

# 2010 / 2011

## ANNUAL REPORT



Pernod Ricard  
*Créateurs de convivialité*

## DENIS ROUVRE



This year, Pernod Ricard entrusted 18 of its staff to the French photographer Denis Rouvre for a series of explosive and innovative photos.

His favourite themes include small-town America, people, sport and even body painting, all through his humanistic and respectful eye. He is now one of the world's leading portrait photographers, renowned for his skillfully staged shots of stars, blending fun and tenderness with a touch of madness (Cannes 2011).

At the cutting edge, this daring and successful collaboration between Denis Rouvre and Pernod Ricard can be discovered throughout this Annual Report...

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This Report is not the Group's Reference Document. The Reference Document was filed with the French Financial Markets Authority on 28 September 2011. It is available through the Group's website on [www.pernod-ricard.com](http://www.pernod-ricard.com) and the AMF website on [www.amf-france.org](http://www.amf-france.org).



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Read  
the 2010/2011  
Annual Report  
on iPad.



# AT A GLANCE



Pernod Ricard  
*Créateurs de convivialité*

AT A GLANCE

Created in 1975 by the link-up of the Pernod and Ricard companies, Pernod Ricard is now the co-leader of the Wine & Spirits industry. Organic growth and acquisitions have driven the development of a Group that reaffirms its ambition: to become number 1 worldwide in Wine & Spirits. Already the leader of the Premium segment—the most dynamic of the industry—Pernod Ricard has opted for a model of sustainable growth. This model is based on a two-fold strategy of brand upscaling, called 'Premiumisation', and a strong presence in emerging economies. ■

# SOLID FUNDAMENTALS

## PERNOD RICARD'S GROWTH MODEL IS BASED ON FIVE PILLARS:

### 1 — A COMPREHENSIVE PORTFOLIO OF PREMIUM INTERNATIONAL BRANDS

Since its beginning, and particularly over the last ten years of rapid acquisitions, Pernod Ricard has built a unique portfolio of Premium brands on an international scale. This portfolio covers all Wine and Spirits categories and is now illustrated by the 'The House of Brands' concept. The 'House' classifies the Group's priority brands into three segments: the 'Top 14', which consists of 14 strategic spirits and champagne brands; the Wine segment, with its four Premium wine brands; and the 18 key local brands. The Top 14 include two global icons—ABSOLUT vodka and Chivas Regal Scotch whisky; seven Premium spirits brands—Ricard pastis, Ballantine's Scotch whisky, Jameson Irish whiskey, Havana Club rum, Beefeater gin, and Malibu and Kahlúa liqueurs; and, lastly, five Prestige spirits and champagne brands—Martell cognac, The Glenlivet and Royal Salute Scotch whiskies, and G.H. Mumm and Perrier-Jouët champagnes.

### 2 — PREMIUMISATION AND INNOVATION: KEY STRATEGIC FOCUSES TO CREATE VALUE

Pernod Ricard's strategy is built on creating value through a systematic policy of upscaling its brands, or Premiumisation. This 'value strategy' is part of a long-term vision based on strong and on-going investment in support of the Group's brands. Pernod Ricard is one of the industry's biggest investors in marketing. The Group has made a major bet on innovation, which it understands as a driver of growth. Innovation is a priority to boost the brands, but it clearly concerns every area of the business as well: Sales, Human Resources, Production, Legal, Finance and Communications. Creating the conditions for profitable and sustainable growth, the Group has the means to capture opportunities for growth. In this way, it expects to consolidate its position as leader of Premium segment. ■ ■ ■



No.1

IN PREMIUM AND PRESTIGE SPIRITS WORLDWIDE

€7,643M NET SALES,  
+7% (ORGANIC GROWTH)

Co-leader

IN WINES & SPIRITS WORLDWIDE

18,226 EMPLOYEES IN 70 COUNTRIES

€1,909M PROFIT FROM RECURRING OPERATIONS,  
+8% (ORGANIC GROWTH)

Leader

IN THE ASIAN MARKETS,  
THE MOST DYNAMIC OF THE SECTOR

A comprehensive portfolio of  
Premium brands



14 STRATEGIC SPIRITS AND  
CHAMPAGNE BRANDS



4 PRIORITY PREMIUM  
WINE BRANDS



### A DECENTRALISED ORGANISATION AND A WHOLLY-OWNED DISTRIBUTION NETWORK

Pernod Ricard's organisation, unique in its industry, is built around six Brand Companies and 70 Market Companies. Wholly-owned by the Group, the distribution network ensures a commercial presence that is closer to the markets and consumer needs, allowing the global strategy defined by the Brand Companies to be tailored to local realities. By its decentralised nature, this flexible and responsive structure has shown its ability to boost performance and individual motivation. Very well established internationally—it is notably the leader in many Asian markets such as China and India—Pernod Ricard is a group that is optimally positioned to take full advantage of the growth of these markets—the most dynamic of the sector.



### EMPLOYEES UNITED BY A STRONG CORPORATE CULTURE

In a decentralised organisation, it is the corporate culture that binds everyone together. This corporate culture is experienced as a real competitive asset, expressed in a convivial, simple and direct attitude. The Group's 18,000 employees share in it every day, maintain it in their relationships with one another, and in their relations with the consumers of each brand. This Pernod Ricard spirit is conveyed by the tagline '*Créateurs de convivialité*'. The Group's culture is grounded in three values: an entrepreneurial spirit, mutual trust and a strong sense of ethics. These are continually encouraged by a policy of Human Resources management that promotes leadership skills, mobility and diversity.




### AN HISTORICAL COMMITMENT TO ETHICS, PEOPLE, AND THE ENVIRONMENT

There is no leadership without a deep sense of responsibility. This approach is historically rooted in the Group's history and encoded in its DNA. The best evidence is its commitment to society, unchanged from its beginning nearly 50 years ago. Formalised in a new platform for Corporate Social Responsibility (CSR), this commitment takes concrete shape through four priorities:

1. Applying a responsible drinking policy
2. Reducing its environmental impact
3. Sharing cultures
4. Promoting the corporate culture

For Pernod Ricard, employees are the front-line ambassadors of these commitments.

- 
- 2011** CREATION OF PREMIUM WINE BRANDS, A BRAND COMPANY GROUPING TOGETHER PRIORITY WINE BRANDS ACROSS THE GROUP.
- 2010** ASIA AND REST OF THE WORLD BECOMES THE GROUP'S TOP REGION.
- 2008** ACQUISITION OF VIN&SPRIT, OWNER OF ABSOLUT, MAKING PERNOD RICARD THE WORLD CO-LEADER IN THE INDUSTRY.
- 2005** ACQUISITION OF ALLIED DOMECQ, IN PARTNERSHIP WITH FORTUNE BRANDS. THE GROUP ONCE AGAIN DOUBLES IN SIZE AND BECOMES THE WORLD NUMBER TWO IN WINES & SPIRITS.
- 2001** PURCHASE+ OF 39.1% OF SEAGRAM'S WINES & SPIRITS BUSINESSES.
- 1993** PERNOD RICARD AND THE CUBAN COMPANY CUBA RON CREATE HAVANA CLUB INTERNATIONAL, A 50/50 JOINT VENTURE FOR THE MARKETING AND DISTRIBUTION OF HAVANA CLUB RUM.
- 1989** ACQUISITION OF AUSTRALIAN WINE PRODUCER, ORLANDO WYNNDHAM GROUP, PRODUCER OF THE JACOB'S CREEK LABEL.
- 1988** ACQUISITION OF IRISH DISTILLERS, THE LEADING PRODUCER OF IRISH WHISKEY AND OWNER OF JAMESON.
- 1975** PERNOD RICARD IS CREATED THROUGH THE LINK-UP OF TWO FRENCH ANISE-BASED SPIRITS COMPANIES: PERNOD, WHICH WAS FOUNDED IN 1805, AND RICARD, FOUNDED BY PAUL RICARD IN 1932.



18 KEY LOCAL BRANDS

## Pernod Ricard Locations

### Head Offices Brand Companies

Havana, **Cuba** • Paris, **France**  
• Dublin, **Ireland** • London, **United Kingdom**  
• Stockholm, **Sweden** • Sydney, **Australia**

### Head Offices Pernod Ricard Regions

New York, **United States** • Paris, Marseille, Créteil, **France** • Hong Kong, **China**

### 28 Main Production Sites

Walkerville, **Canada** • Fort Smith, **United States**  
• Los Reyes, **Mexico** • San Jose, **Cuba**  
• Suape, Resende, **Brazil** • Bella Vista, **Argentina** • Fox & Geese, Middleton, **Ireland**  
• Paisley, Strathclyde, Kilmalid, The Glenlivet, **Scotland** • Åhus, Nöbbelov, **Sweden**  
• Aalborg, **Denmark** • Poznan, **Poland**  
• Manzanares, Age, **Spain** • Yerevan, **Armenia**  
• Lormont, Marseille, Reims, Rouillac, **France**  
• Behror, Nashik, **India** • Rowland Flat, **Australia** • Tamaki, **New Zealand**

PERNOD RICARD AMERICAS

CHIVAS BROTHERS

IRISH DISTILLERS

HAVANA CLUB INTERNATIONAL

6  
BRAND  
COMPANIES

4  
REGIONS<sup>(1)</sup>

70  
MARKET  
COMPANIES

<sup>(1)</sup> Asia and Rest of the World, Americas, Europe (excluding France) and France.





HOLDING  
Pernod Ricard

THE ABSOLUT COMPANY

PERNOD RICARD EUROPE

MARTELL MUMM PERRIER-JOUËT

PERNOD RICARD ASIA

SOCIÉTÉ PERNOD  
SOCIÉTÉ RICARD

PREMIUM WINE BRANDS

98  
PRODUCTION  
SITES

The Board of Directors of Pernod Ricard oversees the Group's good governance, respecting ethics and transparency rules. Combining personalities with complementary experience and skills, it ensures the respect of the long-term vision and strategy. It also guarantees that the Group's management is carried out in the interest of the business and its shareholders. ■

# BOARD OF DIRECTORS

## Organisation and method of operation

The Board of Directors is composed of 14 members, including 7 independent Directors. Pernod Ricard applies the independence criteria provided for in the AFEP-MEDEF corporate governance code. During the reporting period, Jean-Dominique Comolli resigned as a result of his new role as French 'Commissioner of State Holdings'. The Shareholders' Meeting of 10 November 2010 appointed Susan Murray as a new Director. The term of François Gérard was renewed for four years at the Shareholders' Meeting of 2010. In addition, the Board of Directors co-opted Laurent Burelle to replace Lord Douro, who resigned for personal reasons.

## The role division of the Chairman and the Chief Executive Officer

In order to adapt the Group's governance and allow for natural succession within the Company's executive management, the Board of Directors decided to separate the role of the Chairman from that of the Chief Executive Officer. Patrick Ricard acts as Chairman of the Board, and Pierre Pringuet as Chief Executive Officer. The Chairman of the Board of Directors organises the Board's operations and reports these developments back to the Shareholders' Meeting. He oversees the proper functioning of the Company's managing bodies and ensures that the Directors are fully equipped to fulfil their roles. The Chief Executive Officer is granted full powers to act in the name of the Company in all circumstances.

## DIRECTORS



FROM LEFT TO RIGHT: PATRICK RICARD Chairman of the Board of Directors — PIERRE PRINGUET Chief Executive Officer — FRANÇOIS GÉRARD — CÉSAR GIRON — RAFAËL GONZALEZ-GALLARZA — ALEXANDRE RICARD Permanent representative of Société Paul Ricard — DANIELLE RICARD

## INDEPENDENT DIRECTORS



FROM LEFT TO RIGHT: NICOLE BOUTON<sup>(1)</sup> — WOLFGANG COLBERG — GÉRALD FRÈRE — MICHEL CHAMBAUD — ANDERS NARVINGER — SUSAN MURRAY — LAURENT BURELLE<sup>(2)</sup>

[1] Nicole Bouton is reaching the end of her term. Following the recommendation of the Appointments Committee, the Board of Directors proposes the reappointment of Nicole Bouton for another four-year term. [2] Laurent Burelle, on the recommendation of the Appointments Committee, was appointed at the Board of Director's meeting of 4 May 2011 to replace Lord Douro, who resigned. The appointment of Laurent Burelle is subject to the approval of Shareholders' Meeting of 15 November 2011. His term would expire at the end of the Shareholder's Meeting called to approve the financial statements for the 2012/2013 financial year.

## THE BOARD OF DIRECTORS IN 2010/2011

During the financial year ended 30 June 2011, the Board of Directors met eight times with an attendance rate of 96%. The Board approved the annual and interim financial statements and the terms of financial communications, reviewed the budget, prepared for the Combined Ordinary and Extraordinary Shareholders' Meeting, and approved the draft resolutions. The current state of the business was discussed at each of these meetings, including operations, results and cash flow. As part of the Company's debt management, the Board regularly monitored the progress of the planned asset disposal programme, and during a scheduled review of the refinancing plan, it decided to launch two bond issues, one in euros and the other in US dollars. The Directors were regularly informed of developments in the competitive environment and the operating executives of its major subsidiaries reported to them on their organisation, operations and outlook.

## THE COMMITTEES OF THE BOARD OF DIRECTORS<sup>(1)</sup>

The Board of Directors delegates to its specialised committees the preparation of specific topic submitted for its approval.

### Strategic Committee

#### CHAIRMAN:

PATRICK RICARD

#### MEMBERS:

FRANÇOIS GÉRARD

RAFAËL GONZALEZ-GALLARZA

DANIÈLE RICARD

The Strategic Committee met six times during the 2010/2011 financial year with an attendance rate of 92%. Its main responsibility is to prepare the Company's strategic policies for the Board's approval.

### Audit Committee

#### CHAIRMAN:

MICHEL CHAMBAUD

Independent Director

#### MEMBERS:

NICOLE BOUTON

Independent Director

FRANÇOIS GÉRARD

WOLFGANG COLBERG

Independent Director

The members of the Audit Committee were specifically chosen for their expertise in accounting and finance. The Audit Committee's primary mission is to review the draft financial statements, check the appropriateness and consistency of accounting methods and principles and ensure the quality of the financial information issued to shareholders. It also monitors the effectiveness of the internal control and risk management systems. It supervises the procedure for selecting Statutory Auditors. The Board of Directors may refer any financial or accounting matter to it. During the 2010/2011 financial year, it met four times with an attendance rate of 94%. In addition to reviewing the financial statements and monitoring the Group's cash flow and debt, the Audit Committee examined the main risks and material off-balance-sheet commitments, approved the Internal Audit plan and reviewed the reports issued during the financial year (25 assignments were carried out). It also reviewed the conclusions of the self-assessment questionnaires sent to the Group's main subsidiaries every year with the aim of evaluating whether their internal controls were

effective and in line with the Group's principles. This questionnaire covers Corporate Governance practices, operational matters and IT support.

### Appointments Committee

#### CHAIRMAN:

NICOLE BOUTON<sup>(2)</sup>

Independent Director

#### MEMBERS:

ANDERS NARVINGER<sup>(3)</sup>

Independent Director

DANIÈLE RICARD

PATRICK RICARD

Chairman of the Board of Directors, attends the meetings of this Committee, in particular those dealing with Directors' appointments.

During the 2010/2011 financial year, the Committee met four times with a 100% attendance rate. The Appointments Committee's main responsibility is to recommend and implement the selection procedure for new Directors. The Committee regularly verifies compliance with the governance principles to which Pernod Ricard subscribes, and monitors the independence criteria of the members of the Board of Directors. In 2010/2011, due to the departure of certain Directors, the Appointments Committee's main focus was on proposing the restructuring of the Board's committees and on nominating a new Director, Laurent Burelle<sup>(3)</sup>. It also continued its study of the balanced representation of men and women on the Board. Lastly, it recommended that the Board bring for a vote to the shareholders the possibility of exceptionally reducing the terms of office for Directors in order to improve the staggering of such periods in the future.

### Remuneration Committee

#### CHAIRMAN:

NICOLE BOUTON<sup>(2)</sup>

Independent Director

#### MEMBERS:

ANDERS NARVINGER<sup>(3)</sup>

Independent Director

GÉRALD FRÈRE

Independent Director

During the 2010/2011 financial year, the Remuneration Committee met four times with an attendance rate of 100%.

The Remuneration Committee's main task is to define the policy for remunerating the Group's Executive Directors in compliance with the recommendations of the AFEP-MEDEF corporate governance code to which the Company refers to. This policy covers all elements of remuneration, i.e. the level and amount of fixed and variable remuneration, but also the amounts and volumes of stock options awarded, as well as pension and social protection schemes. In 2010/2011, the Committee worked on all of these elements relating to the remuneration of the Executive Directors. For the overall stock option and performance share plan that was authorised for one thousand employees on 15 June 2011, the members of the Remuneration Committee recommended the rules of allocation to the Board with the aim of increasing the proportion of performance-contingent options in the allocation. The Committee reviewed and recommended the structure of the Chief Executive Officer's allocation.

(1) For details, see page 31 of the Reference Document. (2) Replaced Jean-Dominique Comolli on 1 September 2010. (3) Replaced Lord Douro on 20 October 2010.

The Group’s management structure is organised around the General Management, the Executive Board and the Executive Committee (COMEX). The COMEX comprises the Executive Board, which includes the General Management and the General Counsel, and the Managing Directors of the main subsidiaries. Under the General Management’s authority, it is responsible for conducting the Group’s business activities, ensuring that its main policies are applied, and coordinating between the Holding Company and its subsidiaries. ■

# MANAGEMENT STRUCTURES

## GENERAL MANAGEMENT

For the 2010/2011 financial year, the Group’s General Management was carried out by the Chief Executive Officer and the three Managing Directors for Brands, Finance, and Human Resources and Corporate Social Responsibility. The General Management coordinates the Group Executive Committee’s meetings. Meetings are held three times a year between the General Management and the direct subsidiaries; topics covered include strategy, the three-year plan, and the budget, as well as a business review.

*During the past year, Pierre Pringuet also served as Managing Director, Distribution Network. Alexandre Ricard, then CEO of Irish Distillers, has held this position since 1 September 2011.*

## EXECUTIVE BOARD

The Executive Board is the permanent body responsible for coordinating and directing the Group. It is comprised of the Group Managing Directors and the General Counsel. The Executive Board initiates and reviews all decisions relating to Group affairs and submits such matters to the Board of Directors that require its approval. It also organises the work of the Executive Committee.

At 1 July 2011, the Executive Board consisted of:



**PIERRE  
PRINGUET**  
CHIEF EXECUTIVE  
OFFICER



**GILLES  
BOGAERT**  
MANAGING  
DIRECTOR, FINANCE



**IAN  
FITZSIMONS**  
GENERAL COUNSEL



**THIERRY  
BILLOT**  
MANAGING  
DIRECTOR, BRANDS



**BRUNO RAIN**  
MANAGING  
DIRECTOR,  
HUMAN RESOURCES  
AND CORPORATE  
SOCIAL  
RESPONSIBILITY



# EXECUTIVE COMMITTEE



- (1) LIONEL BRETON**  
Chairman & CEO of Martell Mumm Perrier-Jouët
- (2) PIERRE PRINGUET**  
Chief Executive Officer
- (3) THIERRY BILLOT**  
Managing Director, Brands
- (4) PIERRE COPPÉRÉ**  
Chairman & CEO of Pernod Ricard Asia
- (5) LAURENT LACASSAGNE**  
Chairman & CEO of Pernod Ricard Europe
- (6) BRUNO RAIN**  
Managing Director, Human Resources and Corporate Social Responsibility
- (7) PHILIPPE DRÉANO**  
Chairman & CEO of Pernod Ricard Americas
- (8) GILLES BOGAERT**  
Managing Director, Finance
- (9) ALEXANDRE RICARD<sup>(1)</sup>**  
Chairman & CEO of Irish Distillers
- (10) IAN FITZSIMONS**  
General Counsel
- (11) CHRISTIAN PORTA**  
Chairman & CEO of Chivas Brothers
- (12) JEAN-CHRISTOPHE COUTURES**  
CEO of Premium Wine Brands
- (13) CÉSAR GIRON**  
Chairman & CEO of Pernod
- (14) PHILIPPE GUETTAT**  
Chairman & CEO of The Absolut Company
- (15) PHILIPPE SAVINEL**  
Chairman & CEO of Ricard

The Executive Committee is the Group's managing body that includes the General Management, the General Counsel and the Managing Directors of the main subsidiaries. It helps to develop the Group's strategy and coordinates between the Holding Company and its subsidiaries, as well as between the subsidiaries themselves (Brand Companies and Market Companies). Under the General Management's authority, it is responsible for conducting the Group's business activities and ensuring that its main policies are applied.

In this capacity, the Executive Committee:

- examines the Group's activity and its variances with respect to the business plan;
- provides guidance when setting objectives (income statement, debt and qualitative objectives);
- periodically reviews the Brands' strategies;
- analyses the performance of the network of Group Market and Brand Companies, and recommends necessary organisational adjustments;
- approves and enforces the Group's main policies (human resources, good marketing and business practices, quality safety environment policies, social responsibility, etc.).

The Executive Committee meets eight to eleven times a year.

(1) As of 1 September, Alexandre Ricard joined the Group General Management team, as Managing Director, Distribution Network. At the same date, Anna Malmhake, former Marketing Director of The Absolut Company (TAC), succeeded him, as Chairman & CEO of Irish Distillers.

## HOLDING COMPANY MANAGEMENT

The primary objectives of the Holding Company's General Management are:

- to prepare and coordinate the decisions and actions to be taken by the Holding Company;
- to exchange information on the Group's operations, and on actions undertaken or to be taken by each of the functional management departments;
- to prepare for certain decisions that are the responsibility of the Group's General Management.



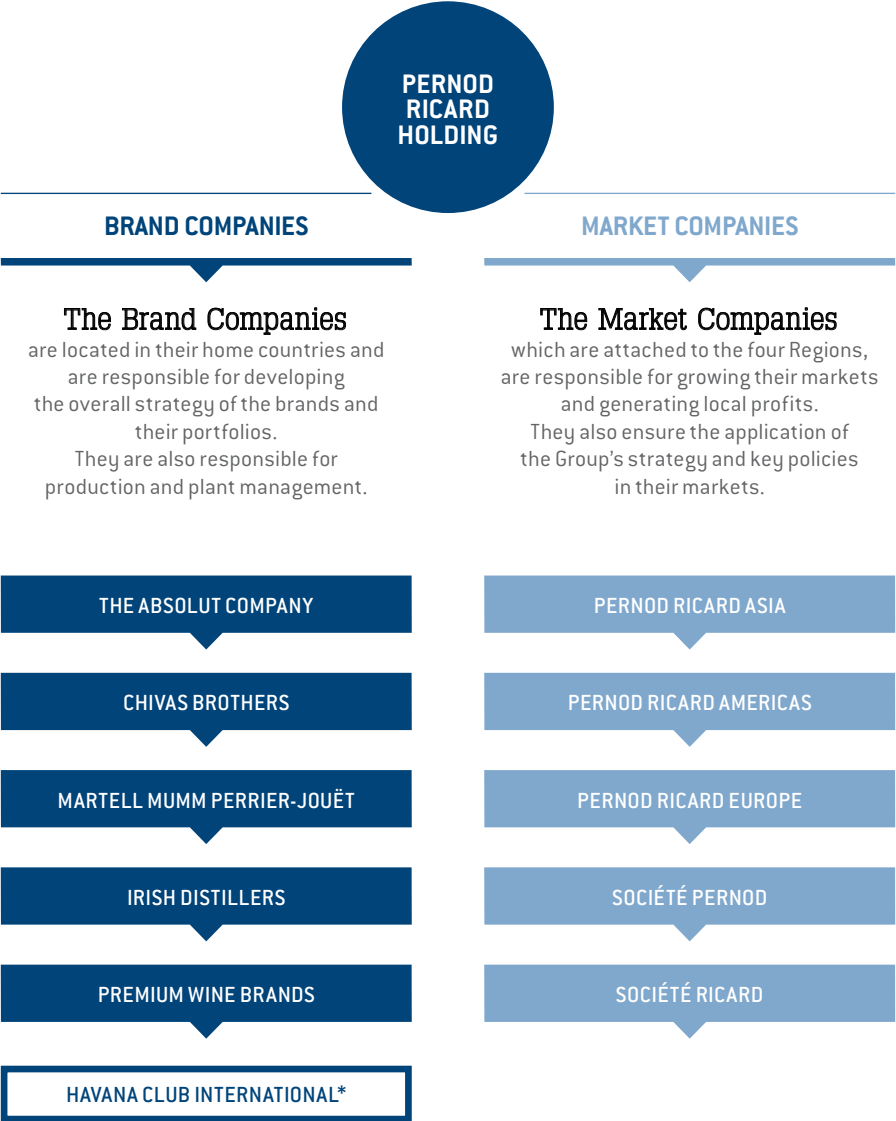
**TOP, FROM LEFT TO RIGHT:** PATRICK CASTANIER VP, Business Development — OLIVIER CAVIL VP, Communications — JEAN CHAVINIER VP, Information Systems — JÉRÔME COTTIN-BIZONNE VP, Audit and Development<sup>(1)</sup> — DENIS FIÉVET VP, Financial Communication and Investor Relations

**BOTTOM, FROM LEFT TO RIGHT:** ARMAND HENNON VP, Public Affairs, France — ARMIN RIES VP, Special Advisor to General Management — MARTIN RILEY Chief Marketing Officer — JEAN RODESCH VP, Institutional Affairs — JEAN-PIERRE SAVINA VP, Industrial Operations

(1) Jérôme COTTIN-BIZONNE has been appointed CEO of Havana Club International, with effect from 1 December 2011. Victor JEREZ, currently CEO of Pernod Ricard Polska (Wyborowa SA), will succeed him as Vice-President, Audit and Development of Pernod Ricard, with effect from 1 October 2011.

The cornerstone of Pernod Ricard’s culture, decentralisation is the founding principle of the Group’s organisation. Its equilibrium is based on constant dialogue between the Brand Companies and the Market Companies, coordinated by the Holding Company that defines the major strategic guidelines. ■

# ORGANISATIONAL CHART

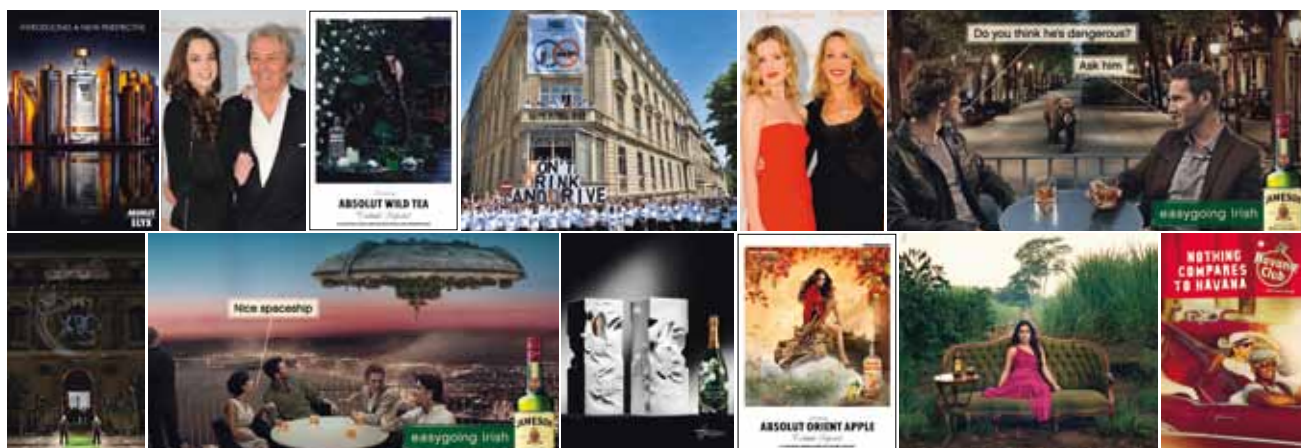


The Holding Company defines the Group’s strategy and oversees its implementation. Its responsibilities are centred on four main areas:

1. reserved functions (Group strategy, financial policy, communications, human resources, legal affairs, and institutional policies),
2. control of the management of direct subsidiaries,
3. approval of brand and market strategy,
4. coordination of key policies (Purchasing, Information Systems, Quality Environment Safety, etc.).

The Holding Company also provides expertise in the fields of sales and marketing. There are 170 people working at the Holding Company’s head office in Paris.

\* Joint venture.



Creativity and innovation, the corollaries of a sustained marketing investment strategy, were once again the watchwords of the past financial year. Indeed, more than forty significant innovations marked the period. Range extensions, the creation of limited editions, new ways of consuming, and a proliferation of digital campaigns helped to accelerate performance for all brands in the Group's portfolio. Pernod Ricard was also singled out by *Forbes* magazine, which recently added the Group, in sixteenth place, to its global ranking of the 50 most innovative companies. Internally, the Group reported the results of its Company-wide project, 'Agility', launched last year: there are currently some thirty initiatives underway. ■

## 2010/2011 AT A GLANCE

### The Group's key events

**JULY** » Creation of a new Brand Company called Premium Wine Brands, covering all of the Group's priority wine brands; extension of The Absolut Company's responsibilities to all international vodkas in the portfolio; and the creation of a new Pernod Ricard Sub-Saharan Africa region linked to Pernod Ricard Europe. Sale of Spanish wine brands Marqués de Arienzo™ and Viña Eguía™ for €28 million to the Spanish consortium Vinos de Los Herederos del Marqués de Riscal SA. **AUGUST** » Sale of the Spanish company Ambrosio Velasco (Pacharán Zoco and Palacio de la Vega brands) to Diego Zamora for €33.1 million. **DECEMBER** » Sale of the Renault cognac brand for €10 million to Scandinavian group Altia. Sale of New Zealand sparkling wines brand Lindauer for €47 million. **JANUARY** » Launch of the first Group Innovation Day with 40 designs unveiled. **FEBRUARY** » The Spanish Supreme Court confirms the ownership of the Havana Club brand by the joint venture between Pernod Ricard and Cuba Ron. **MARCH** » Success of the €1 billion bond issue. **APRIL** » The Group's first dollar-denominated bond issue—for \$1 billion over 10 years—draws an order book of more than \$6 billion. The Group reveals the 30 initiatives of the Agility project. **23 MAY** » 18,000 employees join forces for Responsib'ALL Day, the inaugural edition of a day dedicated to the fight against excessive or inappropriate consumption of alcohol, with drink driving as its theme.

### Marketing highlights

**RICARD** » Changes its bottle for the first time since 1932. **ABSOLUT** » Introduces a test version of its new Ultra-Premium vodka, ABSOLUT ELYX. **CHIVAS** » Launches a new film entitled 'Virtuous Circle' for its global 'Live with Chivalry' campaign. **JAMESON** » Crosses the symbolic threshold of 3 million cases. **BALLANTINE'S** » The 'Ballantine's Championship' golf tournament in Korea gains international recognition with the victory of the former world number one Lee Westwood. **KAHLÚA** » Unveils its latest campaign, 'Delicioso', starring actress Ana de la Reguera. **MARTELL** » Opens a new shop in Kuala Lumpur. **JACOB'S CREEK** » Launches three new products for its 'Reserve' prestige range. **PERRIER-JOUËT** » Celebrates its bicentennial and is named the official champagne for the royal wedding of Prince Albert of Monaco and Charlène Wittstock.

### Subsequent events

**JULY 2011** » Pernod Ricard announces the signing of a joint venture with the company Tequila Avión. The agreement covers the development and marketing of the Ultra-Premium tequila brand, Avión™. The Group is a minority shareholder in this joint venture and will handle the brand's exclusive worldwide distribution. As structured, the transaction has no significant impact on the Group's debt.

# THE FUNDAMENTALS OF CSR

It wasn't just in the last few years that Pernod Ricard discovered what is now commonly called Corporate Social Responsibility. Since the establishment of the Oceanographic Institute in 1966, and that of the IREB (Institute for Scientific Research on Alcoholic Beverages) in 1971, it has now been more than forty years that the Group, through its Founders, has made ethics a mainstay of its development.

Pernod Ricard continues to perpetuate this legacy, as evidenced by its recent achievements of the past year. The Group adopted a brand new CSR policy which redefines the four priorities that outline its field of action in this area. First of all, employees were given new human resources management tools, redesigned to encourage diversity and the promotion of talent. On the matter of education about responsible drinking, the Group established a company-wide day of action, 'Responsib'ALL Day', bringing together its 18,000 employees worldwide. On the environmental side, the Market Companies were at the centre of new developments. Lastly, the sharing of cultures and support for entrepreneurial initiatives continued to be the main focuses of the Group's corporate philanthropy.

## THE VALUES OF THE GROUP

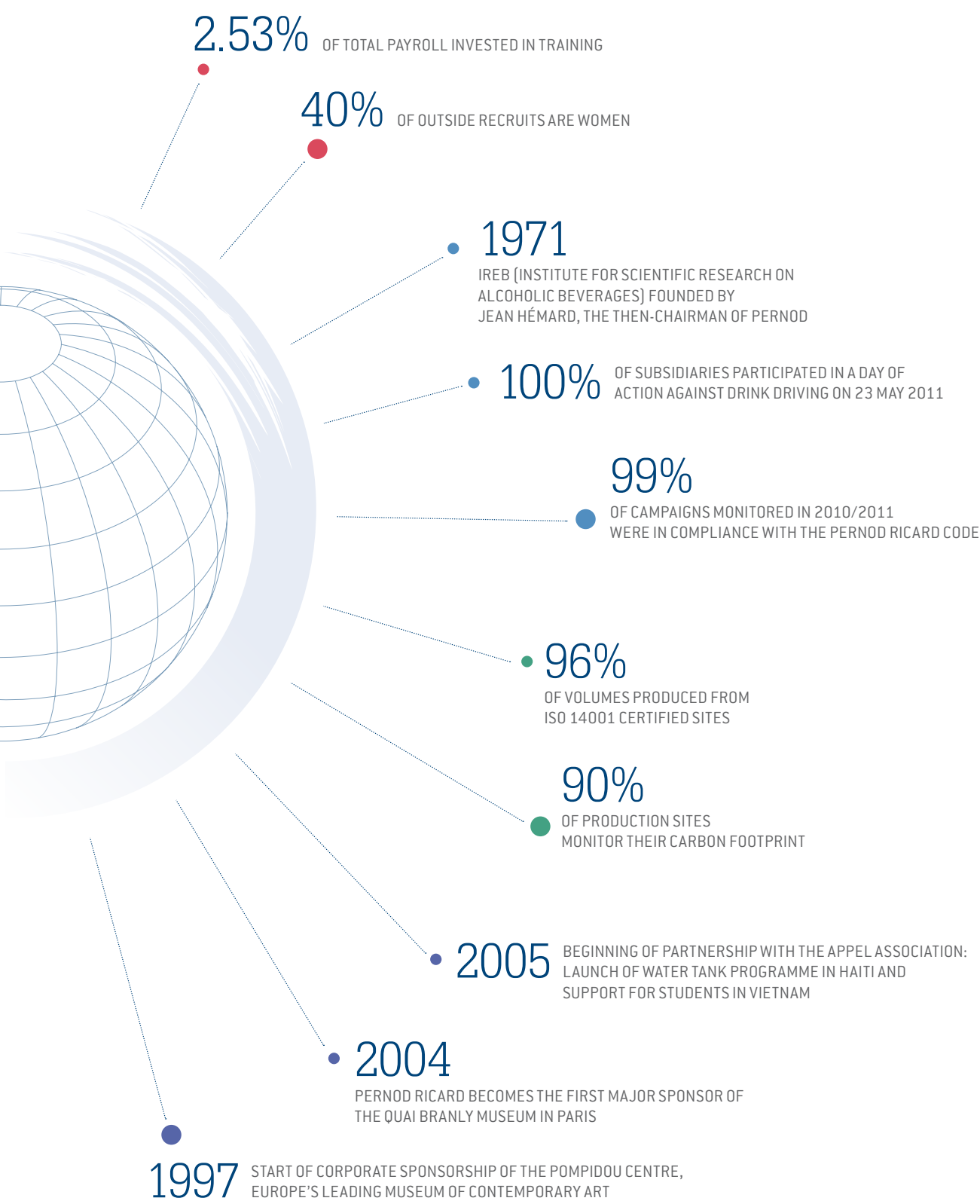


## FOUR PRIORITIES





# EXAMPLES OF CSR COMMITMENTS







PATRICK  
RICARD  
CHAIRMAN OF  
THE BOARD OF DIRECTORS

---

“  
Being an entrepreneur  
means having  
the courage to create.”

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# THE ENTREPRENEURIAL SPIRIT, THE SPIRIT OF A LEADER

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This Annual Report aims to inform you about your Group's strategy and results which justify your trust in us. As you will see from reading the pages that follow, they are excellent, exceeding our initial forecasts. It was a year in which more than one record was broken. I will start off by saluting the exemplary work of the General Management and by thanking each of Pernod Ricard's employees. I am, more than ever, convinced that they are the primary engine of our growth. Why?

Because they are the ones who, every day, embody the longevity of our business model. Whether we are in a period of uncertainty or of recovery, our employees transform our growth strategy into reality. In the field, they carry a single ambition: to become the leader. That is what motivates each of us: to dare to go beyond, to overcome, to constantly innovate, to never give up...

To be number 1 means to become the leader. Is it a matter of size? Of weight? No doubt. We are already the world leader in the Premium and Prestige segments. We are leader in China, France, and Mexico<sup>(1)</sup>, to name just a few markets. But being the leader is above all a question of mind-set. It is this mind-set that drives each of our employees, and it has always had the same name: 'The entrepreneurial spirit'.

## Being an entrepreneur means constantly innovating

Being an entrepreneur means always pressing forward, having the courage to create. That's how the entrepreneur becomes a leader. The entrepreneur is the one who innovates, the one who challenges the status quo—in short, a mix of intuition and vision. The entrepreneur dares, imagines, invents; he doesn't hesitate to define new rules that are better-suited to new challenges. Decentralisation offers everyone the chance to be such an entrepreneur by allowing him to capitalise on all the opportunities presented by his market.

For Pernod Ricard, innovation is at the heart of its decentralised organisation and its Premiumisation strategy. It accelerates value creation for our brands. We are continuously offering new products, new modes of consuming, communicating and marketing. These last few years, even at the height of the crisis, Pernod Ricard never stopped innovating. Our investments were uninterrupted, indicative of a long-term strategic vision. The point is not to break investment records, but to provide unfailing support for our brands' growth.

## Being an entrepreneur means adhering to strong values

But innovating doesn't mean starting over from scratch. We can only innovate by building on a robust and healthy foundation—in short, our roots—whether in respect of people, united around strong values, or our products, the fruit of authentic lands and traditions. In the footsteps of the Group's Founders, Pernod Ricard has succeeded in building a unique and unified culture. This heritage has been constantly enriched by the diversity of newcomers who have always seen themselves reflected in our common values: the entrepreneurial spirit, of course, but also mutual trust, a sense of ethics and conviviality. This culture has allowed managerial transitions to occur at the highest

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Dare to go beyond, overcome,  
never give up.”

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(1) On the Western Style Spirits segment.



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For Pernod Ricard,  
the entrepreneur is  
the one who innovates.”

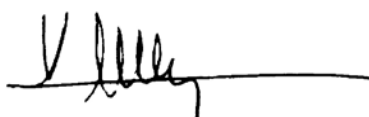
levels of the Company without destabilising the teams or threatening the pursuit of our strategy. That's what ensures our longevity.

#### Being an entrepreneur means being responsible

The spirit of responsibility is crucial for a leader. We must set the example in order to convey a message of moderation and to vigorously combat inappropriate drinking practices. Accordingly, on 23 May of this year our 18,000 employees joined together all around the world to reaffirm their shared commitment: the moderate consumption of alcoholic beverages should be a time of pleasure, shared celebration and conviviality. The innovator anticipates, adapts, overcomes and wins. Pernod Ricard has just demonstrated this once again by turning in remarkable performances. This spirit ensures our outstanding adaptability to market conditions. The bottom line of our business reflects our ability to rebound, our creative spirit and our rapidity in seizing new opportunities for growth, even in the most challenging of times.

That is why you can count on our 18,000 'entrepreneurs' and, with them, share in our ambition to soon become the undisputed leader of our industry.

PATRICK RICARD






PIERRE  
PRINGUET  
CHIEF EXECUTIVE OFFICER

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“  
Innovation  
at the heart of  
our model.”

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We have therefore never questioned our Premiumisation strategy.”

In June, Pernod Ricard ended its 2010-2011 financial year with organic growth that exceeded the initial target. How do you view these results?

— On behalf of the General Management, I would first like to say ‘bravo’ to all of our teams. Their unwavering commitment all over the world has allowed the Group to report excellent results. Pernod Ricard is now driving growth in the industry. We are doing better than our major competitors.

I would like to stress three points.

First of all, the year was marked by strong activity, with net sales up 8% (organic growth 7%). The pillar of our strategy, the Top 14 brands posted record sales. Next, as we announced, we strengthened our marketing investments. In support of an ambitious innovation policy, these were instrumental in accelerating the Premiumisation of our brands.

Lastly, we continued to improve our financial results. Specifically, the Group generated 8% organic growth in profit from recurring operations, two points higher than the initial target. For the first time in Pernod Ricard’s history, net profit exceeded €1 billion, thanks to the effective management of our financial expenses and tax costs.

Again, we owe this performance to those who give the Group its strength and its unity: those men and women who are all motivated by the same ambition—to capture leadership.

Are you confirming your Premiumisation strategy?

— Over the long haul, the Premium segments have always been the most dynamic. After the decline seen during the crisis, they are again driving the growth of our industry. We have therefore never questioned our trade-up strategy. It’s a long-term strategy, quite simply because the primary goal of Premiumisation is to build brands that are strong and aspirational, with a timeless image. That explains why these brands can withstand the test of time and weather crises. There are several examples: Martell, created in 1715, this year recorded exceptional sales growth of 22%. Today it’s the Group’s most profitable brand. Its flagship product, Cordon Bleu, will celebrate its centenary this year. Perrier-Jouët, which celebrated its bicentennial, generated remarkable growth of 14%. Not to mention Ricard: the brand not only got a makeover with a brand new bottle, it grew 5% in value in France. Actually, I could mention all of them.

Creating value: this is ultimately the goal of Premiumisation. It is evidenced by the growth of the Top 14, which was faster in value (+10%) than it was in volume (+6%). In the same vein, while the volumes of our priority wine brands are down, it’s important to note that their contribution is up by 6%.





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Innovation  
means  
creating value.”

■ ■ ■

This acceleration of growth that you're talking about—have you seen it in all of your markets?

— Yes, indeed, and that's one of the main lessons of this year: all regions contributed to the Group's growth. These results demonstrate the relevance of our decentralised model: our teams being more responsive, they can quickly seize every opportunity for growth, regardless of the market in which they occur. Over twenty years ago, in fact, we made the bet of setting up our own teams in emerging markets. This presence is turning out today to be a key strategic asset. These markets contributed as much as 37% of net sales and 38% of operating income, compared to 33% last year. We have thus consolidated our position as leader in Asia, the most dynamic region of our industry. We are, for example, the undisputed number 1 in the Chinese market, which is now the Group's second-largest market. The opening of a new subsidiary in Vietnam reflects this trend. Elsewhere, in the promising markets of Latin America, Central and Eastern Europe, Africa and the Middle East, Pernod Ricard has also built up its positions. On the whole, emerging markets are an increasingly powerful source of new growth for the Group. This is undoubtedly a compelling lever of development for our future growth. Lastly, in the 'mature' markets, we have grown our business overall, especially in the United States and many countries of Western Europe where the trend is improving significantly. Even in Spain and Greece, which have been hurt by a depressed economy, the Group performed better than the rest of the market—a testament to our long-term commitment. In France, our historical bastion, growth (4%) remained very strong.

You pointed out that this strong growth in Premium brands, and especially the Top 14, is the result of a sustained marketing investment policy. Can you elaborate?

— In effect, there are no strong brands without sustained marketing investments, and these investments represented almost 19% of our sales. In fact, we have ramped up our initiatives in all areas: new products, joint creations with renowned artists, sponsoring of major sports or artistic events, and new media campaigns, with a particular focus on digital. Indeed, we have put innovation firmly at the heart of our development model, and our marketing investment policy represents both the instrument for this and its concrete illustration.

Don't further increases risk eventually impacting the Group's operating margin? Isn't there a risk of dispersion?

— Let me stress that the efforts made in terms of marketing investments have undoubtedly enabled Pernod Ricard to grow faster than the industry, which is consistent with our business plan. There is neither budgetary slide nor dispersion. Our investments remain focused on the Top 14, which represents 76% of our marketing expenditure. Furthermore, the growth of these brands is faster than that of the Group. Lastly, the increase is modest, since the ratio of marketing expenditure to net sales of the Top 14 only went from 24.3% to 24.7%. Over the past two years, we have increased our marketing investments as a percentage



of sales by almost two points. Looking forward, we expect this increase to continue, but at a slower rate.

### You seem to be making innovation a new strategic focus...

— We didn't just discover the need to innovate today. Our brands have always been amongst the most innovative. What is changing is that we've made innovation a centrepiece of our ambition for leadership. With Agility, we defined the leader as the one who drives growth and changes the rules of the game. Challenging the status quo, exploring new paths, having the boldness to dare: that's the true leader. Innovation means creating value and it must therefore be encouraged at all levels of the Company.

Initiatives have never been so numerous or diverse. The conference we held on this topic in January during the launch of the new Ricard bottle gave a rich glimpse of this. In addition, the Group has just been added, in sixteenth place, to *Forbes* magazine's benchmark ranking of the 50 most innovative global companies. The coming year will see the rising influence of an internal think tank dedicated to innovation, BIG (Break-through Innovation Group). Led by Alain Dufossé, previously CEO of Pernod Ricard Deutschland, the think tank is composed of the best experts in the Group.

### BIG is a direct result of the Agility project. Would you update us on the other initiatives?

— I would first recall that Agility is above all the result of only internal consultations: it is the Group's employees who conducted the analysis and themselves pro-

posed the projects to be developed. We used this to identify more than thirty major initiatives which are now all in the completion phase. These are all new tools that will help us to go farther on our road to leadership. I told you about BIG, but we could also note the creation of the 'Pernod Ricard University', responsible for identifying and developing the Group's talent. Similarly, diversity has been identified as a major key for development, in order to expand global expertise: our ambition is to enable everyone, irrespective of their nationality, training background and of course gender, to progress in line with their performances and to have equal access to all jobs, including the most prestigious positions. I believe that the recent developments clearly illustrate this.

### How do you see the coming year?

— As I write these lines, the public debt crisis is casting some uncertainty over the world economy. However, I am fully confident in the ability of Pernod Ricard to again achieve great successes. 2010/2011 confirmed the relevance of our strategic choices and the effectiveness of our decentralised model.

For 2011/2012, our goal is simple: to continue to grow and, of course, to reduce our debt.





# INNOVATING *for* PREMIUM BRANDS

A key focus of the Premiumisation strategy, innovation is a growth accelerator for every one of the Group's brands. In this spirit, the portfolio benefits from robust and ongoing marketing investments, which are amongst the highest in the industry. The year 2010/2011 was especially rich in product and packaging innovations. ■

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# INTERVIEW



## THIERRY BILLOT

- **1982:** Joined the Group as an internal auditor.
- **1985:** Appointed Finance and Administration Director of Pernod then, one year later, Group's Financial Director.
- **1992:** Named Chairman and Chief Executive Officer of Austin Nichols in the United States.
- **1996:** Returned to France as Chairman and Chief Executive Officer of Pernod, taking up the post of Chairman and Chief Executive Officer Pernod Ricard Europe in 2002.
- **2008:** Joined the Holding Company as Managing Director in charge of Brands.

## THIERRY BILLOT

MANAGING DIRECTOR,  
BRANDS

### Did last year's creation of the House of Brands boost growth for the Group?

— Between its strategic Spirits and Champagne brands (Premium and Prestige), its key local brands, and its Priority Wine brands, our portfolio has shown its full relevance. Although the Premium-and-above segments were impacted in 2008 by the crisis and the resulting drop in on-trade consumption, they have since rebounded with the improving economy. We expected this, and we are seeing it in our 2010/2011 results. In addition, Pernod Ricard is the only player in the industry to offer a full Premium-to-Prestige range in every segment, from whiskies and cognac to modern liqueurs, rum and champagne. The breadth of the range allows us to promote consumer trade-up, particularly in new economies. This is a tremendous asset for asserting our presence in the markets. Our local brands, meanwhile, have shown their worth in attracting the middle classes in emerging countries. Lastly, our wine brands, which are very close to spirits in the way they are consumed, have been repositioned based on a model that favours price over volumes and takes a multi-source approach.

In practical terms, the structure of our portfolio allows the Group to take advantage of the markets' diversity, in terms of both value and geographical opportunities. We've thus gained significant market share in Asia and India, two key regions. The soundness and solidity of the House of Brands are powerful levers of growth for Pernod Ricard.

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The soundness and solidity of the House of Brands are powerful levers of growth for Pernod Ricard.”



In this environment, how did the Group's brands perform during the year in terms of sales?

— 2010/2011 was a very good year. We erased the years of crisis for many of our brands, some of which reached historical highs. These include ABSOLUT, Chivas Regal, Jameson, Havana Club, Martell, The Glenlivet and Royal Salute.

Growth was comprehensive and covered all geographical areas, except for Western Europe, which continues to be impacted by the very difficult economic environment in Greece and Spain.

More specifically, our two global icons ABSOLUT (up 6%), and Chivas Regal (up 7%), confirmed the turnaround that we saw last year. Our whisky portfolio performed very well, growing by 10% on the back of a strong recovery in Asia, Eastern Europe and the Americas. In this category I also have to point out the excellent performances of Jameson whiskey, driven by the United States, and Royal Salute. These two brands posted growth of 17% and 24%, respectively. On ABSOLUT, we've returned the pace of growth of our acquisition plan: from 2% to 4% in the United States and nearly double-digit growth elsewhere.

In cognacs, Martell—now the top brand in terms of contribution to the portfolio—recorded strong growth in volumes and value, particularly in Asia. Champagnes performed well. Malibu benefitted from several innovations and Havana Club rum grew by 10%, despite lower sales in Spain.

Lastly, our key local brands continued their robust growth, especially in India, confirming their key role in

capturing the middle classes. And we achieved the positive results expected on our four wine brands.

Were these performances accompanied by a change in consumer buying habits?

— With the return of some confidence in the future, consumers are gradually returning to bars and restaurants, the favoured channel for Premium brands. 'Cautious' optimism is still in order, however, with consumers who are showing more restraint. They prefer brands that have a history, 'substance', and that have an aspirational component. This trend is clearly favourable to the Premium and Prestige segments. It is reinforced by the convergence that is taking shape over the long term between mature and emerging markets in respect of the consumers' desire to identify with major international brands. In India, the local whisky market can be seen as a veritable pool of informed consumers.

Was 'redesigning' the Ricard bottle part of the strategy to surprise consumers?

— We can't be a leader if we don't create and if we don't innovate. The Ricard bottle hadn't been changed since its inception in 1932 and had progressively become the standard for packaging on the aniseed market, the one that most of the players tried to resemble. The new bottle, which is more modern and elegant, has been very well-received by consumers who feel appre-





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The real digital revolution  
is in mobility.”

■ ■ ■

ciated by this move. It illustrates how innovation is central to Pernod Ricard's growth. Innovation is, of course, inseparable from leadership, whilst respecting the roots and identity of our brands.

More broadly, it was the arrival of ABSOLUT in our portfolio in 2008 that boosted an innovation policy that is central to our ambition of leadership.

More than 40 innovations were launched in 2010, with as many planned for 2011. These include ELYX, ABSOLUT's Super-Premium version, and ABSOLUT Watkins, created by Swedish designer Liselotte Watkins, which offers the unusual flavours of spicy coffee and almond, rarely associated with vodka. Taking a cue from cognacs, Royal Salute 62 Gun Salute—sold in a crystal bottle for more than US\$2,200 in Duty Free—opens up a new Prestige segment in the whisky market. The ready-to-drink soft pack for Malibu cocktails seeks to expand the modes and occasions for off-trade consumption.

Innovation is also reflected in extraordinary objects such as the Amber Lamp by architect Jean Nouvel for Martell cognac, a fine example of a brand's successful collaboration with a designer.

**You often associate your brands with big names in design, architecture, fashion, film, etc. What are you looking for in this type of collaboration?**

— Being Premium is not enough if you have nothing else to say. You have to tell a story, to build on the brands' fantasy. The relationship between a brand and an individual is not a one-way street. It is an ongoing conversation built around a story. The emotional charge of such exchanges comes from the ability to

open up new horizons. It's not about abolishing, but rather rendering dormant the mental patterns that prevent us from embracing these new experiences. So, why this close collaboration with artists? Because they are both, reflective of an era and remarkable captors of the earliest signals of future trends. Artists break through today's boundaries and sketch out those of tomorrow. The Group, through its culture, maintains close relations with them. Such 'creative collaboration' is a true hallmark of the Group; it's a systematic approach of our innovation policy that enriches the universe of our brands.

**Today, much marketing innovation happens over the Internet. What does this change in the relationship with the consumer?**

— Digital is one more way to connect with consumers, and a medium that's becoming increasingly important in daily life. What sets it apart is that it is interactive by design. This returns us to the 'conversation' that I mentioned earlier, and thus to a brand story that has to resonate with our consumers' life experience. The traditional media are not dead, though, and are especially useful when seeking impact, image or status. The message doesn't change; it's the way it's expressed that is adapted to each medium—without falling into too much contact, which would become intrusive. For me, the real digital revolution is in mobility. Being there, where and when our consumers need us, is both a duty and an opportunity. The 'Drinkinspiration' iPhone<sup>(1)</sup> application for ABSOLUT is an excellent illustration of this. In marketing terms, you could say that the Internet should be consumed in moderation...





MORE THAN

40

INNOVATIONS LAUNCHED IN 2010  
AND AS MANY PLANNED IN 2011



#### MALIBU'S TROPICAL SNOW

**Malibu Winter Edition liqueur, the fruit of an inter-subsi-  
dary collaboration, is one of the best examples of the Group's capacity to innovate.**

Marketed in 2010 in Canada, a country known for its long winter months, Malibu Winter Edition plays heavily on its visual appeal: once poured into a glass, bits of shredded coconut remain suspended, like little snowflakes.

This marketing and industrial feat is the result of a cooperation between the Pernod Ricard Research Centre and the Pernod Ricard Americas R&D laboratory. In 2007, the availability of new food ingredients inspired the Group's Research Centre to explore 'visual effects'. One outcome was the study of the suspension of fine particles in liquid. Three years of work were necessary to create a recipe capable of obtaining a stable and reproducible product. Its interest piqued, and the Malibu brand company, aided by the Pernod Ricard Americas R&D laboratory, subsequently used this knowledge to adapt and develop its own recipe, made with coconut pulp, on an industrial scale. In autumn 2010, the sales and marketing teams orchestrated the launch of the limited Winter Edition, which was an instant hit with consumers.

[1] iPhone is a registered trademark of Apple, Inc.

# THE GLOBAL WINE & SPIRITS MARKET

## CATEGORY FOCUS

### INTERNATIONAL SPIRITS MARKET RETURNS TO GROWTH: UP 3.5%



**BY MARTIN RILEY**  
CHIEF MARKETING OFFICER  
PERNOD RICARD

After a slight downturn in 2009 due to the global economic crisis, the market regained its momentum in 2010 with a growth of 3.5% by volume, a pace faster than the average growth rate of 2.5% over the past decade. With 14 million incremental 9-litre cases sold in 2010, the market is now a whisker away from 400 million cases per year. All categories reaped the benefits of this turnaround, led by the two category leaders, each with 20% of the market: vodka and Scotch whisky.

Growing at a rate of 4.5%, vodka was the growth factor for international spirits in 2010, continuing the trend of the previous years. It contributed 25% to the market's total increase for the year. Following very closely, Scotch whiskies comprised the second pillar of growth for international spirits: nearly three million incremental cases of Scotch were sold this year, an increase of 3.7% by volume.

Aside from vodka and Scotch whisky, Japanese whiskies also maintained their momentum in 2010. Tequila and rum were two of the strongest contributors to growth, with more than one million incremental cases sold in 2010 compared to the previous year for each of these two categories.

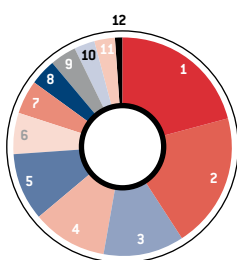
### Return to Premiumisation and the growth of champagne

the Premiumisation phenomenon, which characterised the international spirits market until 2008, is once again driving growth in the industry. In 2010, the most-Premium of the segments was the most dynamic: the Prestige brand segment displayed exceptional momentum at 17.0%, while the standard segment grew at the more moderate rate of 2.8%.

After two challenging years, in 2010 champagne returned to robust growth, at 4.6% led by international brands. The market for branded wines rose by 3.4% in 2010, with strong momentum for New World wines, whose sales were up by 5.4%.

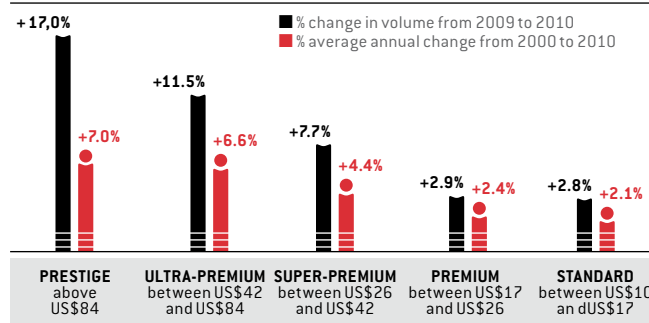
Source for this article: 'the Pernod Ricard Market View', based on IWSR, volume data as at the end of 2010—international spirits, excluding ready-to-drink, wines and wine-based aperitifs.

### BREAKDOWN OF INTERNATIONAL SPIRITS BY CATEGORY



(1) Scotch whiskies	21%
(2) Vodka	20%
(3) Non-Scotch whiskies	12%
(4) Rum	11%
(5) Liqueurs	10%
(6) Bitters	6%
(7) Tequila	5%
(8) Gin	4%
(9) Aniseed products	4%
(10) Cognac	3%
(11) Non-cognac brandies	3%
(12) Other spirits	1%

### CHANGES IN INTERNATIONAL SPIRITS BY PRICE SEGMENT<sup>(2)</sup>



[2] Price for a 75 cl bottle.



Pernod Ricard

## THE HOUSE OF BRANDS

### 2 GLOBAL ICONS



### 4 PRIORITY PREMIUM WINE BRANDS

### 7 STRATEGIC PREMIUM SPIRITS BRANDS



### 5 STRATEGIC PRESTIGE SPIRITS AND CHAMPAGNE BRANDS



### 18 KEY LOCAL BRANDS



### A House of Brands to segment a Premium brand portfolio

The Pernod Ricard House of Brands is comprised of:

- The 'Top 14' spirits and champagne brands, including:
  - **2 global icons:** ABSOLUT and Chivas Regal have been classified 'global icons'. They are promoted across all of the Group's markets. As such, they are growth priorities for the Group in every market.
  - **7 strategic Premium spirits brands:** Ballantine's, Jameson, Kahlúa, Havana Club, Ricard, Malibu and Beefeater.
  - **5 strategic Prestige spirits and champagne brands:** Martell, Perrier-Jouët, The Glenlivet, Mumm and Royal Salute.
- The **4 priority Premium wine brands:** Jacob's Creek, Brancott Estate (formerly Montana), Campo Viejo and Graffigna. Treating the wine market as a distinct category, Pernod Ricard has put these brands together in a single entity: Premium Wine Brands. The objective is to use a portfolio strategy in approaching the target markets.
- The **18 key local spirits brands:** these guarantee Pernod Ricard a strong presence in local distribution channels—genuine springboards from which to grow the Group's international brands.

These six Brand Companies are responsible for defining the brands' global strategy and ensuring their development whilst respecting the origins, history and know-how of each one. They focus on building and maintaining a consistent image amongst consumers in the various markets. Innovation is at the heart of their growth strategy, with a two-fold objective: to keep these sometimes centenary brands ahead of the times, whilst creating the conditions for their future growth. ■

## BRAND COMPANIES

The makeup of the following Committees reflects their structure during the financial year from 1 July 2010 to 30 June 2011. It does not factor in any changes made after 30 June 2011.

### THE ABSOLUT COMPANY

#### Brands

ABSOLUT • MALIBU • KAHLÚA



FROM LEFT TO RIGHT: Anna Malmhake Vice-President, Global Marketing — Krister Asplund VP Operations — Paula Eriksson VP Corporate Communications — Mikael Spångberg General Counsel<sup>(1)</sup> — Philippe Guettat Chairman & CEO — Jonas Tåhlin VP Brand Development — Kicki Alm VP Human Resources — Rolf Cassergren Chief Financial Officer — Stéphane Longuet Chief Operating Officer, Standard Vodka

### CHIVAS BROTHERS

#### Brands

CHIVAS REGAL • THE GLENLIVET • BALLANTINE'S • BEEFEATER • ROYAL SALUTE



FRONT ROW, LEFT TO RIGHT: Vanessa Wright Communications Director — Christian Porta Chairman & CEO — Amanda Hamilton Stanley General Counsel — Gordon Buist Technical Director — SECOND ROW, LEFT TO RIGHT: Paul Scanlon Commercial Director — Hervé Fetter Chief Financial Officer — Aziz Jetha Business Development Director — Douglas Cruickshank Director of Operations & Spirit Supply — Rick Connor Public Affairs Director — Éric Benoist International Marketing Director — Scott Livingstone HR Director

### MARTELL MUMM PERRIER-JOUËT

#### Brands

MARTELL • G.H.MUMM • PERRIER-JOUËT



FRONT ROW, FROM LEFT TO RIGHT: Anne-Claire Rodary International Marketing & Communications Director — Lionel Breton Chairman & CEO — Susan Gustafsson General Counsel — SECOND ROW, FROM LEFT TO RIGHT: Éric Douvrie HR Director — Michel Letter Chief Operating Officer, Mumm Perrier-Jouët — Jean-Marc Morel Chief Operating Officer, Martell — Christophe Danneaux Finance Director — Jean-Étienne Gourgues International Commercial Director

<sup>(1)</sup> Mikael Spångberg has been nominated Group Intellectual Property Director, Pernod Ricard as of 1 February 2011. Lars Ljungholm succeeds him as Vice-President Legal Affairs for The Absolut Company.



## IRISH DISTILLERS

### Brand

JAMESON



FROM LEFT TO RIGHT: Tamsin Trevarthen HR Director — Denis O'Flynn Managing Director Ireland — Howard Southern Marketing Director — Alexandre Ricard CEO — Conor McQuaid International Commercial Director — Peter Morehead Production Director — Mohit Lal Chief Financial Officer

## HAVANA CLUB INTERNATIONAL

### Brand

HAVANA CLUB



FRONT ROW, LEFT TO RIGHT: Juan González Chairman — Marc Beuve-Méry Managing Director — SECOND ROW, LEFT TO RIGHT: André Leymat Industrial Director — Arián Remedios Legal Adviser — Ivette Martínez Marketing & Sales Director, Cuba — Sergio Valdés Export Director — Yves Schladenhaufen Marketing Director — Julian Machín Finance Director

## PREMIUM WINE BRANDS

### Brands

JACOB'S CREEK • BRANCOTT ESTATE  
• CAMPO VIEJO • GRAFFIGNA



FRONT ROW, LEFT TO RIGHT: Kate Thompson Legal and Corporate Affairs Director — Jean-Christophe Coutures Chairman and CEO — Nicolas Krantz Chief Operating Officer — SECOND ROW, LEFT TO RIGHT: Julien Hemard Managing Director, PR Australia — Edouard Beasley Global Marketing & Communications Director — Darryn Hakof International Brand Development Director — Brett McKinnon Managing Director, Orlando Wines — Fabian Partigiani Managing Director, PR New Zealand — Christian Barré Managing Director, Domecq Bodegas — Jeremy Wright Global Technical Director — Stephen Couche Brand Sites and Visitations Director — Andrew Davie HR Director





## ORIGINS

ABSOLUT was introduced in the United States in 1979 but its origins are dating back to 1879. ABSOLUT uses a registered process called continuous distillation. This process gives ABSOLUT its character, smoothness and purity.

## MAIN MARKETS

United States, Travel Retail, Canada, Mexico, Germany, United Kingdom, Spain, Greece, France

## KEY POSITIONS

No. 1 among premium vodkas worldwide,  
No. 4 in spirits worldwide.

## RANGE

ABSOLUT Vodka, Peppar, Citron, Kurant, Mandrin, Vanilia, Raspberri, Apeach, Ruby Red, Pears, 100, Mango, Berri Açai, Wild Tea and Orient Apple and ABSOLUT ELYX.

# 11

MILLION CASES SOLD,  
4,6 MILLION IN THE UNITED  
STATES, +6% GROWTH BY SALES

# +6%

GROWTH BY VOLUME,  
+16% NORTH AND  
EAST EUROPE,  
+10% GLOBAL  
TRAVEL RETAIL

A very dynamic year for ABSOLUT: the brand has been again gaining ground with total volumes growth of +6%, despite a challenging economic situation in some of its key markets. The brand's strategy, based on artists' co-creation and permanent innovation, has proven its success with growth back in the United States (+2%). On this market, ABSOLUT confirms its number 1 position among imported vodka brands. ■

# ABSOLUT

## PERPETUAL (R)EVOLUTIONS

### ABSOLUT performs in all markets

ABSOLUT Vodka, the fourth largest international spirit brand in the world, has delivered another year of solid growth, with total volumes growth of +6%, despite a challenging economic situation in some of its key markets.

Double-digit growth was achieved in Russia (+36%), Poland (+32%), Brazil (+37%) and the Persian Gulf (+36%). The US market is recovering with ABSOLUT depletions back to growth at +2% but is still showing the impact of the recent economic downturn and consequent changes in market dynamics. Brazil and the rest of South America grew strongly fuelled by the accelerated demand for international spirits. Western Europe was back to strong growth after price repositioning in various markets. The situation remains difficult in Southern Europe due to the economic developments

in Spain and Greece. The Asian region grew strongly, notably Korea and India, behind higher focus on the brand's creative image and quality heritage.

### Two new flavours

The year also saw the launch of two new flavours, ABSOLUT Wild Tea and ABSOLUT Orient Apple. Alongside these new creations, ABSOLUT continues to develop its limited editions. Whether for local or global markets, these serve to boost the brand's profile by rekindling consumer interest around its codes and its image.

### Limited editions drive brand image

ABSOLUT multiplied its partnerships with artists to create prestigious and exclusive limited editions: ABSOLUT Watkins, a limited edition for the Travel Retail, was created by graphic artist Liselotte Watkins

## 2010/2011 AT A GLANCE

- Limited editions in Travel Retail, Italy and Sweden
- ABSOLUT Illusion promotion, an exclusive limited edition

## KEY EVENTS



### ABSOLUT Glimmer edition 1

This global limited edition is a dazzling interpretation of the ABSOLUT bottle and drove activations around the world. In Brazil, an innovative campaign was produced that utilized the Glimmer bottle in a visually stunning way. The campaign has won several awards, including the FWA (Favourite Website Award) and The One Show.



### ABSOLUT Brooklyn, another creative collaboration 2

This communication campaign focused around the creative collaboration with known film maker Spike Lee, and his love for his neighbourhood: Brooklyn, in the United States. ABSOLUT Brooklyn was the most successful product launch of any spirit during the year in the USA, and won a Gold Sabre Award for PR Consumer Product Launch of the Year.



## FRIDA HYSÉUS

ASSOCIATE AREA MANAGER, BRAND DEVELOPEMENT – THE ABSOLUT COMPANY

by *Denis Rouvre*



1

**East meets West 1**

Two new-exclusive flavours have been added to the ABSOLUT family. Launched in February in the US market, ABSOLUT Wild Tea represents an innovative fusion of Nordic elderflower and Asian black tea. ABSOLUT Orient Apple, which was launched in the United States in June, is another marriage between East and West, combining zesty red apple with the spicy snap of ginger.

**ABSOLUT Blank, the launch of a global creative movement 2**

Inviting artists from a variety of disciplines to use the ABSOLUT bottle as a blank canvas, ABSOLUT seeks to “inspire artists throughout the world to collaborate and fill it with creativity”. The initiative was activated through TV, print, Out-of-Home advertising, digital and live events, and was kicked off in Turkey during May. It continued rolling out globally through summer.



2

is an extension of the “MADE” creative experience venue in Berlin, dedicated to the youth scene. Additionally, a selection out of the 830 pieces strong ABSOLUT Art Collection has toured Asia with stops in Mumbai, Delhi, Seoul, Beijing and Shanghai. The end of the year saw the introduction of a major new initiative from ABSOLUT, grounded in the creative and innovative heritage of the brand. ABSOLUT Blank is the start of a global creative movement, inviting worldwide artists from a variety of disciplines to use the ABSOLUT bottle as a blank canvas. The aim of the campaign is to ‘inspire artists throughout the world to collaborate and fill it with creativity’.

**2010/2011 AT A GLANCE**

- 2010 ABSOLUT Art Award in Stockholm rewarded Rirkrit Tiravanija
- ABSOLUT Art Collection tour in Asia
- Opening of ABSOLUT Atelier, the brand show room in Stockholm
- ABSOLUT Night campaign in Brazil
- Launch of ABSOLUT ELYX in three test markets
- Limited edition ABSOLUT Crystal in Travel Retail

with the tantalizing taste of spicy coffee and almonds. ABSOLUT Wallpaper, a limited edition launched in Italy was created by artist Ron English. ABSOLUT Svea, a limited edition flavoured with apple and ginger, sold in Sweden, is the fruit of a co-creation with the artist Fredrik Söderberg. Other limited editions included ABSOLUT Glimmer, the visually stunning limited edition launched for Holiday 2010 and ABSOLUT San Francisco, the latest instalment in the US Cities collection, infused with grape, dragon fruit and papaya.

**Continuous artistic commitment**

ABSOLUT's artistic commitment also included various initiatives such as the ABSOLUT Art Awards which were handed out for the second time, and went this year to internationally celebrated artist Rirkrit Tiravanija. The ceremony was held in Stockholm in November 2010.

ABSOLUT further deepened its commitment to creativity through brand-sponsored events around the world. One of these, the ‘5 Days La Roma’ initiative, took place in Mexico City in May, and

**Inspirational campaigns for new creative drinks**

The ABSOLUT ‘Drink’ campaign saw further developments during the year in the United States, and included spectacular Out-Of-Home advertising and the release of two new creative drinks interpretations for ABSOLUT Wild Tea and ABSOLUT Orient Apple. The related Drinkspiration application was launched for the iPad, including features to enable new options for cocktails.

Through focus on innovation and creativity across marketing and product initiatives, the brand will continue to further strengthen its position amongst the key players, in order to become the number 1 spirit world-wide in value.

The potential for ABSOLUT remains high both amongst established and emerging markets, with strong momentum in the United States and Western Europe and a continued focus on Latin America and Asia.

This year Chivas Regal achieved a historical performance, beating the previous high in 2007/2008. This global and prestigious brand tapped in to the improving economic conditions in many markets and accelerated its growth in emerging and BRIC economies. The brand remains true to its goal: building the world's most iconic Scotch whisky brand. ■



# CHIVAS REGAL

## A PIONEERING BRAND THAT TURNED INTO AN ICON

Strong marketing investment, consistency of its global communications campaign and multiple innovation launches allowed Pernod Ricard to continue to grow the fame of Chivas Regal and translate it into sales, up a record 9%, especially in the Ultra-Premium segment. Brazil, India and Russia joined China as key Chivas Regal markets. China saw an increase in sales as Ultra-Premium and Prestige expressions accelerated fastest. Chivas Regal benefitted of an outstanding growth in Travel Retail, ahead of the category (+16%).

### Live with Chivalry, an engaging message

The brand's 'Live with Chivalry' platform continued to be well received in over 60 markets providing an engaging message to consumers. Based on the theory that modern gentlemen aspire not just to *have* more but to *be* more, the campaign is inspiring consumers all over the world to lead successful lives alongside a strong set of values. The flexible 'Manifesto' series of print and outdoor executions gave the campaign a dynamic touch with the ability

### ORIGINS

Created by master blender Charles Howard, Chivas Regal benefited from the principles established by James and John Chivas in the 19th Century, pioneers of the blending art.

### MAIN MARKETS

China, United States, France, Mexico, Japan, Australia, India, Spain, Russia, Brazil, Greece, Travel Retail.

### KEY POSITIONS

Chivas Regal is the global No. 2 Super-Premium Scotch whisky. Chivas Regal 18 Year Old is the global No. 1 in Ultra-Premium Scotch whisky. Chivas Regal is the No. 1 Super-Premium Scotch whisky in Europe. Chivas Regal is the No. 1 Scotch whisky in China.

### RANGE

Chivas Regal 12 Year Old, 18 Year Old Gold Signature, 25 Year Old.

# 4.6

MILLION CASES,  
GROWTH BY VOLUME: +7%  
GROWTH BY SALES: +9%

## Double-digit growth

IN BRAZIL (+42%), INDIA (+36%)  
AND RUSSIA (+17%)

### KEY EVENTS



#### Live with Chivalry 1

Further expansion of this global campaign continued to reach over 60 markets whilst remaining extremely dynamic with executions tailored via the flexible 'Manifesto' print campaign as well as the initial roll-out of a new TV commercial 'Virtuous Circle'.



#### Cannes Film Festival 2

VIPs, media and opinion leaders from more than 18 countries were hosted by Chivas Regal at the 64th Cannes Film Festival that Robert De Niro led as the jury's president. Now in its third year as an official partner, the sponsorship builds on ten years of association with the world's most iconic film festival organizers.



#### Vivienne Westwood limited edition 1

With strong British heritage and luxury craftsmanship serving as the foundation to both brands, Chivas Regal 18 Year Old teamed up with Vivienne Westwood to release 2,500 limited edition bottles internationally priced at US\$495.



#### Christian Lacroix limited edition 2

A limited edition of 3,000 bottles of this unique Chivas Regal 18 Year Old was produced. Designed by the iconic fashion designer, they were sold at the premium price of US\$495.

### 2010/2011 AT A GLANCE

- Continuation of Chivas Regal's association with Red Carpet events: sponsorship of the Asian Film Awards and collaboration with l'Académie des César
- Chivas Legends Dinner attended by film star Colin Firth in Dubai
- A special Chivas Regal 12 Year Old tin created by award-winning designer Alex Trochut
- A new print and poster campaign for Chivas Regal 25 Year Old entitled 'Legend Reborn' in airports
- Continued to grow global profile on Facebook

to quickly adapt to local market themes and events whilst also benefiting from creative use of new media to maximise impact. A new TV commercial was launched this year entitled 'Virtuous Circle', highlighting the positive impact the right attitude can have.

Below the line executions of 'Live with Chivalry' included a Chivas Legends dinner attended by film star Colin Firth in Dubai, and sponsorship of the Asian Film Awards. An 'Honour at Sea' in-store promotional execution of the campaign for Duty Free gave customers a chance to experience the team spirit and camaraderie of sailing, through a simulator.

#### Chivas Regal, another star on the Croisette

Chivas Regal's sponsorship of the Cannes Film Festival brought together two icons of glamour and luxury worldwide. The 64th festival saw Chivas Regal's presence increase via Out-of-Home advertising and presence in prestigious venues such as the Martinez Hotel and the Chivas House, an exclusive after-party venue created espe-

cially for the occasion and located on the famous Croisette. Guest VIPs and media were treated to a walk up the famous red carpet and exclusive access to one of the festival's famous film premieres resulting in strong media coverage and digital activation.

#### Chivas Regal 18 Year Old success testifies of Ultra-Premium growth

Chivas Regal 18 Year Old saw a particularly strong year maintaining its leadership of Ultra-Premium Scotch globally with growth double that of the range. Both key emerging markets such as Vietnam, Turkey and Russia and mature markets such as the United States and France showed strong growth.

A new TV commercial and print campaign to support Chivas Regal 18 Year Old was unveiled to communicate the product's quality, heritage and luxury credentials across its key markets. The film, which was seen in China, Mexico, Australia and on pan-regional TV channels, brought a new level of production values to spirits advertising; set in a surreal neo-baroque world, it features a female muse as the embodiment of Chivas Regal 18 'Gold Signature' who brings life and pleasure to the world as she passes through it with a golden touch. The print campaign was aired in over 15 markets as well as airports globally.

#### Luxurious limited editions

Chivas Regal continued to forge partnerships with world leaders in the field of design to produce luxurious limited editions for sale in prestige outlets across the globe. Most recently, Vivienne Westwood designed a luxury limited edition for Chivas Regal 18 Year Old, which launched at London Fashion Week 2011, whilst the award winning partnership with Christian Lacroix continued with the launch of the Chivas Regal 18 Year Old.





## FENTON PERRIE

PROJECT ENGINEER, MILTONDUFF DISTILLERY – CHIVAS BROTHERS

by *Denis Rouvre*





## ORIGINS

Ballantine's rich heritage can be traced back to 1827 when George Ballantine began to supply a selection of blended Scotch whiskies in his shop. By 1869 George had expanded his business and began his first exports of blended Scotch whisky worldwide.

## MAIN MARKETS

Spain, France, Germany, Poland, Italy, Portugal, Russia, Eastern Europe, Brazil, Mexico, Australia, Travel Retail, Korea, China, Taiwan, Japan

## KEY POSITIONS

No. 2 Scotch whisky in the world.  
No. 1 Scotch whisky in Europe and No. 1 Ultra-Premium whisky in Asia-Pacific.

## RANGE

Ballantine's Finest, 12 YO, 15 YO, 17 YO, 21 YO, 30 YO, Christmas Reserve, Limited.

6.3

MILLION CASES SOLD,  
+7% GROWTH BY VOLUME,  
+8% BY SALES

1 million

CASES SOLD IN FRANCE.  
THE ULTRA-PREMIUM RANGE  
GREW BY +29% IN CHINA,  
TAIWAN +32%,  
VIETNAM +127%,  
DUTY FREE +27%

The past year saw the world's number 2 Scotch whisky Ballantine's return to growth globally and post a very strong performance in its significant Ultra-Premium business across Asia. In France, Ballantine's passed the 1 million cases milestone, thus adding a second "millionaire" market to the brand.

# BALLANTINE'S LEAVING A GLOBAL IMPRESSION

## Return to growth

This year, the global footprint of Ballantine's Finest grew significantly with strong performances in Russia, Poland, India and South America. In France the brand passed the milestone of 1 million 9-litre cases. Despite difficult conditions in its biggest market Spain, share of market grew by maintaining marketing investment and building dynamic campaigns.

More globally, the 'Plan B' Ballantine's campaign was extended with a new TV advertisement entitled 'Transformation' launched in Mexico and pan-regionally in Europe, and supported by print, radio, Out-of-Home, experiential events, PR, digital and social media on a global basis.

## Great success of the Ultra-Premium range

Ballantine's Ultra-Premium range in Asia performed very strongly, especially in

Travel Retail and emerging domestic markets such as China, Taiwan and Vietnam. It benefited from the roll out of prestigious new packaging in Asia and further support of The Ballantine's Championship, one of the premier golf events in Asia. The tournament saw an all-star field contend for the 2011 title and €2.2 million prize fund including great players. The new 'Great Minds Leave Great Impressions' editorial campaign was launched in the same vein.

## 2010/2011 AT A GLANCE

- Ballantine's Christmas Reserve—specifically blended for the festive season
- Launch of a signature distillery blend by Ballantine's 17 Year Old

## KEY EVENTS



### Leave an Impression 1

The global 'Leave an Impression' platform saw a major new campaign—'Plan Ballantine's'. In Spain this took the form of a pioneering digital collaboration with producer and DJ, Carlos Jean.



### Ballantine's Championship 2

Support of the Ballantine's Championship golf event in Asia was extended until 2013. Worldwide event coverage was increased when the former world number 1 Lee Westwood won the 2011 Championship staged at the new prestigious venue of the Blackstone Club in Icheon, Korea, further adding to this tournament's international stature.



**WILFRIED ASSOGBA**  
MULTIMEDIA PROJECT MANAGER – PERNOD SA

by *Denis Rouvre*





## ORIGINS

John Jameson established his distillery in Dublin in 1780, determined that he would create the "finest whiskey in the world".

## MAIN MARKETS

Jameson is sold in more than 120 countries, most notably the United States, Travel Retail, Ireland, the United Kingdom, France, South Africa, Russia, Portugal and Spain.

## KEY POSITIONS

No. 1 Irish whiskey in the world with 61% market share.

## RANGE

Jameson, Select Reserve, Signature Reserve (Travel Retail exclusive), Gold Reserve, Rarest Vintage Reserve, 12 YO Special Reserve, 18 YO Limited Reserve.

3.4

MILLION CASES SOLD

+17%

GROWTH BY VOLUME, WITH AN INCREMENTAL 0.5 MILLION CASES, AND 1.2 MILLION CASES SOLD IN THE UNITED STATES

2010/2011 proved to be a pivotal year for Jameson Irish Whiskey, the number 1 selling Irish whiskey in the world: Jameson broke the 3 million case barrier globally, with sales in the United States surpassing the one million case mark. Double-digit growth was achieved in 42 markets. These results reinforce the global footprint of Jameson. ■

# JAMESON

## BREAKING BARRIERS

### Growth across the globe

This year has proven to be one of the most dynamic and successful periods ever for Jameson, as it reached two key milestones on its journey to become one of the world's top spirit brands. Globally, Jameson sold over three million cases, and one million of these were consumed in its largest export market, the USA.

The progress of Jameson within the Pernod Ricard family has been one of the Company's great success stories.

Today Jameson is the fastest growing international whiskey brand in the world achieving excellent results in markets as diverse as South Africa, Russia, Mexico and the USA where the brand enjoyed double-digit growth in 50 states.

### Becoming a "global icon"

One of the key drivers behind Jameson's success in the USA has been the 'Legendary tales of John Jameson' TV and print advertising campaign, specifically the 'Lost Barrel' TVC. This epic tale of John Jameson,

told with more than a touch of Irish wit, has begun its roll out into a further 11 markets. This campaign will be extended further.

### The first ever limited edition

Jameson continues to build its core communications around marketing platforms including Film, St. Patrick's Day, and Taste. St. Patrick's Day was celebrated with numerous initiatives, including parties in over 20 markets. To coincide with these festivities Jameson launched the first ever Jameson limited edition bottle, created by Irish artist Paul Daly. The bottle proved particularly successful in Travel Retail where sales of Jameson increased significantly as a result of the launch.

In addition, the launch in South Africa of the Jameson Select Reserve resulted in sales surpassing expectations, and plans are in place to launch Select Reserve in other markets.

These excellent results reflect the brand's determination to become a true global icon.

## 2010/2011 AT A GLANCE

- Successful launch in October 2010 of Jameson Select Reserve in South Africa

## KEY EVENTS



### Campaign 'Legendary Tales of John Jameson' 1

The 'Legendary Tales of John Jameson' campaign has been a huge hit in the United States, especially with the 'Lost Barrel' TV spot. These advertisements relate the epic adventures of Jameson's founder and his passion for the whiskey he created.



### Online radio on St. Patrick's Day 2

Last March saw the launch of numerous Jameson St. Patrick's Day initiatives including the launch of Jameson FM, an online radio station streamed live on jamesonwhiskey.com which gave consumers all over the world the opportunity to be part of the celebrations.



**PETER O'DONOVAN**  
OPERATIONS MANAGER – IRISH DISTILLERS

*by Denis Rouvre*

2010/2011 has been highly dynamic for Malibu. Whilst maintaining its number 1 positioning as coconut flavoured rum, the Malibu product range expanded and entered new markets. Today, the world's favourite rum with coconut flavour shares the Caribbean spirit with consumers all over the world. ■



## ORIGINS

Malibu has its beginnings on the island of Barbados where rum has been produced since the mid-1600s.

## MAIN MARKETS

United States, United Kingdom, France, Travel Retail, Germany, Canada, Spain, and the Netherlands.

## KEY POSITIONS

No. 1 rum with coconut flavour.

## RANGE

Malibu, Mango, Pineapple, Passion Fruit, Tropical Banana, Island Melon, Cranberry-Cherry, Black, Cocktails.

3.5

MILLION CASES SOLD,  
+6% GROWTH BY VOLUME,  
+3% GROWTH BY SALES

+13%

IN THE UNITED STATES

# MALIBU

## ALWAYS ON THE MOVE

## Innovation fuels growth

Innovation fuels growth for Malibu as the brand grew 6% globally to 3.5 million cases. The US market increased +13%, driven by the launch of Malibu Cocktails and Malibu Black, and supported by the flavour range. Higher proof, amber-hued Malibu Black launched in the United States in May to great trade and consumer response. The introduction of the "bolder taste of the Caribbean" was supported with television, print, Out-of-Home, digital and a range of events for trade and consumers. Malibu Winter Edition brought Caribbean winter to Canada for Holiday. The limited edition, which features real coconut flakes suspended in clear Malibu rum, generated strong media coverage and consumer interest for this major 'first' in both technical and marketing terms.

In 2010/2011, Malibu Cocktails range was introduced in Spain, the Netherlands, France, and the United Kingdom, along with the debut of Tropical Sea Breeze.

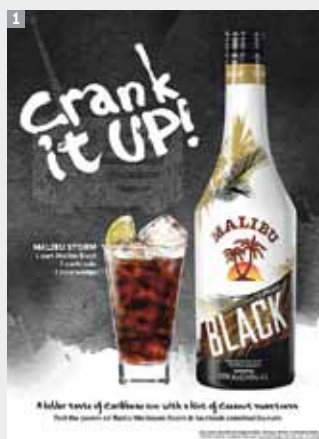
In April, France got a taste of Malibu Fresh, which blends the warmth of Caribbean rum with cool mint, while United States consumers chose the newest Malibu flavour, Cranberry-Cherry, via Facebook.

In 2011/2012, Malibu will continue its strong innovation push to expand the brand into new markets, occasions and consumers.

## 2010/2011 AT A GLANCE

- Launch of Malibu Fresh in April: the warmth of coconut rum blended with the freshness of cool mint
- Malibu Cocktails expansion: capturing new markets and introducing new flavours

## KEY EVENTS



### Malibu Black launch 1

A bolder taste of the Caribbean, Malibu Black offers the great taste of Malibu with higher proof and a rich amber colour. Television, web and outdoor executions supported the May 2010 launch in the United States.

### Maliboom Boom expansion 2

The brand's Radio Maliboom Boom platform gained momentum for a second year. Station Invasion brought the campaign to life in markets like the United States and Nordics with creative music tours. Web applications like an iPhone App delivered exclusive music from top DJs to consumers.





2010/2011 saw a new Kahlúa as the brand introduced updated positioning, a new global advertising campaign around the 'Delicioso' approach of life, and launched new limited editions. These actions should boost a range whose performances in terms of value are relatively stable worldwide. ■



# KAHLÚA

## A DELICIOUS REBIRTH

### A new campaign for a new positioning

The first striking symbol of Kahlúa's rebirth appeared in the fall 2010. 'Delicioso', the brand's new global campaign, takes Kahlúa back to its roots in Veracruz, Mexico, with a focus on its compelling combination of 100% arabica coffee and sugar cane spirit. This campaign incites to another approach of life, of its 'Delicioso' side. The launch generated strong buzz in traditional and new media, including mass-media coverage.

this innovation resulted in total depletion of the limited edition in just a few weeks.

The range's standard bearer, Kahlúa Original, was up overall by 2% in value. This increase was also confirmed in the United States, where the product grew by 2% in value.

As for the entire range, volumes grew in Europe and Asia, by 6% and 5%, respectively. Marketing initiatives for 2010/2011 should help boost the US market, where volumes were off by 2%.

### Innovation: a limited edition for Christmas in North America

For Holiday, Kahlúa introduced Kahlúa Peppermint Mocha in the United States and Canada where strong consumer interest in

#### ORIGINS

1936 in Mexico (hand-selected coffee beans, roasted in small batches).

#### MAIN MARKETS

United States, Travel Retail, Canada, Japan, Mexico.

#### KEY POSITIONS

No.1 Coffee Liqueur Globally.

#### RANGE

Kahlúa, French Vanilla, Hazelnut, Mocha, Especial.

#### 2010/2011 AT A GLANCE

- A new brand website with design inspired by Veracruz launched in autumn 2010, as well as the TalkAbout app for iPhone<sup>(1)</sup>
- Kahlúa hosted a 'Delicioso Dinner' in New York with Veracruz dishes, and Ana de la Reguera.

#### KEY EVENTS

1



2



#### Launch of Kahlúa Peppermint Mocha 1

For Holiday 2010, Kahlúa introduced Kahlúa Peppermint Mocha in the United States and Canada. Combining arabica coffee beans from Veracruz with mint and chocolate flavours, the limited edition received strong response from consumers, press and trade.

#### A new global campaign, 'Delicioso' 2

In November 2010, Kahlúa introduced a new global campaign titled 'Delicioso' with TV, print and outdoor executions. Featuring Mexican actress Ana de la Reguera, the campaign highlighted Kahlúa's origins with humour.

(1) iPhone is a registered trademark of Apple, Inc.

1.7

MILLION CASES SOLD  
-1% BY VOLUME

+6 %

BY VOLUME IN EUROPE  
+5% BY VOLUME IN ASIA



## ORIGINS

The top Cuban rum in the world, Havana Club traces its origin back to 1878.

## MAIN MARKETS

Cuba is the leading market for Havana Club, which is sold in Germany, Italy, Spain, Chile, France, Greece, Canada, the United Kingdom, Belgium and Mexico.

## KEY POSITIONS

No. 3 international rum brand, worldwide. No. 1 Super-Premium rum and market leader in Premium rums in Cuba, Italy, Germany and France.

## RANGE

Havana Club Añejo Blanco, 3 years, Especial, Reserva, 7 years, Selección de Maestros, 15 years, Máximo Extra Añejo.

3.8

MILLION CASES SOLD

Double-digit  
growth

IN MORE THAN 30 COUNTRIES

This year Havana Club, the genuine iconic rum from Cuba, demonstrates again the stamina of one of the fastest growing spirit brands worldwide, reaching 3.8 million cases in sales. Double-digit growth was reached in more than 30 countries, among them Germany (+18%) and Canada (+24%), and the growth is also significant in Cuba (the first market of the brand), as well as in France and Chile. ■

# HAVANA CLUB

## THE RENEWAL OF CUBAN CULTURE

Havana Club is the number 3 international rum brand in the world and continues to grow in importance, having climbed to number 22 in 2010 in the latest Impact Premium Spirits Ranking.

Havana Club is a major actor in the Premiumisation of the category, particularly through its white rum Havana Club 3 years and its dark rum Havana Club 7 years.

### Embracing Cuban roots

The Company has developed a dynamic new global campaign inspired by Havana, 'Nothing Compares to Havana', that reinforces Havana Club's position as the authentic Cuban rum.

The campaign includes advertising, as well as online activity and PR support. It epitomises the essence of Havana, by reflecting the true values of the non-aligned city—humanity, spontaneity and creativity.

As an exceptional city that has evolved in its own way, Havana creates its own style, music, art and ultimately its own way of life, which is integral to the Havana Club brand and its communication. It has inspired Havana Club's effort to promote Cuban culture through [www.havana-cultura.com](http://www.havana-cultura.com), a site showcasing today's Cuban artists, including successful collaboration with internationally renowned DJ Gilles Peterson.

### An Ultra-Premium creation

Havana Club also unveiled Selección de Maestros last year, a new addition to its rum portfolio which is set to invigorate the emerging Ultra-Premium rum category.

### 2010/2011 AT A GLANCE

- Recognition of the brand as an IWSR Elite Brand for its performance, the consistence of its growth and its development potential
- Gold Medals for Havana Club 3 years at Chicago and San Francisco tastings competitions
- Platinum Medal for Selección de Maestros at BTI's International Review of Spirits 2011 at Chicago, with the best score of the category

### KEY EVENTS



### 'Nothing Compares to Havana' campaign 1

Capturing the unique spirit of the Cuban city, this new campaign has been rolled out internationally with positive results.

### An Ultra-Premium edition 2

Havana Club Selección de Maestros is the latest creation from the Ultra-Premium Havana Club range. It is the perfect expression of the collective involvement of five experienced *Maestros Roneros* (Master Blenders), led by the talented Don Jose Navarro.



## RAMSES VILLAR

JUNIOR BRAND MANAGER – HAVANA CLUB INTERNATIONAL, PERNOD RICARD ITALIA

*by Denis Rouvre*





## ORIGINS

As a young student of fine arts, the avant-garde visionary Paul Ricard created the recipe for the true 'Pastis de Marseille' in 1932. He gave it his own name, Ricard.

## MAIN MARKETS

Ricard is the number one spirits brand in France and Belgium. It also generates a significant share of its sales volume in the border regions of Spain, Andorra, Italy and Luxembourg, as well as in major European domestic markets and Canada.

## KEY POSITIONS

Ricard is the world leader in aniseed spirits. The brand is also the leader of the spirits market in France and Belgium, the No. 2 spirits brand in Europe and the 11th-ranked brand worldwide.

5.4

MILLION CASES SOLD  
WORLDWIDE, +3% IN NET SALES

+0.5%

GROWTH BY VOLUME IN FRANCE,  
+8% IN THE UNITED STATES,  
+6% IN BELGIUM AND  
+13% IN ITALY

2010/2011 was a year of transformation for the benchmark brand of aperitif drinks. To drive its continued growth (net sales up 5% in France) in a declining market for aniseed spirits, the French spirits leader modernised its bottle.

# RICARD

## A YEAR OF TRANSFORMATION

### Innovating an 'icon'

In 2011, for the first time since 1932, the famous 'Pastis de Marseille' bottle was redesigned. This innovation should allow the French brand, a symbol of conviviality, to boost its growth in an aniseed market that is down slightly, by 1.4%<sup>[1]</sup>. The brand thus confirmed its leadership in the French spirits market, even as it continued to grow in value, by 0.2%<sup>[1]</sup>, achieving a market share of 46%. The release of the new Ricard bottle in February 2011 was the high point of a project that took 18 months and required 5 million euros in industrial investment.

The 11th-ranked brand worldwide, Ricard aims to capture a more urban target, one that is younger and more feminine, without losing its loyal consumer base, and thus widen the gap with the competition. The new bottle reinforces the brand's Premium status by bestowing on it codes that cannot be imitated. It allows Ricard to stand out in its category, whilst highlighting its distinctive historical symbolism and offering more protection against counterfeiting. More than ever, Ricard can be proud of its position as the preferred aperitif in France.

### 2010/2011 AT A GLANCE

- Greater visibility for the brand through a Facebook page and a new website, [ricard.com](http://ricard.com).
- More interactivity with consumers through the launch of a digital version of the consumer magazine, *Place Ricard*.

### KEY EVENTS



#### A new design for the Ricard bottle 1

Ricard's logo block is the focus of the new design: it is embossed in the glass on both sides. More elegant and more modern, the new bottle reflects the Premiumisation strategy of the Company's brands.

#### A large-scale campaign for the new Ricard bottle 2

Since April 2011, the new bottle has been shown through a checkerboard-type puzzle in Ricard's trademark yellow. For its launch, the brand opted for a large-scale media operation: a poster campaign in all the cities across France with a spectacular format.



(1) Source: Nielsen, fiscal year as of 19 June 2011, by value.



## PATRICK IFRI

OPERATOR LEVEL II, LILLE-VENDEVILLE PRODUCTION PLANT – RICARD SA

by *Denis Rouvre*





## ORIGINS

Beefeater Gin was created by James Burrough in the 1860s.

## MAIN MARKETS

Spain, United States, Canada, Japan, Russia, United Kingdom, France, Travel Retail.

## KEY POSITIONS

World's No. 1 Premium gin.  
No. 1 Premium white spirit in Spain.  
No. 3 Premium gin in the USA.

## RANGE

Beefeater London Dry Gin,  
Beefeater 24.

2.4

MILLION OF CASES SOLD,  
GROWTH BY VOLUME: +3%  
GROWTH BY SALES: +4%

+30%

STRONG GROWTH IN TRAVEL  
RETAIL, +20% FOR BEEFEATER 24  
ON MORE THAN 45 MARKETS

Beefeater has spread an innovative British spirit all over the world again this year. World's number 1 Premium gin, Beefeater remains the last international gin brand to have its own distillery in London. In 2010/2011, the brand broadened its international influence in emerging markets, and accelerated its growth in Europe. ■

# BEEFEATER

## THE ENERGY OF 'MADE IN LONDON'

In 2010/2011, Beefeater broadened even further its profile globally with many new markets seeing strong growth such as Russia, Eastern Europe, Ukraine, Turkey and Germany. In Travel Retail sales also accelerated. In its key market Spain, the brand was backed by consistent and dynamic marketing support and enjoyed growth (+3% organic growth) despite a challenging economic environment.

The brand's London-themed campaigns have led to particularly strong and engaging activation. In Spain, Beefeater's 'Big Bad London' digital platform focusing on London music generated over 4 million unique impacts, whilst London fashion was celebrated in Turkey and Ukraine and London street art in Russia.

## Boldness rewarded

The spirit of innovation initiated by Beefeater founder, James Burrough, continues today as Master Distiller Desmond Payne

created a Winter Edition gin that was sold in over 15 key markets over the festive season in 2010.

The Super-Premium Beefeater 24 is now available in over 45 markets, with +20% growth and recent introductions including Canada and Italy. It continued to roll out in the United States (+4%) and was even launched in China. Each launch utilized the brand's Contemporary Tea Salon programme highlighting consumption rituals of the product's unique ingredient, tea. The exotic botanicals selected for Beefeater 24 include rare Japanese sencha tea and aromatic Chinese green tea.

## 2010/2011 AT A GLANCE

- Global footprint for Beefeater 24 increased to over 45 countries globally
- Beefeater followed its successful 'Summer' Limited Edition recipe with 'Winter Edition' and 'London Market Edition'

## KEY EVENTS



### London Wise 1

'Forever London' marketing platform continues to underline Beefeater's unique 'Made in London' credentials. The 'London Calls' promotion using the famous red London phone boxes was rolled out in six cities around Spain.



### Launch of Ginandtales.com 2

Beefeater launched a new website inviting consumers to "take a fresh look" at gin cocktails. It is designed to be a key reference for gin cocktails.





## ORIGINS

Founded by George Smith, The Glenlivet has been crafted in the remote Livet Valley, Scotland, since 1824.

## MAIN MARKETS

United States, United Kingdom, Canada, Taiwan, Japan, Travel Retail, Germany, France, United Kingdom and South Africa.

## KEY POSITIONS

The No. 2 single malt Scotch whisky in the world and the biggest selling single malt in the United States.

## RANGE

The Glenlivet 12 YO, 15 YO French Oak Reserve, Nàdurra 16 YO Cask Strength, Nàdurra Triumph 1991, 18 YO, 21 YO Archive, XXV, Cellar Collection, 12 YO First Fill, Master Distiller's Reserve, 15 YO, Nàdurra 16 YO 48%.

718

THOUSAND CASES SOLD,  
+13% BY VOLUME AND  
+14% BY SALES

+7%

GROWTH BY VOLUME IN  
THE WORLD'S LEADING  
SINGLE MALT MARKET,  
THE UNITED STATES

In 2010/2011, The Glenlivet continued its dynamic growth unabated. 'The Single Malt that started it all' has reached a new highest ever sales volume in 2010/2011 selling above 700,000 cases globally for the first time. This growth is driven notably by the United States, where the brand is experiencing strong Premiumisation, and by Travel Retail. Accordingly, new packaging has been launched to enhance its brand identity. ■

# THE GLENLIVET

## NEW LOOK, CONTINUOUS GROWTH

### Doubling sales since 2001

The Glenlivet experiences a continued growth in many regions around the world. Repeated double-digit growth has seen the brand double sales since 2001.

Asian markets in particular have grown strongly to contribute alongside organic growth in traditional strong holds such as in the United States and Germany.

In Travel Retail, sales have doubled since 2005. Growth of high end expressions has outstripped average sales with The Glenlivet 18 Year Old especially creating a strong value franchise in the United States and Taiwan.

The Glenlivet 21 Year Old also enjoyed strong success, with sales advancing very well in the American and new markets such as Korea.

### A more contemporary look

New packaging was introduced for the range's core products in May 2011. A more modern look has been complemented by stronger cues to the legacy and heritage of the brand. The 18 Year Old category has been repositioned to be more Premium: a sizable challenge in a highly dynamic and competitive segment.

The brand has successfully mobilized a growing number of brand advocates *via* its online 'Guardians' fanclub. In over 12 markets, digital and social media activity drive this group to pass on The Glenlivet legacy to other consumers.

Pioneering and inventive, The Glenlivet keeps enhancing its exceptional heritage as a tool for success.

### 2010/2011 AT A GLANCE

- Travel Retail range enhanced with introduction of Master Distillers Reserve
- Founder's Reserve launch in the United States—release of a limited edition 21 Year Old expression, of which only 1,824 bottles were made

### KEY EVENTS



#### Enhanced brand identity 1

The launch of a new packaging to provide the 'single malt that started it all' with an enhanced luxurious and sophisticated look, in line with its position in the Super-Premium spirits category.



#### An innovative experience—Taiwan 2

In Taiwan, The Glenlivet enthusiasts enjoyed a 3-D show created around the recent expansion of the Speyside distillery. During the day, consumers were also offered tastings of Founder's Reserve, a blend crafted especially for the occasion.



## ORIGINS

House founded in 1715  
by Jean Martell.

## MAIN MARKETS

Asia (China, Singapore, Malaysia,  
Taiwan, Vietnam) and Duty Free  
Asia, as well as the United  
Kingdom, Mexico, the United  
States, Russia and Ukraine.

## KEY POSITIONS

No. 1 in the XO (Extra Old) category  
with Martell Cordon Bleu and  
Martell XO. No. 1 in Indonesia,  
Malaysia, Singapore and Mexico.

## RANGE

Martell VS, VSOP, Noblige,  
Cordon Bleu, XO, Cr  ation Grand  
Extra and L'Or de Jean Martell.

1.8

MILLION CASES SOLD,  
+11% BY VOLUME AND  
+22% IN VALUE

+23%

IN CHINA, +30% IN VIETNAM  
AND +32% GROWTH FOR  
MARTELL NOBLIGE

Martell, the oldest of the major cognac houses, benefited from its strong popularity in Asia, growing by 11%. Martell reaped the rewards of its Premiumisation strategy in 2010/2011. This strategy is based on two key pillars: the highlighting of the range's most prestigious categories (Noblige +32%, XO +24%, Creation Grand Extra +71%) and a major marketing expenditure plan. ■

# MARTELL

## COGNAC AS THE MUSE OF ARTISTS

### A pertinent strategy

The Premiumisation strategy had a direct, positive impact on growth in 2010/2011. Martell confirmed its pre-eminence in Asia, particularly in China where it strengthened its position as the number 2 cognac and the leader of the XO category with Cordon Bleu and Martell XO. Other markets also contributed to the growth momentum in Asia, including Malaysia, Vietnam, Singapore, Taiwan, Indonesia and Travel Retail.

### Robust advertising expenditure

To support the three jewels of the brand, the year saw the launch of several initiatives and highly creative promotional campaigns such as promotional films, 'Only a Few Can Tell', for Martell Cordon Bleu and 'Join the New Elegance' by Martell Noblige.

### Elevating the tasting experience

To further anchor Martell in the luxury universe, two prestigious innovations were

also launched in 2011. First of all, the Martell trunk, designed in the workshops of Pinel&Pinel.

Then, architect Jean Nouvel joined forces with the brand to create an exclusive sculpture, the Martell Amber Lamp, as a tribute to Martell's universe. Unveiled in November 2010, this luminous sculpture was produced in just 50 copies.

Elsewhere, Martell launched a new gastronomic platform, 'Martell Pure Gourmet', which brings together the House of Martell's chefs and Cellar Master to create culinary pairings with the range's cognacs.

Lastly, the brand continued to roll out its new style by opening a boutique at the Kuala Lumpur airport.

Everywhere in the world, Martell multiplied its partnerships with renowned artists to create a unique and privileged universe for its devotees.

### 2010/2011 AT A GLANCE

- Creation of the Martell Amber Lamp by Jean Nouvel
- Opening of a Martell boutique at the Kuala Lumpur airport
- Change in Martell VSOP's packaging: a more modern and stylish bottle
- Launch of a gastronomic platform: 'Martell Pure Gourmet'

### KEY EVENTS



#### Launch of the Martell trunk 1

Fashioned by the artisans of Pinel&Pinel's workshops, this trunk is aimed at the most discerning cognac enthusiasts. Inside it are new, exclusive blends, the Martell collection, and a selection of exquisite objects in the form of glassware, carafes, etc., for an uncommon tasting experience.



#### New Martell XO campaign 2

Martell XO's 'Shape Your World' campaign was executed this year in the international press. It builds on the unique arch shape design of the decanter which is a tribute to the world's visionary, inspired and inspiring achievements.



**THIERRY BIDAUT**  
PRESS SUPPLIES MANAGER – MUMM PERRIER-JOUËT

*by Denis Rouvre*



## ORIGINS

Founded in 1827 by a merchant family of the same name established since 1761. Created by Georges Hermann Mumm in 1875, the Cordon Rouge label is the House's insignia.

## MAIN MARKETS

France, Italy, Spain, Switzerland, Canada, Japan, Australia and China.

## KEY POSITIONS

No. 3 champagne brand in the world. No. 1 international champagne brand in France.

## RANGE

G.H. Mumm Cordon Rouge, Demi-sec, Rosé, Millésimé, Blanc de Blancs Mumm de Cramant, Blanc de Noirs Mumm de Verzenay, Grand Cru, R. Lalou.

636

THOUSAND CASES SOLD,  
+6% BY VOLUME AND  
+7% IN NET SALES

+24%

IN ITALY AND  
+18% IN SPAIN

With growth in net sales of 7%, 2010/2011 was undoubtedly a vintage year for G.H. Mumm champagne. This figure reflects the success of a Premiumisation strategy marked this year by the launch of a number of high-end additions to the ranges. The Champagne House thus expanded its Premium offering and now boasts a full «expert» range. ■

# G.H. MUMM

## RENOWNED EXPERTISE

The G.H. Mumm Champagne House recorded strong growth in 2010/2011, with a continued emphasis on growing in value. It strengthened its positions in mature markets such as Italy (+24%) and Spain (+18%), even as the economic situation remained difficult in Southern Europe. G.H. Mumm is growing fast in emerging markets such as Asia-Pacific, a region that is especially strategic for the House.

### A complete «expert» range

G.H. Mumm also gained market share in France, both in mass retail and specialised distribution channels. The brand reinforced its position as the leading international champagne brand with the launch of its new, exceptional cuvée, Blanc de Noirs Mumm de Verzenay, developed exclusively from the Pinots Noirs issuing from the House's venerable vineyards. This new cuvée adds to the expert range of

G.H. Mumm, whose Blanc de Blancs Mumm de Cramant was also restyled this year. The Champagne House revealed its latest vintage of the prestigious R. Lalou cuvée this year. Cuvée R. Lalou 99 represents the full expression of the G.H. Mumm heritage. It was first presented in France as part of the 'Menus de Légende' operation, followed by the United Kingdom, at the Ritz hotel in London. Historical partner of French gastronomy, G.H. Mumm caused a stir this year by bringing together the three-Michelin-star chef Alain Passard and adventurer Mike Horn in the middle of the Gobi desert. G.H. Mumm also continued to collaborate with designer-artists such as Patrick Jouin, with the international launch of the sword designed by him especially for the brand. Lastly, the Mumm Cordon Rouge Jeroboam continued to accompany great victories in Formula 1 racing during 19 Grands Prix races.

### 2010/2011 AT A GLANCE

- International launch of the Patrick Jouin sword
- Continued partnership with Formula 1 racing (Official Champagne for F1 podiums)
- Launch of the latest vintage of the prestigious R. Lalou cuvée: Cuvée R. Lalou 99

### KEY EVENTS



#### New Blanc de Noirs cuvée 1

The Blanc de Noirs Mumm de Verzenay cuvée was unveiled this year. Produced in limited quantities for wine merchants in France only, Mumm de Verzenay matches the excellence of its predecessor, Blanc de Blancs Mumm de Cramant.



#### Exceptional dinners 2

September 2010 was the occasion for an unprecedented meeting between the three-Michelin-star chef Alain Passard and adventurer Mike Horn, organised by G.H. Mumm in the middle of the Gobi desert. Alain Passard created a Mongolian vegetable-based dinner made with local ingredients, accompanied by the Champagne House's prestigious cuvées.



'Exceptional' is the term that best sums up 2010/2011 for Perrier-Jouët. Renewed growth and prestigious events marked a bicentennial with the theme of 'succession'. The year ended with the royal wedding in Monaco, for which cuvée Belle Époque was chosen as the exclusive champagne.



## ORIGINS

Perrier-Jouët was founded in 1811 by Pierre Nicolas Perrier and Adèle Jouët. The Perrier-Jouët House is renowned for the exceptional character of its domain (ranked almost exclusively 'Grand Cru'), and its two-century old know-how, handed down through just seven Cellar Masters.

## MAIN MARKETS

Japan, United States, United Kingdom, Italy and France.

## KEY POSITIONS

No. 3 Prestige label in the world and No. 2 in the Japanese market.

## RANGE

Perrier-Jouët Grand Brut, Blason Rosé, Belle Époque Millésimé, Belle Époque Rosé, Belle Époque Blanc de Blancs.

225

THOUSAND CASES SOLD,  
UP 14% BY VOLUME AND  
17% IN NET SALES

No. 3

CHAMPAGNE BRAND IN CHINA,  
UP 23% IN VOLUME IN JAPAN

# PERRIER-JOUËT

## TWO HUNDRED YEARS OF EXPERTISE

### An excellent performance

The Perrier-Jouët House (Maison Perrier-Jouët) recorded an excellent performance this year, the result of a series of unprecedented initiatives and innovative creative projects. The brand saw a rebound in its business in historical markets such as the United States, France and Italy, and robust growth in emerging markets such as China and Brazil. Despite a difficult environment, Perrier-Jouët also continued to grow in Japan.

### Two centuries of know-how

The House celebrated its bicentennial this year with a theme of succession: two centuries of an 'Esprit Maison' sustained by the expertise embodied in seven Cellar Masters from 1811 to today. To celebrate this extraordinary anniversary, the Champagne House developed an international campaign, which it deployed across all tools of communication, design, event planning and digital media. Daniel

Arsham, an American artist of global renown, created a Perrier-Jouët Bicentennial 'gift box sculpture'.

The bicentennial also was an opportunity for numerous marketing initiatives across all markets of the Champagne House.

### Official champagne of the royal wedding

Closing out the year, in July Perrier-Jouët was the exclusive champagne for the wedding of HSH Prince Albert of Monaco and Charlene Wittstock. This event further enhanced the image of a prestigious House and consecrated its historical relations with the Principality.

Lastly, the champagne brand continued to cultivate its luxury image by popping up in exceptional surroundings. It created bespoke tasting spaces, such as the Perrier-Jouët lounge at the Dukes Hotel in London, the Perrier-Jouët kiosk in Hainan (China), and the Espace Perrier-Jouët at the Bon Marché department store in Paris.

### 2010/2011 AT A GLANCE

- Launch of the latest vintage of the prestigious Belle Époque cuvée: Cuvée Belle Époque 2004

### KEY EVENTS



#### The first champagne dedicated to succession 1

For its bicentennial, Perrier-Jouët launched a sculptural gift pack created by artist Daniel Arsham. The pack contains two magnums of Belle Époque 1998, one for the buyer, the second for the heir of his or her choice. A night-time party with a theme of succession was also held in Paris, and brought together celebrities including Jerry Hall and her daughter Georgia May Jagger, Alain Delon and his daughter Anouchka, Catherine Deneuve, Blanca Li, Sir Terence Conran and his daughter Sophie, Louis-Marie de Castelbajac, and more.



#### Exclusive presence at the royal wedding in Monaco 2

Perrier-Jouët champagne was selected as the official champagne for the royal wedding of HSH Prince Albert of Monaco and Miss Charlene Wittstock held on the 1st and 2nd of July 2011 in the Principality. During the official dinner, the prestigious Cuvée Belle Époque 2002 was served in magnums to nearly 500 distinguished guests.



With more than 170,000 cases sold, Royal Salute, the exclusively Prestige Scotch whisky, reached a historical sales high in 2011. Its very robust growth concerns an increasingly broader range of markets, including new markets such as Brazil, the Middle East and India. Again this year the brand left its mark on the luxury market, with the launch of an exceptional diamond-ornated 'Tribute to Honour' exclusive edition.

# ROYAL SALUTE

## LUXURY DESERVES EXCEPTIONAL INNOVATION



### ORIGINS

Created as the Ultimate Tribute to Her Majesty Queen Elizabeth II on her coronation in 1953, Royal Salute is the only Scotch whisky with a range starting at 21 Year Old.

### MAIN MARKETS

China, Travel Retail Asia, Taiwan, Vietnam, the United States, Japan, Korea, Travel Retail Europe.

### KEY POSITIONS

The world's leading luxury Scotch whisky brand.

### RANGE

Royal Salute 21 YO,  
The Hundred Cask Selection,  
38 YO Stone of Destiny,  
62 Gun Salute, Tribute to Honour.

176

THOUSAND CASES SOLD,  
GROWTH BY VOLUME: +24%,  
GROWTH BY SALES: +27%

+21%

IN CHINA, +24% IN VIETNAM AND  
+19% IN TRAVEL RETAIL ASIA

Royal Salute's expansion was confirmed in 2010/2011 with a new highest ever volume, exceeding that of 2008. This robust growth is the result of an integrated Prestige brand building campaign aimed at driving growth in the Prestige and above Scotch whisky market.

### An exclusive limited edition

The success of last year's launch of Royal Salute 62 Gun Salute, a Scotch whisky aged for at least 40 years, was followed in 2011 by the launch of Tribute to Honour. With just 21 bottles produced, the Garrard-designed bottle is hand cast in black porcelain with 413 flawless diamonds, some of which form the shape of the Sword of State: one of the treasures that are The Honours of Scotland. Fittingly, only the finest aged

whiskies—at least 45 years old—are contained within. Sales will be made on a one-to-one basis to the world's most prestigious whisky consumers.

Extending the brand's world polo programme dedicated to the 'king of sports and sport of kings', the brand supported the top competitions of this prestigious sport such as the Royal Salute Maharaja of Jodhpur Golden Jubilee Cup in India, the Nation's Cup in Dubai and the Royal Salute Tang Cup in Beijing. The year also saw the Duke of Cambridge and Prince Harry competing in the Sentebale Polo Cup sponsored by Royal Salute in June 2010 in support of the charity founded by Prince Harry and Prince Seeiso of Lesotho.

### 2010/2011 AT A GLANCE

- Historical high in volume in 2011 with over 170,000 cases for the first time ever
- Tribute to Honour launched with each of the 21 bottles, bejewelled in 413 diamonds and priced at US\$200,000

### KEY EVENTS



### 62 Gun Salute success 1

The launch of Royal Salute 62 Gun Salute in China, Taiwan, Korea and Travel Retail exceeded expectations. Priced at US\$2,200 in Duty Free, the new product delivered significant sales at this price point proving the luxury credentials of the brand.



### Royal Salute World Polo 2

Royal Salute identified the 'king of sports and sport of kings' as the perfect platform to communicate the brand's royal heritage and luxury credentials. The program maps prestigious polo events against key growth markets including China, India, Dubai, Brazil and the United States.



**SATOMI FURUGAKI**

ASSISTANT PRODUCT MANAGER – **PERNOD RICARD JAPAN**

*by Denis Rouvre*

Jacob's Creek has tackled the challenges facing the Australian wine category and maintained its leadership position by delivering on its value strategy—driving results through Premiumisation, innovation and strategic initiatives in emerging markets. ■



# JACOB'S CREEK

## NEW WORLD'S FIRST WINE

In the face of a declining Australian category in key markets and the serious challenges presented by ongoing oversupply, Jacob's Creek has outperformed its competitors and enjoyed another strong year thanks to its focus and its commitment to the core strategies of strengthening consumer connection, Premiumising and innovating.

Increasing prices in more mature markets like the United Kingdom, introducing Premium ranges such as Regional Reserve, investing in its new *True Character* communication campaign and renewing its commitment to the Australian Open Tennis and Wimbledon have been just some of the highlights from a year focused on Premiumising the brand.

Innovation is central to the brand's strategy, and this year has seen the develop-

ment of a pipeline of new products and concepts designed to leverage strong consumer trends. These include lighter and fresher wine styles and organic offerings. Jacob's Creek is also increasing its consumer reach and relevance through investment in digital marketing campaigns.

Jacob's Creek continues to expand its footprint in emerging markets, experiencing a 42% growth in China and increasing its presence to 24 cities across the country, assisted by a tailor made marketing approach which included the launch of an exclusive range (Winemaker Series) and a dedicated communication platform.

### ORIGINS

First launched in 1976, the brand was named after the site where founder Johann Gramp planted his first vineyard on the banks of Jacob's Creek in 1847.

### MAIN MARKETS

United Kingdom, Australia, United States, Canada, New Zealand, Ireland, Nordics, Japan and China.

### KEY POSITIONS

By value: No. 1 Australian wine brand in Australia, New Zealand and Sweden. No. 2 in the United Kingdom. No. 3 in the United States and Ireland.

### RANGE

Flagship: Classic Chardonnay, Sparkling Chardonnay Pinot Noir Non-Vintage, Reserve Barossa Shiraz and Moscato.

6.8

MILLION CASES SOLD,  
-3% IN VOLUME

+42%

BY VOLUME IN CHINA WITH  
JACOB'S CREEK RESERVE +38%,  
+53% IN THE NETHERLANDS, AND  
+15% IN NEW ZEALAND

### 2010/2011 AT A GLANCE

- Jacob's Creek continues to build strong links to tennis via sponsorships such as the Australian Open, The Grand Slam® of Asia-Pacific in 2010/2011
- Jacob's Creek commenced its 5-year partnership as the Official Wine of Wimbledon

### KEY EVENTS



#### New Jacob's Creek Reserve range 1

Jacob's Creek Reserve Premium wines increased its quality cues with a packaging upgrade and the introduction of regional appellation from three of Australia's leading wine regions—Barossa, Coonawarra and Adelaide Hills.



#### 'Together We Sparkle' 2

Premium Wine Brands launched a new television commercial for Jacob's Creek sparkling wines which was aired for the first time in Australia during the peak sales period.





**PATRICK MATERMAN**  
CHIEF WINEMAKER – **PERNOD RICARD NEW ZEALAND**

*by Denis Rouvre*

It has been a pivotal year for Brancott Estate which has undergone a global rebrand and has established itself in the Premium category in both its local and export markets, whilst experiencing +2% global volume growth. ■

# BRANCOTT ESTATE

## INNOVATION SPARKLES



### ORIGINS

The first Sauvignon Blanc vines were planted at the historical Brancott Vineyard in New Zealand's South Island.

### MAIN MARKETS

United Kingdom, Australia, New Zealand and United States.

### KEY POSITIONS

No. 2 worldwide  
(New Zealand wines).  
No. 1 in New Zealand  
(bottled still wine).

### RANGE

Classic Sauvignon Blanc,  
Pinot Noir, Pinot Gris,  
Sparkling Sauvignon Blanc  
Letter Series Brancott 'B'  
Sauvignon Blanc and  
Terraces 'T' Pinot Noir.

1.4

MILLION CASES SOLD,  
WITH +2% BY VOLUME

+11%

VOLUME GROWTH IN  
NEW ZEALAND AND  
+5% IN THE UNITED KINGDOM

The past 12 months have involved a challenging transition and significant achievement for Brancott Estate—the brand has been unified under a single name in all markets while maintaining its focus on delivering a Premium portfolio of products.

Previously existing as two brands (Brancott in the United States and Montana elsewhere), the new name, Brancott Estate, celebrates the brand's history and honours the Brancott Vineyard, where the first Sauvignon Blanc vines were planted in Marlborough, in 1973. As the Original Marlborough Sauvignon Blanc, Brancott Estate is focused on establishing itself as a credible, Premium player in the increasingly popular New Zealand wine category globally.

The brand's evolution has been supported by the development of a new marketing campaign, *Stay Curious*, which invites consumers to explore their curiosity (like the brand's founder). This, coupled with the high profile sponsorship of the Rugby World Cup 2011, is providing global exposure and driving brand awareness and Premium perception. This will be the platform for continued growth in key strategic export markets—the United Kingdom, Australia and the United States as well as in New Zealand.

Consistent with its pioneering heritage, Brancott Estate continues to explore new territories with innovative products including Sparkling Sauvignon Blanc. With more products planned for release in the coming year, Brancott Estate will continue to build on its strong position.

### 2010/2011 AT A GLANCE

- Released Sparkling Sauvignon Blanc, a new take on the classic Marlborough Sauvignon Blanc style
- Brancott Estate is the Official Sponsor of Rugby World Cup 2011

### KEY EVENTS



#### Global introduction of the new name, Brancott Estate 1

Brancott Estate is named in honour of Brancott Vineyard where we first pioneered New Zealand's flagship varietal, Marlborough Sauvignon Blanc.



#### Launch of the new Global Brancott Estate 'Stay Curious' campaign 2

This campaign celebrates the curiosity and entrepreneurship of the brand's pioneers.



## ORIGINS

Campo Viejo winery was established in 1959 by Beristain and Ortigüela, two passionate Rioja winemakers. In 1961, the Campo Viejo label was launched.

## MAIN MARKETS

Spain, United Kingdom, United States, Canada, Germany, Nordics, The Netherlands, Ireland, Switzerland and Belgium.

## KEY POSITIONS

No. 1 Spanish and Rioja Premium brand worldwide. No. 1 Spanish and Rioja brand in the United Kingdom. No. 2 Spanish and Rioja brand in the United States.

## RANGE

Campo Viejo Crianza, Reserva, Gran Reserva, Domino de Campo Viejo, Gran Cava and Gran Cava Rose, Classic Viura and Rose.

1.6

MILLION CASES SOLD,  
+6% IN VOLUME AND  
+8% IN VALUE



Campo Viejo had an excellent year with strong value growth in all key markets. The brand consolidated its position as the global number 1 brand from Rioja, Spain's premier wine region. A key strategic initiative has been the deployment of a new communications platform *live uncorked* which positions Campo Viejo as an expressive and vibrant Spanish wine. The brand has enjoyed strong growth in its key North American and United Kingdom markets and has been awarded the "Impact Hot Prospect Brand 2010" for its particularly strong American performance, a good indication of its future potential. ■

# CAMPO VIEJO

## CONQUERING SPANISH WINE

+9%<sup>(1)</sup>

GROWTH IN VALUE IN  
THE UNITED STATES,  
+10% IN THE UNITED KINGDOM,  
+72% IN THE NETHERLANDS

[1] Source: Nielsen data at 30 June 2011, growth in value.

## ORIGINS

Founded in San Juan in 1870 by Argentinean winemaker, Santiago Graffigna.

## MAIN MARKETS

United States, Canada, Argentina and Brazil.

## KEY POSITIONS

One of the fastest growing Argentinean wine brands in the United States and Canada.

## RANGE

Centenario Malbec and Pinot Grigio, Grand Reserve Malbec and Santiago Graffigna.

323

THOUSAND CASES SOLD,  
+3% BY VOLUME,  
+6% BY SALES



This year, Graffigna has delivered solid growth and consolidated its position as one of Pernod Ricard's priority wine brands. As a key reference for Malbec wines, Graffigna continues to build its success in the Americas with the United States (+56%<sup>(1)</sup>) and Canada (+134%) which will continue to drive strong growth in the years to come. This strong performance has been built on a commitment to quality, which this year has resulted in two 90-point reviews (out of 100) by Robert Parker, one of the most influential wine writers in the world. ■

# GRAFFIGNA

## A PROMISING FUTURE

+56%<sup>(1)</sup>

GROWTH IN THE UNITED STATES,  
+134% IN CANADA,  
+22% IN THE NETHERLANDS

[1] PWB Flash Depletions Report June 2011.

The 18 key local brands ensure that Pernod Ricard has a strong presence in the distribution channels of the markets where they are sold. As leaders on their segments<sup>(1)</sup>, they are both a springboard and a testing ground which the Group can use to develop its international brands. This is especially true in emerging markets, where local brands still have a strong presence. ■

## LEADERS IN THEIR MARKETS



PASTIS 51

**No. 2**  
aniseed-based  
spirit  
in France



100 PIPERS

**No. 1** standard whisky  
in Thailand,  
**No. 2** standard whisky  
in Asia



ARARAT

**No. 3** international  
brandy  
in Russia



BECHEROVKA

**No. 2** bitters  
in Czech Republic

BLENDER'S  
PRIDE

**No. 2**  
whisky  
in Argentina

CLAN  
CAMPBELL

**No. 1**  
Premium whisky  
in France



IMPERIAL

**No. 2**  
whisky  
in South Korea



MONTILLA

**No. 1**  
rum  
in Brazil



OLMECA

**No. 1**  
tequila  
in Russia



PASSPORT

**No. 2**  
standard whisky  
in Brazil

AMARO  
RAMAZZOTTI

**No. 2**  
bitters  
in Germany



ROYAL STAG

**No. 5**  
whisky  
in India



RUAVIEJA

**No. 1**  
liqueur  
in Spain

SEAGRAM'S  
GIN

**No. 1**  
gin  
in the United States

SOMETHING  
SPECIAL

**No. 2**  
whisky  
in Venezuela



SUZE

**No. 1**  
bitters  
in France



WISER'S

**No. 1**  
whisky  
in Canada



WYBOROWA

**No. 3**  
standard vodka  
in Poland

[1] Source: 'Pernod Ricard Market View', based on IWSR data at 31 December 2010.





## BANU TUNCALI

LOGISTICS ASSISTANT – PERNOD RICARD TURKEY

by Denis Rouvre

# INTERVIEW



The protection of brands and their heritage is one of the key missions of the Legal Department, led by **Ian FitzSimons**, General Counsel of Pernod Ricard. With an international network of experts, the Legal Department works to defend the Group's brands, including in the most sensitive markets, such as China. Any innovation in packaging is preceded by a consultation with the legal teams, which protect all of the product's attributes against the risk of copying. Today, Pernod Ricard has acquired the most up-to-date means to combat counterfeiting.

IAN  
FITZSIMONS  
GENERAL COUNSEL

## Could you remind us why brand protection is a major issue for Pernod Ricard?

— Our brands are an integral part of the Group's capital and its value. Protecting them from the various attacks they could encounter, and ensuring respect for their heritage and their history, is a primary objective. This involves anti-counterfeiting efforts as well as combatting products that mimic our packaging to deceive consumers.

In this regard, we've already scored some victories in China. For three years, we've been testing a novel anti-counterfeiting programme that stresses cooperation between the Group's various functions. Coordinated by the Legal Department, this programme—called 'Blue Lotus'—calls on the combined expertise of the Public Affairs, Brand Security, Logistics and Production Departments and the Research Centres to make our actions more effective. Last April, the Group won a criminal infringement case for the Chivas and Royal Salute brands in Daxing, near Beijing. For the Chinese Supreme People's Court, this was one of the ten most important trials in the country involving intellectual property in 2010.

Another significant event: for ten years Bacardi, the number 1 rum worldwide, has been claiming the right to use the Havana Club brand in Spain, as it does in the United States. In February, the Spanish Supreme Court confirmed, for the third time, that the Havana Club brand belonged to the joint venture between Pernod Ricard and the Cuban company, Corporación Cuba Ron.

## What impact does innovation have on brand protection?

— We have a team dedicated to intellectual property protection, organised into six divisions; each division manages several brand portfolios on a global scale. Because the pace of innovation is accelerating, we needed to strengthen our network and have thus expanded the Legal Departments of our Brand Companies and those attached to the Americas, Europe and Asia regions. In the field of intellectual property protection, it's necessary to work upstream to be effective.

Today, all project teams working on innovations systematically include a lawyer who is tasked with analysing and registering any



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Today, all project teams working on innovations systematically include a lawyer who is tasked with analysing and registering any elements that could be copied.”

elements that could be copied. The ABSOLUT ELYX bottle is thus protected in three dimensions (face, height and profile). It's the same for the new Ricard bottle: the shape, embossing and colours, as well as all the three labels, were registered ahead of the launch.

#### And in terms of resources?

— Protecting brands and intellectual property go hand-in-hand in several ways. Legal actions, whether civil or criminal, require in great measure that we work in cooperation with the local public authorities. The International Federation of Spirits Producers lends

full support and resources for such actions. This type of approach is consistent with the work of the Public Affairs Department in developing countries in advocating for a legal system capable of protecting intellectual property. Lastly, the Group is investing in new authentication technologies, such as Seal Vector, a square encoded icon that cannot be photocopied. In China, our Martell Cordon Bleu, Noblige and Chivas 12 Year bottles are now equipped with this technology. Using our experience in Asia, we hope to create conditions for transferring these good practices to other countries, based on the solutions available for each problem area.

#### LEGAL HIGHLIGHTS



#### A major victory on counterfeiting in China <sup>1</sup>

Grounded in cooperation between the Group's various functional departments, the Blue Lotus programme has led to a major victory against counterfeiting in China. In late April 2011, the Chinese Supreme People's Court handed down its verdict on the criminal counterfeiting case involving Chivas Regal and Royal Salute in Daxing. The defendant in this case was sentenced to four years in prison and fined RMB 150,000 (about €15,000) for trademark infringement. This proceeding is considered to be one of the ten most important trials of 2010 relating to intellectual property rights in China.



#### Protecting innovations in 3D <sup>2</sup>

The Group's innovation policy requires heightened legal protections. Registrations have been filed in three dimensions for the new, highly distinctive bottle designs for ABSOLUT ELYX and Ricard, something that had not been possible with most standard size bottles. The faces, heights and profiles of the bottles are thus protected against counterfeiting attempts. The goal: to better protect these brands. By registering the bottles' features, in addition to the brand's names and labels, Pernod Ricard is protecting a particularly sensitive element of their identity: the signs and symbols by which consumers recognise them.

#### Havana Club: ownership confirmed in Spain

The Spanish Supreme Court has confirmed ownership of the Havana Club trademark by the Havana Club joint venture, formed by Pernod Ricard and Corporación Cuba Ron. In February and March 2011, the Spanish courts for the third time rejected Bacardi's suit over the famous Cuban rum trademark. The brand had been abandoned for over 30 years, and was redeveloped by the joint venture starting in 1993. It has since been an undisputed success.



# INNOVATING *for* LEADING MARKETS

The decentralised model that characterises Pernod Ricard is a major strategic asset for capturing growth in the 70 countries where its Market Companies are located. This very flexible organisation, based on closeness to consumers and targeted innovation, has demonstrated its effectiveness. This year, the Group:

- reinforced its leadership position in Asia,
- made strides in very promising emerging markets,
- continued to grow in mature markets.



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# INTERVIEW



**PIERRE PRINGUET**

Chief Executive Officer

“  
The effectiveness  
of our  
decentralised  
model.”

In contrast to last year, all regions of the world contributed to the acceleration of the Group's organic growth. How do you explain these results?

— Allow me, first of all, to welcome the arrival of Alexandre Ricard as Managing Director in charge of the Distribution Network. Alexandre will be able to leverage his knowledge of the Asian markets in addition to his experience as a brand owner as a former CEO of Irish Distiller. As the Group's strong results are concerned, these are above all proof of the effectiveness of our decentralised model. Our subsidiaries are close to their markets, literally rooted in their environment, and often since several decades. Their local teams have genuine expertise and are independent decision-makers. This model makes them highly responsive. In addition, we are the only players in the industry to fully control our distribution.

You also had this model during the crisis. What exactly explains the stepped-up growth that we've seen this year across all of the Group's regions?

— We of course benefited from an overall rebound in consumption. But we were perhaps also quicker in seizing opportunities. It is the great strength of our organisational model based on decentralisation. That's also one of the great strengths of our brand portfolio, whose segmentation we revised under Agility. The House of Brands concept, with the Top 14, the 4 priority wine brands and our 18 key local brands allow us to better prioritise and better target our sales efforts as part of a value creation strategy. The strength of local brands leading their markets paves the way for our portfolio of international brands, the Top 14. We thoroughly understand the terrain and our customers' consumption habits. This genuine 'obsession' with consumers, the precise knowledge that we've acquired about them and our desire to accompany them everywhere, whether at home or in a restaurant, contribute to this growth momentum.

Could you remind us of your region-by-region objectives?

— With Agility, we redefined the objectives assigned to each region:

- win market share in the United States and boost growth in Latin America,
- consolidate our positions, value-wise, in Western Europe and France,
- invest in emerging markets in Europe and Africa,
- become a leader in all our markets in Asia-Pacific.

As our results show, we are on track to achieve each of these objectives.



If we need to review the performance of each region, what guidelines should we follow for these results?

— This year again, it is Asia and the Rest of the World that were the most dynamic. Moreover, the region returned to double-digit internal growth (+15%), confirming its place as the Group's leading region. We reinforced our leadership, for example, through the two growth engines of China and India. In China, net sales rose 23%, led by Martell, Scotch whiskies and Jacob's Creek. In India, local whiskies (+33%) drove growth. Vietnam, where we recently opened a subsidiary, is a booming market. And the emerging markets of Africa and the Middle East turned in remarkable performances.

What about the Americas region? Is it maintaining its momentum?

— In fact, last year the Americas region recorded a 4% increase in sales. This year, it bettered that by one point, to 5%. This stepped-up growth we owe mainly to the Top 14. This is especially true in the United States, the Group's number one market: reinforced investment in strategic brands allowed our Premium brands to fully benefit from the turnaround in consumption of high-end products seen in this market. ABSOLUT returned to growth and Jameson hit a new record crossing the symbolic threshold of one million cases. The brand has become the leading source of new growth for the Group in this market.

Net sales also rose in all other markets in the region except Venezuela. Brazil stood out with remarkable growth of 12%, and a Top 14 that grew by 41%, led by ABSOLUT and our Scotch whiskies.

Europe suffered last year. Has the situation improved?

— Overall, yes. We've gone from being down by 5% last year to nearly stable this year. The Group's sales are thus no longer in decline. Here again, growth was buoyed by the Top 14 brands, led by Jameson, ABSOLUT, Beefeater, Havana Club, G.H.Mumm and Perrier-Jouët, and, to a lesser extent, the Premium priority wines. But the conditions remain mixed.

If we look at Western Europe, sales are still down 2%, but this is an improvement of three points over the previous year. These figures are mainly down due to the poor performances of Greece and Spain. On the other hand, we have achieved great performances in several markets, including Germany, Austria, Benelux, Italy and even in the United Kingdom on spirits. The region's positive results reflect the robust growth of the Eastern and Central European markets. Russia and Ukraine, in particular, grew by double-digits.

Lastly, how would you describe the results of your historic bastion, France?

— At +4%, this is solid growth driven by the Top 14 brands (+6%), particularly Ballantine's, G.H.Mumm, Chivas, Havana Club, Perrier-Jouët, Jameson and ABSOLUT. Especially noteworthy is the 5% growth for Ricard, which may already be benefitting from its brand new bottle.

In view of these performances, both mature and emerging countries have helped drive growth in your Group. However, does the growing importance of emerging markets not represent a threat in time? Are you not becoming overly dependent on these markets?

— While emerging markets have grown from 31% to 38% of our profit from recurring operations in less than two years, I see this as nothing but good news for the Group. These are the most dynamic markets in the industry and their consumers are particularly interested in Premium products. Leading the way on these markets, particularly in Asia, is vital to our future growth. Indeed, they are just as profitable as mature countries today. This is one of Pernod Ricard's strengths.

How do you see the outlook for 2011/2012?

— As I was explaining, we are confident in the robustness of our decentralised model. We will be able to capitalise on all opportunities for growth. Our 18,000 staff represent another of the Group's strengths, with their commitment and dedication on the ground really making all the difference in a sometimes difficult climate. For instance, in Spain and Greece, the Group has held up far better than its main rivals.

For all these reasons, we expect to see a relatively similar scenario to this year: slow growth in mature countries and continued strong growth momentum in emerging markets.



# THE GLOBAL WINE & SPIRITS MARKET

## REGIONAL FOCUS

### ROBUST GROWTH IN ASIA AND SOUTH AMERICA, AS WELL AS TRAVEL RETAIL



**BY MARTIN RILEY**  
CHIEF MARKETING OFFICER  
PERNOD RICARD

Sales of international spirits rose by 3.5% in 2010 [see page 14]. All regions, without exception, contributed to this growth.

#### Travel Retail and Asia

Travel Retail and Asia recorded especially strong growth rates in 2010: Travel Retail rose by 14.6% and Asia grew by 11.9%. In this region, outstanding growth was recorded in India, where sales rose by 31.7%, and in Japan, which grew by 13.4%.

#### Central and South America

Central and South America were also very dynamic in 2010, rising by 7.4%, thanks mainly to market growth in Brazil, +22.2% and Argentina, +20.7%.

#### North America

North America, which dominates the international spirits market with a 38% market share, grew more moderately, by 3%, with strong momentum in Mexico, up 7.9%. The United States, the number one country in the world for international spirits, with a 31.5% market share, was also the largest contributor to growth, with 3.3 million incremental 9-litre cases.

#### Europe

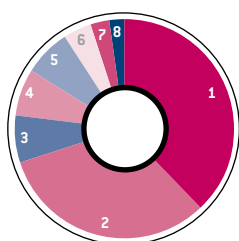
Europe was overall stable in 2010, with contrasting circumstances between the countries. Several countries rebounded as they exited the crisis and posted growth in 2010: Russia led with double-digit growth of 11.7%, followed by the United Kingdom, up 6.9%. Germany and France also contributed to market growth in Europe. Conversely, difficult economic conditions in Greece and Spain continued to weigh on the performance of these markets in 2010; they posted respective declines of 17.5% and 3.6%. Poland also saw a downturn of its market by 9.6%.

#### China, a new wine market

China drove growth this year in the branded wines market with a 54.6% contribution. The United States, Russia and Australia also contributed significantly to the dynamism of this segment. The growth of champagne was led by France, its primary market, followed by the United Kingdom, Travel Retail, and the United States.

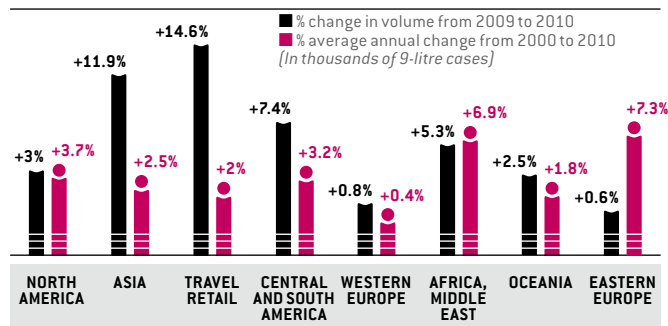
Source for this article: 'the Pernod Ricard Market View', based on IWSR, volume data as at the end of 2010—international spirits, excluding ready-to-drink, wines and wine-based aperitifs.

### WEIGHTS OF THE DIFFERENT REGIONS



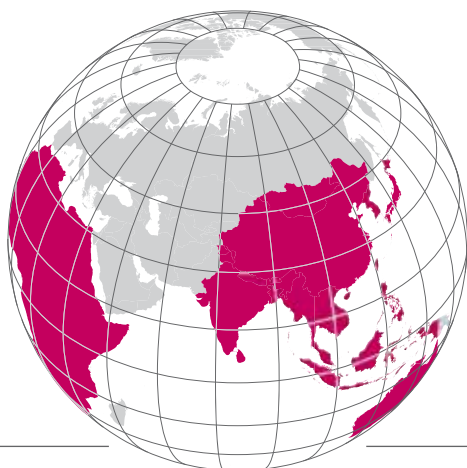
(1) North America.....	38%
(2) Western Europe.....	32%
(3) Asia.....	8%
(4) Central and South America.....	7%
(5) Eastern Europe.....	6%
(6) Travel Retail.....	4%
(7) Africa, Middle East.....	3%
(8) Oceania.....	2%

### CHANGES IN VOLUMES BY GEOGRAPHIC REGION



PERNOD RICARD

**Four regions to capitalise on all opportunities<sup>(1)</sup>**



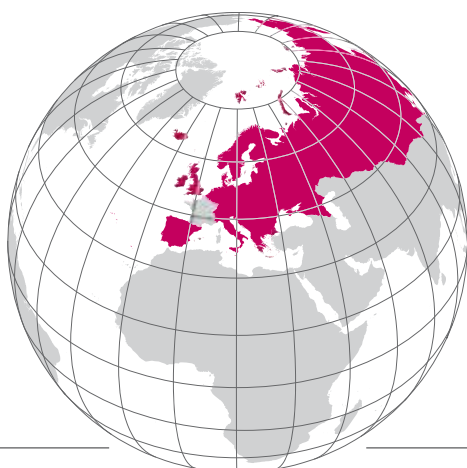
## ASIA AND REST OF THE WORLD

No. 1 in India • No. 1 in China • No. 2 in Thailand  
No. 2 in South Korea • No. 1 in Japan



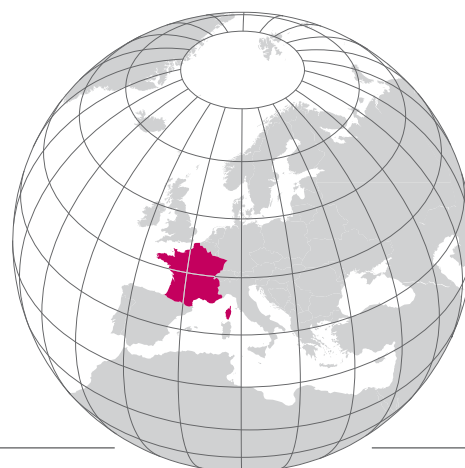
## AMERICAS

No. 4 in the USA • No. 2 in Brazil • No. 2 in Canada • No. 1 in Mexico  
No. 1 in Argentina • No. 2 in Venezuela • No. 2 in Chile



## EUROPE (EXCLUDING FRANCE)

No. 1 in Spain • No. 2 in Poland • No. 1 in Germany  
No. 1 in the Nordic Countries • No. 3 in the United Kingdom • No. 3 in Italy  
No. 1 in Central and Southern Europe • No. 2 in Greece • No. 2 in South Africa  
No. 2 in Russia • No. 1 in Czech Republic • No. 1 in Ireland



## FRANCE

No. 1 in France

<sup>(1)</sup> Source: 'the Pernod Ricard Market View based on IWSR', volume data as at the end of 2010—international spirits, excluding ready-to-drink, wines and wine-based aperitifs. Ranking among international groups. Portfolio as at 28 July 2011.

The Market Companies are responsible for selling and locally promoting the brands in the Pernod Ricard portfolio. They implement and adapt the global strategy of the international brands in each market. Closer to the consumer, they play a major role in understanding the needs of the markets. The Group's global presence is managed through four major regions: Asia and Rest of the World, the Americas, Europe (excluding France) and France. ■

## MARKET COMPANIES

The makeup of the following Committees reflects their structure during the financial year from 1 July 2010 to 30 June 2011. It does not factor in any changes made after 30 June 2011.

### PERNOD RICARD ASIA



**FIRST ROW FROM LEFT TO RIGHT:** Cyril Sayag VP Public & Legal Affairs — Phanuwat Wongsriphisant Managing Director Thailand — Hélène de Tissot VP Finance — Pierre Coppéré Chairman & CEO — Jenny To Managing Director Hong Kong — Kevin Lee Managing Director Philippines — Param Uberoi Managing Director South Asia — Bernard Coulaty VP Human Resources — **SECOND ROW FROM LEFT TO RIGHT:** Fabrice Audan Managing Director Japan — Con Constandis Managing Director China — Thibaut de Poutier Managing Director Asia Duty Free — Xavier Beysecker VP Marketing — Franck Lapeyre Managing Director Korea — Cheng Keang Tan Managing Director Malaysia — Paul-Robert Bouhier Managing Director Singapore — Tim Paech Managing Director Taiwan

### PERNOD RICARD AMERICAS



**FROM LEFT TO RIGHT:** Patrick O'Driscoll Managing Director, Corby — Bryan Fry Managing Director PR Brasil — Sergio Marly Managing Director, PR Argentina Cluster — Christophe Lemarié Managing Director PR Travel Retail Americas — Paul Duffy Managing Director PR USA — Cedric Retailleau Managing Director PR Venezuela Cluster — Frederic Villain VP Finance — François Bouyra Managing Director Casa Pedro Domecq — Audrey Yayon-Dauvet VP Legal & Public Affairs — Cedric Ramat VP Human Resources — Philippe Dreano Chairman & CEO — Geoffroy Germano VP Marketing — Frank Gaudet VP Operations



## PERNOD RICARD EUROPE



**FIRST ROW FROM LEFT TO RIGHT:** Philippe Hébert VP Administration & Finance — Philippe Meert Business Development Director — Laurent Lacassagne Chairman & CEO — Noël Adrian Managing Director, Italia Switzerland — David de Mardt Managing Director, South Africa — Francesco Taddonio Marketing & Development Director — **SECOND ROW FROM LEFT TO RIGHT:** Philippe Coutin Managing Director, Iberia — Jean-Louis Laborde Managing Director Africa and Middle East — Benoît Laug Managing Director Southern Central Europe — Antony Schofield Managing Director, Jan Becher — Michel Mauran Managing Director, Nordic Cluster — Ian Williams Managing Director, Travel Retail Europe — Alain Dufossé Managing Director, Germany Austria — Jean-Manuel Spriet Managing Director, United Kingdom — Mathieu Prot Legal Director — Jean-Marc Bryskère Managing Director, Benelux — Victor Jerez Managing Director, Poland — Bruno Goimier VP Human Resources — Éric Laborde Managing Director, Eastern Europe — David Haworth Managing Director, Turkey Greece — Pierre-Yves Calloc'h VP Organisation and Information Systems<sup>(1)</sup> — Camille Méry VP Operations

## SOCIÉTÉ PERNOD



**FROM LEFT TO RIGHT:** Jean-Marc Roué Operations Director — Régis Souillet Chief Administrative & Financial Officer — Sylvie Machenaud Communications Director — César Giron Chairman & CEO — Estelle Rivals Human Resources Director — Frantz Hotton Commercial and Marketing Director

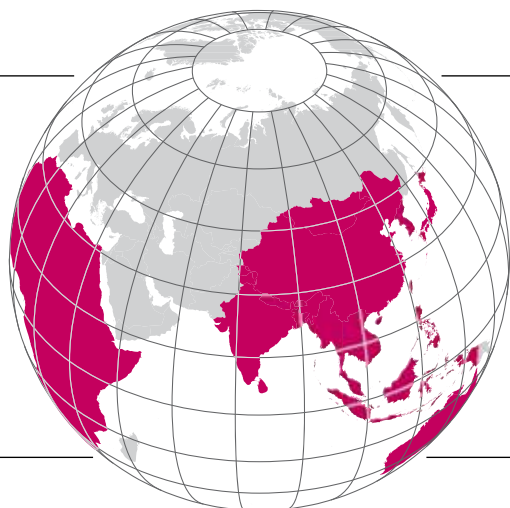
## SOCIÉTÉ RICARD



**FROM LEFT TO RIGHT:** Jean-Charles Castellano VP, Human Resources — Michael Merolli VP, Marketing — Bruno Pierrain VP, Administration & Finance — Philippe Savinel Chairman & CEO — Jean-Michel Senaud VP, Operations — Guillaume Girard-Reydet VP, National Sales

<sup>(1)</sup> Pierre-Yves Calloc'h has been nominated General Manager Pernod Ricard Colombia as of 1 May 2011.

# ASIA AND REST OF THE WORLD



## KEY FIGURES

**+15%**

NET SALES (ORGANIC GROWTH)

**+20%**

PROFIT FROM RECURRING OPERATIONS (ORGANIC GROWTH)

## HISTORY

Pernod Ricard has had a strong presence in Asia for over 30 years, first setting up business units to control operations in Thailand, Hong Kong and Asia Duty Free in 1981-1982. As the Group has grown so have its 'local roots' in Asia and Rest of the World, its leading region. The Group now operates fully consolidated subsidiaries covering 13 major Asian markets, from the Gulf countries to Japan. In 2011, Pernod Ricard Vietnam became the Group's newest entity in the region. The direct control of marketing operations and brand distribution by the Group's regional subsidiaries, combined with the development of strong skills in its local teams, are a major driver of Pernod Ricard's momentum in Asia.

## KEY POSITIONS

**No. 1** international group in Asia, including China, Japan, Travel Retail Asia, India, Malaysia, Singapore and Indonesia.

**No. 1** in Vietnam and

**No. 1** in Taiwan, with exceptionally strong growth in 2011.

**No. 2** in Korea, the Gulf countries, Thailand and the Philippines.

## ASIA

The good results achieved by Pernod Ricard Asia were enhanced by the boom of the middle classes and the successful management of a portfolio combining strong international brands and leading local brands. ■

### Strong growth in 'key' markets

Growth was remarkable in the two key markets of China and India.

China led the way, growing of 14% by volume in the wake of strong demand for Ultra-Premium and Prestige brands. Martell, Royal Salute, Ballantine's and Chivas Regal strengthened the Group's position in these segments (+1 point share of market to 44%). India grew by 25%: Royal Stag surpassed 11.5 million cases to become the leading brand by volume at Pernod Ricard. Blender's Pride, the other local Indian brand developed by the Group, reinforced its leadership in the Premium 'admix whisky' (whisky-based spirit) category. The major Premium international brands literally 'took off', achieving 36% growth.

Vietnam is a rising star with an amazing development of Martell, Chivas Regal, Royal Salute and Ballantine's. To make the most of these developments, the Pernod Ricard Vietnam subsidiary was established in April 2011, adding 96 new employees to the region.

Profiting from fast-growing passenger traffic, Travel Retail had a more than satisfactory year despite the last-quarter turmoil following the earthquake in Fukushima, Japan. The channel is posting double-digit growth, led by Chivas Regal, Royal Salute and ABSOLUT.

Korea, considered a mature market, was able to demonstrate the effectiveness of the Premiumisation strategy driven by the results of Ballantine's 17 Year Old and 21 Year Old, and the launch of the new Imperial Quantum 19 Year Old and 21 Year Old. Pernod Ricard achieved the number one position in Taiwan buoyed by significant market share gains in both the Scotch whisky and cognac segments. Finally, despite the country's difficult situation since the earthquake of 11 March 2011, the strong fundamentals of the Pernod Ricard Japan subsidiary allowed it to steady its results while maintaining a positive outlook. ■ ■ ■





## RANJEEKA SACHDEV

SENIOR MANAGER, HUMAN RESOURCES – **PERNOD RICARD INDIA**

*by Denis Rouvre*



**THAILAND: ABSOLUT PARC <sup>1</sup>**

ABSOLUT PARC offers daily concerts of the greatest DJs in Thailand. The event was held outdoors in the heart of Bangkok in front of the largest luxury shopping mall. The event was given full 360° media support with 13,500 new fans on Facebook<sup>(1)</sup> and 13 million hits on search engines.

**INDIA: Royal Salute Lounge at Delhi Duty Free <sup>2</sup>**

The first-ever exclusive Royal Salute lounge provided an intimate and exclusive environment, with dedicated hostesses offering tastings of the brand's blends. Consumers were also able to discover the iPad<sup>(1)</sup> application and beautiful bound books presenting Royal Salute's history and legacy.

**HONG KONG: Chivas, sponsor of the Asian Film Awards**

Chivas Regal was the official whisky partner at the glamorous 5th Asian Film Festival (21 March 2011) for the second consecutive year. Asia Film Awards launched in 2007, is the only platform in the world that brings together the best cinematic talents of Asia, drawing film fans and professionals from all across the globe.

**2010/2011 AT A GLANCE**

- Martell—Icon de Cordon Bleu: a premier photography prize in Singapore
- Martell—Vietnam: an artistic kick-off event combining structural art, music and performance art has been performed at the Ho Chi Minh City Opera House in order to announce the launch of the Masterpiece campaign for Martell XO
- Chivas—James & John launch in China, a new Chivas Regal range extension
- ABSOLUT—Art Collection Tour in India, Korea and China: an exhibition of 20 major artists
- Imperial 19 YO Quantum launch in Korea: an innovative bottle design
- Beefeater 24 launch—Tea Salon party in China: cocktails mixing and interactive programme

**Local brands strengthen the growth of high-end brands**

In Asia, all spirits categories were dynamic with Chivas Regal whisky and Martell cognac contributing the most to the volume increase in the Top 14 brands. Premiumisation and local brands impacted positively the overall growth. First, Asian consumers' taste for high-end products is striking. Pernod Ricard achieved excellent results on all of its Premium and Prestige ranges: Martell XO, Chivas Regal 18 Year Old and 25 Year Old, Royal Salute 21 Year Old and 38 Year Old, Ballantine's 21 Year Old and above, and Perrier-Jouët Belle Époque all posted growth of more than 20% by volume, gaining new market share. Moreover, the boom of the middle class drove growth of local Indian brands such as Royal Stag (+23%), Blender's Pride (+31%) and Imperial Blue (+26%). The emerging categories of international products such as vodka and malt whisky were extremely dynamic. Pernod Ricard benefitted from the growth of these segments as evidenced by the results of ABSOLUT, up 18%, and The Glenlivet, up 39%. The development of Pernod Ricard in Asia was supported by marketing activities to enhance the image of the Prestige brands

in the Group's portfolio. Examples include the opening of new dedicated boutiques showcasing Pernod Ricard's key brands such as the Martell boutique at the Kuala Lumpur airport and The Glenlivet Malt and Whisky Gallery in Taiwan. The year was marked by the success of new Ultra-Premium product launches such as Royal Salute 62 Gun Salute and Ballantine's 17 YO Distillery Signature Glenburgie, as well as exclusive sponsorships like Royal Salute's support for polo events in numerous markets (Gulf countries, India, China). Finally, the year was punctuated by a series of innovations. These include the launch of Chivas James & John in China, the innovative use of digital technologies to run The Glenlivet mentoring sessions and the Foursquare application for Chivas Regal in Japan.

(1) Facebook is a registered trademark of Facebook, Inc.  
(2) iPad is a registered trademark of Apple, Inc.





## AFRICA AND THE MIDDLE EAST

The Africa and the Middle East region has grown significantly. The events of the Arab Spring impacted just a few still secondary markets for Pernod Ricard.

To better capture the opportunities of this vast region, the Group decided in 2010 to split it in two: one entity covering the Middle East and North Africa, based in Paris, and another in charge of all of Sub-Saharan Africa, based in Cape Town. These entities are now fully operational.

Two brands are especially successful in this region: ABSOLUT and Chivas Regal both have great reputations and an excellent image in Africa and the Middle East. These two flagship brands drive the entire portfolio in fast-growing countries such as Lebanon and Israel, as well as Morocco and Angola. To the list one can also add Jameson, whose success in South Africa is growing, largely thanks to the launch in late 2010 of an exclusive product, Jameson Select Reserve. This success is felt in all neighbouring countries, including Mozambique, Namibia, and Botswana, and all the way to the nightclubs of Lagos in Nigeria.

This premium portfolio paves the way for Pernod Ricard to new distribution partnerships that will accelerate its development in the region.



## PACIFIC

In a highly competitive environment, the impact of ongoing over-supply and the resulting growth of private labels have led to a decline for branded wines in Australia. For Jacob's Creek the impact of this has been countered in part by strong marketing campaigns such as the Australian Open Tennis promotion and the continued development of new products such as Moscato and Regional Reserves. For key champagne and spirit brands some outstanding results have been posted led by G.H. Mumm +59%, Chivas Regal +20% and Jameson +6%. Strong distribution gains in the On Trade have also been a highlight for the year.

In New Zealand the disposal of Lindauer has made it possible to realign the entire portfolio around Brancott Estate and Jacob's Creek. The upshot: both of these brands have achieved double-digit growth, coming in at +11% and +15% respectively. The results have been driven largely by innovation with the launch for Brancott Estate of Sparkling Sauvignon Blanc and Pinot Noir and for Jacob's Creek the creation and launch of still Moscato and Sparkling Sauvignon. Brancott Estate's sponsorship of the 2011 Rugby World Cup has also generated significant excitement and will be a key driver for 2011/2012.

For Pacific Travel Retail there is good momentum driven activities on key brands with the Chivas 'Age Matters' campaign and the launch of Jacob's Creek Old and Rare. The Pacific Islands also performed strongly.

### KEY EVENTS



#### AUSTRALIA:

##### Sponsorship of Melbourne Cup Carnival <sup>1</sup>

G.H. Mumm became the official champagne of the Melbourne Cup (Australia's largest sporting and television event). This grew its awareness rate by 20 points to 50%.

#### NEW ZEALAND:

##### 'ABSOLUT Fashion' campaign <sup>2</sup>

ABSOLUT STUDIO was open to those attending 'Fashion Weekend' (24–25 September) and featured bands, DJs and ABSOLUT designer cocktails. Pernod Ricard New Zealand was able to increase brand preference above all other key vodkas.

#### TRAVEL RETAIL:

##### Jacob's Creek Cellar Collection <sup>3</sup>

Jacob's Creek Cellar Collection, a new range of museum wines, has boosted Jacob's Creek's brand image in Travel Retail.

#### SOUTH AFRICA:

##### Jameson Select Reserve <sup>4</sup>

This special edition of Jameson has been launched in South Africa with growing success.

# AMERICAS



## KEY FIGURES

**+5%**

NET SALES (ORGANIC GROWTH)

**+3%**

CHANGE IN PROFIT FROM  
RECURRING OPERATIONS  
(ORGANIC GROWTH)

## ORIGINS

Ten years of sustained organic growth and four major acquisitions have changed the scale of Pernod Ricard Americas: Austin Nichols & Co was acquired in 1980 (and later sold), Seagram in 2001, Allied Domecq in 2005, and ABSOLUT in 2008. The Group has maintained leading positions in North and South America through a region-wide distribution network. Since 2006, Pernod Ricard Americas has overseen all Group operations in the region.

## KEY POSITIONS

× 11 in volume growth and × 13 in net sales in the past decade. No. 2 player in volumes in the Americas: No. 1 in Mexico and Brazil, No. 2 in Canada, No. 3 in the United States, No. 1 in Premium vodka, gin, Irish whiskey (fastest growing category in the United States), No. 2 in Scotch whisky.

North America's progress was fuelled by economic improvement in the United States in 2010/2011, while South America, driven by Brazil, experienced an unprecedented cycle of growth. Amidst this complex economic landscape, Pernod Ricard Americas grew +5% (net sales). Increased and more finely-tuned investment in strategic brands and markets enabled this growth, confirming Pernod Ricard Americas as the second largest contributor for the Group. The United States remains Pernod Ricard's leading market. ■

Pernod Ricard Americas' performance was a result of the resurgence of the US market and continued leverage of strong growth in Latin America. The Group's comprehensive portfolio makes it ideally positioned to benefit from consumer trends. ABSOLUT showed strong performance regionally with +3% growth. The brand posted accelerated growth in Brazil and Argentina (+37% and +60% respectively) and gained market share in Brazil, Colombia, Venezuela and Canada. Pernod Ricard Americas gained market share in whisky in the United States and Mexico. Chivas Regal, backed by a successful investment strategy in Mexico and Brazil and a Hispanic focus in the United States, increased +7% regionally. Jameson, still the fastest-growing Premium spirit, was the driver of the Irish whiskey category. The brand reached 1.2 million cases in the United States through consumer and bartender preference, new advertising, and focused sales effort. Jameson added

yet another prestigious award to its collection with *Market Watch Spirits Brand of the Year*.

## Multiple launches in North America

In Canada, Corby regained momentum on key brands, whilst restoring investment levels. Despite a relatively stable spirits market, Pernod Ricard brands including Wiser's and ABSOLUT, grew in key categories such as Premium vodka, whiskies, and rum. Capitalising on the expansion of the wine category, Corby introduced Graffigna and released limited editions for brands such as G.H. Mumm Napa, Mumm Champagne, and Wyndham Estate. As for Jacob's Creek, the brand debuted new packaging, more Premium and environmentally friendly. On the frontline of innovation, Corby introduced ABSOLUT ELYX, Malibu Cocktails, and Malibu Limited Edition Snowflake. Building on the Wiser's ■ ■ ■





## MELISSA HANESWORTH

MANAGING DIRECTOR, FT. SMITH, ARKANSAS MANUFACTURING PLANT – **PERNOD RICARD USA**

*by Denis Rouvre*

## KEY EVENTS

**UNITED STATES:****Jameson surpasses 1 million cases 1**

Organic growth, consumer preference, campaigns, and digital strategy contributed to reaching 1.2 million cases.

**BRAZIL: Ballantine's 'Essencia' launch 2**

Ballantine's launched a localised campaign in the local Salvador market using Brazilian celebrities to better connect brand with this market.

**BRAZIL:****ABSOLUT Glimmer write with light 3**

Artist Haruo Kaneko used a neon light-filled ABSOLUT bottle to create a social media-generated spectacle.

**ARGENTINA:****Chivas Studio Punta del Este 4**

Chivas entertained 400 VIP guests with Scotch tastings, exquisite cocktails, and an exclusive performance by Crystal Waters.

**2010/2011 AT A GLANCE**

- ABSOLUT ELYX launch in Canada and Mexico
- ABSOLUT Wild Tea launched in the United States
- ABSOLUT 'Night' television campaign in Mexico and Brazil
- Launch of ABSOLUT San Francisco, infused with grape, dragon fruit and papaya
- ABSOLUT Watkins Duty Free exclusive
- Chivas *Manifesto* print and outdoor campaign across the region
- Jameson *Smoothest Revolution* television campaign in Mexico
- Ballantine's *Anti-Manifesto* television campaign in Mexico

success, two new television campaigns and an integrated digital platform were implemented.

Pernod Ricard USA made significant progress in regards to innovation and multicultural marketing. The company leveraged the strong Jameson momentum, and ABSOLUT returned to positive growth through innovation, strategic price implementations, and integrated communication platforms. Malibu drove growth through the 'Summer State of Mind' programme and continued innovation strides with the launch of Malibu Cocktails and a new high-proof coconut rum, Malibu Black. Malibu also released a new cranberry-cherry flavour chosen by consumers through the Malibu U-Choose contest. Kahlúa repositioned itself as a coffee-flavoured rum supported by an advertising campaign paying homage to Kahlúa's authenticity and Mexican heritage.

In Mexico, the economic environment improved, although security issues remained. Successful investment strategy leveraged category growth for the full whisky portfolio including Chivas Regal, Ballantine's, Jameson and Passport. Increased attention towards digital mar-

keting resulted in positive recognition for Jameson and Caribe Cooler (Google Awards—Best Interactive Strategy). Casa Pedro Domecq also captured opportunity of growing female consumption by developing strategies for ABSOLUT, Jameson and wines.

Among the dynamic Caribbean market, Pernod Ricard Americas Travel Retail enjoyed strong growth in the Dominican Republic whisky category, which Chivas Regal took advantage of with a +38% gain in volume.

**South America: developing strategic brands**

In a complex market, Pernod Ricard Venezuela succeeded to conquer market share leadership in whisky by building on Chivas 12 Year Old, Chivas 18 Year Old, and Something Special.

The very strong economic growth cycle in Brazil continued to attract new consumers, with all indicators showing strong development (+12%) including Premiumisation and growth in luxury consumption. The Group maintained its reigning volume position with its local leading brands, Orloff and Montilla. Strong investments were made in



growth categories, including whisky with Chivas and Ballantine's, and vodka, with ABSOLUT growing +37%. The Group is also closely monitoring break-out brands Perrier-Jouët, Royal Salute and Jameson. To win in the market, Pernod Ricard Brasil undertook creative brand activation, communication, and innovation to grow Premium brands, while using selective innovation to maintain strong position in local brands.

Pernod Ricard Argentina continued to deliver positive growth in the domestic market with a focus on the Group's strategic brands and an increase of profitability for key local brands including Blender's Pride Whisky and Colon Wine. Graffigna is at the heart of Argentina's efforts to leverage the full potential of the wine export business. Meanwhile, within the Andes Cone, Pernod Ricard Chile experienced double-digit growth for all priority brands.

### Route-to-success

In a region where continued recovery is anticipated, Pernod Ricard has a competitive platform for accelerated future growth. The Group is well aligned to take advantage of opportunities with its leading positions in the key high growth markets. Focus on value growth will continue and the levers that drive current successes will keep being activated: increased attention to prioritising investment behind strategic brands, sharper brand propositions, and optimized Route-to-Market.

As economic performance and social responsibility go hand in hand, the Americas region was committed to implementing Corporate Social Responsibility projects and adapting all actions to local legal environments.

### 2010/2011 AT A GLANCE

- Ballantine's and Diesel partnership in Argentina
- Launch of higher-proof Malibu Black in the United States
- Graffigna introduced to Canadian market
- *Caribe Cooler* digital campaign in Mexico
- *Wiser's Art Gallery* and *Off-Site* television campaign and digital platform in Canada

### KEY EVENTS



#### CARRIBEAN: 'Chivas Antigua Sailing Week' <sup>1</sup>

As a Diamond sponsor, Chivas Regal saluted the teams and celebrated the spirit of camaraderie.

#### MEXICO: 'Azteca de Oro' campaign <sup>2</sup>

A new campaign was released for the Premium Brandy, including television spots.

#### UNITED STATES:

##### ABSOLUT San Francisco launch <sup>3</sup>

1,400 guests attended the two launch events in San Francisco, celebrating freedom of expression and followed up on Twitter<sup>(1)</sup> and Facebook<sup>(2)</sup>.

#### CANADA/UNITED STATES:

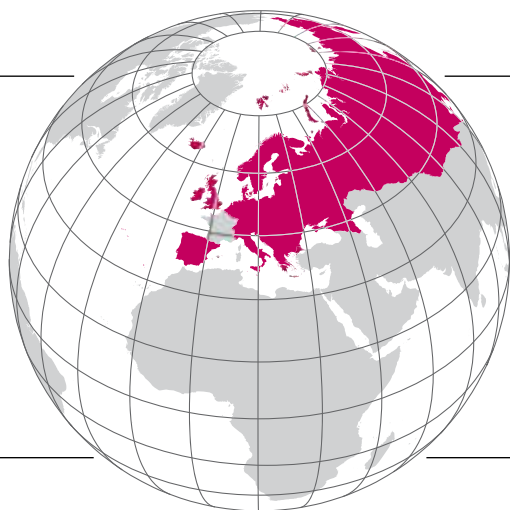
##### Malibu Cocktails launch <sup>4</sup>

Three ready-to-drink Malibu Cocktails were launched in North America: Rum Punch, Caribbean Cosmo and Tropical Mojito. The cocktails are presented in eco-friendly pouches.

[1] Twitter is a registered trademark of Twitter, Inc.

[2] Facebook is a registered trademark of Facebook, Inc.

# EUROPE



## KEY FIGURES

# Stable

NET SALES  
(ORGANIC GROWTH)

# +2%

CHANGE IN OPERATING PROFITS  
(ORGANIC GROWTH)

## HISTORY

Active in Europe since the Group's creation in 1975, Pernod Ricard is the only Wine & Spirits group with its own Market Companies in all European markets, except some very small ones such as Cyprus, Malta, Moldavia, Albania, Macedonia and Montenegro.

## KEY POSITIONS

**No. 1** group in Europe, including France. Leader in Central and Eastern Europe, the fastest growing part of the continent. Leader in the Premium and Super-Premium segments. Pernod Ricard in Europe has the strongest brand portfolios, owing to the combined power of its international brands and leading local brands such as Ramazzotti and Becherovka bitters, ArArAt brandy, Ruavieja liqueur, Aalborg aquavit, Ouzo Mini, Wyborowa and Luksusowa vodkas.

Market performances in Europe diverged more than ever: while some markets, mainly in Southern Europe, continued to suffer from a deepening economic crisis, others, especially in Eastern Europe, rebounded strongly. In this context Pernod Ricard managed to gain shares in most markets thanks to innovative products and brand activations, supported by a high level of advertising and promotion spending, back to 2008 levels. ■

## Western Europe

A depressed context has affected Western Europe and hit the spirits markets: austerity measures, high levels of unemployment and pressure from retailers have all contributed to squeeze volumes and margins. This has been particularly true in countries like Spain, Portugal and Greece. In Spain a smoking ban in public outlets from 1 January 2011 has temporarily amplified the market decline, although its effect should diminish over time.

In the UK the market has so far resisted relatively well, despite the austerity measures; consumers remain attached to their favourite spirits, an expense that they are not ready to question in a time of crisis. However the weakness of the Sterling Pound is an issue; it has made imported products more expensive, in particular Jacob's Creek and Brancott Estate wines. In contrast, in Germany, the economy has markedly improved, driven by exports. Spirits have benefitted from this upturn, showing some moderate growth. ■ ■ ■

In this difficult context Pernod Ricard brands have performed very well, gaining share in most countries. Both Ballantine's and Beefeater enjoyed share gains in Spain thanks to their very successful marketing campaigns and strong activity in all trade channels. Havana Club has continued its success story in all major markets, and Ramazzotti achieved strong volumes in Germany.

## Rebound in Eastern Europe

Central and Eastern Europe, where Pernod Ricard is the clear market leader, has enjoyed a return to growth. The engine of this growth has been Russia where the high-end consumers have resumed their pre 2008/2009 financial crisis spending habits, while the middle class appears to have recovered some of its purchasing power and is adopting western consumption habits. Poland and Ukraine are on a similar path; consumers are massively switching from ■ ■ ■



**CHRONIS PAPADOPOULOS**  
RESEARCH ANALYST – PERNOD RICARD HELLAS

*by Denis Rouvre*





#### UNITED KINGDOM: Malibu on Facebook<sup>(1)</sup> 1

Malibu launched a program on Facebook<sup>(1)</sup> to engage sociable female consumers (18-34) via Heat Magazine partnership, viral advertising, experiential brand activity, new products, and limited editions. Results: 56,000 fans in one year. Malibu UK page listed amongst TOP 25 best UK.



#### UNITED KINGDOM: Martell at London's Harrods's 2

Re-building prestige luxury cues for Martell was achieved via a "takeover" of Harrods through In Store Media, Ambient Placement in restaurant, menswear and 'By Appointment Only' events. An exclusive dinner was also hosted in the spirits shop.

## 2010/2011 AT A GLANCE

- Sale of Ambrosio Velasco (owner of Zoco Pacharán and Palacio de la Vega wines) to Diego Zamora
- Launch of ArArAt's new range
- Ballantine's 'Plan B' campaign, Carlos Jean "Lead the Way" hit music
- Jameson Cult Film Club events in several cities
- Malibu activity on Facebook<sup>(1)</sup>
- Havana Club Academia for bartenders in Spain
- Launch of ABSOLUT SVEA (limited edition)
- Distribution agreement signed with Antinori for Perrier-Jouët in Italy
- Strengthening of the structure of Pernod Ricard Istanbul (Turkey)
- Sale of Spanish wine brands Marques de Arienzo and Viña Eguia to a Spanish consortium
- Sale of Georgian Wines and Spirits to Marussia BV

local vodkas to international spirits, which are enjoying double-digit growth.

This is very beneficial to Pernod Ricard as it is the only international spirits group with its own distribution network across all countries of the former Soviet bloc. Its strong exposure to these fast growing countries has allowed Pernod Ricard to post higher growth rates than those of its competitors.

For international brands, Jameson and Ballantine's have been the stars of the portfolio (respectively in Russia/Ukraine and in Poland); ABSOLUT also grew in these huge vodka markets where, despite large local players, it has strong growth potential. ArArAt brandy was another great success of the year as its entire range was re-packaged and presented to the Armenian and Russian trade and consumers in April 2011.

With such promising prospects in Eastern Europe, Pernod Ricard decided to increase its investments directed to consumers and to trade clients back to what it was in 2008. It also increased the size of its sales structures to better cover the main regional cities (beyond the capitals) and to modernise the 'off-trade' circuit. These efforts are building strong foundations for future growth in the region.

## Growing the digital footprint

Consumers across Europe have continued to massively adopt digital technologies: PCs, tablets, smart phones. Pernod Ricard Europe has made the "move to digital" a priority for all its marketing efforts. New talents have been recruited and trained, and investments have been re-directed to ensure our brands have presence in all digital media. Some of these digital programmes generated strong peer recognition: after last year's Effie award for ArArAt, this year Pernod Ricard España got a SOL Award for its Ballantine's digital campaign in collaboration with DJ Carlos Jean.

## Influence of discounters

The transfer of consumption from bars to homes has continued, mainly in Western Europe, which, coupled with the decline of purchasing power of some consumer categories, has particularly benefitted the discounters. These points of sale tend to sell only their own products and very well-known category branded leaders. Discounters are very strong in Germany and are growing fast in countries like Spain and Poland. Pernod Ricard, thanks to its portfolio of leading international and local brands, is well placed to establish good relations with the players in this channel.

(1) Facebook is a registered trademark of Facebook, Inc.



Pernod Ricard also developed a series of studies on buying behaviour, including a major study conducted recently in Spain. By sharing the results with its retail customers, Pernod Ricard helps the Wine & Spirits distribution.

emerging part of the continent, where consumers aspire to discover the higher quality, international spirits. Thanks to its strong portfolio and excellent exposure to fast growing markets, Pernod Ricard will continue to win share in the continent.

## A deep attraction for international and Premium spirits

Innovation and Premiumisation will continue to be the key drivers of Pernod Ricard strategy in Europe. Innovation is key in declining markets, where the only way to generate growth is by gaining market shares. Premiumisation will remain relevant both in Western Europe, where consumers drink less but better, and in the

## KEY EVENTS



### CZECH REPUBLIC: Jameson Cult Film Club 1

In several European cities, Jameson literally decided to "bring Cult Films to life", with screenings organised in unique and exclusive locations in the presence of film stars, supported by Online Jameson Cult Film Club blogs.

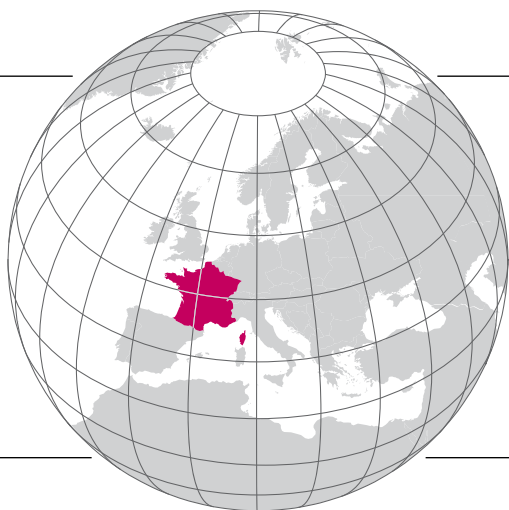
### SPAIN: Academia Havana Club 2

Pernod Ricard España created the First Reality Show of bartenders, live on Internet. Participants' selection has been made through cocktail bars & hotel management schools. Each participant received one week of educational programme covering technical skills, and also psychology classes and workshops on bar management. Fans voted online to choose the winner alongside an experts' jury. 2,000 bartenders followed the programme on Internet. 130 bartenders participated in the 8 castings.

### GREECE: art sponsorship by Chivas 3

In order to reach young adult premium drinkers (25-34 years-old ) Pernod Ricard Hellas sponsored an international team exhibition on contemporary art under the name "Zone D", which took place in the centre of Athens.

## FRANCE



In a slowly growing spirits market, the French Market Companies of Pernod and Ricard posted strong results on the large majority of their portfolios' brands. More specifically, the flagship brands have achieved remarkable performances: Ricard, Ballantine's, ABSOLUT, Havana Club, Perrier-Jouët and G.H.Mumm. Among other factors, this dynamic development reflects the many innovations launched throughout the year. ■



Société Ricard has maintained its leadership position in France with a market share of 18.3%<sup>(1)</sup>. It did so by emphasising the Premiumisation of its brands and capturing market trends with the launch of new products.

In the supermarket sector, the Company recorded strong performances for its portfolio's flagship brands: Perrier-Jouët (+24.9%), Ricard (+0.2%<sup>(1)</sup>), ABSOLUT (+18.3%<sup>(1)</sup>), Chivas Regal (+4.5%<sup>(1)</sup>), Jameson (+2.9%<sup>(1)</sup>) and Beefeater (+40.2%<sup>(1)</sup>) all grew at a robust pace.

### Winning over new consumer profiles

In a spirits market that grew by 1.1%<sup>(1)</sup>, Ricard created new opportunities and widened the gap with its competitors. The brand launched a new, more elegant and more modern bottle in February 2011 (see page 32). This innovation is expected to attract new consumers to the aperitif segment.

### High-profile partnerships for flagship brands

The release of the new Ricard bottle was accompanied by creative initiatives across the entire portfolio. Partnerships were established with high-profile designers to enhance the field of brand expression. One example is a special 'night' edition of the Clan Campbell bottle which glows in the

dark, created by Jean-Charles de Castelbajac.

Present at the Cannes Film Festival and the César Film Awards, Chivas Regal is growing as fast as the French whisky market. Société Ricard confirmed its position as French leader by value in this segment, with a market share of 16%<sup>(1)</sup>.

In addition, Jameson, for the second straight year, sold more than 200,000 cases and continued to raise its profile through the successful advertising campaign 'Jameson, The Smooth Whiskey'.

### Anticipating trends

2010/2011 confirmed the enormous boom in white spirits in France: the Ricard portfolio's vodkas, ABSOLUT and Orloff, saw strong growth, with respective increases of 18.3%<sup>(1)</sup> and 19.9%<sup>(1)</sup> in the retail channel.

The Group's brands gained placements in places renowned for their trendiness: the launch parties for ABSOLUT Illusion and the new Ricard bottle were notably held at the Colette concept-store in Paris.

In the modern liqueur market, off by 0.5%<sup>(1)</sup>, Ricard launched two products that reflect new modes of consumption: Malibu Fresh, with a mint-coconut flavour, and Malibu Cocktails, two ready-to-serve drinks in a 'mix-bag' pack.

## +3.6%

GROWTH IN SALES IN FRANCE  
ACROSS THE WHOLE PORTFOLIO

### KEY EVENTS



#### Malibu, differently 1

Malibu Fresh combines the freshness of mint with the sweetness of rum and coconut. It responds to consumer demand for more refreshing taste profiles.



#### Clan Campbell by Jean-Charles de Castelbajac 2

'JCDC' has partnered with the Clan Campbell brand to create a limited edition, glow-in-the-dark bottle for nightclubs. The bottle was presented to a gathering of distinguished guests at the artist's birthday party.

(1) Source: Nielsen, fiscal year as at 19 June 2011, by value.

## ORIGINS—PERNOD AND RICARD

In 1805, Henri-Louis Pernod founded Pernod-Fils.

Paul Ricard created Ricard pastis in 1932.

With one shot of Ricard for five shots of water, it was the first long drink *à la française*.

In 1975, together with Société Pernod, Ricard spearheaded the joint creation of the Pernod Ricard Group.

Previously competitors on the French market, the two companies joined forces and set off to conquer the international market.

## KEY POSITIONS

Société Ricard is the leader of the spirits market with a market share of 18.3%<sup>[1]</sup>. The Ricard brand is the leading aniseed spirits brand, and Clan Campbell is the **No. 1** whisky, by value, in France<sup>[2]</sup>.

In the Pernod brand portfolio, G.H.Mumm, Havana Club, Aberlour, and Suze are the leaders in their markets.

Ballantine's is the **No. 2** Premium whisky. With the two founding companies, the Group is **No. 1** in France for whiskies, aniseed spirits, bitters, Premium vodkas, and Premium rums.

[1] Source: Nielsen, fiscal year as at 19 June 2011, by value. [2] Source: 2010 IWSR Database and Nielsen 2010 Annual Report.



## Priority to strategic brands

The focus on the Pernod Ricard portfolio's strategic brands helped these to grow faster than the market, at a pace of 7%.

G.H.Mumm confirmed a sharp rebound in its growth, both in volumes and value, and Havana Club is now a significant source of growth for Pernod. Similarly, the Premium brands in the Pernod portfolio grew faster than the market. Most notably, 2011 capped five years of success for Ballantine's in France, where its sales for the financial year reached one million cases.

## A Pernod offensive

In 2010/2011, Pernod launched an international offensive for its brand, to improve its exposure in emerging markets.

The brand started off 2011/2012 with excellent prospects in the French market, amid the country's relaxation of rules on the consumption of absinthe in May 2011. Pernod will now be able to revive the glorious history of the brand and the company, through initiatives already launched in the United Kingdom and the United States, and thus regain its historical leadership in the absinthe segment.

## Multiple innovations

2010/2011 saw more than a dozen initiatives launched. These innovations concerned all products (Soho, Suze, Café de

KEY EVENTS

1



**Experiencing Ballantine's, the Kacper Hamilton way** 1  
Kacper Hamilton, a creative young designer, has reinvented the Scotch whisky-tasting ritual for Ballantine's. The 'Art of Tasting' gift pack invites enthusiasts to discover all the subtleties of Ballantine's 12-year-old Scotch whisky.

2



**G.H.Mumm Sword by Patrick Jouin** 2  
G.H.Mumm created a stir during the holiday season by unveiling a limited edition G.H.Mumm Sword, designed by Patrick Jouin, for the French market. This special object is the fruit of a new collaboration between the renowned designer and the Champagne House.

Paris) and services (e.g. sales initiatives for e-commerce and wine merchants, product personalisation).

Ultimately, these innovations—mainly developed and launched during the year—generated a one-million-euro increase in sales.

Riding this momentum in a context of weak growth, Pernod is pursuing its strategy of Premiumisation, sustained by a series of innovations based on ideas that address the needs of its customers and consumers.

# +3.8%

IN NET SALES IN FRANCE  
ACROSS THE WHOLE PORTFOLIO





# INNOVATING *for* A RESPONSIBLE COMPANY

Since it was founded, Pernod Ricard has had an innovative approach to CSR that permeates all levels of the Company. The Group has adopted an innovative and powerful human resources policy that encourages diversity and talent development. It has established itself as a trailblazer for responsible drinking, working beyond legal requirements. On the environment, the Group has always taken a proactive stance, firmly rooted in the lands that gave birth to its brands. And Pernod Ricard is committed to society, supporting many different cultural and social initiatives in line with the Group's values. ■

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# INTERVIEW



## BRUNO RAIN

- **1987:** Started out as an internal auditor in the Holding Company, subsequently Chief Financial Officer of the SEGM (now Pernod Ricard Europe).
- **1994:** Joined the Holding Company as Group Chief Financial Officer.
- **1997:** Appointed Chairman and Chief Executive of Pernod Ricard Argentina (Andes cluster).
- **March 2000:** Chairman and CEO of Pernod Ricard España.
- **September 2006:** Appointed Group Managing Director, responsible for Human Resources, and, since July 2010, Corporate Social Responsibility.

## BRUNO RAIN

MANAGING DIRECTOR,  
HUMAN RESOURCES AND  
CORPORATE  
SOCIAL RESPONSIBILITY

In the area of Human Resources, how would you assess the past year?

— The year was very rich in initiatives. The cross-functional working groups that we set up last year came up with a number of interesting ideas using a 'bottom up' principle that reflects our way of working. This year, the task was to deliver projects related to the recommendations. This led to the development of ambitious, processes and tools shared by the whole Group in support of its performance.

The Pernod Ricard model is based on a culture of decentralisation and conviviality. How does it create value?

— The way that Pernod Ricard came about and the nature of its business spawned a unique culture that is both its strength and the glue that binds it together. To better share and transmit this culture, we decided to formalise its key principles in our new Charter. Originally, the Group was a federation of small businesses that grew under the impetus of entrepreneurs—I would almost say explorers—who set up the local structures. All of these 'bosses' had in common a strong sense of responsibility and commitment. This is the same spirit that we find in our Managers today. Alongside the entrepreneurial spirit that characterises it, our Group has developed a style of convivial relationships based on mutual trust—a direct legacy of the personality of its original management team, starting with Paul Ricard. This culture, which prizes autonomy and accountability while encouraging dialogue and sharing of experiences at all levels, is in itself a lever



“

This culture, which prizes autonomy and accountability, is in itself a lever for creativity and innovation. The challenge is to encourage the development of creative leaders.”

for creativity and innovation. And because it creates the conditions for a working environment that is motivating and respectful to all, it is also a considerable factor in individual and collective commitment and an accelerator of performance.

We were, in fact, able to fully measure this commitment this year with the global opinion survey we conducted to evaluate the Group's social climate, subsidi-

ary by subsidiary. We've received the very first results of this survey just as this Annual Report is going to press. What have we learned? In a first sign of our employees' strong commitment, the participation rate was very high: over 80%! It's a score rarely achieved according to the benchmark data of Towers Watson, the firm assisting us this year. The results are the same for most of the items surveyed. Key amongst



## THE PERNOD RICARD LEADERSHIP MODEL

Pernod Ricard is committed to a participative style of management, so that General Management relies on teams led by talented Managers with strong leadership skills to inspire and motivate people. All Managers are encouraged to develop a combination of six key competencies which form the Pernod Ricard Leadership Model.

STRATEGIC VISION	OVERALL MINDSET Balancing high-level strategic thinking with pragmatic implementation and operational management.
ENTREPRENEURSHIP	
RESULTS ORIENTATION	CORE FOCUS Being a role model and delivering results in the Pernod Ricard way while continually adopting a creative approach to the business.
LIVE THE VALUES	
PEOPLE DEVELOPMENT	PEOPLE PERSPECTIVE Recognizing and developing both individual talent and collective team abilities.
TEAM MANAGEMENT	





“

Pernod Ricard strongly believes that business performance and social responsibility go hand in hand.”



these figures today: 95% of our Group's employees are proud to be a part of Pernod Ricard, and nearly 60% of them are described as “very committed”, when the norm is 40%. Such excellent results should not let us forget that we need to maintain our efforts to promote diversity and mobility, to spread the spirit of leadership. These are the challenges that Agility seeks to address.

**Human Resources are an essential vehicle for spreading your culture of innovation and creativity. What priorities have you defined, and on what issues?**

— Sharing experiences, cross-fertilisation of skills and career paths are a key within the Group to develop the open-mindedness and capacity to create and innovate that are central to our culture and our model. Diversity in culture, origin, and gender is the engine of this creativity. On this point, the Group has made significant strides, particularly in developing international mobility in emerging countries and in encouraging the advancement of women.

A perfect illustration of this policy is the recent appointment of Anna Malmhake as CEO of Irish Distillers and her resulting admission to Group Executive Committee. This dynamic of promoting talent is a source of enrichment and commitment, and we need to further step up its pace. With this in mind, we've developed a Group-wide Human Resources Management toolkit. Such tools should ensure total fairness and transparency by allowing us to standardise our processes. This toolkit has three components: Jobs, Skills and People. 'Job Banding' classifies the Group's

key positions; 'Leadership Model & Performance' measures employees' performance in the positions they occupy; and 'Diversity & Talent Management' identifies talent in order to develop the potential for internal advancement.

The aim, through these measures, is to have a set of effective tools to identify high-potential employees, recognise them and help them to develop by creating motivating conditions of evaluation and mobility.

**How are you going to develop this culture of leadership?**

— The challenge is to encourage the development of creative leaders who can motivate their teams by instilling a culture of innovation, and who are also able to identify and grow talent. It's with that in mind that we developed the 'Leadership Skills Set', a repository that describes the key competencies of leaders, as well as the desired behaviours. This repository will be standardised with 'iLead', a talent assessment tool to be used by the entire Group. This tool will allow us to identify high-potential employees and to create for them, based on needs, a career path that is tailored to their aspirations. To meet this challenge, we have among other things created the Pernod Ricard University. As of next year, it will offer targeted programmes to support employees throughout their careers and to develop their leadership skills. It will also provide a forum for dialogue and sharing, helping to convey the Group's values and spirit to our people.

“

CSR is encoded in our DNA, a legacy of the Group's Founders who, long before sustainable development was in vogue, were committed to these issues.”

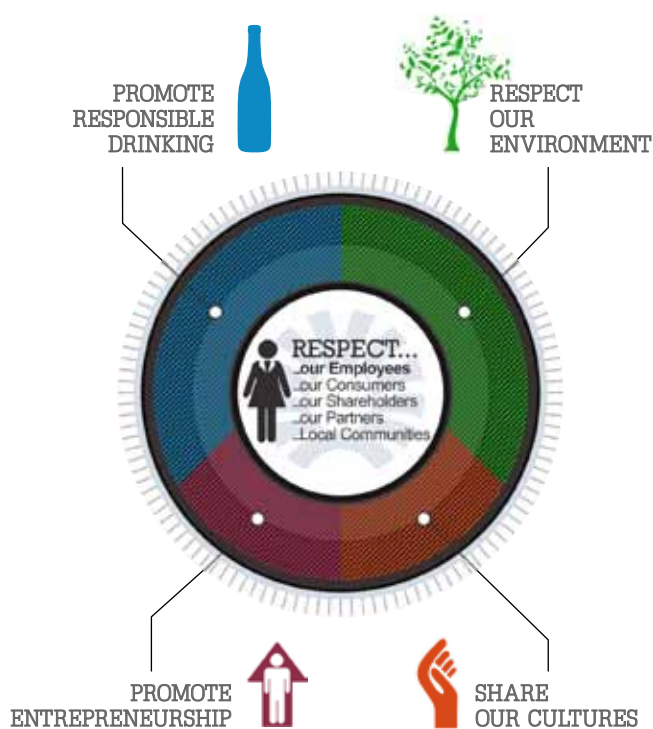


Your commitment to Corporate Social Responsibility (CSR), especially by promoting responsible drinking, seems to have made important advances. What were the defining events of the past year in this area?

— Our commitment is not new: the Group, through the actions of its Founders, played a pioneering role in making the case for CSR and promoting responsible drinking of its products before it was in vogue. Some examples: Pernod Ricard is a founding member of a number of associations working to prevent the risks linked to inappropriate or excessive alcohol consumption, such as IREB (French Institute for Scientific Research on Alcoholic Beverages), EFRD (European Forum for Responsible Drinking), and others. For their part, the subsidiaries have always led multiple initiatives very effectively. Our aim is to give this effort—which motivates us and is expressed in a wide variety of actions—an overarching purpose, a sense of unity, and ultimately, greater visibility both inside and outside the Company. We first wanted to express this dynamic with our 18,000 employees, by establishing a special day observed by the entire Group: the Responsib'ALL Day. Devoted to preventing the risks of drink driving, the purpose of the day was to mobilise everyone through several activities: an exhibit on good practices, expert-led seminars and public awareness efforts. In the highlight of this event, all employees were invited to get personally involved by writing down the nature of their commitment.



## CSR PLATFORM





More than 15,000 of them accepted the challenge, which is, again, a strong sign of their commitment. Thanks to a very positive feedback on the day, as shown by a subsequent survey, we will hold the event again next year on another key theme of our prevention policy: alcohol and youth.

**To further advance the CSR effort, you have also developed new tools. What are they?**

— We built a new CSR platform based on three fundamentals: our business, our culture and our identity. It is supported and represented by our 18,000 employees. We then set up an organisation to adapt this platform locally, according to the priorities of each country. This organisation is based on two structures: firstly, a special advisory committee whose mission is to facilitate the implementation of CSR and support the subsidiaries; secondly, a network of CSR leaders made up of employees from 70 countries, representing all

departments and reporting levels, who work under the direction of their subsidiary.

**What are the keys to the success of this approach?**

— Our employees are our front-line ambassadors, so it is essential that everyone feel involved. In order to encourage appropriation of this new platform and especially its adaptation to local contexts, we decided to involve them through a cascading training programme. By May 2011, more than 15,000 employees had been trained in CSR. Meanwhile, dedicated handbooks for CSR leaders and Managers have reinforced existing tools, such as the Pernod Ricard Commercial Communications Code and the new Group Charter that formalises the positioning of the CSR strategy. We also broke new ground by rolling out an e-learning training tool and a new CSR website. All these tools will allow us to lead our CSR policy in a more dynamic way and make it a source of continuous progress.

## A SUSTAINABLE COMMITMENT

### ● HUMAN RESOURCES

**1938** • Ricard introduces employee shareholding.  
**1986** • Establishment of stock-options plans.  
**2006** • Pernod Ricard launches a Sustainable Development Charter with concrete commitments to employees, consumers, shareholders, suppliers and partners.  
**2007** • Introduction of bonus share awards.  
**2008** • Start of new expatriation policy.  
**2010** • Launch of iMove, the Group's internal mobility platform.

### ● RESPONSIBLE DRINKING

**1971** • Jean Hémard, Chairman of Pernod, creates the IREB, the *Institut de recherches scientifiques sur les boissons* [French Institute for Scientific Research on Alcoholic Beverages].  
**1990** • Pernod Ricard is a founding member of the EFRD (European Forum for Responsible Drinking) which promotes responsible drinking and encourages companies in the industry to adopt self-regulating standards in commercial communications.  
**2005** • The Group introduces self-regulation on the advertising campaigns for its strategic brands.  
**2011** • The Group organises the first Responsib'ALL Day, a day of action and prevention mobilising all employees around the world.

### ● ENVIRONMENT

**1966** • Paul Ricard creates the Oceanographic Institute at Les Embiez.  
**1970** • Martell founds the Revico company to process stillage from the Cognac region using anaerobic digestion.  
**2004** • The Group adopts a comprehensive Quality, Safety, Environment policy.  
**2010/2011** • Endorsement of the United Nations CEO Water Mandate and the French National Strategy for Biodiversity.

### ● CULTURAL AND SOCIAL SOLIDARITY INITIATIVES

**1975** • Pernod Ricard initiates its collection of original art; a commissioned work of art is used to illustrate the cover of each Annual Report.  
**1997** • Pernod Ricard becomes a partner of the Centre Pompidou, one of the world's most important museums with Europe's largest collection of modern and contemporary art.  
**2006** • Creation of the Ricard Corporate Foundation.





KRISTINA LILJEGREN  
BRAND MANAGER – PERNOD RICARD DENMARK

by Denis Rouvre



PRIORITIES	CHALLENGES	COMMITMENTS
<b>1</b> <b>HUMAN RESOURCES</b>	<ul style="list-style-type: none"> <li>Promote a 'Pernod Ricard' managerial style within each entity</li> <li>Develop a 'feedback culture' for smooth relations between managers and employees</li> <li>Involve employees in changes in their environment (social climate, business performance and communications) so that they identify with the founding values of Pernod Ricard</li> </ul>	<p><b>Strengthen the managerial model based on a repository of core competencies</b></p> <p><b>Increase transparency and objectivity in the skills assessment process</b></p> <p><b>Encourage and reward Group and individual performance</b></p>
<b>2</b> <b>RESPONSIBLE DRINKING</b>	<ul style="list-style-type: none"> <li>Ensure responsible promotion of our brands</li> <li>Reduce driving accidents linked to alcohol consumption</li> <li>Reduce and/or eliminate the inappropriate consumption of our brands, particularly in at-risk populations (pregnant women, minors and young adults)</li> <li>Involve Group employees</li> </ul>	<p><b>Apply the Code on Commercial Communications to all subsidiaries</b></p> <p><b>Promote the checking of blood alcohol content (BAC) and the Designated Driver concept</b></p> <p><b>Raise awareness and educate at-risk populations about inappropriate consumption of our brands and the consequences: discourage all drinking by minors and pregnant women; prevent irresponsible drinking by young adults</b></p> <p><b>Turn all Group employees into ambassadors of the responsible drinking policy</b></p>
<b>3</b> <b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>Conserve natural resources and respect the environment</li> </ul>	<p><b>Deploy an efficient environmental management system</b></p> <p><b>Promote sustainable agriculture and biodiversity conservation</b></p> <p><b>Conserve water resources locally</b></p> <p><b>Reduce energy consumption</b></p> <p><b>Measure and reduce greenhouse gas emissions</b></p> <p><b>Reduce the impact of waste and packaging</b></p>
<b>SUPPLIERS AND PARTNERS</b>	<ul style="list-style-type: none"> <li>Encourage suppliers and partners to make a commitment to Sustainable Development</li> </ul>	<p><b>Influence our suppliers so that they act responsibly all along the value chain</b></p>
<b>4</b> <b>CULTURAL AND SOCIAL SOLIDARITY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Promote contemporary art and design</li> <li>Promote the emergence of young talent</li> <li>Make art accessible to the greatest number</li> <li>Encourage sustainable 'social entrepreneurship' efforts at the grass-roots level</li> </ul>	<p><b>Nourish creative passion through concrete actions</b></p> <p><b>Support creativity and the entrepreneurial spirit in all their aspects</b></p> <p><b>Encourage the artistic initiatives of our long-term partners</b></p> <p><b>Make each employee an actor in social solidarity</b></p>

## ACTIONS TAKEN

- Definition and deployment of a Group leadership model.
- Creation of a global tool for evaluating individual performance (iLead).
- Definition of talent categories and development of the Corporate HR structure for managing talent.
- Application of a uniform methodology for jobs classification.
- Launch of a global opinion survey.
- Definition of the bases for the Pernod Ricard University.
- Incorporation of Diversity criteria in internal mobility processes.

## INDICATORS

**40%**  
of outside recruits are women

**2.53%**  
of payroll invested in training

**98**  
international movements of expatriate employees over the period

**82%**  
of employees received an annual performance review

**1,030**  
recipients of stock-options or bonus shares

- Prior review by the internal Panel—mandatory for strategic brands and strongly recommended for local brands.
- Review of new media [digital marketing].
- Awareness campaigns aimed at consumers.
- Preventative actions undertaken with experts and NGOs (e.g., the Prata Om Alkohol project in Sweden).
- Inclusion of the 'pregnant woman' pictogram on all bottles sold in Europe and gradual expansion to countries outside the European Union.
- Prevention efforts amongst young adults (e.g. Responsible Party programme in partnership with Erasmus Student Network).
- Training of all Pernod Ricard employees in Corporate Social Responsibility.
- Organisation of a global CSR day for all employees with, this year, a focus on combatting drink-driving.

**99.7%**  
of campaigns reviewed were in compliance with the Pernod Ricard Code in 2010/2011

**15,031**  
employees trained in CSR

**100%**  
of subsidiaries participated in a day of action against drink-driving

**More than 50 countries**  
are conducting projects to raise awareness on responsible drinking

- Continuation of ISO 14001 certification programme for industrial sites.
- Creation of an environmental road map for industrial and distribution sites.
- Development of an environmental training seminar.
- Adoption of stringent standards for agricultural farmland operated by the Group and promotion of these standards to suppliers of agricultural materials.
- Pernod Ricard's endorsement of the United Nations CEO Water Mandate.
- General installation of water meters.
- Mapping of sites located in areas of water stress.
- Measurement of the 'Water Footprint' for whisky production in India.
- Investments to improve the energy efficiency of distilleries.
- Completion of energy audits and initiation of programmes to optimize energy use.
- Measurement of carbon footprint at production sites.
- Development of a tool for calculating the carbon footprint of distribution subsidiaries.
- Actions to reduce the carbon footprint related to packaging and logistics.
- Transition to the use of renewable energies.
- Continued work on eco-design.
- Reduction of the bottle weights of various brands, including Jacob's Creek wine.
- Establishment of a waste recycling channel.

**96%**  
of product volumes come from ISO 14001-certified sites

**74%**  
of the vineyards operated by the Group are environmentally certified

**24%**  
Savings in water consumption per litre of distilled alcohol between 2007/2008 and 2010/2011

**20%**  
Reduction of energy consumed per litre of distilled alcohol between 2007/2008 and 2010/2011

**90%**  
of production sites have calculated their carbon footprint

**84%**  
of solid waste recycled

- Monitoring suppliers with a questionnaire about their social and environmental commitments.
- Dialogue to assess their commitment and action plans for reducing the environmental footprint.

**89%**  
of strategic suppliers responded to the questionnaire created in 2006

- A historic collaboration with the Centre Pompidou, and patronage of the Virtual Centre Pompidou.
- Extension of efforts to promote cultural diversity: renewed commitment to musée du quai Branly, and funding of Charles Sandison's installation, *The River*.
- Forum offered to an internationally renowned artist-photographer: Denis Rouvre, through the 2010/2011 Annual Report and an exhibit of his works.
- Help for young Vietnamese entrepreneurs through partnership with the non-profit association, APPEL.

The culture of leadership is inherent in the values and the history of Pernod Ricard. It is what drives its performance. To accelerate its promotion, in 2011, the Group set out to create and deploy tools and processes common to all its subsidiaries<sup>(1)</sup>. ■

## BECOMING LEADER(S)



The Diversity and Talent policy aims to let employees express their full potential, whatever their nationality, gender or background... It is essential to build their loyalty and motivate them within Pernod Ricard. With this in mind, we have implemented a comprehensive process of identifying talent and developing leadership and have formed a dedicated HR team to effectively guide it. Our mission is to ensure that the Group has the best talent in the right places at the right time. It is also to provide visibility and opportunities for career development to employees.”

JAIME JORDANA  
GROUP HUMAN RESOURCES  
DEVELOPMENT DIRECTOR

### Collective and individual performance

The Pernod Ricard culture is epitomised by three values that shape the Group's DNA: an entrepreneurial spirit, mutual trust and a strong sense of ethics. The direct legacy of a unique business model based on decentralisation, the Pernod Ricard culture is shared by all of its 18,226 employees. Every day, it is guided by a shared attitude that is a source of conviviality and team spirit, reflected in the simplicity of relationships and the rewarding of success.

### Ambitious HR tools and processes

Pernod Ricard's culture is the lever of its creativity and continual innovation. The Group has formalised its key principles, in terms of organising work, attitude, leadership and talent development, in the Charter updated in early 2011 and distributed to all employees. To support and optimise this powerful model, effective processes and tools for human resources management have been developed that are common to the whole Group, based on work done in consultation with all subsidiaries (see opposite). These significant changes were accompanied by the redesign of the Human Resources Intranet, in order to ease the roll-out of these methods and practices within the Group.

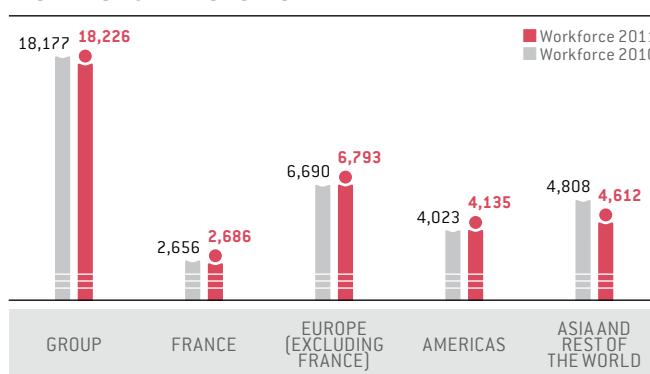
### Three key projects for the future

Managing talent, promoting diversity, and mobility are key factors in the growth of Pernod Ricard. Three HR projects were thus initiated in these fields to encourage a policy that is efficient, motivating and standardised throughout the Group:

- 'Job Banding' consists in developing an objective methodology for qualifying positions, with a focus on classifying the Group's key positions and sizing up their level of responsibility. This task provides a unique framework for measuring the contribution of a job to the organisation and identifying natural bridges for advancement within the Group;

[1] For more detailed Group data, see the 2010/2011 Reference Document.

### WORKFORCE EVOLUTION





“We execute our leadership model across all activities through various methods and we encourage our Managers to use this model to evaluate performance.”

**ANDREW DAVIE**  
HR DIRECTOR,  
PREMIUM WINE BRANDS



“Working groups have been set up in our subsidiaries to adapt existing skills assessment tools to the Pernod Ricard leadership model. To ensure overall consistency, the subsidiaries share their best practices, from Argentina to Canada.”

**CÉDRIC RAMAT**  
VP HUMAN RESOURCES,  
PERNOD RICARD AMERICAS



“Pernod Ricard’s leadership model is fully consistent with the entrepreneurial spirit and our decentralised organisation. Our priority is to promote it at all levels. For this, we’ve deployed a number of processes, adapting them to the Asian cultural environment. These include team building exercises, business excellence programmes, and change management projects.”

**BERNARD COULATY**  
VP HUMAN RESOURCES,  
PERNOD RICARD ASIA



“At Pernod Ricard Europe, the identification, development and international mobility of talent is a key factor in success. With each regional subsidiary, we conduct reviews of our employees’ potential. During this annual meeting, with the General Managers and Human Resources Directors we discuss the opportunities for growth and development of recognised and emerging talent.”

**BRUNO GOIMIER**  
VP HUMAN RESOURCES,  
PERNOD RICARD EUROPE

- ‘Leadership & Performance’ project, which comprises a repository of skills and associated behaviours to define the model of leadership desired within the Group, and a standard tool for measuring performance;
- Lastly, ‘Diversity & Talent Management’ includes tools for the dynamic management of career paths and talent on a Group-wide basis through various processes: the management of talent pools, talent development reviews, careers committees, training courses, etc.

#### KEY FIGURES

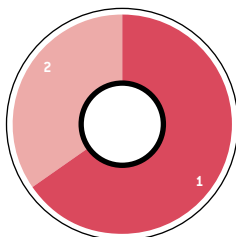
**18,226**

EMPLOYEES AT  
30 JUNE 2011

**6,257**

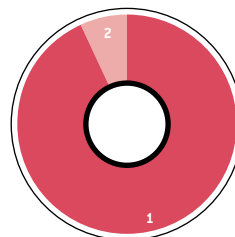
EMPLOYEES WORKING ON  
COMMERCIAL DEVELOPMENT

#### BREAKDOWN OF THE WORKFORCE BY GENDER



(1) Men ..... **65%**  
(2) Women ..... **35%**

#### BREAKDOWN OF THE WORKFORCE BY CONTRACT TYPE



(1) Permanent contract ..... **93%**  
(2) Fixed-term contract ..... **7%**



GOOD  
PRACTICES**WOMEN IN BUSINESS:  
AN INNOVATIVE PROGRAMME**

Pernod Ricard employees are taking part in a programme set up by the École Normale Supérieure de Paris, through the Pernod Ricard University, which includes monthly meetings with women executives and will culminate in the creation of a 'Women's Business Dictionary'. As explained by Susan Gustafsson, General Counsel of Martell Mumm Perrier-Jouët and Amélie Virat, Head of Group Management Control, it's an opportunity to share experiences: *"The idea is to hold discussions centred on expert opinions [of sociologists, political analysts, journalists, psychologists] and to compare best practices. This tangible and practical approach provides interesting food for thought to the Group, which will allow it to advance in this area."*

**PERNOD RICARD ITALIA:  
PROMOTING DIVERSITY  
RIGHT FROM  
THE RECRUITMENT PHASE**

Together with students from the prestigious Bocconi University business school in Milan, Pernod Ricard Italia launched a game called 'The Spirit of Entrepreneurship'. For two months, 25 teams of four students worked on a case study of the Havana Club brand. The winner received a prize. The game created a sensation, and attracted many candidates. Its success has encouraged Pernod Ricard Italia to repeat it, with the support of other subsidiaries.

# MOBILITY AND DIVERSITY, DRIVERS OF PERFORMANCE

**Mobility: a new priority**

A key element of talent development, mobility has been made a top priority. The Group-wide establishment of common expatriation processes, accompanied by targeted assistance tools, stepped up the dynamic of internal moves. These rose significantly, and were highly diversified in terms of expatriates' country of origin, their gender (15% of expatriates in 2011 were women, compared to 2% in 2008) and their function (11 job categories affected by mobility).

**Diversity: ever greater efforts**

A reality at Pernod Ricard, diversity primarily relates to origin, related to the Group's multiculturalism. The male/female component has also made significant progress, thanks to stepped up internal promotions. Emblematic initiatives were launched during the year. For example, as part of the creation of the Pernod Ricard University, the Group joined with the École Normale Supérieure for a three-year programme to develop a dictionary on the world of women in business (see sidebar). The Holding Company also staged an initiative to reach out to employees with disabilities through two events: a theatrical performance and the distribution of a booklet called *'Tous concernés'* ('All concerned'). In turn, the subsidiaries launched original actions, exemplified by Pernod Ricard Italia and its 'business game' (see sidebar) to attract top international talent.

## KEY FIGURE

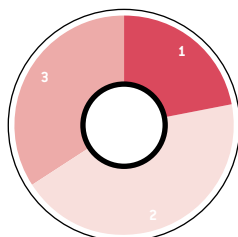
151

INTERNAL MOVEMENTS OR  
TRANSFERS RECORDED  
IN THE GROUP IN 2010/2011

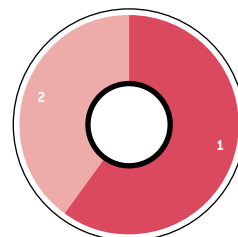
## KEY FIGURE

1,200

POSITIONS HAVE BEEN POSTED ON  
iMOVE<sup>(1)</sup> SINCE ITS LAUNCH, AND  
NEARLY 50 EMPLOYEES  
ARE APPLYING EACH MONTH.

RECRUITMENT BREAKDOWN  
BY BUSINESS LINE

(1) Production/Industrial ..... 22%  
(2) Sales ..... 44%  
(3) Support functions ..... 34%

RECRUITMENT BREAKDOWN  
BY GENDER

(1) Men ..... 60%  
(2) Women ..... 40%

[1] iMove—both an internal employment exchange and an external recruitment platform—lists job vacancies within the Group. The tool has provided the technical framework and transparency necessary for developing our culture of mobility.

# PROMOTING TALENT

## Recognising and developing high-potential employees

Integration programmes, annual development and performance appraisal interviews, training courses... the HR processes in place at Pernod Ricard encourage the personal and professional development of its employees. This year, the Group decided to go further, implementing a system of talent development called iLead. Shared by the entire Group, iLead relies on a leadership model defined by a repository of key competencies and formalised by a talent assessment tool. Supplemented by management reviews and succession plans for key Group posts, this tool is an essential mechanism for identifying and selecting talent.

## A university to grow talent

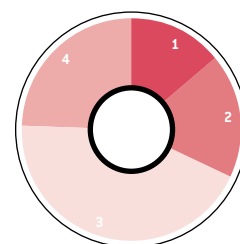
To support the development of its talent and train future leaders while encouraging diversity, the Group has created the Pernod Ricard University. Its mission, beyond local training plans and the offerings of the Pernod Ricard Training Centre, will be to support employees throughout their careers through innovative and ambitious training courses.

## KEY FIGURE

**+22%**

INCREASE IN NUMBER OF HOURS  
TRAINING PROVIDED BETWEEN  
2009/2010 AND 2010/2011

## BREAKDOWN OF GROUP TRAINING HOURS BY SOCIOPROFESSIONAL CATEGORY



(1) Workers .....	14%
(2) Office staff.....	18%
(3) Supervisors.....	45%
(4) Executives and Managers.....	23%

## GOOD PRACTICES



## INNOVATIVE WAYS OF RECRUITING

Proactive recruitment policies, centred on the use of new technologies, have been initiated to identify top candidates. For example, Pernod Ricard USA has made Twitter<sup>(1)</sup> its preferred recruitment tool and has added a Human Resources Manager devoted exclusively to coordinating a LinkedIn<sup>(2)</sup> professional network. At Irish Distillers, the Human Resources Department has successfully adapted its recruitment techniques to the next generation of graduates, building an interactive recruitment platform which includes a video presentation of candidates and a discussion forum on Facebook<sup>(3)</sup>. This innovative approach has earned the subsidiary numerous awards, including the Best Recruiter Award in Ireland.

## DEVELOPING MANAGER LEADERSHIP

To better accompany its development, Pernod Ricard China initiated an ambitious leadership development programme for its 50 General Managers, Senior Managers and Business Directors. For several months, they followed various training modules to improve their managerial skills and learn the essential behaviours associated with leadership. "We alternated theoretical learning with practical scenarios, focusing mainly on the development of talent, the key to effective management" said Angel Li, Human Resources Director. The initiative was elected the Best Human Resources Practice of 2010/2011 at Pernod Ricard.

[1] Twitter is a registered trademark of Twitter, Inc. [2] LinkedIn is a registered trademark of LinkedIn Corporate. [3] Facebook is a registered trademark of Facebook, Inc.

GOOD  
PRACTICE



**MARTELL:  
AN IN-HOUSE ERGONOMIST**

Arriving in September 2008 at Martell, Hélène Dereumaux is an ergonomist and workplace consultant. Her role is to improve the working conditions of employees. She also assists people with disabilities and older workers. Her field of action has been expanded over time, based on a three-year plan approved by the Executive Committee. *"Every day, I offer support to employees who are having difficulties in performing their jobs. I help to accommodate workstations and schedules, and I organise awareness training on risk prevention. For example, I helped implement an action plan to eliminate the carrying of full cases. The first results of my mission include a decline in absenteeism."*



## LISTENING TO EMPLOYEES

### Well-being at work: a priority

Many subsidiaries are going beyond the requirements of legislation in taking steps to improve working conditions. For example, at Martell Mumm Perrier-Jouët, an ergonomist was recruited to lead an ambitious, three-year health and safety programme. In New Zealand and Australia, the Health & Well-Being programme proposes a full set of actions to promote employee well-being, such as compensation to employees who practice a sport, a nutritional advice programme, incentives for influenza vaccines, and more. Other subsidiaries are also engaged in actions of this nature: in a country where companies are not required to set aside contributions for their employees, Pernod Ricard South Africa has chosen to set up a fund to provide its employees with health coverage and retirement benefits.

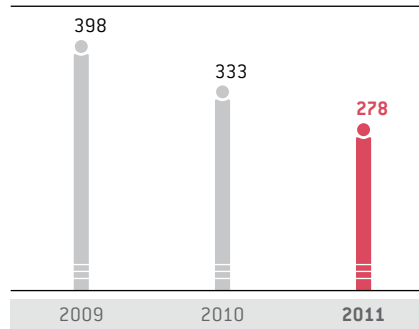
### Closer dialogue with employees

The Pernod Ricard European Committee aims to ensure the broad information of Group employees and their representatives at the European level. Whether on the economic and financial situation, professional training, geographic mobility, workplace health and safety or other issues, this forum allows employee delegates to interact in all transparency with the General Management on all matters during the year. In 2010, 25 representatives (half of them new, following elections) participated in a financial initiation programme to help them better understand and analyse the Company's financial results.

### A social barometer on a global scale

To measure the commitment of its employees, in June 2011 Pernod Ricard launched a comprehensive opinion survey of all Group employees (available in 34 languages, in electronic or paper versions). Goal: to obtain everyone's opinion on key topics such as the environment, labour relations, the corporate culture, communications, the sense of belonging, and more. After analysing the 13 topics addressed, targeted action plans will be developed. The process will be repeated every two years. For this first survey, the employee participation rate topped 80%.

### NUMBER OF OCCUPATIONAL ACCIDENTS RESULTING IN SICK LEAVE<sup>(1)</sup>



[1] Frequency: number of accidents with sick leave of more than one day occurring in a 12-month period per million work hours.





## THIERRY DUFOUR

FACILITIES EMPLOYEE – PERNOD RICARD HOLDING

*by Denis Rouvre*



Pernod Ricard reaffirmed its commitment to responsible drinking by making it the linchpin of its Corporate Social Responsibility policy this past year. This extremely strong commitment has already been expressed through numerous initiatives undertaken by the affiliates. In 2011, the Group took another step in mobilising its employees around the world, for a full day, to promote the responsible drinking of its products. Called 'Responsib'ALL Day', and devoted this year to combating drink driving, the day was a big hit inside the Company. Pernod Ricard, the first Wine & Spirits Group to organise a worldwide day of action, has once again demonstrated its role as a driving force on prevention. ■

# PROMOTING RESPONSIBILITY AND PREVENTION



Our responsible drinking policy has always been based on two levers: self-discipline, which manifests itself as an uncompromising respect for the Group's commitments by all employees, and proactivity which has materialised in innovative initiatives led by our affiliates, particularly in emerging markets. This year, our efforts took on a new dimension through Responsib'ALL Day, which expanded our historical commitment to a global scale, and a pioneering spirit that made the Group's 18,000 employees the front-line ambassadors of this policy.

JEAN RODESCH  
INSTITUTIONAL AFFAIRS VP

## A long-standing conviction

Responsible drinking has always been a priority for Pernod Ricard, as it is fully in line with its values and ethics. Very early on, the Group established partnerships with associations working to prevent the dangers linked to inappropriate or excessive alcohol consumption. The main partnerships established include IREB (*Institut de recherches scientifiques sur les boissons* or Institute for Scientific Research on Alcoholic Beverages) in 1971, EFRD (European Forum for Responsible Drinking) in 1990 and ICAP (International Centre for Alcohol Policies) in 2005.

## A ramped up effort

In 2010, Pernod Ricard developed tools to standardise its CSR policy within the Group: it set up a platform of shared commitments, an advisory committee and a network of CSR leaders. Promoting responsible drinking is the linchpin of this strategy. In this area, the Group will focus on two aspects that are major societal challenges: firstly, combating drink driving, and, secondly, educating at-risk populations (primarily young adults and minors) through outreach programmes.

## Setting the example at all levels

Pernod Ricard has made its employees the front-line ambassadors for responsible drinking, and expects them to behave in an exemplary manner. As such, the Group regularly conducts an outreach on this issue, specific training, seminars and events, such as Responsib'ALL Day. The Group has also set ethical standards that go beyond the legal requirements, including adopting a code for commercial communications that is more restrictive than industry standards. As for consumers, Pernod Ricard has always taken a proactive approach to informing them. Early on, the Group took a stand on sensitive issues such as drink driving and binge drinking, taking concrete actions in close collaboration with NGOs, non-profit associations and local authorities, exemplified by the 'Accept Responsibility' campaign launched in the United Kingdom in 2007 (see page 90).

# STEPPED-UP CONTROL OF THE ADVERTISING CODE

Since the acquisition of Allied Domecq in 2005, followed by the adoption of its own advertising code in 2007, Pernod Ricard has established a formal internal control system for its commercial communications, which is one of the most demanding in the industry.

## Strict rules and procedures

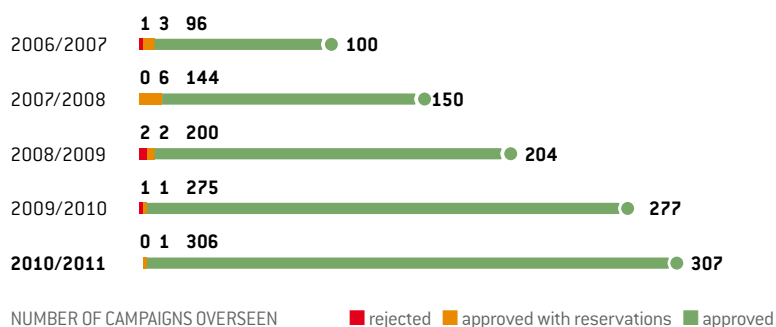
Introduced by the Code For Commercial Communications, which was updated in 2010, the control system relies on a process that is perfectly mastered by the marketing teams and advertising and promotion agencies that work with the Group. Pernod Ricard's ethics 'jurisprudence' is thus an integral part of its marketing mix.

The control mechanism starts with an Internal Approval Panel for Commercial Communications consisting of four members who are completely independent of the Marketing function. Its mission is to determine, within seven days, the compliance of the Group's advertising campaigns with the criteria set by the internal code on commercial communications. The committee may be consulted in advance by staff working on the promotion of the Group's brands, thus serving in an advisory role. Each month, all of the Internal Approval Panel's decisions are presented in a report to the Group Executive Committee.

## Expanded control

During the 2010/2011 financial year, the Internal Approval Panel issued 307 opinions on campaigns submitted for its review (an increase of nearly 11% in one year). Of these campaigns, none were rejected (red assessment) and only one, an advertising film, required a change (orange assessment). In addition, to further strengthen controls, the Internal Approval Panel has increased its upstream consultations, providing 144 confidential recommendations (so-called 'copy advice') on creative concepts still in the works. Thirty-eight percent of these—mainly film scripts for television or the Internet—led to modifications. Issues related to minors, the representation of women, and the dangers of certain behaviours have in particular been flagged, resulting in appropriate corrections. This process makes it possible to anticipate and correct any potential issues with communications very early on.

## EXTENDING INTERNAL CONTROL OF ADVERTISING CAMPAIGNS



## GOOD PRACTICES



## TRAINING ON THE NEW PERNOD RICARD CODE

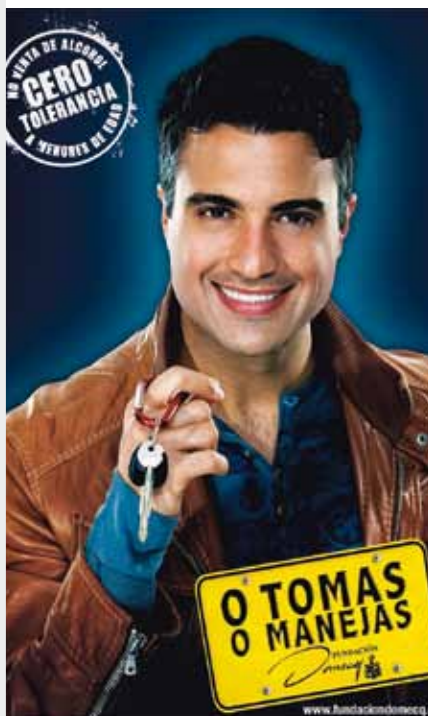
In 2010, Pernod Ricard expanded its Commercial Communications Code to include a section on new media. The document addresses the protection of minors by barring access to the Group websites and the monitoring of advertising pages on social networks. In October 2010, specific training on the code was provided by the Internal Approval Panel for Commercial Communications to more than 75 Internet project managers from the marketing departments of the Group's affiliates.



## THE ABSOLUT COMPANY: STEPPED-UP MONITORING

To strengthen its policy on responsibility, The Absolut Company established an internal marketing review committee. Every week, it scrutinises the advertising campaigns, web-based activities and new packaging of the entire brand portfolio. The results are then forwarded to the Pernod Ricard Internal Approval Panel for assessment or recommendations for changes.

GOOD  
PRACTICE



### CASA PEDRO DOMEQ, A PIONEER IN MEXICO

In Mexico, alcohol is the leading cause of accidents among young people between 15 to 24 years of age. These alarming statistics have prompted the local subsidiary, Casa Pedro Domecq, to conduct a major prevention campaign called, 'O tomas O manejas'<sup>(1)</sup>, in association with government institutions, universities, and NGOs. With original actions (presentations in schools and the involvement of a famous actor and singer, Jaime Camil, very popular with young people), the campaign had a great impact, generating more than 87 million points of contact, all media combined. This action was elected Pernod Ricard's 'Best CSR Practice' of the year for 2010/2011.



[1] 'Don't Drink and Drive'.

## COMBATING DRINK DRIVING: A PRIORITY THEME FOR RESPONSIBLE DRINKING

For over 30 years, Pernod Ricard has made combating drink driving a priority, conducting—with the support of its affiliates—ever-greater numbers of awareness-raising actions.

### Locally-tailored measures: the British example

The Group is one of the first signatories to the European Charter for Road Safety in 2007 and pioneers in the implementation of preventative measures every year.

For example, in Great Britain, a campaign aimed at young people (aged 17 to 24), called 'Accept Responsibility' was launched in 2007. It addresses three particularly sensitive topics: under-age drinking, binge drinking (seeking fast and total intoxication) and drink driving, through an innovative message and tone.

The campaign fights against attitudes of denial that lead to risky behaviours (e.g. 'I could drive home with my eyes closed') and encourages consumers to take responsibility for their actions. The campaign was rolled out to all communications media, including the Internet, radio and social media. One of its features helps people locate the nearest taxi service through a page on the campaign's website.

In 2010, the campaign focused on preventing drink driving and Pernod Ricard gave it a new momentum by forging a partnership with AA (Automobile Association), the largest association of motor vehicles in England. Result: the campaign has been viewed more than 10 million times.

### Emerging markets, a priority target

Drink driving is a major risk in countries with low and middle incomes, where 90% of alcohol-related deaths occur, due to the lack of means to apply the laws. To reverse the trend, Pernod Ricard has launched innovative partnerships with local players. China is a case in point: as the number of vehicles increased, the effort to combat drink driving was given priority. Pernod Ricard China began working with local authorities (government seminars, road shows with the police in seven cities, partnerships with 13 universities, etc.) with the support of a non-profit prevention association, the Road Traffic Safety Association of China (RTSAC), a first in the country. This dual cooperation has amplified the effectiveness of the communications campaign which, in the space of five years, has been viewed almost 200 million times. It was such a success that it was subsequently launched in Hong Kong, Korea and Russia.

### A high point: Responsib'ALL Day

This year, Pernod Ricard launched Responsib'ALL Day to promote the sharing of good practices by rallying the Group's 18,000 employees for an entire day focused on a shared CSR theme. It was a Group-wide challenge. The first Responsib'ALL Day, held 23 May 2011, was devoted to the fight against drink driving, in order to dovetail with the concomitant launch by the United Nations of the first decade of world actions on road safety.

The day's programme was structured around several key activities, shared by all affiliates. These included:

- the exhibit of drink driving prevention campaigns conducted by the Group and with local prevention associations,
- an information session (with lectures by experts on risks),
- the execution of a symbolic act such as displaying a banner or flag with the message 'Don't Drink and Drive' on a monument (the Great Wall of China, Machu Picchu, Times Square etc.)



China



Peru

Portugal



Thailand

Korea



Brazil

Most importantly, the signing by each employee of a manifesto with an individual commitment against drink-driving: the 'Pernod Ricard Act'. Exactly 15,055 employees, or 84% of the workforce, signed it—a particularly high score. Each individual commitment gave rise to a donation from the Group to non-profit organisations and NGOs to develop new initiatives, particularly in emerging markets. Responsib'ALL Day was received very positively by outside experts (NGOs, partner associations, etc.). Many projects were created as a result: Pernod Ricard Denmark launched a survey of the population on their behaviour, called 'Alcohol and Driving', in order to study risk factors. Pernod Ricard Italia boosted its 'Party and Taxi' programme which offers a discount voucher for a taxi ride with the purchase of one bottle. In Chile, the Pernod Ricard teams encouraged their customers to sign the Group manifesto with specific commitments. In Korea, employees tweeted the message 'Don't Drink and Drive'.

#### KEY FIGURE

100%

OF SUBSIDIARIES PARTICIPATED IN THE RESPONSIB'ALL DAY

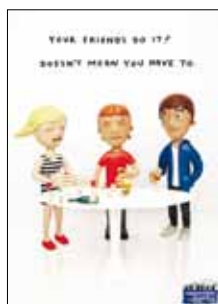


GOOD  
PRACTICE



### RESPONSIBLE PARTY: CONCRETE RESULTS

Launched by Pernod Ricard in 2009, in partnership with the Erasmus Student Network, the programme on organising responsible parties, 'Responsible Party', is the first of its kind organised on a pan-European scale. To date, more than 15 countries have participated and approximately 22,000 students have been reached. Structured around clear messages, such as 'alternate alcohol and water', 'eat before you go out' or 'appoint a designated driver', it targets students and organisers of student parties, making them aware of risks incurred and their responsibility. The programme is clearly a success, with 72% of the surveyed students saying they wanted to develop a responsible attitude (study conducted by the 'Generation Europe Foundation').



## AT-RISK POPULATIONS: PREVENTING BY EDUCATING

Protecting sensitive populations is a major priority for the Group in the area of responsible drinking. Educational programmes to prevent risky behaviour are aimed at underage, young adults, and pregnant women.

### Underage: preventing alcohol consumption

Pernod Ricard has set the following objectives: delaying the age of the first drink and reducing the amounts consumed by young adults; and delaying the age of first intoxication. The Group participates in educational programmes in partnership with experts and NGOs. In Sweden, since 2006, The Absolut Company has offered a toolbox that it developed with experts for teachers to use in educating students aged 13 to 19 as part of the 'Prata Om Alkohol' programme. Today 250,000 young people have completed the programme. A 2010 study by independent experts has shown its effectiveness: alcohol consumption is now lower and the observed behaviours are less risky.

### Young adults: preventing excessive consumption

Excessive consumption—of which 'binge drinking' is one of the most worrying manifestations—is the main risk in young adults. Pernod Ricard conducts regular, targeted actions to raise awareness of responsibility, particularly amongst organisers of student parties. In this context, this year in France, the Group supported a study by the University of Poitiers commissioned by the Ministry of Higher Education and Research. The goal is to study the behaviour of young people at student parties in order to form recommendations. Pernod Ricard called for strengthening the culture of responsibility based on three components: recalling the rights and duties of everyone; training on the organisation of parties; and developing prevention programmes in the student milieu.

### Pregnant women: warning on risks

Pernod Ricard has always taken a proactive approach, playing a pioneering role in informing pregnant women. The Group initiated the generalisation of the pictogram and is now followed by the industry. Visible thus far on the European markets, the icon representing a warning to pregnant women against drinking alcohol has been extended to other countries (Australia, Brazil, Switzerland, and Serbia). And the awareness campaign commissioned by Pernod Ricard Deutschland in 2010, in partnership with Germany's largest hospital, was the subject of a new film this year.

#### KEY FIGURE

250,000

YOUNG SWEDISH HAVE  
COMPLETED THE PROGRAMME  
DEDICATED TO PREVENTING  
ALCOHOL CONSUMPTION



## MARCOS HASSAN

TRADE MARKETING MANAGER – **PERNOD RICARD ARGENTINA**

*by Denis Rouvre*

Environmental protection is deeply rooted in the history of Pernod Ricard and its brands. Inspired from the start by its founder, Paul Ricard, this commitment is today expressed through a wide variety of actions developed by all of the Group's subsidiaries. In 2011, Pernod Ricard reaffirmed this priority and stepped up its efforts. The Group created a new road map that reiterates the directions and priorities to be followed. ■

## DRIVE CONTINUOUS IMPROVEMENT



“

We broadened the scope of our commitment by developing an environmental road map that defines areas of priority action and the Group's expectations. Our aim is simple: to pursue progress by improving the environmental performance of our sites. How? By incorporating environmental criteria in evaluating our performance. Not only does the satisfaction of our stakeholders, but also the competitiveness of our business depends on it.”

JEAN-PIERRE SAVINA  
VICE PRESIDENT, INDUSTRIAL OPERATIONS

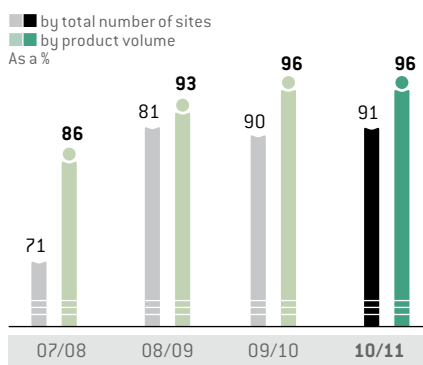
### A commitment encoded in the Group's DNA

In line with the commitment of its founder, Paul Ricard, who in 1996 created the *Observatoire de la Mer* ('Deep-Sea Observatory'), Pernod Ricard has consistently strived to bring innovative policies and tools to bear on the subject of environmental protection. Pernod Ricard's environmental policy is reflected today in its certification requirements: on 30 June 2011, 91% of the Group's production sites were ISO 14001 certified, representing 96% of the volumes produced by the Group. The policy is deployed by the subsidiaries, using internal standards issued by the Group. A network of QSE correspondents ensure the sharing of best practices. In 2011, the Pernod Ricard University established an innovative training module focused on environmental commitments. Offered to the Managers of all subsidiaries, this awareness programme should give them the resources to act locally.

### An ever-broader scope of action

The year saw a major advance with the publication in January 2011 of an environmental road map that defines for each area—organisation/certification, agriculture, water, energy, CO<sub>2</sub>, waste, eco-design—directions and priorities for coming years. This road map will help each subsidiary in developing its action plans. Its scope was broadened to include the market company subsidiaries, with methodologies and specific measurement tools now being developed for them. The industrial sites—already well ahead in their environmental efforts, with their ISO 14001 certification—developed targets for 2015 on three key indicators: water, energy and waste.

### ISO 14001 CERTIFIED SITES



### KEY FIGURE

96%

OF VOLUMES  
ARE PRODUCED AT  
ISO 14001 CERTIFIED SITES



## CLEARLY IDENTIFIED ENVIRONMENTAL IMPACTS

### RAW MATERIALS



### PRODUCTION

Pressing, vinification, distillation, ageing



### PACKAGING

Bottling, packaging



### TRANSPORT



### CONSUMPTION



INDUSTRIAL SCOPE<sup>(1)</sup>

#### Growing raw materials:

this consumes irrigation water, as well as fertilisers and pesticides which have an effect on biodiversity.

#### Productions of wines and alcohol:

this consumes water (required for blending of spirits, for cleaning the fermentation vats and cooling the distillation equipment), organic waste product (vinasse effluent, grape marc) and it is responsible for greenhouse gas emissions linked to the consumption of fossil fuels (gas, fuel) which serve to feed the distillation equipment.

#### Bottling and packing:

it generates indirect greenhouse gas emissions linked to electricity consumption and solid waste mainly comprising packaging (glass, cardboard, paper).

#### Finished product consumption:

this involves the production of packaging waste at the level of the end-consumer (bottle glass, cardboard from the finished product if this is packaged), etc.

GOOD PRACTICE



### AWARENESS THROUGH EDUCATION

Suape Plant has launched an ambitious project to raise awareness of its employees and local inhabitants about the environment. The subsidiary has developed educational workshops for employees, visits, and games about recycling, selective sorting, water and energy conservation aimed at students from public schools. The affiliate also instituted a day during which employees undertake actions to benefit the environment, such as visiting natural parks and planting new trees.

(1) The industrial scope at 30 June 2011 includes 98 production sites in 23 countries: 51 sites perform bottling (and vinification), 28 distillation, with the other facilities used for ageing, vinification or blending purposes. It does not include the office buildings or agricultural properties.

## WELL-DEFINED PRIORITY ACTIONS

Within the Group's industrial scope, there are practical commitments<sup>(2)</sup> for every environmental impact.

FIELD	COMMITMENT	ACTION
MANAGEMENT	Deploy an efficient environmental management system	<ul style="list-style-type: none"> <li>Extend ISO 14001 certification to production sites in every region in the world.</li> <li>Involve all production and market subsidiaries in the Group's commitment to protect the environment.</li> </ul>
AGRICULTURE AND BIODIVERSITY	Promote sustainable farming and preserve biodiversity	<ul style="list-style-type: none"> <li>Adopt stringent production standards for our own agricultural products and have them certified where relevant.</li> <li>Through our purchases of agricultural products, help to strengthen environmental protection by our suppliers.</li> <li>Encourage all the affiliates in the implementation of actions towards the biodiversity protection.</li> </ul>
WATER	Conserve water resources locally	<ul style="list-style-type: none"> <li>Measure our water usage and take actions to reduce it, with priority to regions where water resources are limited.</li> <li>Control our wastewater discharge to minimise its impact on the environment.</li> <li>Assess the "Water Footprint" methodologies on the Group products.</li> </ul>
ENERGY AND CLIMATE	Reduce energy consumption and measure and reduce greenhouse gas emissions	<ul style="list-style-type: none"> <li>Take actions to reduce consumption of electricity and fuels.</li> <li>Study and promote the use of renewable energy.</li> <li>Measure the carbon footprint of all production sites.</li> <li>Define priorities for reducing such emissions, either by reducing energy consumption, or indirectly through services and products purchased.</li> </ul>
WASTE AND ECO-DESIGN	Reduce the impact of waste and promote the eco-design	<ul style="list-style-type: none"> <li>Extend product eco-design and reduce the quantities of packaging materials used.</li> <li>Increase on-site sorting and recycling of waste.</li> </ul>

(2) For more details on Pernod Ricard's environmental management, see the Reference Document, from pages 51-64.



GOOD  
PRACTICE**A TOOL FOR DECISION-MAKING  
AND ENVIRONMENTAL  
RISK ANALYSIS**

With numerous sites in Scotland, Chivas Brothers wanted to identify any fragile or sensitive ecological features nearby. The subsidiary thus worked with an outside specialist to develop an interactive mapping tool which, by linking geographic and environmental data, allowed it to locate sensitive or specially-protected natural areas near its industrial sites. The Company can thus ensure that potential impacts of its activities on these areas are understood and that measures necessary to protect environmental quality and biodiversity are applied.



## FOR A SUSTAINABLE AGRICULTURE

The Group, which on its own operates about 6,500 hectares of vineyards and buys the equivalent of nearly 2.8 million tonnes of agricultural raw materials, is committed to a sustainable agriculture process that respects the environment, particularly in terms of land use, water and soil quality and biodiversity.

**Increasingly stringent standards**

Most of the 6,500 hectares owned by the Group meet the high standards of sustainable farming, which advocates limiting fertilisers and pesticides, reducing water and energy consumption, and training and guiding farmers in good practices, such as Sustainable Winegrowing New Zealand (SWNZ) in New Zealand, Entwine Australia in Australia, best practices defined by the inter-professional association in the Cognac and Champagne regions of France and Napa Green Business certification in the United States. Some subsidiaries have gone even further by opting for organic farming, whose certifications are among the most demanding. Pernod, for its Café de Paris brand, has obtained the 'AB' label (a French organic farming certification) whose criteria include crop rotation, waste recycling and biodiversity protection. New Zealand, already at the forefront of organic farming, has stepped up its efforts and in 2011 achieved its first harvest certified 'BioGro' for the Fairhall vineyard. Through its active policy, in 2011 the subsidiary converted 24 hectares into organic cultivation. It is expected to soon obtain the label for 55 hectares of vineyards.

With its suppliers, Pernod Ricard promotes a sustainable approach, exemplified by The Absolut Company, which imposes rigorous specifications on wheat farmers. In another example, New Zealand will require that 100% of the winegrowers supplying its grapes be certified by 2012.

**Biodiversity: innovative actions**

The subsidiaries have always used good practices in sustainable agriculture, taking care to tailor them to local crops and climates. In the area of biodiversity, they have introduced especially innovative measures. In New Zealand, for example, in the Kaituna wetlands region, with its habitats of endangered birds, Pernod Ricard, has led a successful rehabilitation programme on nine hectares to re-establish the original ecosystem (soil restoration, reintroduction of local species, etc.). In Australia, measures to protect biodiversity and restore biotopes in the areas around the Jacob's Creek river have paid off. Other actions are indicative of the Group's commitment, such as the cultivation of yellow gentian (the primary ingredient of Suze) which resulted from research programmes to enable its production on specialised farms, thus saving 50,000 wild plants each year.

## KEY DATE

2011

ENDORSEMENT OF  
THE FRENCH NATIONAL STRATEGY  
FOR BIODIVERSITY

## KEY FIGURE

74%

OF THE VINEYARDS  
OPERATED BY THE GROUP  
ARE ENVIRONMENTALLY  
CERTIFIED

# SAVING WATER RESOURCES

Present at all life stages of the Group's products, water is an essential resource for Pernod Ricard, which has always strived to conserve it. Faced with threats of scarcity, the Group pursues its policy through efforts to reduce its consumption, particularly through targeted actions in areas of water stress. To this end, Pernod Ricard has undertaken to calculate its water footprint by 2012 for two of its key activities, whisky- and wine-making. The Behror site in India, which produces whisky, was the subject of a pilot test in 2011. Together with another pilot test at a wine-producing site, it will lead to the development of analytical tools shared by the whole Group.

## Water consumption: a steady decline

Production sites pursued their efforts to reduce water consumption, which amounted to 6.4 million m<sup>3</sup> in 2010/2011. Water management is the subject of long-term policies and investments by the distilleries and bottling plants to monitor their consumption and improve their production processes. For example, the Yerevan Brand Company in Armenia has slashed its consumption by 26% since 2007/2008. Pernod Ricard's endorsement of the CEO Water Mandate in September 2010 reinforces the efforts already engaged by the production sites and confirms the Group's commitment to protect the world's water resources.

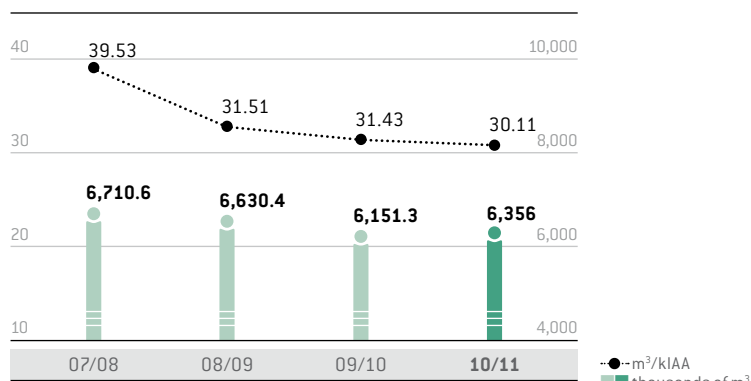
## Areas of water stress: taking local action

In 2011, Pernod Ricard again mapped its sites to assess their water supplies. Thirteen of the Group's water production units were identified as being located in areas where water is a sensitive resource, particularly in India, Australia, Argentina, Mexico, Spain and Armenia. These sites located in arid regions, represent only 7% of the Group's consumption. Rainwater use and wastewater recycling: action plans to optimise water resources have all been stepped up. Such is the case in Mexico, where the Ensenada wine facility has cut its consumption by almost 30%, mainly by reusing some of the water left over from production to clean tanks and the premises.

## Wastewater treatment: ingenious solutions

Several types of processes have been developed to reduce the organic load of water and make it suitable for reuse or for harmless release into the natural environment. These include, for example, anaerobic digestion to produce biogas, as well as techniques for treatment by aerobic treatment lagoons, membrane filtration, or even the use of plants to purify water in systems known as garden filters.

## TRENDS IN WATER CONSUMPTION



## KEY FIGURE

-24%

IN WATER CONSUMED  
PER UNIT DISTILLED  
BETWEEN 2007/2008 AND  
2010/2011

## GOOD PRACTICE



## 100% NATURAL WASTEWATER TREATMENT

Pernod Ricard Argentina has installed an ingenious wastewater treatment system that is 100% natural, and requires very little maintenance for a very satisfactory result. After a first filtration, wastewater is uniformly spread over grassy plots and purified by the bacteria that grow there. Collected and stored, the water is then used to irrigate the vineyards.

GOOD  
PRACTICERECOVERING  
CONDENSED VAPOURS

At its Walkerville distillery, Hiram Walker & Sons Ltd uses two steam generators for its industrial processes; this produces a large amount of high-temperature condensate. To optimise energy efficiency, the subsidiary decided to invest in condensate return lines that allows it to recover a greater amount of condensate. This measure saved an estimated 200,000 m<sup>3</sup> of natural gas in 2010/2011.

## KEY FIGURE

-20%

REDUCTION IN ENERGY CONSUMED  
PER UNIT DISTILLED BETWEEN  
2007/2008 AND 2010/2011

REDUCING  
ENERGY CONSUMPTION

Reducing energy consumption is an important issue for Pernod Ricard, whose industrial activities use natural gas and oil for distillation, and electric power for cooling systems and bottling. In 2011, the Group pursued its policy of reducing its energy consumption to meet its targets on all of its production sites.

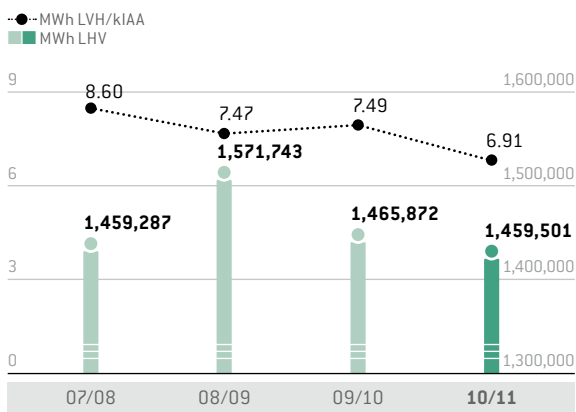
## Steps for continuous improvement

At Pernod Ricard, reducing energy consumption is accomplished through three levers: close monitoring of consumption; on-site energy audits; and the use of energy management systems based on performance indicators. This decline has been ongoing since 2007/2008 thanks to the actions of subsidiaries. Chivas Brothers, whose distilleries represent 25% of the Group's energy consumption, launched a plan to reduce consumption at all of its sites by investing in heavy equipment such as third-generation thermo-compressors. The subsidiary also took steps to recover and recycle energy from its processes such as using heat generated by the distillation process to dry the residue from the initial distillation. For its part, Martell launched a broad effort to improve the energy performance of its Cognac site: the company launched a full diagnostic of its industrial processes, its organisation and its management.

## Progress throughout the Group

In 2010/2011, the Group's total energy consumption was 1,460 GWh, compared to 1,466 GWh the previous year. This decrease reflects the actions taken, especially at the distillation sites—responsible for almost 83% of the Group's total energy use—and at the bottling plants. The Group also continued to invest in renewable energy, as with Hiram Walker & Sons Ltd in Canada, which will soon be installing solar panels on the roof of one of its warehouses, representing an area equivalent to 24 football fields.

## TRENDS IN ENERGY CONSUMPTION



# REDUCING THE IMPACT OF ACTIVITIES ON THE CLIMATE

In respect of CO<sub>2</sub> emissions, to which its activities contribute either directly (through use of fossil fuels by the industrial sites) or indirectly (through purchases of power and raw materials, and its logistics operations), Pernod Ricard undertook commitments to measure its greenhouse gas emissions. The Group intends to implement action plans across all its industrial sites to reduce them. New progress was made in this area in 2011.

## Industrial sites: significant decrease in CO<sub>2</sub> emissions

In 2010/2011, direct emissions (combustion) and indirect (power purchase) emissions by the Group's industrial sites continued to decline, from 357,654 tonnes to 341,559 tonnes eq. CO<sub>2</sub>. These figures reward the efforts to improve the sites' energy efficiency, exemplified by the large-scale actions led by Chivas Brothers, Irish Distillers, The Absolut Company, Pernod and Martell. They also reflect the increase in the share of power from renewable energy purchased by the industrial sites. To support this continuous progress, the Group launched a survey of all the Brand Companies. The goal: to gather innovative ideas to shape the future. Some one hundred suggestions were made, specifically including the increased reliance on renewable energy.

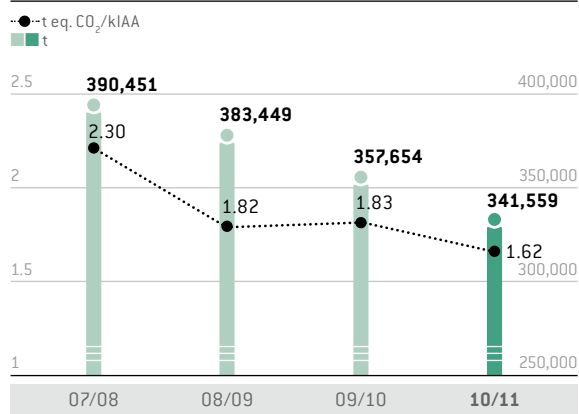
## Carbon footprint: measurable progress

In 2011, 90% of industrial sites measured their carbon footprint using the assessment model developed specifically for the Group. The results obtained made it possible to identify priorities and areas for improvement, such as developing a Group-wide environmental roadmap, expanding eco-design, supplier sourcing, and so on.

## Involving the Market Companies

In 2011, the Market Companies, which have no industrial activities, were brought into the environmental process. A specific tool to measure their CO<sub>2</sub> emissions is currently being developed by the Group. The resulting measurements will be used to develop action plans tailored to their activities.

## A CONTINUOUS DECLINE IN CO<sub>2</sub> EMISSIONS (DIRECT AND INDIRECT) OF INDUSTRIAL SITES



## GOOD PRACTICE



## SUBSTANTIAL ENERGY SAVINGS THROUGH RAIL TRANSPORT

At Ricard, transport accounts for 25,000 tonnes of CO<sub>2</sub> equivalent. To reduce these emissions, the company has led efforts to encourage alternative transport solutions since 2007 (electric or rail). In 2011, to promote the development of good practices, it set up a platform involving all departments (purchasing, supply chain, logistics, industrial sites, etc.). It also launched a programme to rally all of its stakeholders (partners, customers and suppliers) to the cause. These actions were rewarded by tangible results: the use of rail transport results in savings of 600 tonnes of CO<sub>2</sub> equivalent each year. Some transport trucks went from 44 tonnes to 40 tonnes, and their loads were optimized: it shall help to trim the company's CO<sub>2</sub> emissions by 4%.

## KEY FIGURE

-30%

REDUCTION IN DIRECT (COMBUSTION) AND INDIRECT (ELECTRICITY) CO<sub>2</sub> EMISSIONS PER UNIT DISTILLED BETWEEN 2007/2008 AND 2010/2011



## ECO-DESIGN: A CORE PRIORITY

With packaging (glass, cardboard, plastic), representing a significant portion of the waste produced by the Group, Pernod Ricard has made eco-design a key component of its environmental policy. 2010/2011 saw successful experiments in new courses of action.

### Stepped up actions

This year, Pernod Ricard decided to step up its innovation efforts in eco-design. To harness all available skills, a working group has been set up, consisting of employees from marketing, purchasing and logistics, and some suppliers. Its task will be to issue recommendations and to formalise good practices and tools. Its main focuses will include studying the relationship between Premiumisation and eco-design, team training and consumer communication.

### A powerful assessment tool

To promote eco-design internally, the Group is installing a packaging life-cycle analysis software at the subsidiaries. It will help to assess the environmental impact of their product packaging all across the chain of production. Currently, 11 subsidiaries are using the software.

### Diverse local initiatives

In the field, the subsidiaries continued to apply the principles of eco-design. For example, Pernod Ricard Nordic innovated by replacing the glass of some local product bottles with recyclable plastic. This development allowed the subsidiary to reduce its CO<sub>2</sub> emissions by 457 tonnes. Pernod Ricard Americas also worked on revising the shape and in some cases the material of its bottles, to optimise their storage and transport. For example, in the United States, the Mumm Napa bottle was reduced from 907 grams to 794 grams. In Mexico, the Kahlúa bottle lost 10% of its weight. In Argentina, Brazil and Canada, too, several models of bottles underwent substantial reductions: Montilla (-15%), Orloff (11%), Malibu (PET).

GOOD  
PRACTICE



2010

540 GR

2011

368 GR

### ORLANDO WINES: 9,600 TONNES OF GLASS SAVED IN AUSTRALIA

Working closely with Pernod Ricard UK, Orlando Wines developed a lighter bottle for its Jacob's Creek brand, for which glass accounted for 30% of carbon emissions. This innovation has saved 9,600 tonnes of glass, significantly cutting the number of containers used and reducing the number of trucks needed for transport. This represents a decrease in CO<sub>2</sub> emissions of about 10,000 tonnes per year. (Also see page 102).

### KEY FIGURE

11

AFFILIATES REPRESENTING  
15 OF THE 18 STRATEGIC BRANDS  
NOW HAVE A PACKAGING  
LIFECYCLE ANALYSIS  
SOFTWARE PROGRAMME

# FOR WASTE REDUCTION, NEW INITIATIVES

The Group produces various types of waste from processing raw materials, as well as packaging waste that it makes every effort to reduce or recycle. In 2011, Pernod Ricard carried on its efforts through both global and local initiatives.

## Practical solutions

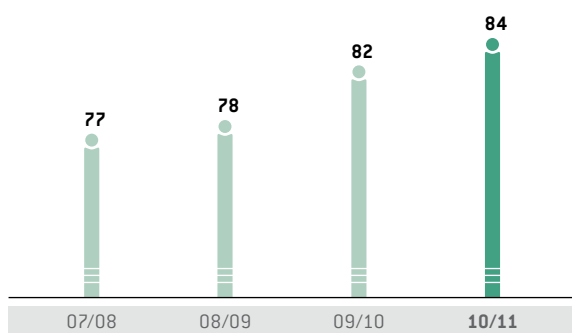
Organic waste from the processing of raw materials (distillers grain, vinasse, grape marc) is recovered at a rate of more than 99%. Through a variety of technologies, it is converted into animal feed, biogas or agricultural compost. In 2010/2011, new efforts were launched, as in Mexico, where Casa Pedro Domecq invested in a comprehensive industrial installation. This tool has significantly reduced the volume of agave residue, turning it into compost through an original process that resulted from the subsidiary's research.

## Recycling: an ever-greater concern

The recycling rate for solid waste continues to grow, reflecting the good practices that the subsidiaries are working to develop. Anxious to maximise the sorting and recycling of their waste, G.H.Mumm and Perrier-Jouët champagnes conducted a waste management audit that led them to develop a new action plan. Thanks to the active involvement and training of its employees, the subsidiary increased its solid recycling rate from 81% to 96% from 2007/2008 to 2010/2011.

## CONTINUED PROGRESS IN THE RECYCLING RATE FOR SOLID WASTE

As a %



## KEY FIGURES

# 84%

THE RECYCLING RATE FOR  
SOLID WASTE

# 99%

OF ORGANIC BY PRODUCTS  
FROM THE PROCESSING OF  
RAW MATERIALS  
ARE RECOVERED

GOOD  
PRACTICE



## WASTE RECYCLING: WHEN PERNOD GETS INVOLVED

The Pernod plant in Marseille is located in an area that is home to nearly 400 companies. In the non-profit association, Arnavant, the company—which recycles 95% of its waste—lead in 2008 a joint recycling project. After launching a study, the Arnavant group carried out an invitation to tender for joint recycling management. In addition, eight tonnes of electric and electronic waste were collected and recycled in 2010.

## SUPPLIERS: PRACTICAL SOLUTIONS

### GOOD PRACTICE



#### PROMOTIONAL ITEMS STORED CLOSE TO THE MARKETS

In Asia, where a significant portion of its promotional items are produced, Chivas Brothers has set up regional warehouses to store items for local needs, avoiding unnecessary return trips via Europe. Martell Mumm Perrier-Jouët is about to embark on the same path.



The Group's responsible procurement policy is based on a research to minimise costs as well as environmental and social impacts. It has long been the responsibility of the subsidiaries, which have successfully implemented their own initiatives at the local level. As such, 2010/2011 marked a turning point: for the first time, the Group set out to develop a common framework defining the key principles of a responsible procurement policy.

#### Purchasing: a comprehensive approach

In 2011, Pernod Ricard has decided to expand the approach to supplier involvement: it has set up a working group to formalise a comprehensive responsible procurement policy. This policy will be complemented by a supplier commitment charter and tools put in place to be shared by the entire Group.

#### Supply chain: proactive methods across the board

Actions undertaken in collaboration with suppliers made it possible to minimise impacts on the overall supply chain. For example, two Group companies, Orlando Wines and Pernod Ricard New Zealand, devised a plan to reduce the weight of Jacob's Creek and Brancott Estate bottles. Depending on the model, weights were cut by 50, 180 and even 240 grams, resulting in a total savings of 11,400 tonnes of glass per year. These changes in size led to the optimisation of the pallet plans, up by 36 to 38 shipping cases per pallet. A corollary of this weight reduction is that larger containers (40 feet, versus 20 feet previously), with their space optimized, are now used for long-distance maritime transport. Lastly, Orlando Wines and Pernod Ricard New Zealand have worked with their British customers to optimize the final deliveries: the full vehicle loads have fallen from 1,000 to 800 per year. (Also see page 100.)

#### Targeted actions

In addition to these broad-based actions, Pernod Ricard's subsidiaries have implemented effective solutions in packaging, transport, storage, and other related activities.

In consultation with several of its customers, and to increase the efficiency of its distribution channel, Pernod Ricard UK this year developed a new IT tool that records order forecasts and establishes the preparations and deliveries planning based on volumes, optimizing upstream the transport of goods. At Pernod Ricard Thailand, the original shipping cases for 100 Pipers bottles are now reused after promotional activities involving reconditioning. Transport cycles have also been rethought: for its shipments of finished products to China, Martell established a more direct route, from Cognac to Le Havre (eliminating intermediate warehousing in Épernay).

## 2010/2011 environmental reporting scope

Pernod Ricard's environmental reporting covers the financial year (1 July to 30 June) and concerns all 99 of its industrial production sites under operational control as at 30 June 2011. On an exceptional basis, the Georgian Wines & Spirits subsidiary site has been taken into consideration although it was sold off on 29 June 2011. Only industrial sites are taken into account (farmlands, head offices and logistics sites are excluded from the environmental reporting scope).

CATEGORY	DEFINITION	UNIT	TOTAL PERNOD RICARD				UNIT	RATIO <sup>(4)</sup>					G3.1 GRI INDEX
			2010/ 2011	2009/ 2010	2008/ 2009	2007/ 2008		a or b	2010/ 2011	2009/ 2010	2008/ 2009	2007/ 2008	
NUMBER OF SITES	• Number of reporting sites		99	108	114	103	—	—	—	—	—	—	—
ISO 14001 (AT 30 JUNE 2010)	• Number of ISO 14001 certified sites	%	91	90	81	70	—	—	—	—	—	—	—
	• Proportion of ISO 14001 certified sites in total production	%	96	96	93	86	—	—	—	—	—	—	—
INVESTMENTS	• Amount of investment for environmental protection	€ M	8.32	7.30	5.85	5.60	—	—	—	—	—	—	EN30
COMPLIANCE OF ACTIVITY	• Fines or penalties related to environment	Number	0	2	4	0	—	—	—	—	—	—	EN28
PRODUCTION VOLUMES	• Total production of a) distilled alcohol <sup>(1)</sup>	kIPA	211,106	195,689	210,440	169,778		—	—	—	—	—	—
	b) finished product	kl	1,176,385	1,182,500	1,228,829	1,166,177		—	—	—	—	—	—
WATER	• Total volume consumed	m <sup>3</sup>	6,355,701 <sup>(2)</sup>	6,155,298	6,630,377	6,710,552	m <sup>3</sup> /kl	a <sup>(1)</sup> b	30.11 5.40	31.45 5.21	31.51 5.40	39.53 5.75	EN8
WASTEWATER	• Total volume of wastewater	m <sup>3</sup>	4,931,666 <sup>(3)</sup>	5,445,849	5,284,008	5,063,494	m <sup>3</sup> /kl	a <sup>(1)</sup> b	23.36 4.19	27.83 4.61	25.11 4.30	29.82 4.34	EN21
ENERGY	• Total energy consumed	MWh NCV	1,459,501	1,465,872	1,571,743	1,459,287	MWh/kl	a <sup>(1)</sup>	6.91	7.49	7.47	8.60	EN3
	of which: natural gas	MWh NCV	823,031	783,127	873,033	818,595		b	1.24	1.24	1.28	1.25	EN4
	of which: electricity	MWh NCV	258,976	267,652	272,880	218,929		a	—	—	—	—	
								b	—	—	—	—	
CO <sub>2</sub> EMISSIONS	• Direct emissions (Scope 1)	tCO <sub>2</sub> e	264,481	259,896	279,294	280,947 <sup>(3)</sup>	tCO <sub>2</sub> e/kl	a <sup>(1)</sup>	1.25	1.33	1.33	1.65	EN16
	• Indirect emissions associated with electricity consumption (Scope 2)	tCO <sub>2</sub> e	77,078	97,758	104,155	109,504	tCO <sub>2</sub> e/kl	a <sup>(1)</sup>	0.37	0.50	0.49	0.64	
REFRIGERANT GASES	• Quantity of fluorinated gases installed	kg	18,022	19,353	20,499	20,249	—	—	—	—	—	—	EN19
	• % of HFC in fluorinated gases installed	%	46.9	37.5	27.2	23.7	—	—	—	—	—	—	
	• Quantity of fluorinated gases released into the atmosphere	kg	1,628	2,051	2,940	2,297	—	—	—	—	—	—	
	• % of fluorinated gases released into the atmosphere	%	9.04	10.60	14.34	11.34	—	—	—	—	—	—	
PACKAGING MATERIALS	• Glass consumption	t	661,746	698,948	—	—		b	563	591	—	—	EN1
	• Cardboard consumption	t	64,921	64,074	—	—	g/l	b	55	54	—	—	
ORGANIC WASTE	• Quantity of organic waste landfilled or incinerated	t	4,875	3,743	7,106	11,631	g/l	a <sup>(1)</sup> b	23.09 4.14	19.13 3.17	33.17 5.78	68.57 9.97	EN22
SOLID WASTE	• Total quantity of solid waste	t	43,721	35,817	32,879	32,202		b	37.17	30.29	26.76	27.61	EN22
	• Quantity of solid waste landfilled or incinerated	t	6,966	6,510	7,228	7,400	g/l	b	5.92	5.51	5.88	6.35	
	• % of solid waste recycled or recovered	%	84	82	78	77	—	—	—	—	—	—	
HAZARDOUS WASTE	• Quantity of hazardous waste treated externally	t	541	626	515	349.8	g/l	b	0.46	0.53	0.42	0.30	EN24

[1] The volumes of distilled alcohol for the years 2007/2008, 2008/2009, 2009/2010 have been modified following a misunderstanding of the definition for the Resende site in Brazil, which counted alcohol volumes bought and rectified in the distilled alcohol volumes. This impacts all the Group performances linked with the distilled alcohol volume.

[2] The water volume for the Walkerville site is estimated to 353,182m<sup>3</sup>, approximately 5.6% of water consumption by the Group.

[3] The wastewater volume decreased significantly following the removal of the cooling water volume of the Middleton site in Ireland, which included it previously in its wastewater volumes. Indeed, this cooling water is not considered as a wastewater because it is discharged to the natural environmental non polluted and without modification of its characteristics (chemical, biological, thermal.)

[4] a – Ratio for 1,000 liters of absolute alcohol (kIAA)

b – Ratio for 1,000 liters of finished product (kl)



The fourth pillar of the new “CSR platform” is focused on developing and promoting entrepreneurial solidarity and the sharing of cultures. All forms of artistic creation, cultural patronage actions or humanitarian partnerships are reflected in this philosophy which the Group has upheld since it was founded. ■

# FOSTERING AN ENTREPRENEURIAL SPIRIT AND INNOVATION



“

Making each employee an ambassador for the Group's commitments: that is the rationale behind our cultural patronage and entrepreneurial solidarity initiatives. The artistic photos of our staff created this year by the artist Denis Rouvre perfectly illustrate this again. Our culture represents one of the foundations for the Pernod Ricard business model. Offering a true competitive edge, its values are embodied by each one of us. Communication's mission is to ensure that this cultural heritage is passed on, distributed and shared by all.”

---

OLIVIER CAVIL  
VICE-PRESIDENT, CORPORATE COMMUNICATIONS

## A historical commitment to sponsorship

The commitment to all forms of art, and especially contemporary art, is the culmination of a long tradition. We remember the advertisements with posters created for Pernod by leading contemporary artists. By the 1960s, the Group's founder, Paul Ricard, had already created a foundation to support young artists. Since then, the Ricard Corporate Foundation has introduced an award that recognizes an artist who best represents his or her generation. Each year the Foundation purchases a work by the winning artist and donates it to the Centre Pompidou.

## Supporting all forms of talent

In 2011, Pernod Ricard pursued its historical commitment to contemporary art. Once again, this is not only about embodying the Founders' heritage, but above representing the specific values surrounding creation with the Group's staff; a creator is automatically a visionary, an entrepreneur, daring to challenge the status quo. A creator is a leader, exploring and showing new ways forward. This approach, set out in the Group's tagline “*Créateurs de convivialité*”, reinforces the commitment to innovation, promoted at every level. Supporting creation means nurturing a spirit of innovation. By its very essence, Art is an exercise in renewal. Since 1997, the Group has been a sponsor of the Centre Georges Pompidou, which it is currently supporting for its innovative project, the Virtual Centre Pompidou. Since 2004, it is also the Premier Grand Mécène of the Quai Branly museum dedicated to the Arts and Civilisations of Africa, Asia, Oceania and the Americas, supporting since last year the artist Charles Sandison's video installation, *The River*, which offers a thematic reflection on diversity. In addition, the Group supports the Ostinato Orchestra-Workshop, an orchestra of budding musicians, by inviting them to perform at prestigious venues. This year, it expanded its reach by working with world-renowned artists such as Natalie Dessay, alongside the non-profit association ColineOpéra.

## Promoting the entrepreneurial spirit

In the second key area of its commitment, Pernod Ricard encourages efforts to support entrepreneurs with their projects. The Group, for example, supports the non-profit association Appel, which conducts very specific actions in education. Starting this year, it is assisting young Vietnamese entrepreneurs by providing funding for their studies and start-up costs. The Group also continued its commitment to PlaNet Finance, a micro-credit association, supporting projects started by African women. ■■■



**BÉATRICE BROUARDELLE**  
GROUP AUDIOVISUAL MANAGER – **PERNOD RICARD HOLDING**

*by Denis Rouvre*





## STAFF IN COLOUR, EVERY COLOUR

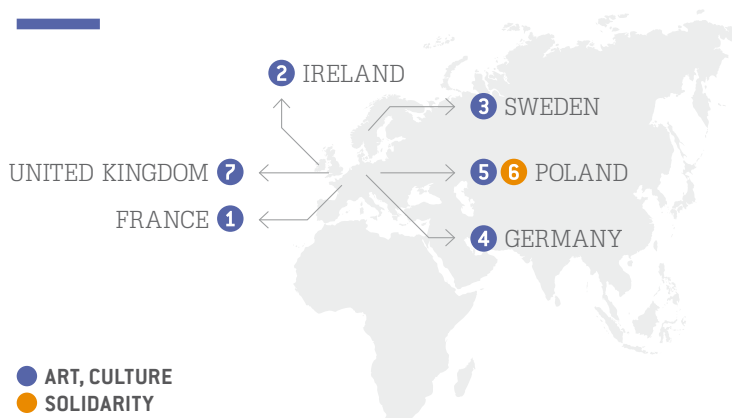
This Annual Report's illustration once again reflects this faith in the diversity, creativity and audacity of Pernod Ricard's teams. For more than 30 years now, the annual report has called on a renowned contemporary artist to create a cover piece. Following on from the campaign thought up last year by the artist Marcos Lopez, Pernod Ricard wanted to go even further, combining painting and photography. In this way, 18 members of staff from around the world, with various backgrounds, from workers to a cellar master, brand manager, finance administrator and plant director, became models for the French photographer **Denis Rouvre**. Assisted by the Gabonese painter Nal-Vad and Ricardo, a stylist for the top fashion houses, they have created something truly original... An "explosive" daring and innovative result, showcasing the company, its values, its men and its women, in the image of its 18,000 "créateurs de convivialité".



Group companies are fully autonomous in their choice of local sponsorship activities, depending on the specific needs of their region. However, they develop their programmes in line with the strategy defined by the Group, which aims to help avant-garde artists as it applies to cultural patronage, as well as to humanitarian actions and social solidarity. ■

# THE INITIATIVES ALL

## EUROPE



## 4 PERNOD RICARD DEUTSCHLAND MADE

**AN EXTRAORDINARY CREATIVE SPACE** • In 2010, Pernod Ricard Deutschland contributed financially to the creation of 'Made', a novel space intended to accommodate all forms of artistic expression (e.g. *happenings*, exhibits, collaborative work). This space, in the heart of Berlin, has become an important cultural centre for the city.

# HOLDING COMPANY

## ANNUAL PARTY AT THE CENTRE POMPIDOU

Each year, the Group organises an exclusive evening for more than 1,500 people on the Paul Ricard terraces in the Centre Pompidou. This year, the spotlight was on India, with Pernod Ricard choosing the Paris Delhi Bombay exhibition as the setting for its party, highlighting the importance of this market for the Group.

## DONATIONS FOR VICTIMS

The Holding Company, in partnership with Pernod Ricard Japan and Pernod Ricard Asia, donated 60 million yens (525,000 euros) to the Japanese Red Cross to help the people who are victims of earthquakes and tsunami.



# AROUND THE WORLD



## 1 MARTELL RENOVATION OF THE PALACE OF VERSAILLES

### RENEWING THE SYMBOLS OF FRENCH LUXURY •

Martell continued its partnership with the Palace of Versailles, to complete the restoration of the antechamber of the Grand Couvert de la Reine, a room where the king had daily suppers with his family. This support represents the House of Martell's commitment to the ancestral sites that gave birth to the greatest symbols of French luxury.

## 2 IRISH DISTILLERS/JAMESON PHOTOGRAPHY & CINEMA

### AN ART PHOTOGRAPHER CAPTURES A SHARED PASSION •

To celebrate three million cases of Jameson sold, photographer Nicolas Henri was asked to make portraits of some of the employees who contributed to the brand's success. Every picture shows an employee and his passion, and thus illustrates some of his personal history. All of these portraits will be assembled in a book entitled, *The Spirit We Share*.



**CINEMA IN THE SPOTLIGHT •** Jameson renewed its support for the cinema through the organisation of a new *Jameson Cult Film Club*, which consists of showing cult films in an unexpected environment. This took place during the International Film Festival in Dublin in an abandoned warehouse, in the presence of a special guest, actor Kevin Spacey. A *Jameson Cult Film Club* showing was also held in Madrid at the Chamartin train station, drawing over 350 people.



## 3 THE ABSOLUT COMPANY ABSOLUT ART & WORLD EXPO



**PROMOTING THE MOST INNOVATIVE  
CONTEMPORARY ART •** ABSOLUT has always supported contemporary art, working closely with avant-garde artists such as Andy Warhol, Damien Hirst, Jean-Michel Basquiat, Louise Bourgeois and others. In 2009, for its thirtieth anniversary, the brand created the ABSOLUT Art Award to recognize innovative artists capable of challenging conventions. This year, the award was given to Rirkrit Tiravanija, a visual artist from Thailand.



In 2010, ABSOLUT was also the official partner of Sweden at the Shanghai World Expo. Its machine devoted to fostering creativity, the 'ABSOLUT Choir', was displayed on the Pavilion, to illustrate a theme of innovation. It attracted 3.6 million people.





## 6 WYBOROWA SA HOLIDAY GREETING CARDS

### GENEROUS HOLIDAY GREETINGS •

In Poland, the staff participated in a fundraiser for three of the country's orphanages. On a specially-designed website, they were invited to create their personalised greeting cards for the New Year, with each new connection generating a gift from the subsidiary.



## 5 ABSOLUT PROJEKT POKOLENIE

### STIMULATING THE CREATIVITY OF YOUNG GENERATIONS •

'Projekt Pokolenie' (Generation Project) is an ABSOLUT initiative in Poland that promotes creativity and young talent in all forms of art (music, photography, etc.). Competitions are held every three months, each time in a different field of expression. Candidates are judged by a panel of independent experts and Web users who connect to the website projektpokolenie.pl. The best artists are awarded workshops and training in their fields of expression. In one year, four competitions were held, with great success: 400,000 visitors registered, 150 young artists participated in the workshops, and six winners received financial support to live their passion.



## 7 CHIVAS BROTHERS PARTNERSHIP FILMAID

### CINEMA, A SOURCE OF HOPE •

Official Partner of the Cannes Festival for the third year in a row, Chivas Regal used the occasion of the Festival to announce a new partnership with FilmAid International. This non-profit association, which works in partnership with the United Nations Agency for Refugees, shows films as a way to give new hope to refugees and communities in distress.

# ASIA AND THE PACIFIC



## 1 PERNOD RICARD INDIA ABSOLUT SUBODH GUPTA

### SUBODH GUPTA, 2011 ABSOLUT ARTIST •

Having ordered works from such renowned artists as Andy Warhol and Louise Bourgeois, ABSOLUT commissioned Subodh Gupta to create a sculpture in the shape of a bottle. This major contemporary artist in India is known for his work on the icons of Indian culture (cows, iron cooking utensils, etc.), which aims to reflect on contemporary India and the contradictions raised by globalisation. The bottle created for ABSOLUT was made with everyday objects whose original purpose has been distorted, and is in every way consistent with previous works by the artist.

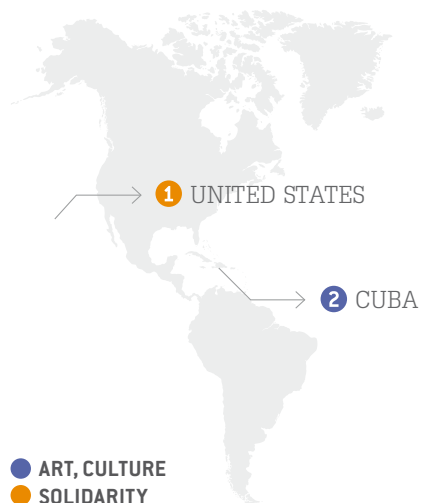
## 2 PERNOD RICARD SINGAPORE MARTELL ICON AWARD

### A PRESTIGIOUS PHOTOGRAPHY AWARD •

Launched in 2010, the Martell Cordon Bleu 'Icon' is Singapore's most important photography award. It has already helped to highlight the work of 21 artists. Chosen by a panel of local and international personalities, the winner receives a trip to Cognac and the publication of his or her book of photographs, paid for by Pernod Ricard Singapore.



# AMERICAS



## 2 HAVANA CLUB INTERNATIONAL HAVANA CULTURA

### SUPPORTING CUBAN CULTURE •

Havana Club International promotes contemporary Cuban culture throughout the world. Its online magazine, [havana-cultura.com](http://havana-cultura.com), introduced 20 new artists to the public this year. In addition, Havana Club International continued its collaboration with musician Gilles Peterson, who has produced two new albums, *Havana Cultura Remix* and *Havana Cultura Sessions*. In the field of graphic arts, the subsidiary also renewed its support programme for young emerging Cuban artists, which recognizes six works each year.



## 1 PERNOD RICARD USA

### ABSOLUT SAN FRANCISCO

**ACCESS TO GREEN, LOW-COST HOMES •** In June 2011, at the launch of the ABSOLUT San Francisco limited edition, Pernod Ricard USA donated €39,000 (US\$55,000) to develop the promotion of green homes for low-income households. This initiative reflects the subsidiary's commitment on the ground and the concerns of local inhabitants.



## 3 MARTELL MARTELL ARTISTS OF THE YEAR

### REVEALING NEW TALENT IN CONTEMPORARY ART •

Launched in China in 2004, the award, now a major event in the world of contemporary art, has singled out 34 artists since its inception. As with every year, the 2011 winners were revealed at the Today Art Museum in Beijing. This year, five artists were recognized: Sui Jianguo, a sculptor; Li Songsong, a painter; Hi Bo, a photographer; and Inez van Lamsweerde and Vinoodh Matadin, Dutch portraitists and fashion photographers.



### MARTELL ART FOUND

#### SUPPORTING YOUNG ARTISTIC CREATION •

Created in 2007, Martell Art Found encourages artistic development and education through exchange programmes. In 2010, Martell, in collaboration with the Today Art Museum in Beijing, launched the *Focus on Talent* project to cast a spotlight on young talent under 30 years old by providing a space to exhibit their work. The first ceremony to present the *Focus on Talent Award*, held in May 2011, unveiled the work of ten finalists, and selected two winners. Martell Art Found bought the works of these two winners and donated them to the Today Art Museum.



## 4 JACOB'S CREEK ROYAL FLYING DOCTOR

### EMERGENCY MEDICAL AID IN REMOTE AREAS •

Every year, Jacob's Creek supports the Royal Flying Doctor Service of the Southern and Northern Territories in Australia. These 'flying doctors' provide medical emergency support in the most remote areas of Australia by plane, coming to the rescue of nearly 250,000 people each year.



# INNOVATING *for* PROFITABLE GROWTH

In 2010/2011, Pernod Ricard confirmed its ability to bounce back from adversity. Staying focused on creating value, it returned to its pre-crisis levels of financial performance. During the past year, the Group remained dedicated to improving its results and reinforcing its balance sheet by actively managing its debt. ■

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# INTERVIEW



## GILLES BOGAERT

- **1995:** Joined Pernod Ricard as an internal auditor.
- **1998:** Appointed Vice-President of Administration and Finance of Pernod Ricard Argentina.
- **2002:** Appointed Vice-President of Administration and Finance of Pernod Ricard Central and South America [CESAM].
- **2003:** Joined the Holding Company as Director of Audit and Business Development.
- **2008:** Appointed Chairman and Chief Executive Officer of Pernod Ricard Brasil.
- **July 2009:** Appointed Managing Director, Finance.

## GILLES BOGAERT

MANAGING DIRECTOR,  
FINANCE

What is your assessment of the Group's financial results for the year? Did they meet the stated targets?

— With 8% organic growth in profit from recurring operations, the Group has exceeded its stated target. This was originally set at 6%, and then raised to 7% in February. Overall, Pernod Ricard had a very good year. The Group returned to a level of financial performance comparable to where it was before the crisis. The year was also another important milestone in reducing the Group's debt: Net debt/EBITDA<sup>(1)</sup> fell from 4.9 to 4.4, which is significantly closer to our target of 4 by end-June 2012. These results are all the more remarkable in that we have continued to invest long-term in our brands, and at a higher level than most of our competitors. More than ever, they validate the soundness of our Premiumisation strategy.

What brands and which markets contributed most to the Group's profitability?

— Geographically, our growth was sustained by the continued dynamism of emerging markets (+17% organic growth in net sales), the Group's powerhouse (37% of sales)—but also by the rebound in mature markets, such as the United States and Western Europe. In respect of the portfolio, our 14 strategic brands (58% of net sales) drove growth, posting an increase of 6% in volumes and 10% in value, which improved our gross profit margin.

(1) Net debt calculated by translating the non EU-denominated portion at average forex rates.



“

The Group returned to a level of financial performance comparable to where it was before the crisis.”

Martell and Jameson continued to be the highest-performing brands, ABSOLUT confirmed its recovery in the United States, and the entire Scotch and Champagne portfolio rebounded strongly.

#### What progress has the Group made in reducing its debt?

— We have actively pursued the Group's deleveraging as one of our priorities. The net debt/EBITDA<sup>(1)</sup> ratio stood at 4.4 at end-June (a 0.5 decline on the year) and debt is now near €9 billion, a reduction of more than €1.5 billion in 2010/2011 (including €0.9 billion attributable to favourable currency effect).

Free cash flow from continuing operations remained very high (€1.2 billion), thanks to excellent operating results and the strict control of working capital and capital expenditure.

We also disposed of some non-strategic assets (mainly Spanish and New Zealand wines) for €154 million, which helped to improve cash generation.

In addition to continued deleveraging, we also refinanced the debt through two bond issues—one in March 2011 for €1 billion (maturing in six years), and the other (the first in the United States) in April 2011 for US\$1 billion (maturing in six years). These two transactions were significantly oversubscribed and executed under excellent financial terms. They made it possible to extend the maturity of the debt, diversify our investor base and reduce the share of bank debt in the overall debt. Bond debt now represents almost 50% of total debt, which was our original goal, although we haven't ruled out going beyond that.



+8%

ORGANIC GROWTH IN  
THE PROFIT FROM  
RECURRING OPERATIONS

+17%

ORGANIC GROWTH IN  
THE NET SALES  
IN EMERGING MARKETS



“

The Group's priority remains the organic growth of its business and continued deleveraging.”

■ ■ ■

#### Why not?

— The crisis and the new regulatory limits on banks are pushing us to be less dependent on bank credit. In addition, most European companies are increasingly turning to the bond market, as has long been the case in the United States.

We will continue to utilise bank financing, but its proportion will dwindle.

Deleveraging and rebalancing the debt towards bonds should create favourable conditions for refinancing the bank debt that matures in mid-2013.

#### Will strengthening your balance sheet allow Pernod Ricard to once again seek external growth opportunities?

— The Group's priority remains the organic growth of its business and continued deleveraging. A major acquisition is not on the agenda.

But we're not ruling out minor, tactical acquisitions that have no effect on our debt, such as the recent purchase of Tequila Avi6n.

#### What was the currency impact on the financial statements?

— It was very favourable on debt (+€932 million), given the decline of the US\$ vs. the euro from June 2010 (1.23) to June 2011 (1.45), and slightly favourable on operating income (+€25 million).

Our currency hedges are natural and therefore straightforward. Our debt is broken down by currency, mainly between the euro and the dollar, in order to report our EBITDA by currency.

#### What is the financial outlook for the coming year?

— Given the uncertainty of the current economic and financial environment, Pernod Ricard's strength is its highly diversified profile, both in terms of its brands and its markets. This allows it to capture sources of growth where they are (emerging markets, for example) and to withstand any turmoil in the global economy.



Our model has proven its strength, in crisis as much as in growth phases.

Since 2008, we have weathered the crisis well and proved our ability to rebound faster than most of our competitors.

We are therefore maintaining course: focusing on Premium brands, innovating and growing faster than the market, while being vigilant about our costs and how we allocate our resources.

In this way, we will continue to benefit from the virtuous circle of growth and debt reduction. In terms of finances, we will also prioritise debt refinancing in the new year.

“

Our model has proven its strength.”

+7%

ORGANIC GROWTH  
IN NET SALES

TOP 14 BRANDS GROWTH

+10%

VALUE

+6%

VOLUME



In a context of recovering consumption in its markets, Pernod Ricard demonstrated the effectiveness of its strategy and exceeded its initial financial targets. All of the Group's regions contributed to the acceleration of organic growth in net sales and profit from recurring operations. Meanwhile, the Group continued to reduce its debt. ■

# 2010/2011 FIGURES

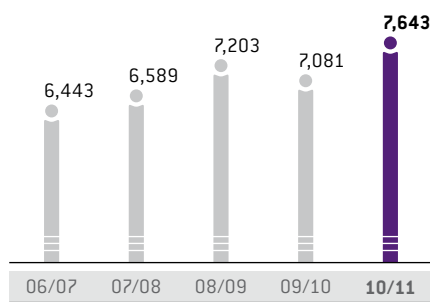
## KEY FIGURES

€7,643m  
2010/2011 NET SALES

€1,909m  
PROFIT FROM  
RECURRING OPERATIONS

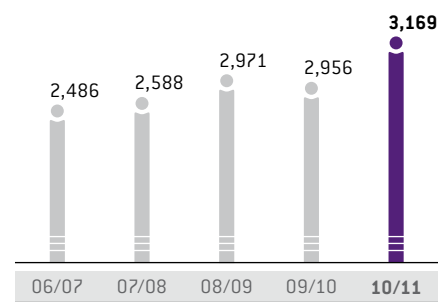
## NET SALES

IN EURO MILLIONS



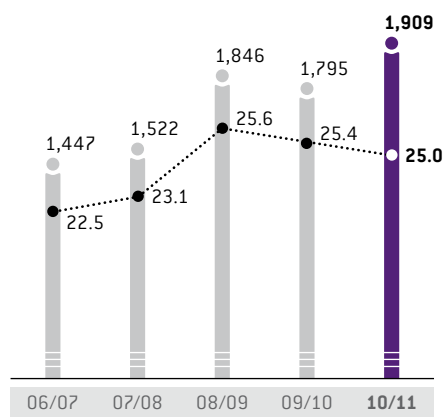
## CONTRIBUTION AFTER ADVERTISING AND PROMOTION EXPENSES

IN EURO MILLIONS



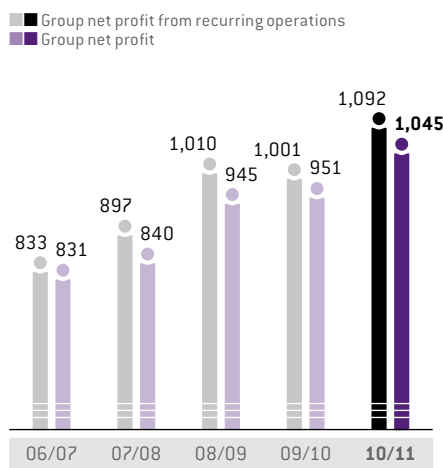
## PROFIT FROM RECURRING OPERATIONS, OPERATING MARGIN

IN EURO MILLIONS AND AS A % OF NET SALES



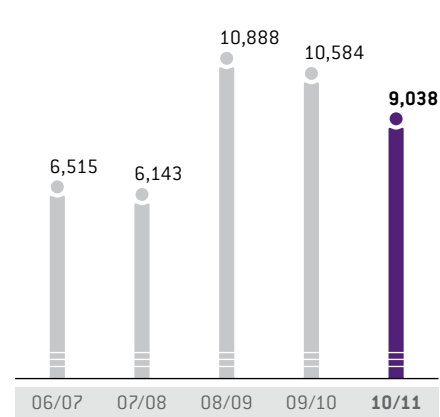
## GROUP NET PROFIT FROM RECURRING OPERATIONS GROUP NET PROFIT

IN EURO MILLIONS



## CHANGE IN NET FINANCIAL DEBT

IN EURO MILLIONS

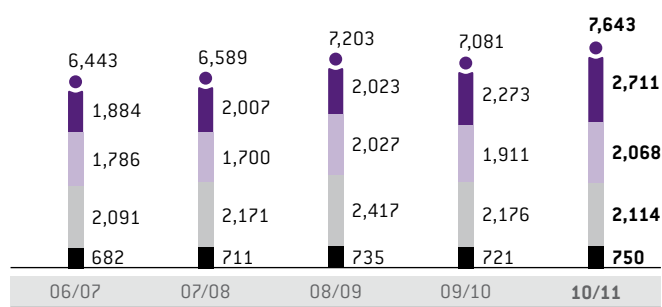




## SALES BY REGION

IN EURO MILLIONS

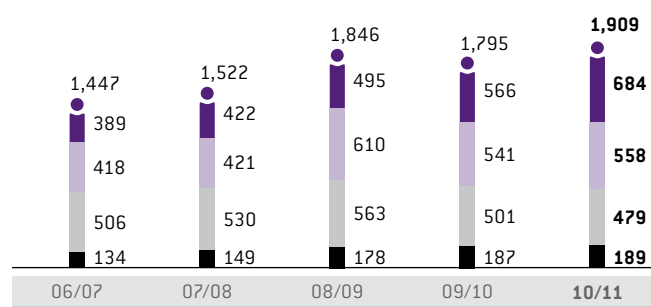
■ Asia and Rest of the World ■ Americas ■ Europe (excluding France) ■ France



## PROFIT FROM RECURRING OPERATIONS BY REGION

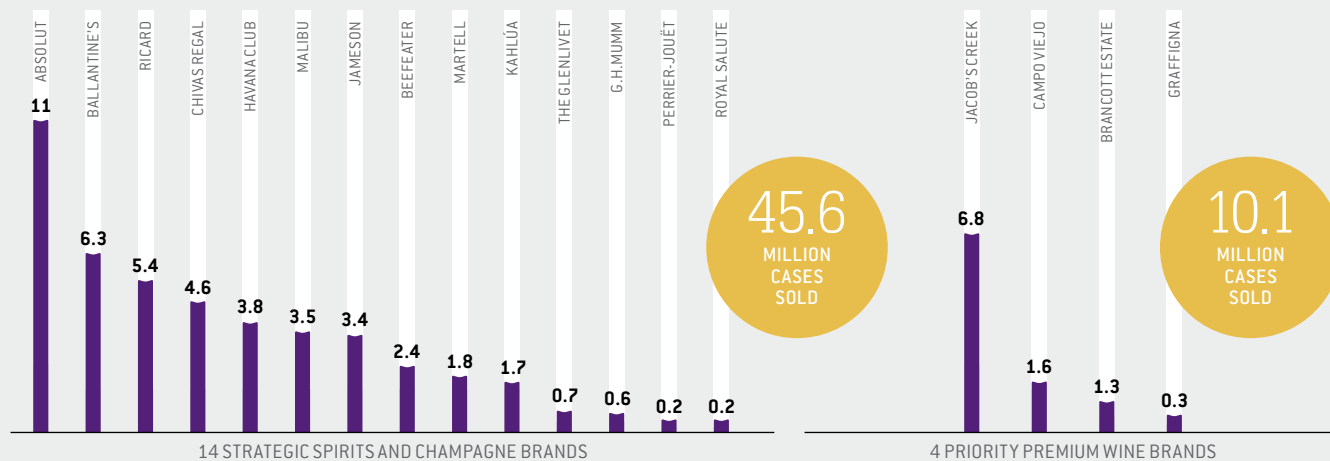
IN EURO MILLIONS

■ Asia and Rest of the World ■ Americas ■ Europe (excluding France) ■ France



## VOLUMES PER BRAND

IN MILLIONS OF 9-LITRE CASES



## ANNUAL CONSOLIDATED BALANCE SHEET (In euro millions)

ASSETS	30.06.2010	30.06.2011
Net amounts		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	12,364	11,291
Goodwill	5,393	5,041
Property, plant and equipment	1,823	1,805
Biological assets	116	111
Non-current financial assets	118	178
Investments in associates	6	6
Deferred tax assets	1,307	1,459
Non-current derivative instruments	20	56
<b>NON-CURRENT ASSETS</b>	<b>21,148</b>	<b>19,947</b>
<b>CURRENT ASSETS</b>		
Inventories	4,007	3,875
Trade receivable	944	904
Income taxes receivable	37	40
Other current assets	218	136
Current derivative instruments	12	19
Cash and cash equivalent	701	774
<b>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>

LIABILITIES AND SHAREHOLDERS' EQUITY	30.06.2010	30.06.2011
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	410	410
Share premium	3,022	3,034
Retained earnings and currency translation adjustments	4,739	4,795
Group net profit	951	1,045
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>9,122</b>	<b>9,284</b>
Minority interests	216	190
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,337</b>	<b>9,474</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current provisions	691	607
Provisions for pensions and other long-term employee benefits	408	348
Deferred tax liabilities	2,500	2,657
Bonds—non-current	2,893	4,657
Other non-current financial liabilities	6,925	4,729
Non-current derivative instruments	375	275
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>13,792</b>	<b>13,272</b>
<b>CURRENT LIABILITIES</b>		
Current provisions	312	265
Trade payable	1,871	1,884
Income taxes payable	104	91
Other current liabilities	224	293
Other current financial liabilities	317	323
Bonds—current	934	82
Current derivative instruments	212	14
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,975</b>	<b>2,953</b>
Liabilities held for sale	2	0
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>27,107</b>	<b>25,699</b>

## ANNUAL CONSOLIDATED INCOME STATEMENT (In euro millions)

	30.06.2010	30.06.2011
Net sales	7,081	7,643
Cost of sales	(2,863)	(3,033)
<b>Gross margin after logistics costs</b>	<b>4,218</b>	<b>4,610</b>
Advertising and promotion	(1,262)	(1,441)
<b>Contribution after advertising and promotional expenses</b>	<b>2,956</b>	<b>3,169</b>
Trading costs and overheads	(1,160)	(1,260)
<b>Profit from recurring operations</b>	<b>1,795</b>	<b>1,909</b>
Other operating incomes	234	121
Other operating expenses	(322)	(177)
<b>Operating profit</b>	<b>1,707</b>	<b>1,852</b>
Financial expenses	(524)	(531)
Financial incomes	17	72
<b>Interest (expense) income</b>	<b>(507)</b>	<b>(459)</b>
Corporate income tax	(223)	(318)
Share of net profit-loss of associates	1	2
<b>Net profit from continuing operations</b>	<b>978</b>	<b>1,077</b>
Net profit from discontinuing operations	0	0
<b>NET PROFIT</b>	<b>978</b>	<b>1,077</b>
Including:		
• Attributable to minority interests	27	32
• Attributable to equity holders of the Parent	951	1,045
Earnings per share—basic (in euro)	3.62	3.98
Earnings per share—diluted (in euro)	3.59	3.94
Net earnings per share from continuing operations (excluding discontinued operations)—basic (in euro)	3.62	3.98
Net earnings per share from continuing operations (excluding discontinued operations)—diluted (in euro)	3.59	3.94

## ANALYSIS OF BUSINESS ACTIVITY BY GEOGRAPHIC AREA (In euro millions)

	30.06.2010	30.06.2011	Organic growth	
ASIA AND REST OF THE WORLD				
Net sales	2,273	2,711	337	15%
Gross margin after logistics costs	1,263	1,559	240	19%
Advertising and promotion	(424)	(531)	(79)	19%
Contribution after advertising and promotional expenses	839	1,029	161	20%
Profit from recurring operations	566	684	107	20%
AMERICAS				
Net sales	1,911	2,068	87	5%
Gross margin after logistics costs	1,193	1,277	59	5%
Advertising and promotion	(332)	(379)	(33)	10%
Contribution after advertising and promotional expenses	861	898	26	3%
Profit from recurring operations	541	558	15	3%
EUROPE (EXCLUDING FRANCE)				
Net sales	2,176	2,114	5	0%
Gross margin after logistics costs	1,234	1,228	20	2%
Advertising and promotion	(337)	(343)	(5)	2%
Contribution after advertising and promotional expenses	897	886	14	2%
Profit from recurring operations	501	479	11	2%
FRANCE				
Net sales	721	750	30	4%
Gross margin after logistics costs	528	546	19	4%
Advertising and promotion	(170)	(189)	(19)	11%
Contribution after advertising and promotional expenses	358	356	(0)	0%
Profit from recurring operations	187	189	3	2%
TOTAL	30.06.2010	30.06.2011	Organic growth	
Net sales	7,081	7,643	459	7%
Gross margin after logistics costs	4,218	4,610	338	8%
Advertising and promotion	(1,262)	(1,441)	(136)	11%
Contribution after advertising and promotional expenses	2,956	3,169	201	7%
Profit from recurring operations	1,795	1,909	138	8%



The Pernod Ricard share confirmed its strength in 2010/2011. Despite a rather high relative valuation, and a CAC 40 whose values remain volatile due to the macroeconomic context, the Pernod Ricard share rose 6.2% on the year.

# 2010/2011 SHARE PERFORMANCE

## PERNOD RICARD SHARE: TWO YEARS OF RECOVERY



**BY DENIS FIEVET**  
VICE-PRESIDENT,  
FINANCIAL COMMUNICATION AND  
INVESTOR RELATIONS

After two consecutive years of sharp corrections resulting from the global economic and financial crisis, stock market indices saw two years of gradual recovery, in 2009/2010 and again in 2010/2011.

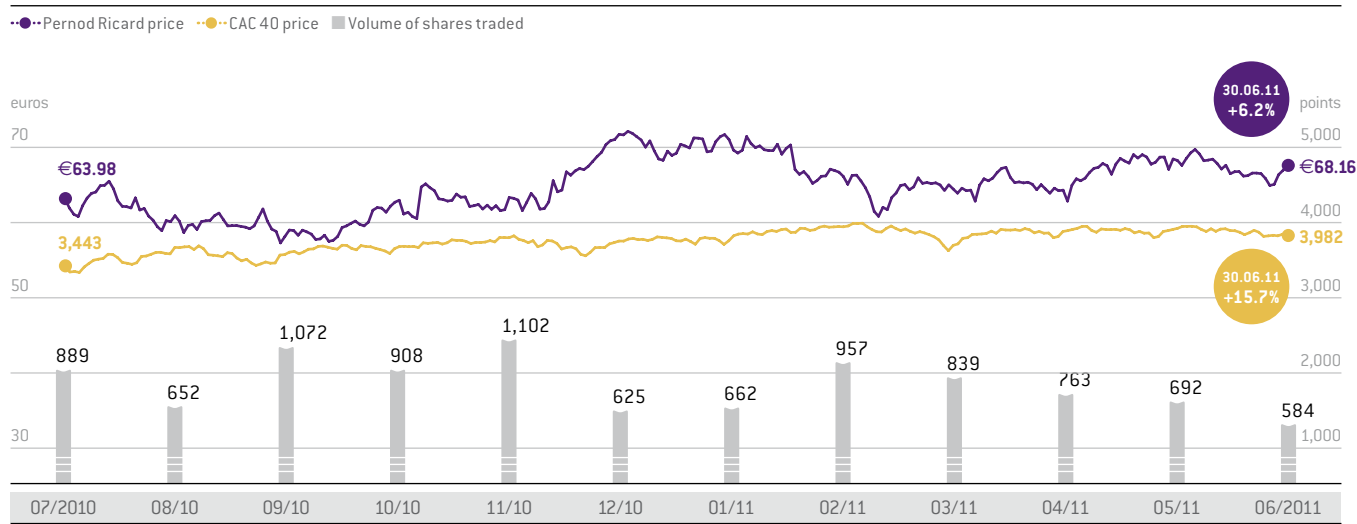
This recovery, which saw the CAC 40 up by 15.7% in 2010/2011, remains nevertheless marked by high volatility tied to numerous uncertainties and risk factors such as the sovereign debt crisis, the EUR/USD rate, fluctuations in oil and raw materials prices, and stagnating consumption in mature markets. Other geopolitical events, such as the 'Arab Spring', or even less foreseeable natural disasters, like the tsunami in Japan, created tension in the markets.

Against this backdrop, Pernod Ricard's share price closed at €68 on 30 June 2011, up by 6.2% for the year, despite an already high relative valuation. Recall that in 2009/2010 Pernod Ricard's share price gained +45%, significantly outperforming the CAC 40, up by 9.6%. Over the

last two years the average movement of Pernod Ricard's share price exceeded +25%, compared to +12.5% for the CAC 40.

Pernod Ricard's share price performance over these two years of recovery following a very strong resistance throughout the years of correction, demonstrates the market's confidence in the effectiveness of the Group's growth model. This model enables the Group to combine sustained investment behind its strategic brands and in high-potential markets, notably emerging markets, with substantial profit growth and rapid deleveraging.

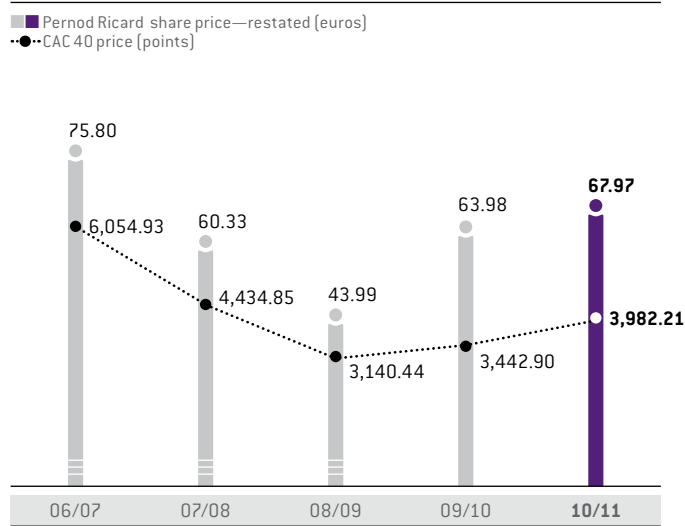
## CHANGE IN THE SHARE PRICE OVER ONE YEAR IN COMPARISON WITH THE CAC 40 INDEX AND TRADING VOLUMES<sup>(1)</sup>



[1] Volumes traded on NYSE-Euronext only.

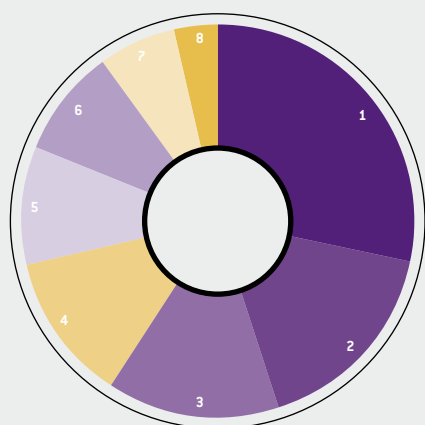


## VALUE OF THE PERNOD RICARD SHARE OVER FIVE YEARS (PRICE AT 30 JUNE)



Pernod Ricard is traded on the Paris stock exchange on NYSE Euronext SA Paris Eurolist (compartment A) SRD (deferred settlement service). The Group is included in the CAC 40 index, accounting for 1.71% of total market capitalisation at 30 June 2011. The Pernod Ricard share is eligible for inclusion in French 'PEA' share savings plans (*plan d'épargne en actions*) and for deferred settlement service.

## BREAKDOWN OF SHARE CAPITAL AT 30 JUNE 2011



<b>28.4%</b>	(1) US institutional investors
<b>16.6%</b>	(2) French institutional investors
<b>14.3%</b>	(3) Société Paul Ricard
<b>12.1%</b>	(4) Other foreign and miscellaneous institutional investors
<b>9.9%</b>	(5) Groupe Bruxelles Lambert
<b>8.7%</b>	(6) Individual shareholders
<b>6.6%</b>	(7) UK institutional investors
<b>3.4%</b>	(8) Board + Management + Employees + Treasury shares

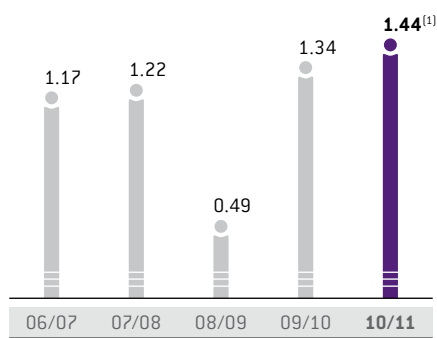


## 2011 dividend

At its meeting on 1 September 2010, the Board of Directors approved the payment of a dividend for the 2010/2011 financial year of €1.44 per share. Subject to approval by the Shareholders' Meeting to be held 15 November 2011, and taking into account the interim dividend of €0.67 paid on 6 July 2011, the ex-date of the balance of €0.77 per share will be 17 November 2011 and the payment date 22 November 2011.

## NET DIVIDEND (RESTATED) OVER THE LAST FIVE YEARS

IN EUROS



(1) Subject to the Shareholders' approval at 15 November 2011.

SUMMARY OF STOCK MARKET DATA	2008/2009	2009/2010	2010/2011
Number of listed shares at 30 June	258,640,536	264,232,313	264,721,803
Average number shares (except Treasury shares)—diluted <sup>(2)</sup>	241,221,105	264,856,425	265,032,466
Stock market capitalisation at 30 June (€m)	11,605	16,906	17,993
Group net profit from recurring operations per diluted share	4.27	3.78	4.12
Group net profit from recurring operations per diluted share (after restatement) <sup>(2)</sup>	4.19	3.78	NA
Dividend per share	0.5	1.34	1.44
Dividend per share after restatement <sup>(2)</sup>	0.49	1.34	NA
Average monthly volume of trades	31,627	19,258	17,506
Average monthly volume of trades after restatement <sup>(2)</sup>	36,012	19,351	NA
Highest share price for the financial year	67.9	67.51	72.78
Highest share price for the financial year after restatement <sup>(2)</sup>	65.29	67.51	NA
Lowest share price for the financial year	38.6	35.89	58.32
Lowest share price for the financial year after restatement <sup>(2)</sup>	37.06	35.19	NA
Average share price for the financial year	49.63	58.17	65.54
Average share price for the financial year after restatement <sup>(2)</sup>	47.71	57.32	NA
Share price at 30 June	44.87	63.98	67.97
Share price at 30 June after restatement <sup>(2)</sup>	43.99	63.98	NA

(2) Historical data were restated to take into account the capital increase through the allocation of one bonus share for 50 shares carried out 18 November 2009.



JOANNA BETKIER  
SALES FINANCE AND ANALYSIS MANAGER – WYBOROWA

*by Denis Rouvre*



Pernod Ricard fully appreciates the trust shown it by its shareholders. Keen to better communicate its strategy and commitments, it provides them comprehensive information that is transparent and accessible. Through Club Premium, the Group offers a multitude of special events to enlighten them about its products, its history and its culture. ■

## A DIALOGUE THAT IS SINCERE AND TRANSPARENT



### The most up-to-date means of communication

To meet the needs of its shareholders, Pernod Ricard informs them through several means of communication. The website [www.pernod-ricard.com](http://www.pernod-ricard.com) gives continuous updates on news about the Group and its brands, key financial events and share price. A study is underway to make it more user-friendly and convivial. Its makeover in 2012 should therefore better reflect the ambitions of a committed and responsible leading Group.

Since 1983, *Entreprendre* magazine has shed light on the Group's strategy and provided an in-depth look at a different topic in each issue. This year, two topics were in the headlines: the tremendous growth of our brands in Latin America and the proliferation of new tools for human resources management within the Group. Published in three languages and distributed to shareholders and employees, *Entreprendre* magazine showcases the professions and know-how that are the wealth of Pernod Ricard. It also provides a forum for notable outside personalities. This year, figures as diverse as Pascal Lamy, General Director of the WTO, and Clive Woodward, coach of the world champion English rugby team, have provided insight into issues of interest to the Group.

The third means of communication, the Annual Report, gives a comprehensive account of the financial year ended. Consistent with its commitment to innovate, in 2009/2010 Pernod Ricard was the first group of the CAC 40 to offer its

Annual Report as an iPad application. This idea has been repeated this year and made even more interactive.

### Club Premium, a cultural and convivial club

The relationship of trust that Pernod Ricard maintains with its shareholders is nurtured by close contact. Launched in 2006, Club Premium provides the framework for this special relationship. Three times a year, its 10,500 members receive the Premium newsletter. They also have access to a hotline, an email address and a dedicated website, and are invited to take part in numerous events. Such occasions revolve around meetings with Group specialists who can explain its workings and important issues. In addition to touring the Houses of Martell or the Perrier-Jouët and G.H. Mumm champagnes, this year shareholders discovered the Méjanes domain in the Camargue region, the setting for the experimental cultivation of rice for the Ricard company. On the cultural front, the exhibition devoted to Paul Ricard at the Museum of Old Nîmes, *De la réclame à la publicité* (A historical perspective of advertising), offered a retrospective, whilst one held at the Centre Pompidou, *Paris-Delhi-Bombay*, opted for a comparative look at contemporary and futuristic artists from India and France. Another highlight was the 2010 International Contemporary Art Fair (FIAC) in Paris. The ever popular cocktail workshops, led by highly creative bartenders, continued to be offered in Paris and the French provinces.

### SHAREHOLDERS' DIARY

- **20 October 2011:**  
2011/2012 First Quarter  
Sales and Full-Year Targets
- **15 November 2011:**  
2010/2011 Combined  
Annual General Meeting:
- **16 February 2012:**  
First-Half Sales and Results:
- **26 April 2012:**  
2011/2012 Third-Quarter Sales

GOOD  
PRACTICE



### A CONCERT FOR SHAREHOLDERS

As part of its cultural patronage policy, Pernod Ricard supports the budding professional talent welcomed into the OstinatO orchestra-workshop, which it has sponsored since 2004. To close the concert season, a special private concert was given on 17 June at the Studio of the Bastille Opera in Paris which brought together the OstinatO musicians and young singers from the *Atelier Lyrique* of the Paris Opera. Some 250 shareholders, members of Club Premium, attended this exclusive performance.



A FRENCH PUBLIC LIMITED COMPANY WITH SHARE CAPITAL OF €410,318,794.65  
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Pages 8, 10 in the At a glance and pages 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 48, 49, 74, 75, 76, 77, 112, 113, 114, 115 in the Annual Report: Nicolas Henry.  
Page 48: Jean Chiscano. Page 57: Sylvie Finochi.

**Copies of this document are available on request from the Group's head office.**

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Portraits – Denis Rouvre