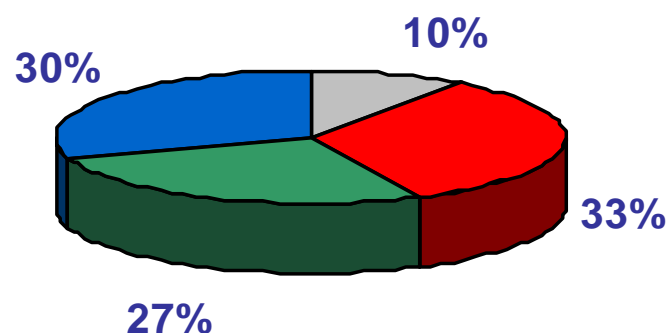
# France

€ million	06/07 9 months	07/08 9 months	Organic growth	Forex impact	Group structure
Net sales	494	524	+6%	-	-

- ➔ Excellent performance of our whisky brands: Chivas, Ballantine's, Jameson, Aberlour, The Glenlivet and Clan Campbell, in well-oriented markets
- ➔ Mumm: very strong growth (market share gains, price increases of the previous financial year, favourable mix effect) but Q4 volume will be adversely affected by low inventory availability
- ➔ Ricard: brand stable in a market in slight decline

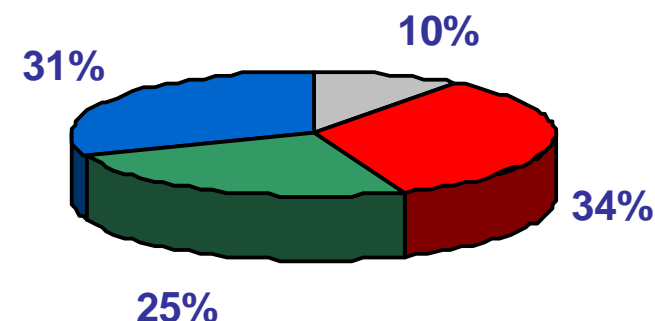
# Analysis of net sales by geographic region

06/07 FY 9 months



France  
Europe  
Americas  
Asia and  
ROW

07/08 FY 9 months



## → Continuing successful globalisation

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

⇒ The weak USD and the Group structure effect continued to adversely affect the Americas region, the relative size of which declined in spite of organic growth close to Group average



# Presentation structure

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

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- Third quarter in line with our expectations
  - Confirmed dynamism of emerging markets
  - Satisfactory performance of markets in Western Europe and dynamism of premium brands in the US in a tougher environment

2007/08 full-year growth guidance confirmed

We aim at 2007/08 full-year growth in operating profit from ordinary activities, on a like-for-like basis\*, of at least +12%,

\* Exchange and Group structure



# Appendices

## Strategic brands volume and organic growth

March YTD 2007/08	Volume change	Net Sales organic growth
Chivas Regal	9%	11%
Ballantine's	9%	12%
Ricard	-1%	0%
Martell	5%	24%
Malibu	6%	12%
Kahlua	-3%	-3%
Jameson	14%	20%
Beefeater	1%	4%
Stolichnaya	10%	14%
Havana Club	14%	16%
The Glenlivet	12%	14%
Jacob's Creek	8%	12%
Mumm	12%	20%
Perrier Jouet	3%	14%
Montana	-5%	8%
<b>15 Strategic Brands</b>	<b>6%</b>	<b>12%</b>

# 2007/08 9 month sales

	March YTD 2006/07		March YTD 2007/08		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	494	10%	524	10%	29	6%	31	6%	(2)	0%	(0)	0%
Wines & Spirits Europe excl. France	1,608	33%	1,695	34%	86	5%	124	8%	(15)	-1%	(22)	-1%
Wines & Spirits Americas	1,331	27%	1,280	25%	(51)	-4%	107	8%	(61)	-5%	(97)	-7%
Wines & Spirits Asia / Rest of the World	1,465	30%	1,593	31%	127	9%	183	13%	(1)	0%	(55)	-4%
<b>Wines &amp; Spirits World</b>	<b>4,898</b>	<b>100%</b>	<b>5,091</b>	<b>100%</b>	<b>192</b>	<b>4%</b>	<b>445</b>	<b>9%</b>	<b>(78)</b>	<b>-2%</b>	<b>(174)</b>	<b>-4%</b>

	Q3 2006/07		Q3 2007/08		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	126	9%	127	9%	1	1%	3	2%	(1)	-1%	(0)	0%
Wines & Spirits Europe excl. France	434	31%	433	31%	(0)	0%	19	4%	(6)	-1%	(13)	-3%
Wines & Spirits Americas	346	25%	310	23%	(37)	-11%	15	5%	(16)	-5%	(36)	-11%
Wines & Spirits Asia / Rest of the World	485	35%	508	37%	23	5%	60	12%	(1)	0%	(36)	-7%
<b>Wines &amp; Spirits World</b>	<b>1,391</b>	<b>100%</b>	<b>1,378</b>	<b>100%</b>	<b>(13)</b>	<b>-1%</b>	<b>97</b>	<b>7%</b>	<b>(24)</b>	<b>-2%</b>	<b>(86)</b>	<b>-6%</b>

## Forex impact analysis

		Forex impact (€million)	% of total impact
US Dollar	USD	(99.2)	57.0%
Korean Won	KRW	(25.4)	14.6%
British Pound	GBP	(22.0)	12.6%
Chinese Yuan	CNY	(13.5)	7.7%
Mexican Peso	MXN	(12.2)	7.0%
Venezuelan Bolivar	VEB	2.2	-1.3%
Argentinian Peso	ARS	(5.1)	2.9%
Russian rouble	RUB	(5.0)	2.9%
Japanese Yen	JPY	(3.9)	2.2%
NZ Dollar	NZD	3.1	-1.8%
Australian Dollar	AUD	4.5	-2.6%
Brasilian Real	BRL	5.5	-3.1%
Thai Baht	THB	5.5	-3.2%
Other		(8.6)	
<b>Total</b>		<b>(173.9)</b>	<b>100%</b>



## Group structure analysis

	€million
Disposal Seagram Coolers & Smooth USA	(14.9)
End of Copacking Agreement Fortune Brands	(16.1)
Disposal LDI USA	(22.6)
Disposal Rich & Rare	(16.3)
Disposal Beirao	(4.8)
Others	(3.5)
<b>Group Structure</b>	<b>(78.3)</b>