Pernod Ricard

REGISTRATION DOCUMENT
2010/2011

Créateurs de convivialité

REGISTRATION DOCUMENT **2010/2011**

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PRESENTATION OF THE PERNOD RICARD GROUP

History and organisation

More than 30 years of continuous growth

Creation of Pernod Ricard (hereinafter referred to as ‘Pernod Ricard’ or ‘the Group’) and first international acquisitions

Pernod Ricard was born in 1975 out of the merger of two companies, Pernod SA and Ricard SA, long-time competitors in the French anis-based spirits market. The Group they formed was able to take advantage of new resources to develop its Market Companies and its brand portfolio (Ricard, Pernod, Pastis 51, Suze, Dubonnet, etc.) in France and other countries.

For its initial acquisitions, Pernod Ricard gave priority to whisky, one of the most consumed spirits in the world, and the United States, the world’s biggest market for the Wines and Spirits sector. This led to the Group that had just been created acquiring Campbell Distillers, a Scotch whisky producer in 1975, followed by Austin Nichols, the producer of Wild Turkey American bourbon whiskey in 1981.

Laying the foundations of the worldwide network

The Group continued its growth outside France with the start-up of operations in Asia, and more importantly, the creation of a broad and deep Market Company network in Europe. Over a period of ten years, the Group extended its coverage to all the countries of the 15-member European Union, establishing a strong brand presence: Pernod in the United Kingdom and Germany and Ricard in Spain and Belgium. A number of local acquisitions also helped to enhance the network’s portfolio (Ouzo Mini in Greece, Pacharán Zoco in Spain, etc.).

In 1985, Pernod Ricard acquired Ramazzotti, which had been producing Amaro Ramazzotti, a well-known bitter, since 1815. This acquisition brought with it an extensive sales and distribution structure in Italy.

In 1988, the Group took over Irish Distillers, the main Irish whiskey producer and owner of the prestigious Jameson, Bushmills, Paddy and Powers brands. Jameson provided the Group with a high-potential brand. Thus, between the acquisition in 1988 and 2011, the brand has delivered average annual growth in sales volumes of 10%, rising from 0.4 million to 3.4 million cases.

In 1989, the Group extended its network to Australia by purchasing Orlando Wines, Australia’s No. 2 wine producer. The company went on to form the Orlando Wyndham group with Wyndham Estate, in 1990. Jacob’s Creek has become the most exported Australian wine brand, and a market leader in the United Kingdom, New Zealand, Ireland, Scandinavia and Asia.

Pernod Ricard and the Cuban company Cuba Ron created Havana Club International in 1993. This joint venture markets and sells Havana Club rum, which has since been one of the fastest growing brands of spirits in the world.

Consolidation and organisation

In 1997, the Group added to its white spirits portfolio through the acquisition of Larios gin, the no. 1 gin in Continental Europe. The company producing Larios at the time merged with Pernod Ricard’s local distributor, PRACSA, which had been well-established in Spain since 1978. Pernod Ricard thereby acquired a prominent position in Spain, one of the world’s biggest markets, allowing it to distribute both its international products and local brands such as Palacio de la Vega wines and Pacharán Zoco.

Following these acquisitions, the Group embarked on a reorganisation, aimed primarily at decentralising its activities. First of all, Pernod Ricard implemented a regionalisation of its structure by creating four direct subsidiaries, each of them responsible for one continent. The Group’s structure was organised around ‘Market Company’ subsidiaries (with their own sales presence in local markets) and ‘Brand Companies’ (charged with overseeing production and global strategy of brands). The latter mainly only distribute via the Group’s subsidiaries and do not generally have their own sales force, or if so, have a very limited one. In this way, Pernod Ricard was able to ensure global coherence of its brand management, while adapting its strategy to local market specificities.

The Group acquired Viuda de Romero tequila in Mexico at the end of 1999.

Over the period from 1999 to 2001, the Group consolidated its positions in Eastern Europe through the acquisition of Yerevan Brandy Company (the Ararat brand of Armenian brandies), Wyborowa (Polish vodka) and Jan Becher (Czech bitter). With Ararat to boost the Tamada and Old Tbilisi Georgian wines, the Group was able to build a position in Russia where most of this brand’s sales are made, while the Group’s strong sales presence provided opportunities for Wyborowa to develop internationally.

Refocusing the business strategy

At the dawn of the new century, the Group doubled its size in the Wines & Spirits segment via the joint purchase with Diageo of Seagram’s Wines and Spirits business. Pernod Ricard acquired 39.1% of these business activities for an investment of USD3.15 billion. This made the Group one of the top three global Wines & Spirits operators and consolidated its position in the Americas and Asia, while remaining the leader in Europe. 2002 also saw the successful integration of 3,500 Seagram employees.

This helped the Group to hold key positions with regard to strong brands in the whisky sector, such as Chivas Regal and The Glenlivet, a high quality cognac brand with Martell and, in the white spirits segment, Seagram’s gin. It also had leading local brands such as Montilla in Brazil or Royal Stag in India.

As a result of this major acquisition, the Group decided to refocus on its core business, and started to withdraw from the non-alcoholic food and beverage segment: between 2001 and 2002, the Group sold Orangina, which it had purchased in 1984, SIAS-MPA, the world leader in fruit preparations for yoghurts and dairy-based desserts, BWG, a wholesaler in Ireland and the United Kingdom, and CSR-Pampryl.

2003 saw the Group re-enter the CAC 40 stock market index in Paris, thanks to the success of the Seagram acquisition and the Group's new strategic focus. In 2004, the sales of its alcohol free products had dropped to just 2% of Pernod Ricard's consolidated net sales, a clear signal of its intention to focus on only one business.

In July 2005, Pernod Ricard acquired Allied Domecq in conjunction with Fortune Brands for €10.7 billion. The aim of this acquisition was to enable the Group to strengthen its presence in high-growth potential markets (North America in particular) and to round out its portfolio by adding a number of new white spirits and liqueurs. Pernod Ricard financed its €6.6 billion investment by issuing shares and securities for €2 billion and via a €4.6 billion cash payment.

2005/2006 and 2006/2007 were marked by the complete success of Allied Domecq's integration and the continued strong growth of the Group's historical brands.

Pernod Ricard then decided to dispose of the non-core activities acquired through the purchase of Allied Domecq, mainly Dunkin' Brands Inc. and the interest in Britvic Plc. Similarly, The Old Bushmills Distillery and the Bushmills brands were sold to Diageo, Glen Grant and Old Smuggler to Campari and Larios to Fortune Brands. These disposals allowed the Group to accelerate its debt reduction.

Furthermore, Pernod Ricard signed an agreement with SPI Group for the distribution of the Stolichnaya brand and gradually implemented new global marketing strategies on all the brands gained from the acquisition of Allied Domecq, including Ballantine's, Beefeater, Malibu, Kahlúa, Mumm and Perrier-Jouët.

Despite the global economic and financial crisis spurred by the subprime debacle in the United States early in the year, 2007/2008 was an outstanding year for Pernod Ricard, with continued business growth in the Regions, a further upturn in earnings and margins and ongoing improvement in debt ratios.

In addition to this strong financial and commercial performance, 2007/2008 will remain marked by the preparation for the acquisition of the Vin&Sprit Group, owner of ABSOLUT Premium vodka, the world leader in its category with nearly 11 million 9–litre cases sold across the globe in the financial year 2008/2009.

The effectiveness of the Pernod Ricard group's growth model was without doubt shown by its ability to overcome the worldwide economic and financial crisis in 2008/2009, due to its:

- complete portfolio of Premium brands;
- global sales network and leading position in emerging markets[1].

Despite this difficult context, Pernod Ricard's profits continued to rise, while the Company successfully integrated the Vin&Sprit Group's business and, in particular, the ABSOLUT brand.

In order to step up its debt reduction and improve its debt ratios, the Pernod Ricard group increased its capital by €1 billion in 2008/2009 and announced the launch of an asset disposal programme for €1 billion. As such, the brand Cruzan rum was sold in August 2008, and Wild Turkey bourbon in May 2009.

In 2009/2010, the Pernod Ricard group resumed organic growth through its activities and profits despite the ongoing uncertainty in the global economic environment. This performance is even more remarkable considering the return to pre-crisis advertising and promotional investment, continued debt reduction and the improvement in debt ratios. Furthermore, in October 2009 the Pernod Ricard group launched a group-wide programme named Agility, designed to boost its operational efficiency across all functions while drawing on its strengths: decentralisation, premiumisation and its people.

Highlights of the financial year 2010/2011

Creativity and innovation, resulting from a strategy of sustained marketing investment, continued as the watchwords during the year. More than 40 significant innovations marked the period, such as the release of the new Ricard bottle, which had not changed since 1932. Range extensions, the launch of limited editions, new consumption rituals and a proliferation of digital campaigns all played a role in improving the performance of all the brands in the Group's portfolio. Pernod Ricard was hailed by Forbes Magazine, which listed the Group 16th in its ranking of the world's 50 most innovative companies. Internally, the Group released the outcome of its Group project, Agility, launched last year: about 30 initiatives are currently being implemented, such as the Breakthrough Innovation Group, an in-house incubator for innovation, and Pernod Ricard University, the Group's new training initiative.

2010

July

- 21 July 2010, sale of Spanish wine brands Marqués de Arienzo™ and Viña Eguía™, the *Bodega* and 358 hectares of associated vineyards to the Spanish consortium of buyers composed of Vinos de Los Herederos del Marqués de Riscal SA and Gangutia S.L. for €28 million.
- Planned organisational changes stemming from the conclusions of the Agility corporate project:

1. Creation of a new Brand Company called Premium Wine Brands, which covers all of the Group's priority wine brands;
2. Expansion of the remit of The ABSOLUT Company to cover all the international vodkas in the Group's portfolio;
3. Creation of Pernod Ricard Sub-Saharan Africa: a new region operating as a sub-division of Pernod Ricard Europe.

August

- 31 August 2010, sale of shares in Spanish company Ambrosio Velasco, whose brands include Pacharán Zoco and Palacio de la Vega brands, to Diego Zamora for €32 million.

December

- 3 December 2010, sale of the Renault cognac brand as well as certain inventories of finished products for €10 million to the Scandinavian group Altia.

(1) Countries where annual per capita GNP is below US$10,000.

- 22 December 2010, sale of the New Zealand sparkling wine brand Lindauer and several New Zealand wine brands as well as related inventories and production assets for €48 million.

2011

January

- Launch of the Group's first 'Innovation Day': 40 creations are unveiled.

February

- The Supreme Court of Spain confirmed the ownership of the Havana Club brand by the joint venture between Pernod Ricard and Cuba Ron.

March

- On 15 March 2011, the Group successfully carried out a €1 billion bond issue with the following characteristics: remaining period to maturity of 5 years and 9 months (maturity date: 15 March 2017) and bearing fixed-rate interest of 5%.

April

- On 7 April 2011, the Group's first American dollar-denominated issuance of 10-year bonds for USD1 billion brought in orders of over USD6 billion. The bonds have the following characteristics: remaining period to maturity of 9 years and 10 months (maturity date: 7 April 2021) and bearing fixed-rate interest of 5.75%.
- The Group launched the 30 initiatives of the Agility project.

May

- On 23 May 2011, 18,000 employees participated in the first edition of Responsib'All Day, an event dedicated to fighting alcohol abuse and, in particular, drink driving.

Some marketing and product initiatives

- **Ricard** changed its bottle for the first time since 1932.
- **ABSOLUT** released a test version of its new super-premium ABSOLUT ELYX.
- **Chivas** launched the new 'Virtuous Circle' ad for its worldwide 'Live with Chivalry' campaign.
- **Jameson** surpassed the symbolic 3 million case mark.
- **Ballantine's**: Sponsorship of the Ballantine's Championship golf tournament in South Korea, and won by the world champion, Lee Westwood.
- **Kahlúa** revealed its brand new campaign, 'Delicioso', starring actress Ana de la Reguera.
- **Martell** opened a new boutique in Kuala Lumpur.
- **Jacob's Creek** unveiled three new products under its prestige 'Reserve' brand.
- **Perrier-Jouët** celebrated its bicentennial and became the official champagne for the wedding of Prince Albert of Monaco and Charlene Wittstock.

Significant post balance sheet events 2011

July

- Pernod Ricard announced the signing of a joint venture agreement with Tequila Avión for the purpose of producing and promoting the ultra-premium tequila brand Avión™. Pernod Ricard holds a minority interest in this joint venture and is the exclusive worldwide distributor of the brand. The structure of the transaction does not impact the group's indebtedness, other than the initial immaterial contribution to the joint venture.

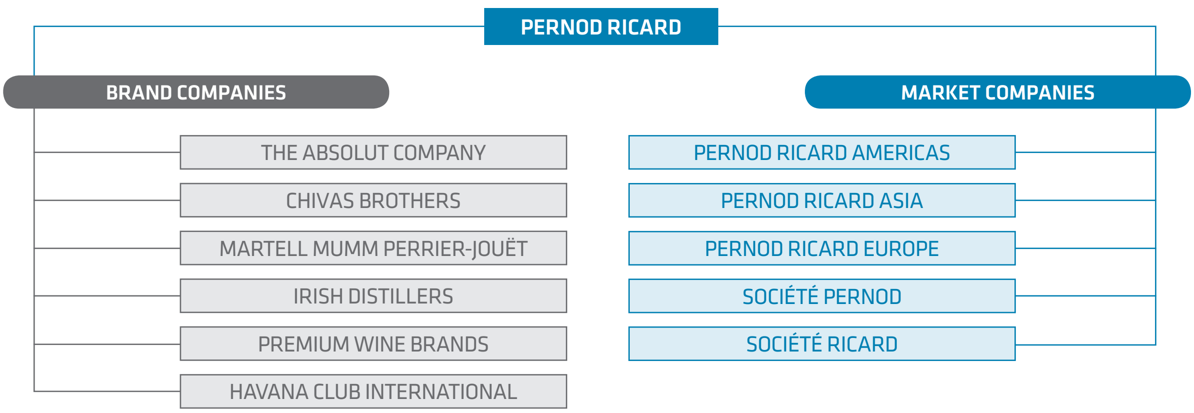
September

- Moody's raised Pernod Ricard's credit rating from 'Ba1 with a positive outlook' to 'Baa3 with a stable outlook', recognising the Group's operating performance and the improvement in its credit risk profile despite the uncertain global economic climate.

A decentralised 'business model'

Organisation chart

Brief description of the Group



The general organisation of the Group is based around Pernod Ricard (hereinafter the '**Holding Company**') which holds companies referred to as '**Brand Companies**' and, either directly or indirectly through holding companies, called 'Regions' or '*clusters*', companies referred to as '**Market Companies**'. Some companies combine both Brand Company and Market Company activities.

Following the acquisition of Vin&Sprit in July 2008, Pernod Ricard set up two new operational structures based in Sweden: The ABSOLUT Company, a Brand Company responsible notably for the ABSOLUT brand throughout the world (including production), and Pernod Ricard Nordic, a 'cluster', under Pernod Ricard Europe, in charge of selling Pernod Ricard's local and international brands on the Swedish, Danish, Finnish, Norwegian, Baltic and Icelandic markets.

With a view to optimising operations and reducing overheads, Pernod Ricard decided to integrate the Malibu Kahlúa International brands into The ABSOLUT Company as from 1 July 2009. The concentration of these brands strengthens their resources in terms of strategic planning, consumer research and the development of global platforms.

Pernod Ricard now has six Brand Companies.

In Pernod Ricard's decentralised business model, the **Holding Company** plays several roles.

It manages certain reserved functions such as:

- overall Group strategy, particularly organic and external growth;
- management of equity investments, in particular any merger, acquisition or resale of any appropriate assets;
- management of the financial policy of the entire Group including financing resources;
- tax policy and its implementation;
- coordination of policies, management and protection of the Group's intellectual property;
- definition of remuneration policies, management of international executives and development of skills and competencies;
- approval of new advertising campaigns prior to launch;
- approval of key features of strategic brands;
- corporate communications and investor, analyst and shareholder relations;
- shared resources, notably through the Purchasing Division;
- major applied research programmes.

The **Holding Company**'s financial relations with its subsidiaries mainly involve billing of royalties for the operation of brands owned by the Holding Company, rebilling for product relating to research and innovation services, and receipt of dividends.

The **Holding Company** monitors and controls its subsidiaries' performance and prepares and communicates Group accounting and financial information.

Lastly, the **Holding Company** is in charge of implementing policy and measures in key areas. It must ensure that its vision of the Company is shared, its business model understood and best practices are available to every member of the organisation. As such, the exchange of knowledge and mutual support between subsidiaries are vital to the success of the Group's decentralised business model.

The **Managing Director** performs Group **General Management**, assisted by four **Deputy Managing Directors**, respectively:

- DMD – Finance;
- DMD – Brands;
- DMD – Distribution Network;
- DMD – Human Resources and Corporate Social Responsibility.

The **General Management, under the authority of the Managing Director**, whose powers are defined within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and the Board of Directors, and within the limits of internal rules as defined by the Board of Directors and its Internal Regulations, **is collectively in charge of steering the Group's business**.

The Company's General Management relies on the **Holding Company Management** to prepare and coordinate the decisions and actions to be taken by the Holding Company.

Regions are autonomous subsidiaries to which powers have been delegated by the Holding Company. They are in charge of the operational and financial control of their subsidiaries. Regions comprise subsidiaries present in the same geographical region (Asia, the Americas, Europe and Pacific).

Brand Companies are autonomous subsidiaries to which powers have been delegated by the Holding Company or by a Region. They have responsibility for managing strategy and brand development as well as for manufacturing.

Market Companies are autonomous subsidiaries to which powers have been delegated by the Holding Company or by a Region. They have the responsibility for managing the distribution and development of brands in local markets.

Significant post-balance sheet events

Alexandre Ricard, currently Chairman and CEO of Irish Distillers, joined the Group's General Management team as of 1 September 2011 as Deputy Managing Director – Distribution Network, reporting to Pierre Pringuet.

In this capacity, he is responsible for developing and controlling the Group's distribution networks. The following subsidiaries come under his remit: Pernod Ricard Americas, Pernod Ricard Asia, Pernod Ricard Europe, Pernod and Ricard, together with Pernod Ricard Sales Development Management. Alexandre Ricard, who is based in Paris, is a member of the Executive Office.

List of significant subsidiaries

The list of significant subsidiaries is presented in Note 26 – *List of main consolidated companies* of the Notes to the consolidated financial statements.

Operation and strategy

Main business activities (14 strategic brands)

Main businesses

The Pernod Ricard Group was born in 1975 out of the merger of Pernod SA and Ricard SA and has since expanded through both organic and external growth. The acquisitions of part of Seagram (2001), Allied Domecq (2005) and recently Vin&Sprit (2008) have made the Group global co-leader in Wines & Spirits.

Pernod Ricard owns one of the industry's most prestigious brand portfolios which includes: ABSOLUT vodka (since 23 July 2008), Ricard pastis, Ballantine's, Chivas Regal and the Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagnes as well as Jacob's Creek and Brancott Estate wines.

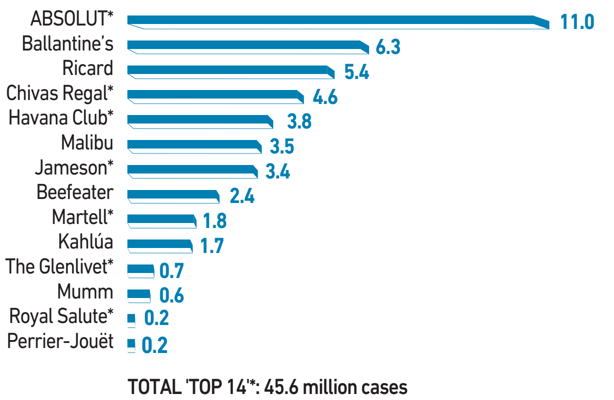
Pernod Ricard relies on a decentralised organisational structure, based around 'Brand Company' and 'Market Company' subsidiaries. The organisation employs 18,226 people in 70 countries.

Pernod Ricard's strategy is organised around four key areas:

- investing first and foremost in world-class strategic brands;
- adding Premium brands to position the company at the high end of the market and so accelerate growth and boost profitability;
- expanding in emerging markets, which offer the strongest growth outlook;
- continuing to grow through acquisitions, once leverage has been reduced, to remain a dynamic player in the consolidation of the Wines & Spirits sector.

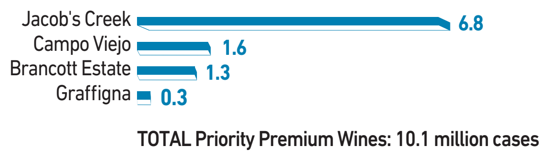
Lastly, the Group is a strong advocate of Sustainable Development and encourages responsible consumption of its products.

Top 14: Strategic Brands
(2010/2011 volumes in millions of 9-litre cases)



** Historic record by volume*

Priority Premium Wines
(2010/2011 volumes in millions of 9-litre cases)



Key markets (4 strategic regions)

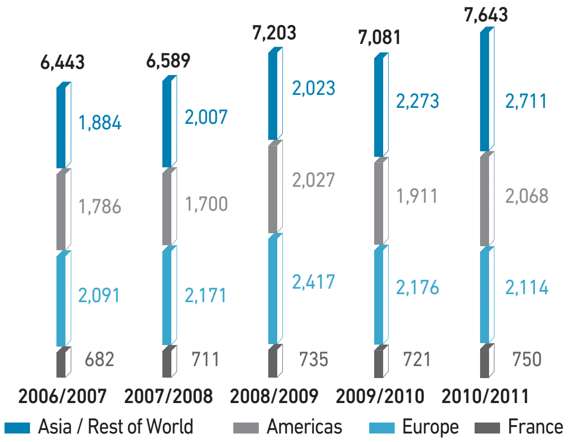
The Group's segmentation of its geographic markets and development regions reflects its historical roots and strategy of growth through acquisition.

France is the Company's birthplace, with the two major anis-based spirits brands, Ricard and Pastis 51 (Pernod), which gave their name to the Group. The Group then embarked on a series of acquisitions, beginning in Europe, which became its second strategic region. Pernod Ricard used the strength provided by these solid roots as a base to conquer North and South America, Asia and the Rest of World, the regions that have driven the strongest growth in recent years.

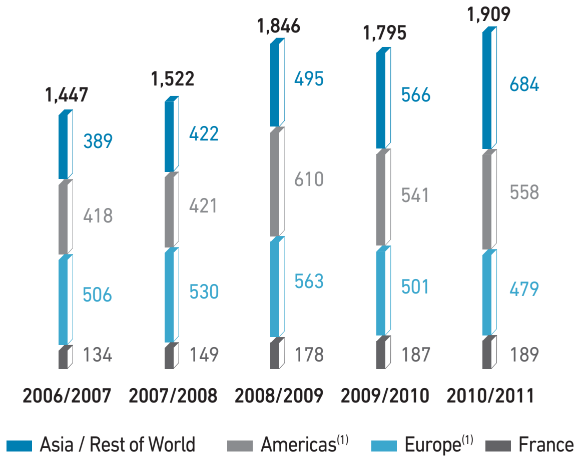
Asia/Rest of World took over as the Group's biggest region in 2009/2010, by net sales and profit from recurring operations. In 2010/2011 this position was strengthened and Asia/Rest of World represented 36% of the Group's profit from recurring operations.

The emerging markets of Europe, the Americas, Asia and the Rest of World are increasing their contribution to Group business and represented 38% of Group operating profit in 2010/2011, forming an increasingly powerful growth engine for the coming years.

Net sales by region *(in euro million)*



Profit from recurring operations by region *(in euro million)*



(1) Reclassification of €26 million of other income and expenses between the Americas (-26) and Europe (+26) in financial year 2008/2009.

1

Competitive position

The presence of many market participants, including both multinational companies and local entities, makes the Wines & Spirits segment a highly competitive market.

Pernod Ricard ranks as the world's second-largest spirits company in volume [1], and co-leader in the Premium spirits segment [2].

Pernod Ricard faces competition in its business lines, primarily from:

- either large multinationals in the Wines & Spirits sector, such as Diageo, Bacardi-Martini, Beam Global Spirits&Wine, Brown-Forman, Moët-Hennessy, Constellation Brands, Foster's, Gallo, Campari and Rémy Cointreau for international brands;
- or smaller companies or producers for local brands (for example, UB Group in India, CEDC in Poland).

Company's dependence on patents, licences and industrial agreements

The Group is not dependent on any specific patent or licence.

Pernod Ricard is not significantly dependent on its suppliers.

Property, plant and equipment

Significant existing property, plant and equipment

The asset disposal plan, which had been announced and initiated in 2009/2010, was implemented in 2010/2011. The main sites included the Newbridge bottling plant in Scotland, the vatting site in Karlovy Vary, Czech Republic, the Dicastillo, Arienzo and Jumilla wineries in Spain, the Russet Ridge and Wickham Hill wineries in Australia and the Gisborne winery in New Zealand. The Georgian Wines & Spirits site in Georgia was sold on 29 June 2011.

As at 30 June 2011 the Group had 98 production sites in operation across 23 countries throughout the world. These include 28 distillation and 51 bottling facilities, while the others cover ageing, vinification and vatting operations.

In addition to these directly operated sites are 16 bottling sites that are not owned by Pernod Ricard but work for the Group under contract in India.

Apart from the production sites, the Group also owns many farmlands, covering nearly 6,500 hectares of vineyards, located primarily in Australia, New Zealand, Spain, Argentina and France.

As of 30 June 2011, the net book value of this property, plant and equipment totalled €1,805 million.

In the 2010/2011 financial year, the volumes produced by the industrial sites covered by the Group's environmental reporting totalled 1,176 million litres of finished bottled goods or goods sent in bulk, as against 1,183 million litres in 2009/2010.

(1) Source: IWSR 2010.

(2) International spirits above the index 80 (index 100 = price of Ballantine's Finest or Johnny Walker Red) using IWSR 2010 data.

Country	Number of industrial sites at 30.06.11	Main industrial sites	Main activities	Distilling	Vinification	Vatting and bottling	Ageing
France	15	Cognac	Cognac			x	x
		Rouillac	Cognac	x	x	x	x
		Chanteloup	Cognac				x
		Gallienne	Cognac	x			x
		Bessan	Anis-based spirits	x		x	
		Lormont	Anis-based spirits			x	
		Vendeville	Anis-based spirits			x	
		Cubzac	Sparkling wines			x	
		Thuir	Wine-based drinks			x	x
		Marseille	Anis-based spirits			x	
		Reims	Champagne		x	x	x
		Épernay	Champagne		x	x	x
Sweden	3	Ahus	Vodka			x	
		Nöbbelov	Vodka	x			
		Satellite	Vodka			x	
Denmark	1	Aalborg	Distilled spirits/spirits	x			
Finland	1	Turku	Distilled spirits/spirits			x	
Scotland	23	Balgray	Whisky				x
		Braeval	Whisky	x			
		Dalmuir	Whisky				x
		Dumbuck	Whisky				x
		Paisley	Whisky			x	
		Strathclyde	Whisky	x			
		Kilmalid	Whisky			x	
		Keith Bond	Whisky				x
		Mulben	Whisky				x
		Miltonduff	Whisky	x			x
		Glenlivet	Whisky	x			x
England	2	Plymouth	Gin	x			
		Kennington	Gin	x			
Ireland	2	Midleton	Whiskey	x			x
		Fox and Geese	Whiskey			x	
Spain	11	Manzanares	Rum, liqueurs			x	
		Ruavieja	Liqueurs			x	
		Age	Wines		x	x	
		Logrono	Wines		x	x	
Italy	1	Canelli	Bitters			x	
Greece	2	Piraeus	Other			x	
		Mytilène	Ouzo			x	
Poland	3	Poznan (2 sites)	Vodka	x		x	
		Zielona Gora	Vodka			x	
Czech Republic	1	Bohatice	Bitters			x	x

Country	Number of industrial sites at 30.06.11	Main industrial sites	Main activities	Distilling	Vinification	Vatting and bottling	Ageing
Armenia	4	Yerevan	Brandy			x	x
		Armavir	Brandy	x	x		x
		Aygavan	Brandy	x	x		x
		Berd	Brandy	x	x		
United States	2	Fort Smith	Spirits, liqueurs			x	
		Napa	Sparkling wines		x	x	x
Canada	2	Walkerville	Spirits, liqueurs	x		x	x
		Corby	Spirits, liqueurs			x	
Mexico	4	Los Reyes	Brandy, coolers, liqueurs			x	x
		Arandas	Tequila	x		x	x
		Ensenada	Wines		x		
		Hermosillo	Tequila	x			
Brazil	2	Suape	Distilled spirits/spirits			x	
		Resende	Distilled spirits/spirits	x		x	x
Argentina	4	Bella Vista	Distilled spirits/spirits			x	x
		Cafayate	Wines		x	x	
		San Raphael	Wines		x	x	
		San Juan	Wines		x	x	
Cuba	1	San José	Rum	x		x	x
Australia	3	Rowland Flat	Wines		x	x	
		Morris	Wines		x		
		Richmond Grove	Wines		x		
New Zealand	4	Brancott	Wines		x		
		Church Road	Wines		x		
		Corbans	Wines		x		
		Tamaki	Wines			x	
India	6	Daurala	Whisky			x	
		Behror	Whisky	x		x	
		Kolhapur	Whisky			x	
		Nashik (2 sites)	Whisky, wines	x	x	x	
		Rocky Punjab	Whisky			x	
South Korea	1	Echon	Whisky			x	
TOTAL	**98**						

Investments

During 2010/2011, the Group's total capital expenditure on production sites rose to €138 million. This figure does not include IT systems, administrative infrastructure or agricultural plantation expenditure.

As in the past, significant investment went into the ageing alcohols businesses of whiskies and cognac. The investments notably involved replacing the casks used to store and age alcohols for nearly €30 million, building new cellars in Ireland, Scotland and Cognac for around €15 million and refurbishing distilleries to boost efficiency.

Following the damage caused by heavy snowfall in January 2009, major work was completed at the Mulben facility in Scotland to repair and reinforce the roofs of around 40 whisky ageing cellars. Lastly, Ricard made significant investments in the bottling lines at its three sites for the launch of the new Ricard bottle in January 2011. For the 2011/2012 financial year, various projects to increase capacity are under review or being implemented, for instance to increase distillation capacity in Ireland and to build cellars for ageing Jameson whiskey.

Research and Development

The Group is equipped with a specialised central Research and Development structure, the Pernod Ricard Research Centre (CRPR). The activities of the CRPR are grouped into three missions:

- involvement in protecting strategic brands by ensuring their compliance with the Group's quality criteria and the continuity of their organoleptic profiles;
- organisation of the sharing of scientific and technical knowledge through various publications, training programmes, communications and the coordination of networks of experts;
- proposal, in collaboration with Brand Owners, and coordination of research projects that will generate new expertise in the strategic areas where the Group could build a competitive edge. These research projects are focused on the following issues:
  - understanding and management of the organoleptic profiles of products,
  - breakthrough innovation (content and packaging),
  - understanding of product/consumer interaction.

The CRPR, which has the technical expertise and material resources (analysis equipment, pilot workshop), is also available, to provide direct technical support for subsidiaries.

Each subsidiary is responsible for the development of its new products and the optimisation of its processes. Teams shall essentially focus on the optimisation of processes reducing the environmental impact of our businesses: reduction of energy and water consumption, reduction of agricultural inputs and packaging.

The Group employs the equivalent of about 80 full-time employees in R&D. The Group also finances various research projects at universities in France (Bordeaux, Dijon, Montpellier, Paris) and abroad: Scotland (Edinburgh), New Zealand (Auckland, Christchurch), Italy (Genoa). Lastly, the Group supports R&D at several drinks industry associations worldwide.

2

CORPORATE GOVERNANCE AND INTERNAL CONTROL

This section includes 'Governance structure' and 'Report of the Chairman of the Board of Directors on internal control and risk management' of the Report of the Chairman of the Board of Directors as required by articles L. 225-37 and L. 225-51 of the French Commercial Code.

It describes, in the context of the preparation of the financial statements for the 2010/2011 financial year, the conditions governing the preparation and organisation of the work performed by the Board of Directors, the powers entrusted to the CEO by the Board of Directors, the principles and rules used to determine the remuneration and benefits of any kind granted to Directors, as well as the internal control procedures implemented by Pernod Ricard.

Firstly, we inform you that, per article L. 225-100-3 of the French Commercial Code, the items that may have an impact in the event of a public offer are detailed in Section 8 'About the Company and its share capital', under the paragraph 'Items likely to have an impact in the event of a public offer' of this Registration Document.

This report was approved by the Board of Directors on 31 August 2011.

Board of Directors of the Company

Members of the Board of Directors

Members of the Board of Directors and duties performed by the Directors

The table below describes the membership of the Board of Directors of the Company as at 30 June 2011.

Director's first name and surname or Company name	Date of first appointment	Date of expiry of term of office [1]	Offices and main positions held outside the Group at 30.06.2011 or at the date of resignation when applicable	Offices held outside the Group that have expired during the last 5 years
CHAIRMAN OF THE BOARD OF DIRECTORS				
Mr Patrick Ricard	15.06.1978 [2]	2011/2012	■ Member and Vice-President of the Supervisory Board of Société Paul Ricard [3] ■ Director of the Fédération des Exportateurs de Vins & Spiritueux	■ Director of Provimi SA ■ Director of Altadis SA (Spain) ■ Director of Société Générale ■ Director of the Association Nationale des Industries Alimentaires
CEO AND DIRECTOR				
Mr Pierre Pringuet	17.05.2004	2011/2012	■ Director of Iliad ■ Director of Cap Gemini	■ None
DIRECTORS				
Mr François Gérard	10.12.1974	2013/2014	■ None	■ Director of Strike International (Morocco)
Mr Rafaël Gonzalez-Gallarza	05.05.1998	2011/2012	■ None	■ Chairman of the Board of Directors of Prensa Malagueña SA (Spain) ■ Director of Endesa (Spain)
Ms Danièle Ricard	16.06.1969	2012/2013	■ Chairman of the Management Board of Société Paul Ricard [3] ■ Non-associate Manager of SNC Le Garlaban ■ Chairman of the Board of Directors of Bendor SA (Luxembourg) ■ Chairman of Les Embiez SAS ■ Non-associate Manager of SNC Le Tabac des Îles de Bendor et des Embiez	■ None
Société Paul Ricard [3] represented by Mr Alexandre Ricard	09.06.1983	2012/2013	■ Chairman of Le Delos Invest III (Société Paul Ricard) [3] ■ Member of the Management Board of Société Paul Ricard [3] (Mr Alexandre Ricard) ■ CEO of Le Delos Invest II (Mr Alexandre Ricard) ■ CEO of Lirix (Mr Alexandre Ricard) ■ Director of Le Delos Invest I (Mr Alexandre Ricard) ■ Director of Bendor SA (Luxembourg) (Mr Alexandre Ricard)	■ CEO of Le Delos Invest I (Mr Alexandre Ricard)
Mr César Giron	05.11.2008	2011/2012	■ Member of the Management Board of Société Paul Ricard [3] ■ Director of Lirix ■ Director of Le Delos Invest I ■ Director of Le Delos Invest II ■ Director of Bendor SA (Luxembourg)	■ None

Director's first name and surname or Company name	Date of first appointment	Date of expiry of term of office [1]	Offices and main positions held outside the Group at 30.06.2011 or at the date of resignation when applicable	Offices held outside the Group that have expired during the last 5 years
Mr Jean-Dominique Comolli Mr Jean-Dominique Comolli resigned from his duties as Director on the Board of Directors of Pernod Ricard on 1 September 2010.	06.05.1997	2012/2013	■ Chairman of the Board of Directors of Seita ■ Chairman of the Board of Directors of Altadis SA (Spain) ■ Chairman of the Supervisory Board of the Régie des Tabacs (Morocco) ■ Director of the Établissement Public de l'Opéra Comique ■ Director of Crédit Agricole Corporate & Investment Bank ■ Director of Casino ■ Vice-Chairman of Imperial Tobacco, member of the Board of Directors	■ Director of Aldeasa (Spain) ■ Director of Logista (Spain)
Lord Douro Lord Douro resigned from his duties as Director on the Board of Directors of Pernod Ricard as of 31 March 2011	07.05.2003	2012/2013	■ Chairman of Company Richemont Holdings (UK) Ltd (United Kingdom) ■ Director of Compagnie Financière Richemont AG (Switzerland) ■ Director of Global Asset Management Worldwide (United Kingdom) ■ Director of Sanofi-Aventis ■ Advisor to Crédit Agricole Corporate & Investment Bank ■ Chairman of King's College London (United Kingdom)	■ Commissioner of English Heritage ■ Chairman of Framlington Group (United Kingdom)
INDEPENDENT DIRECTORS				
Ms Nicole Bouton	07.11.2007	2010/2011	■ Chairman of Financière Accréditée (subsidiary of Centuria Capital) ■ Chairman of Centuria Accreditation (subsidiary of Centuria Capital) ■ Chairman of the Strategic Committee of Friedland Gestion ■ Director of AMOC (Opéra Comique)	■ Chairman of the Financière Centuria Group (GFC) ■ Chairman of Centuria Luxembourg (subsidiary of GFC) ■ Chairman of Financière Centuria Asset Management (subsidiary of GFC)

Director's first name and surname or Company name	Date of first appointment	Date of expiry of term of office (1)	Offices and main positions held outside the Group at 30.06.2011 or at the date of resignation when applicable	Offices held outside the Group that have expired during the last 5 years
Mr Laurent Burelle Mr Laurent Burelle was co-opted as Director by the Board of Directors on 4 May 2011 following Lord Douro's resignation from his duties as Director on the Board of Directors.	04.05.2011	2012/2013	■ Deputy Managing Director and Director of Burelle SA ■ Deputy Managing Director and Director of Sogec 2 SA ■ Director of Burelle Participations SA ■ Chairman and Member of the Supervisory Board of Sofiparc SAS ■ CEO of Compagnie Plastic Omnium SA ■ Chairman and Member of the Supervisory Board of Plastic Omnium Environnement SAS ■ Chairman of Plastic Omnium Auto SAS ■ Chairman of Plastic Omnium Auto Exteriors SAS ■ CEO of Inergy Automotive Systems SA ■ Director of Lyonnaise de Banque ■ Chairman of Cie Financière de la Cascade SAS ■ Member of the Supervisory Board of Labruyère Eberlé SAS ■ Manager of Plastic Omnium GmbH (Germany) ■ Chairman and Director of Compania Plastic Omnium SA (Spain) ■ Chairman of Performance Plastics Products -3P Inc. (United States) ■ Chairman of Plastic Omnium Auto Exteriors LLC (United States) ■ Chairman of Plastic Omnium Inc. (United States) ■ Chairman of Plastic Omnium Automotive Services Inc. (United States) ■ Chairman of Plastic Omnium Industries Inc. (United States) ■ Director of Inergy Automotive Systems LLC (United States) ■ Chairman of Plastic Omnium Ltd (United Kingdom) ■ Chairman of Plastic Omnium International BV (Netherlands) ■ Director of Signal AG (Switzerland)	■ Chairman of Transit SAS ■ Chairman of Plastic Omnium Plastiques Hautes Performances SAS ■ Chairman of Signature SA ■ Chairman of Compagnie Signature SAS ■ Chairman of Epsco International Inc. (United States) ■ Chairman of Plastic Omnium AG (Switzerland)
Mr Michel Chambaud	02.11.2009	2012/2013	■ Managing Director of GBL TC (Belgium) ■ Member of the Supervisory Board of Filhet Allard ■ Director of Steel Partners NV (Belgium) ■ Director of Ergon Capital Partners III (Belgium)	■ Manager of Nyala Finance Paris
Mr Wolfgang Colberg	05.11.2008	2011/2012	■ Member of the Supervisory Board of Roto Frank AG, Stuttgart (Germany) ■ Member of the Regional Board of Deutsche Bank AG (Germany)	■ None

Director's first name and surname or Company name	Date of first appointment	Date of expiry of term of office [1]	Offices and main positions held outside the Group at 30.06.2011 or at the date of resignation when applicable	Offices held outside the Group that have expired during the last 5 years
Mr Gérald Frère	02.11.2009	2012/2013	■ Chairman of the Board of Directors and Chairman of the Nominations and Remuneration Committee of Compagnie Nationale à Portefeuille SA (CNP) (Belgium) ■ Chairman of the Board of Directors of Filux SA (Luxembourg) ■ Chairman of the Board of Directors of Segelux SA (Luxembourg) ■ Chairman of the Board of Directors of RTL Belgium (Belgium) ■ Chairman of the Board of Directors of Stichting Administratie Kantoor Bierlaire (Netherlands) ■ Vice-Chairman of the Board of Directors of Pargesa Holding SA (Switzerland) ■ Chairman of the Board of Directors and Managing Director of Haras de la Bierlaire SA (Belgium) ■ Chairman of the Standing Committee and Managing Director of Groupe Bruxelles Lambert SA (Belgium) ■ Managing Director of Financière de la Sambre SA (Belgium) ■ Managing Director of Frère-Bourgeois SA (Belgique) ■ Director, Member of the Compensation Committee and Member of the Related Party and Conduct Review Committee of Corporation Financière Power (Canada) ■ Director of Erbe SA (Belgium) ■ Director of Fonds Charles-Albert Frère asbl (Belgium) ■ Director of Stichting Administratie Kantoor Frère-Bourgeois (Netherlands) ■ Director and Member of the Corporate Governance and Nominations Committee of Lafarge SA ■ Auditor of Agesca Nederland NV (Netherlands) ■ Auditor of Parjointco NV (Netherlands) ■ Regent and Member of the Budget Committee of Banque Nationale de Belgique SA (Belgium) ■ Manager of Agriger SPRL (Belgium) ■ Manager of GBL Energy Sàrl (Luxembourg) ■ Manager of GBL Verwaltung Sàrl (Luxembourg) ■ Member of the Supervisory Board of the Financial Services Authority (Belgium) ■ Director of Electrabel SA (Belgium) ■ Honorary Consul of France in Charleroi (Belgium)	■ Director of GBL Finance SA (Luxembourg) ■ Chairman of Diane SA (Switzerland) ■ Director of RTL Group SA (Luxembourg) ■ Member of the Board of Trustees of Guberna (Belgium) ■ Director of Fingen SA (Belgium) ■ Director of Suez-Tractebel SA (Belgium) ■ Auditor of Frère-Bourgeois Holding BV (Netherlands) ■ Chairman of the Remuneration Committee of Banque Nationale de Belgique SA (Belgium)

Director's first name and surname or Company name	Date of first appointment	Date of expiry of term of office (1)	Offices and main positions held outside the Group at 30.06.2011 or at the date of resignation when applicable	Offices held outside the Group that have expired during the last 5 years
Ms Susan Murray	10.11.2010	2013/2014	■ Non-executive Chairman of Farrow & Ball (United Kingdom) ■ Chairman of Corporate Social Responsibility of Compass Group Plc (United Kingdom) ■ Non-Executive Director of Imperial Tobacco Plc (United Kingdom) ■ Chairman of Remuneration Committee of Enterprise Inns Plc (United Kingdom)	■ Non-Executive Director of WM Morrison Supermarkets Plc (United Kingdom) ■ Non-Executive Director of SSL International Plc (United Kingdom) ■ Non-Executive Director of The Advertising Authority (Broadcast) (United Kingdom) ■ Non-Executive Director and Council Member of the Advertising Standards Authority (United Kingdom)
Mr Anders Narvinger	02.11.2009	2012/2013	■ Chairman of the Board of Directors of TeliaSonera AB (Sweden) ■ Chairman of the Board of Alfa Laval AB (Sweden) ■ Chairman of the Board of Trelleborg AB (Sweden) ■ Chairman of Coor Service Management Group AB (Sweden) ■ Board Member of JM AB (Sweden) ■ Deputy Chairman of the International Chamber of Commerce (ICC) (Sweden) ■ Chairman of Capio AB (Sweden) ■ Board Member of AF AB (Sweden)	■ Chairman of the Swedish Trade (Sweden) ■ Chairman of Invest in Sweden Agency (Sweden) ■ Chairman of the Lund Institute of Technology (Sweden) ■ Chairman of Vin&Sprit AB (Sweden) ■ Chairman of Ireco Holding AB (Sweden) ■ Board Member of Volvo Car Corporation (Sweden) ■ Managing Director of the Association of Swedish Engineering Industries (Sweden)

(1) The term of office expires at the close of the Shareholders' Meeting approving the financial statements for the financial year mentioned.
(2) Date of appointment as Chairman and Chief Executive Officer.
(3) Unlisted company, shareholder of Pernod Ricard.

The Directors have no other employee positions in the Group, except for Mr César Giron, Chairman and CEO of Pernod, and Mr Alexandre Ricard, Chairman and Chief Executive Officer of Irish Distillers Group until 1 September 2011, when he joined the Group General Management as Managing Director, Distribution Network.

Other offices held in the Group at 30 June 2011

Mr Patrick Ricard Chairman of the Board of Directors	French companies	Director	■ Martell & Co ■ Pernod Ricard Finance SA
		Permanent representative of Pernod Ricard on the Board of Directors	■ Pernod ■ Pernod Ricard Europe ■ Ricard
		Member of the Management Board	■ Pernod Ricard Asia ■ Pernod Ricard North America
	Non-French companies	Director	■ Irish Distillers Group ■ Suntory Allied Ltd
Mr Pierre Pringuet CEO and Member of the Board of Directors	French companies	Chairman of the Board of Directors	■ Pernod Ricard Finance SA
		Chairman	■ Lina 5 ■ Lina 6 ■ Lina 7 ■ Lina 8 ■ Pernod Ricard Central and South America ■ Pernod Ricard North America ■ Pernod Ricard Asia
		Director	■ Pernod Ricard Europe ■ Pernod ■ Ricard ■ Martell & Co ■ G.H. Mumm & Cie, Société Vinicole de Champagne, Successeur ■ Champagne Perrier-Jouët
		Permanent representative of Pernod Ricard on the Board of Directors	■ Compagnie Financière des Produits Orangina (CFPO)
		Member of the Management Board	■ Pernod Ricard Asia ■ Pernod Ricard North America
	Non-French companies	Director	■ Comrie Ltd ■ Irish Distillers Group ■ GEO G. Sandeman Sons & Co Ltd ■ Pernod Ricard Pacific Holding Pty Ltd ■ Suntory Allied Ltd ■ Havana Club Holding SA ■ V&S Vin&Sprit AB
		Manager	■ Havana Club Know-How Sàrl
Mr François Gérard Director	French companies	Director	■ Pernod ■ Martell & Co ■ G.H. Mumm & Cie, Société Vinicole de Champagne, Successeur ■ Champagne Perrier-Jouët
Mr César Giron Director	French companies	Chairman and CEO	■ Pernod
		Chairman	■ Cusenier
		Permanent Representative of Pernod on the Board of Directors	■ Société des Produits d'Armagnac

Mr Alexandre Ricard Permanent Representative of Société Paul Ricard, Director	Non-French companies*	Chairman and Chief Executive Officer	■ Irish Distillers Group ■ Irish Distillers Ltd
		Director	■ Allied Domecq International Finance Company ■ Amalgamated Wholesalers Ltd ■ Comrie Ltd ■ Drink Innovations Ltd ■ Ermine Holdings ■ Ermine Ltd ■ Fitzgerald & Co Ltd ■ Gallwey Liquers Ltd ■ Ind Coope (Ireland) Ltd ■ Irish Coffee Liqueur Ltd ■ Irish Distillers Consultancy Ltd ■ Irish Distillers Holdings Ltd ■ Irish Distillers International Ltd ■ Irish Distillers Ltd ■ Irish Distillers Trustees Ltd ■ JJS Distillery Enterprises Ltd ■ John Jameson & Son Ltd ■ John Power & Son Ltd ■ Midleton Distilleries Ltd ■ Polairen Trading Ltd ■ Populous Trading Ltd ■ PRN Spirits Ltd ■ Proudlen Holdings Ltd ■ Sankaty Trading Ltd ■ Smithfield Holdings Ltd ■ The Cork Distilleries Company Ltd ■ The West Coast Cooler Co. Ltd ■ W&E Mulligan & Co Ltd ■ Watercourse Distillery Ltd ■ Waterford Liqueurs Ltd ■ All Ireland Marketing (North) Ltd ■ Coleraine Distillery Ltd ■ Dillon Bass Ltd ■ Edward Dillon (Bonders) Ltd ■ Elliot Superfoods Ltd ■ Proudlen (NI) Ltd ■ Proudlen (UK) Ltd ■ Proudlen Distillery Ltd ■ Wilshire Marketing Services Ltd ■ Wilshire Properties Ltd ■ Bow Street Investments Ltd

* *Mr Alexandre Ricard resigned from all his Directorships in non-French companies on 31 August 2011.*

Personal information concerning the Directors

Mr Patrick Ricard

66 years old, French citizen.

Business address: Pernod Ricard – 12 place des États-Unis, 75116 Paris (France).

Mr Patrick Ricard holds 1,564,282 Pernod Ricard shares at 30 June 2011.

In 1967, Mr Patrick Ricard joined the Ricard company, which had been founded by his father, Paul, in 1932. He held successive positions in various departments in the company, becoming Managing Director of Ricard in 1972. When Pernod Ricard was created in 1975, he was appointed Group Managing Director and then, in 1978, Chairman and CEO of the Group. He was the architect of the Group's ambitious strategy of growth through acquisition, aimed at broadening the product range and accelerating the development of the international business. Since its formation, the Pernod Ricard group has doubled in size every seven years. This exemplary record led American magazine Fortune to name Mr Patrick Ricard 'European Businessman of the Year' in 2006.

On 5 November 2008, Mr Patrick Ricard left his executive functions at Pernod Ricard group but continues to act as Chairman of the Board of Directors and therefore is still involved in the Group's strategic decisions and oversees their implementation.

Mr Patrick Ricard is the son of Mr Paul Ricard, the founder of Ricard. He is Commander of the National Order of the Legion of Honour.

Mr Pierre Pringuet

61 years old, French citizen.

Business address: Pernod Ricard – 12 place des États-Unis, 75116 Paris (France).

Mr Pierre Pringuet holds 190,000 Pernod Ricard shares at 30 June 2011.

A graduate of the École Polytechnique and the École des Mines, Mr Pierre Pringuet started his career in the French civil service. He became an advisor to government minister Michel Rocard from 1981 to 1985 before being given responsibility for the farming and food processing industries at the Ministry of Agriculture. He joined Pernod Ricard in 1987 as Development Director, playing an active role in the Group's international development and holding the posts of Managing Director of the Société pour l'Exportation des Grandes Marques (1987-1996) and then Chairman and CEO of Pernod Ricard Europe (1997-2000). In 2000, he joined Mr Patrick Ricard at the Holding Company as one of Pernod Ricard's two joint CEOs, together with Richard Burrows. Mr Pierre Pringuet was appointed Director of the Board of Directors of Pernod Ricard in 2004 and led the successful acquisition of Allied Domecq in 2005 and its integration process. In December of that year, he became the Group's sole Managing Director. In 2008, Mr Pierre Pringuet carried out the acquisition of Vin&Sprit and its brand ABSOLUT Vodka which completes Pernod Ricard's international development. Following the withdrawal of Mr Patrick Ricard from his operational duties, Mr Pierre Pringuet was appointed CEO of Pernod Ricard on 5 November 2008.

Mr Pierre Pringuet is also the Chairman of the Comité Sully, which promotes the French food processing industry.

He holds the rank of Knight of the National Order of the Legion of Honour, of the National Order of Merit and is Officer of the Agricultural Merit.

Mr François Gérard

71 years old, French citizen.

Business address: Pernod Ricard – 12 place des États-Unis, 75116 Paris (France).

Mr François Gérard holds 14,217 Pernod Ricard shares at 30 June 2011.

A graduate of ESSEC (1962) and holder of an MBA from Columbia University (1964), he exercised his skills as a financial analyst with Lazard France (Paris) from 1965 to 1968. He then entered the Wines & Spirits sector when he joined Dubonnet Cinzano. Between 1976 and 1985, he was CEO and then Chairman and CEO of Cusenier. In 1986, he became Chairman and CEO of SIAS MPA, a position he held until 2001. Mr François Gérard has been a Director of Pernod Ricard since 10 December 1974.

Mr Rafaël Gonzalez-Gallarza

76 years old, Spanish citizen.

Business address: Pernod Ricard España, C/Manuel Marañon 8, 28043 Madrid (Spain).

Mr Rafaël Gonzalez-Gallarza holds 1,477,603 Pernod Ricard shares at 30 June 2011.

Following higher studies in Law in Madrid, Mr Rafaël Gonzalez-Gallarza earned an advanced degree in Comparative Law in Luxembourg (1960), and became a UNESCO expert with the Administration for Development in Tangier, then an official in the OECD Development Centre in Paris between 1968 and 1973. In 1976, he joined the Spanish Ministry of Justice for a two-year term as Technical General Secretary, a position he subsequently held from 1980 to 1982 with the Government Presidency. From 1985 onwards, he chaired the Larios group until it was purchased by Pernod Ricard in 1997.

In 1998, he was appointed Chairman of Pernod Ricard Larios, a position he held until 2004. He has been a Director of Pernod Ricard since 1998.

Ms Danièle Ricard

72 years old, French citizen.

Business address: Société Paul Ricard SA – Île des Embiez, Le Brusc, 83140 Six-Fours-les-Plages (France).

Ms Danièle Ricard holds 220,542 Pernod Ricard shares at 30 June 2011.

Member of the Management team and Director of Ricard SA between 1967 and 1975, Ms Danièle Ricard has held a seat on the Board of Directors of Ricard SA, now Pernod Ricard, since 1969. Chairman and Chief Executive Officer of Société Paul Ricard SA until 2004, she became Chairman of the Company's Management Board in 2005.

Ms Danièle Ricard is the daughter of Mr Paul Ricard, the founder of Ricard.

Mr Alexandre Ricard, Permanent representative of Société Paul Ricard

39 years old, French citizen.

Business address: Pernod Ricard – 12 place des États-Unis, 75116 Paris (France).

Mr Alexandre Ricard holds 7,340 Pernod Ricard shares at 30 June 2011.

He also holds 463 Pernod Ricard shares indirectly through the Irish Distillers Employee Share Purchase Scheme.

Société Paul Ricard holds 22,298,469 Pernod Ricard shares at 30 June 2011.

Mr Alexandre Ricard is a graduate of ESCP, of the Wharton School of Business (MBA majoring in Finance and Entrepreneurship) and of the University of Pennsylvania (MA in International Studies). He joined the Pernod Ricard group in 2003, in the Audit and Development department of the Holding Company. At the end of 2004, he was appointed Administrative and Financial Director of Irish Distillers Group and then, in September 2006, CEO of Pernod Ricard Asia Duty Free. In July 2008, he was appointed Chief Executive Officer of Irish Distillers Group as well as member of Pernod Ricard's Executive Committee. On 1 September 2011, he joined the Group General Management as Managing Director, Distribution Network. He remains a member of Pernod Ricard's Executive Committee. Before joining Pernod Ricard, Mr Alexandre Ricard worked for seven years outside the Group, for Accenture (Management and Consulting) and Morgan Stanley (Mergers and Acquisitions Consulting).

Mr Alexandre Ricard is the grandson of Mr Paul Ricard, the founder of Ricard.

He is the Permanent representative of Société Paul Ricard, Director, since 2010.

Mr César Giron

49 years old, French citizen.

Business address: Pernod, – 120 avenue du Maréchal Foch, 94015 Créteil Cedex (France).

Mr César Giron holds 4,103 Pernod Ricard shares at 30 June 2011.

A graduate of the École Supérieure de Commerce de Lyon, Mr César Giron joined the Pernod Ricard group in 1987 where he has spent his entire career. In 2000, he was appointed CEO of Pernod Ricard Suisse before becoming Chairman and CEO of Wyborowa SA in Poland in December 2003.

On 1 July 2009, he was appointed Chairman and CEO of Pernod SA, a French subsidiary of Pernod Ricard.

He is also a member of the Management Board of Société Paul Ricard.

Mr César Giron is the son of Ms Danièle Ricard, also a Director of Pernod Ricard. He has been a Director of Pernod Ricard since 2008.

Mr Jean-Dominique Comolli

63 years old, French citizen.

Business address: Agence des Participations de l'État – 139 rue de Bercy, 75572 Paris Cedex 12 (France).

A graduate of the Institut d'Études Politiques in Paris, with a Masters in Economics and a former student of the ENA (the French national school of public administration) (André Malraux class of 1975-1977), Mr Jean-Dominique Comolli started his career as a high-ranking civil servant and an aide to the Ministry of Budgets from 1977 to 1981. A technical advisor to Laurent Fabius, while he was Secretary of State for Budgets between 1981 and 1983, he then went on to be an official representative, followed by technical advisor, to Pierre Mauroy and Laurent Fabius while they were Prime Ministers until 1986. He was then appointed assistant manager of the Budgets Department until 1988, where he was, successively, assistant principal private secretary to the Minister of the Economy and then principal private secretary of the Secretary of State for Budgets. In 1989, he became Director General of Customs, then Chairman of the Customs Cooperation Council in 1992. From 1993 to 1999, he was Chairman and Chief Executive Officer of Seita. He handled its privatisation in 1995 and also the merger with Tabacalera to form Altadis, one of the leading players worldwide in the tobacco and retail markets, and he is currently Chairman of the Board of Directors of that company. He has held the position of Vice-Chairman of Imperial Tobacco since 15 July 2008.

Mr Jean-Dominique Comolli, due to his appointment as Commissioner of State Holdings to the Ministry of the Economy, Industry and Employment, resigned from his functions as Director on the Board of Directors of Pernod Ricard, taking effect following the Board of Directors' meeting held on 1 September 2010.

Lord Douro

66 years old, British citizen.

Business address: Richemont Holdings (UK) Ltd – 15 Hill Street, London W1J 5QT (United Kingdom).

Lord Douro holds a Master of Arts in Political Science, Philosophy and Economics from Oxford University. He was a Member of the European Parliament in Strasbourg from 1979 to 1989. During his career, he was also Vice-Chairman of the Guinness Mahon merchant bank between 1988 and 1991, Chairman of Dunhill Holdings from 1990 to 1993, as well as Vice-Chairman of Vendôme Luxury Group and then Chairman of the Board of Directors of Sun Life & Provincial Holdings Plc from 1995 to 2000. Until October 2005, Lord Douro chaired the Framlington Group, a company specialising in investment management in the United Kingdom.

In addition to the various offices described above, Lord Douro was the Commissioner of English Heritage from 2003 to 2007. He has also been Chairman of King's College in London since October 2007.

Lord Douro resigned, for personal reasons, from his position as Director of the Board of Directors of Pernod Ricard as of 31 March 2011.

Ms Nicole Bouton

63 years old, French citizen.

Business address: Friedland Gestion et Financière Accréditée – 10 avenue de Friedland, 75008 Paris (France).

Ms Nicole Bouton holds 1,000 Pernod Ricard shares at 30 June 2011.

Ms Nicole Bouton is a graduate of the Institut d'Études Politiques in Paris. From 1970 to 1984, she held the positions of Sub-Manager and then Assistant Manager in the Central Administration of Crédit Commercial de France. From 1984 to 1996, Ms Nicole Bouton went on to hold the positions of Deputy Manager, Manager and finally Managing Director of Lazard Frères et Cie and Lazard Frères Gestion. In 1996, she was appointed member of the Executive Committee of the NSMD bank (ABN AMRO France group) and became Vice-Chairman responsible for Institutional and Bank Clients before being appointed Member of the Management Board in 2000. She also took up the duties of Vice-Chairman of the ABN AMRO France Holding Company the same year. She was appointed as Chairman of the Management Board and then Vice-Chairman of the Supervisory Board of Asset Allocation Advisors and Chairman of the Banque du Phénix, which she merged with the NSMD bank in October 1998. Ms Nicole Bouton left ABN AMRO in 2001, and in 2002, she founded Financière Centuria Group, which she chaired until June 2010. In this capacity, she also chairs several subsidiaries including Financière Accréditée, which was acquired in 2006. She is also the Director of several other subsidiaries in the Financière Centuria Group. At the end of June 2010, she sold her shares in Centuria and remains Chairman of Financière Accréditée. She was appointed Chairman of the Strategy Committee of Friedland Gestion, an investment management company, alongside two new partners.

Ms Nicole Bouton has been a Director of Pernod Ricard since 2007.

Mr Laurent Burelle

61 years old, French citizen

Business address: Compagnie Plastic Omnium – 1 rue du Parc, 92593 Levallois Cedex (France).

Mr Laurent Burelle holds 1,000 Pernod Ricard shares at 30 June 2011.

Mr Laurent Burelle holds a degree in engineering from the Zurich Federal Polytechnic School (Switzerland) as well as a Master of Sciences from MIT (United States).

He spent his entire career with Compagnie Plastic Omnium, including as CEO of Plastic Omnium Spain from 1977 to 1981 and Deputy CEO of Compagnie Plastic Omnium from 1981 to 2001. In 2001, Mr Laurent Burelle was appointed CEO of Compagnie Plastic Omnium. He is also a Director of Lyonnaise de Banque, Labruyère Eberlé and of the Jacques Chirac Foundation.

Mr Michel Chambaud

59 years old, French citizen.

Business address: Groupe Bruxelles Lambert (GBL) – Avenue Marnix 24 – 1000 Bruxelles (Belgium).

Mr Michel Chambaud holds 1,050 Pernod Ricard shares at 30 June 2011.

A graduate of the École des Hautes Études Commerciales (1973) and of the Paris Institut d'Études Politiques (1975) with a PhD in Tax Law (1977), Mr Michel Chambaud was a Strategic Consultant at Arthur D. Little and held different teaching positions in Finance until 1978. From then until 1982, he was a consultant for African development banks under contract with the World Bank, concurrently founding Surf System (press group including the magazines Surf Session, Body Board Air Force and Surfer's Journal).

In 1982, he joined the Schlumberger Group, where he was Chief Financial Officer in France, the United States and then Japan.

He has taken part in the development of the Pargesa-GBL Group since 1987, holding positions in the holding companies alternately with operational positions in subsidiaries. Until 1996 he was Deputy Managing Director in charge of Equity's Investments of Parfinance (holding company listed in France, subsidiary of Pargesa), and from 1996 to 2003, he was a member of the Management Board of Imerys, in charge of finance and strategy. He is currently Investments Manager of Groupe Bruxelles Lambert.

Mr Michel Chambaud has been a Director of Pernod Ricard since 2009.

Mr Wolfgang Colberg

51 years old, German citizen.

Business address: Evonik Industries AG – Rellinghauser Str. 1-11, 45128 Essen (Germany).

Mr Wolfgang Colberg holds 576 Pernod Ricard shares at 30 June 2011.

Mr Wolfgang Colberg holds a PhD in Political Science, in addition to qualifications in Business Administration and Business Informatics. He has spent his entire career in the Robert Bosch Group and BSH Group. After joining the Robert Bosch Group in 1988, he held a post in Corporate Strategy, Control and M&A (Head Office), and then went on to become Head of Business Administration at the Göttingen production site (1990-1993), Section Head in Economic Planning and Control (Head Office) (1993-1994), before being appointed the Group's General Manager for Turkey and central Asia. In 1996, he was appointed Senior Vice President – Central Purchasing and Logistics (Head Office).

Between 2001 and 2009, Mr Wolfgang Colberg was Chief Financial Officer at BSH Bosch und Siemens Hausgeräte GmbH and member of the Management Board. Since 2009, he has been Chief Financial Officer of Evonik Industries AG as well as a member of the Management Board.

Mr Wolfgang Colberg has been a Director of Pernod Ricard since 2008.

Mr Gérald Frère

60 years old, Belgian citizen.

Business address: CNP – 12 rue de la Blanche Borne, 6280 Loverval (Belgium).

Mr Gérald Frère holds 1,050 Pernod Ricard shares at 30 June 2011.

Mr Gérald Frère joined the Frère-Bourgeois Group (Belgium), the family business, in 1972. He has been on the Board of Directors of Groupe Bruxelles Lambert (GBL) since 1982 and has chaired the Permanent Committee since 1993. He has been Managing Director of Groupe Bruxelles Lambert since 1993.

In addition, he holds the offices of Chairman of the Board of Directors of Compagnie Nationale à Portefeuille SA (CNP) and RTL Belgium. He is also Regent of the Banque Nationale de Belgique SA, Vice-Chairman of the Board of Directors of Pargesa Holding SA (Switzerland) and Director of Power Financial Corporation (Canada), Lafarge SA and Electrabel SA (Belgium).

Mr Gérald Frère has been a Director of Pernod Ricard since 2009.

Ms Susan Murray

54 years old, British citizen.

Business address: Bodicote Mill – Church Street, Bodicote Banbury, Oxon OX15 4DR (United Kingdom).

Ms Susan Murray holds 200 Pernod Ricard shares at 30 June 2011.

Ms Susan E. Murray is an Independent Non-Executive Director of Imperial Tobacco Group Plc, Compass Group Plc and Enterprise Inns Plc. Ms Susan Murray was a Board member at Littlewoods Limited from October 1998 until January 2004, and became Chief Executive at Littlewoods Stores Limited. Prior to this, she was Worldwide President and Chief Executive of The Pierre Smirnoff Company, part of Diageo Plc. Whilst at Diageo, she was the first Chairman of the International Centre for Alcohol Policies in Washington DC. Ms Susan Murray is also a former Non-Executive Director of Wm Morrison Supermarkets Plc, SSL International Plc and a former director and council member of the Advertising Standards Authority and of the Portman Group complaints panel. She is a fellow of the Royal Society of Arts.

Ms Susan Murray has been a Director of Pernod Ricard since 2010.

Mr Anders Narvinger

62 years old, Swedish citizen.

Business address: Östermalmsgatan 94 – SE-114 59 Stockholm (Sweden).

Mr Anders Narvinger holds 1,020 Pernod Ricard shares at 30 June 2011.

Mr Anders Narvinger, former CEO of ABB Sweden and of the Association of Swedish Engineering Industries, is the Chairman of the Board of Directors of TeliaSonera (Telecomunications), Trelleborg AB (polymer technology), Alfa Laval AB (Swedish engineering company), Coor Service Management Group AB (service management) and Capio AB (healthcare). Mr Anders Narvinger holds degrees in engineering and economics and is a member of the Board of Directors of JM AB (building and construction), AF AB (technical consulting) and Deputy Chairman of the International Chamber of Commerce (ICC) (Sweden).

Mr Anders Narvinger has been a Director of Pernod Ricard since 2009.

Ratification of the appointment of a Director and renewal of the term of office of a Director

On 4 May 2011, the Board of Directors, on the recommendation of the Appointments Committee following Lord Douro's resignation as Director, appointed Mr Laurent Burelle as Director. This appointment will be submitted to the ratification of the Shareholders' Meeting on 15 November 2011. Should the Shareholders' Meeting ratify such co-opting, Mr Laurent Burelle would be appointed for the remainder of Lord Douro's directorship, namely until the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the previous financial year.

The presentation of Mr Laurent Burelle is provided above.

The directorship of Ms Nicole Bouton expires at the close of the Shareholders' Meeting of 15 November 2011. On the recommendation of the Appointments Committee, the Board of Directors has decided to propose at the Shareholders' Meeting of 15 November 2011, the renewal of Ms Nicole Bouton's directorship for a term of four years.

Convictions, bankruptcies, conflicts of interest and other information

No conviction for fraud, association with bankruptcy or any offence and/or official public sanction

To the best of Pernod Ricard's knowledge and at the time of writing:

- no conviction for fraud has been issued against the members of the Company's Board of Directors or General Management over the course of the last five years;
- none of the members of the Board of Directors or General Management has been associated, over the last five years, with any bankruptcy, compulsory administration or liquidation as a member of any body responsible for corporate governance, supervisory board or board of directors or as a Managing Director;
- no conviction and/or official public sanction has been issued against the members of the Company's Board of Directors or General Management by statutory or regulatory authorities (including designated professional organisations) over the last five years; and
- no Director or member of the General Management has been prohibited by a court of law from being a member of a board of directors, a management body or supervisory board or from intervening in the management or conduct of the business of a company over the last five years.

Service agreements

No member of the Board of Directors or General Management has any service agreements with Pernod Ricard or any of its subsidiaries.

Conflicts of interest

To the Company's knowledge and at the time of writing, there are no potential conflicts of interest between the duties of any of the members of the Company's Board of Directors and General Management with regard to the Company in their capacity as Director and their private interests and/or other duties.

To the Company's knowledge and at the time of writing, there are no arrangements or agreements established with the main shareholders, clients or suppliers under which one of the members of the Board of Directors or General Management has been selected in this way.

To the Company's knowledge and at the time of writing, with the exception of what is described in the 'Shareholders' agreements' of Section 8 'About the Company' and its share capital, no restriction has been accepted by the members of the Board or General Management concerning the disposal of their stake in the share capital.

Employee representatives

The Pernod Ricard employee representation on the Board of Directors is ensured by Mrs Carole Misset and Mrs Marie-Annick Pluskwa. This representation became effective at the Board of Directors meeting of 16 February 2011.

Report of the Chairman of the Board of Directors on the conditions governing the preparation and organisation of the work performed by the Board

On 12 February 2009, the Board of Directors of Pernod Ricard confirmed that the AFEP-MEDEF Corporate Governance Code for listed companies published in December 2008, and updated in April 2010 (hereinafter referred to as the 'AFEP-MEDEF Code'), available on the MEDEF's website, is applied by Pernod Ricard, notably in preparing the report required by article L. 225-37 of the French Commercial code.

The Company believes that its practices comply with the recommendations of the Governance Code, which it applies and complies with in full.

This report was approved by the Board of Directors on 31 August 2011 and submitted to the Statutory Auditors.

Governance structure

Dissociating the functions of Chairman and CEO

To adapt the governance of the Group and to allow for the natural and operational transition in the Company's Senior Management, the Board of Directors met following the Shareholders' Meeting of 5 November 2008 and decided to separate the functions of Chairman and CEO. Mr Patrick Ricard's term as Chairman of the Board of Directors was therefore renewed and Mr Pierre Pringuet was appointed CEO.

The Chairman of the Board of Directors organises and directs the Board's work, which is reported at the Shareholders' Meeting. He oversees the proper functioning of the Company's managing bodies and in particular, ensures that the Directors are in a position to fulfil their duties. He can also request any document or information that can be used to help the Board in preparing its meetings.

The CEO is granted full powers to act in the name of the Company under any circumstances. He exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted by the law to Shareholders' Meetings and to the Board, and within the limits of internal rules as defined by the Board of Directors and its Internal Regulations (see paragraph 'Limitation on the powers of the CEO' below).

Limitation on the powers of the CEO

For internal purposes and following the decision made by the Board of Directors on 5 November 2008, the CEO must first ensure that the Board of Directors agrees to significant transactions that fall outside the strategy announced by the Company as well as the transactions listed below:

- carrying out acquisitions, transfers of ownership or disposals of assets and property rights and making investments for an amount greater than €50 million per transaction;
- signing any agreements to make investments in, or participate in joint ventures with any other French or non-French companies except with a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code);
- making any investments or taking any shareholding in any company, partnership or investment vehicle, whether established or yet to be established, through subscription or contribution in cash or in kind, through the purchase of shares, ownership rights or other securities, and more generally in any form whatsoever, for an amount greater than €50 million per transaction;
- granting loans, credits and advances in excess of €50 million per borrower, except when the borrower is a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code) and with the exception of loans granted for less than one year;
- borrowing, with or without granting a guarantee on corporate assets, in excess of €200 million in the same financial year, except from subsidiaries of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code), for which there is no limit;
- granting pledges, sureties or guarantees, except with express delegation of authority from the Board of Directors, within the limits provided for by articles L. 225-35 and R. 225-28 of the French Commercial Code; and
- selling investments with an enterprise value in excess of €50 million. Above this amount he must obtain the agreement of the Board of Directors.

On 10 November 2010, the Board of Directors authorised the CEO, for a period of one year, to grant pledges, sureties or guarantees in the name of the Company within the limit of a total amount of €50 million.

The Board of Directors authorised the CEO, for a period of one year, to grant charges, sureties or guarantees to tax and customs authorities in the name of the Company. No limit is placed on the amount of such guarantees.

Structure and operation of the Board of Directors

General rules concerning the composition of the Board and the appointment of Directors

The names of the members of the Board of Directors are listed in the section 'Members of the Board of Directors and duties performed by the Directors'.

The Board of Directors of the Company is comprised of three members at least 18 years of age, unless otherwise authorised by legal provisions. In accordance with the statutory provisions, each Director must own at least 50 registered Company shares in registered form. However, the Board's Internal Regulations recommend that Directors buy and hold at least 1,000 Company shares.

The members of the Board of Directors are appointed at the Ordinary Shareholders' Meeting based on proposals from the Board of Directors following recommendation by the Appointments Committee. They can be dismissed at any time by decision of the Shareholders' Meeting.

On the date of filing of this registration document, the Board of Directors comprised 14 members. Over the 2010/2011 financial year, Mr Jean-Dominique Comolli, due to his appointment as Commissioner of State Holdings to the Ministry of the Economy, Industry and Employment, resigned from his functions as Director in September 2010. Ms Susan Murray was appointed as the new Independent Director at the Ordinary Shareholders' Meeting held on 10 November 2010. Lord Douro also resigned from his functions for personal reasons in March 2011. Based on the recommendation of the Appointments Committee, the Board of Directors appointed Mr Laurent Burelle as Director to replace Lord Douro. This appointment is subject to ratification at the Shareholders' Meeting on 15 November 2011.

The Board of Directors does not have any members elected by employees, but two representatives from the Company's sole employee representative body attend meetings of the Board of Directors in an advisory role.

The Board of Directors may, upon proposal of its Chairman, appoint one or more censors, who may be either individuals or legal entities and may or may not be shareholders. This option was not exercised during the 2010/2011 financial year.

Independence of Directors

The Company applies criteria of independence as expressed in the AFEP-MEDEF Code, which encompasses the October 2003 recommendations in addition to recommendations concerning remuneration issued in January 2007 and October 2008. A Director on the Board of Directors is considered 'independent' when he/she has no relations of any kind with the Company, its Group or its Management, which could impair the free exercise of his/her judgement (article 3 of the Internal Regulations).

This is the basis used by the Board of Directors and Appointments Committee in their annual review designed to assess the independence of Directors. The Board of Directors and Appointments Committee determine whether the Director:

- performs any management duties in the Company or its Group or has any special ties with its management executives;
- is or has been at any point in the past five years:
  - an employee or member of the Board of the Company or a Group company;
  - member of the Board of another company in which the Company is a Director or in which an employee or Director of the Company holds the office of Director (currently or in the past five years);
- is a major client, supplier or banker of the Company or its Group or for which the Company or its Group represents a significant share of its business;
- has close family ties with a member of the Board;
- has been a Company auditor at any point in the past five years;
- has been a member of the Company's Board of Directors for more than 12 years;
- is a major or majority shareholder in the Company or Parent Company controlling the Company. If this shareholder owns more than 10% of the share capital or voting rights in the Company, the Appointments Committee and Board will systematically review its independence in consideration of the Company's share ownership structure and the potential conflict of interest.

In compliance with these criteria, the Board of Directors is comprised of 14 members on the date of filing of this registration document, including 7 independent Directors.

On 4 May 2011, the Board of Directors, following the advice of the Appointments Committee, appointed Mr Laurent Burelle as Director to replace Lord Douro, outgoing Director. This appointment is subject to ratification at the Shareholders' Meeting on 15 November 2011.

The Appointments Committee reviewed the candidate and determined that Mr Laurent Burelle fully meets the independence criteria applied by the Company.

The presentation of Mr Laurent Burelle is provided in the section 'Personal information concerning the Directors' above.

Code of Conduct of Directors

Article 4 of the Internal Regulations and article 17 of the bylaws stipulate the rules of conduct that apply to Directors and their permanent representatives. Each Director acknowledges his/her awareness of these obligations prior to accepting the office.

Directors are asked to submit any transactions involving the Pernod Ricard share or its derivatives to the Compliance Committee for approval.

Operation and activity

The method of operation of the Board of Directors is provided for by the legal and regulatory provisions, by the bylaws and by Internal Regulations [1] adopted by the Board of Directors at its meeting on 17 December 2002, reviewed and supplemented during the Board sessions of 18 June 2008, 23 July 2008, 22 July 2009 and 16 February 2011. The Internal Regulations of the Board of Directors specify the rules and methods of operation of the Board, in addition to the legal, regulatory and statutory aspects. In particular, they remind Directors of the rules on diligence, confidentiality and disclosure of conflicts of interest. They confirm the various rules in force with regard to the conditions for trading in the Company's shares on the stock market, the obligations to make declarations, and publication requirements relating thereto.

On a regular basis of at least once a year, the Board of Directors includes on its agenda a discussion on its operation, in which it:

- reviews its composition, operation and structure;
- checks that the major issues have been adequately prepared and debated.

Furthermore, at least once every three years, it performs a formal review of its work or has one carried out. This review was carried out in 2008/2009. Its main conclusions were presented in the Chairman's Report for that financial year.

Another review will be carried out in the first half of 2012 and discussed in the Chairman's Report for 2011/2012.

Board of Directors meetings

It is the responsibility of the Chairman to call Board meetings either at regular intervals, or at times that he considers appropriate. In order to enable the Board to review and discuss in detail the matters falling within its area of responsibility, the Internal Regulations provide that Board meetings must be held at least six times a year. In particular, the Chairman of the Board of Directors ensures that Board of Directors meetings are held to close the interim financial statements as well as the annual financial statements and to convene a Shareholders' Meeting for the purpose of approving the financial statements.

Board meetings are called by the Chairman. The notice of the Board meeting sent to the Directors at least eight days before the date of the meeting, except in the event of a duly substantiated urgent situation, shall state the place of the meeting, which will in principle be the Company's registered office. Board Meetings may also be held by video conference or telecommunication, under the conditions provided for in the Internal Regulations and regulations in force.

Information to the Directors

The Directors receive the information they require to fulfil their role. The written texts and documents in support of matters on the agenda, are sent to them long enough in advance to enable them to prepare effectively for each meeting, and, generally speaking, eight days before the meetings, pursuant to the Internal Regulations.

A Director may ask for any explanations or the production of additional information and, more generally, submit to the Chairman any request for information or access to information which might appear to be appropriate to him or her.

As the Directors have insider information on a regular basis, they must refrain from using this information to buy or sell shares of the Company and carry out stock market transactions in the 30 days prior to publication of the annual and half-year results and fifteen days prior to publication of quarterly net sales.

Responsibilities of the Board of Directors and activity in 2010/2011

In the exercise of its legal prerogatives, the Board of Directors:

- rules on all decisions relating to the major strategic, economic, social and financial orientations of the Company and sees to their implementation by General Management;
- deals with any issue relating to the smooth operation of the Company and monitors and controls these issues; in order to do this, it carries out the controls and verifications that it considers appropriate and notably the control of Company management;
- approves the investment projects and any transaction, more specifically, acquisition or disposal transaction that is likely to significantly affect the Group's profits, the structure of its balance sheet or its risk profile;
- draws up the annual and interim financial statements and prepares the Shareholders' Meeting;
- defines the Company's financial communication policy;
- checks the quality of the information provided to the shareholders and to the markets;
- designates the Directors responsible for managing the Company;
- defines the remuneration policy for the General Management based on the recommendations of the Remuneration Committee;
- reviews each of the Directors annually on a case-by-case basis prior to the publication of the annual report and reports the outcome of this review to the shareholders in order to identify the independent Directors;
- approves the Chairman's report on the conditions for preparation and organisation of the work of the Board of Directors as well as the internal control procedures implemented by the Company.

During the financial year ended 30 June 2011, the Board of Directors met eight times with an attendance rate of 96%. Meetings lasted three hours on average.

The Board of Directors approved the annual and interim financial statements and the terms of financial communications, reviewed the budget, prepared for the Combined (Ordinary and Extraordinary)

(1) The internal regulations can be consulted on the Company's website (www.pernod-ricard.com) and can be amended at any time by the Board of Directors.

Shareholders' Meeting and, in particular, approved the draft resolutions.

The current state of the business was debated at each of these meetings: business, reporting results and cash flow.

In managing debt, it monitored the progress of the projected asset disposal programme and decided, as part of the regular review of the refinancing plan, to proceed with the use of bilateral financing and, during the first quarter of 2011, with two bond issues, one in euro and the other in US dollars.

It established the remuneration of Mr Patrick Ricard and Mr Pierre Pringuet in line with AFEP-MEDEF Code recommendations. It also set the terms of the stock option and performance share plans, both implemented in June 2011.

Furthermore, the Board reviewed the succession plan for Directors, as proposed by the Appointments Committee, which is takes into account the AFEP-MEDEF Code recommendations concerning the representation of women on Boards of Directors.

In application of the AMF's recommendations on preventing insider trading, the Board adopted a Code of Conduct and decided to set up a Compliance Committee.

Lastly, the Directors were regularly informed of developments in the competitive environment, and the operational directors of the main subsidiaries described their organisation, businesses and outlook.

Shareholders' Meetings and attendance procedures

Article 32 of the bylaws sets out the procedures that shareholders must follow to attend Shareholders' Meetings. A summary of these rules is provided in Section 8 'Information on the Company and its share capital' of this document.

Corporate Governance bodies

Committees of the Board of Directors

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

Four committees handle subjects in the area for which they have been given responsibility and submit their opinions and recommendations to the Board: the Strategic Committee, the Audit Committee, the Remuneration Committee, and the Appointments Committee.

Strategic Committee

The Strategic Committee is made up of:

Chairman:
Mr Patrick Ricard

Members:
Mr François Gérard

Mr Rafaël Gonzalez-Gallarza

Ms Danièle Ricard

The Strategic Committee met six times in 2010/2011 with an attendance rate of 92%. Its mission essentially consists in preparing the strategic policies submitted to the Board of Directors for approval.

Audit Committee

At 31 August 2011, the Audit Committee was made up of:

Chairman:
Mr Michel Chambaud
(Independent Director)

Members:
Ms Nicole Bouton
(Independent Director)

Mr François Gérard

Mr Wolfgang Colberg
(Independent Director)

The members of the Audit Committee were specifically chosen for their expertise in accounting and finance.

In addition to the operational charter adopted in June 2002, the Audit Committee adopted its Internal Regulations at the Board of Directors' meeting of 18 March 2003. During the 2010/2011 financial year, as during the 2009/2010 financial year, the Audit Committee met four times, with an attendance rate of 94%.

Main roles of the Audit Committee

The main roles of the Audit Committee are as follows:

- ensuring the appropriateness and consistency of the accounting policies applied in the preparation of the consolidated financial statements and the Parent Company financial statements and the appropriate treatment of complex or unusual transactions at Group level;
- analysing the options available when preparing the financial statements;
- examining material risks and off-balance sheet commitments;
- examining the scope of consolidation and, where appropriate, the reasons why some companies may not be included;
- monitoring the efficiency of internal control and risk management systems;
- monitoring the preparation of financial information;
- supervising the procedure for selecting Statutory Auditors;
- giving the Board of Directors its opinion or recommendation on the renewal or appointment of the Statutory Auditors, the quality of their work related to the legal control of the Company and consolidated financial statements, the amount of their fees, and ensuring the compliance of the rules guaranteeing their independence and objectivity;
- examining any matters of a financial or accounting nature that are referred to it by the Board of Directors.

Report on the work carried out during the 2010/2011 financial year

In accordance with its Internal Regulations and in liaison with the Statutory Auditors and the Consolidation, Finance and Internal Audit Departments of the Company, the Audit Committee's work mainly related to the following issues:

- review of the main provisions of French and foreign legislation or regulations, reports and commentaries with regard to Corporate Governance, risk management, internal control and audit matters.

  The Audit Committee notably reviewed the new Reference Framework for risk management and internal control and the report on audit committees published by the AMF in July 2010;
- review of the interim financial statements at 31 December 2010 during the meeting of 15 February 2011;
- review of the consolidated financial statements at 30 June 2011 (these financial statements were reviewed at the Audit Committee meeting on 30 August 2011): the Audit Committee met with Management and with the Statutory Auditors in order to discuss the financial statements and accounts and their reliability for the whole Group. It notably examined the conclusions of the Statutory Auditors and the draft presentation of financial reporting;
- monitoring of the Group's cash flow and debt;
- approval of the Group Internal Audit plan for 2011/2012 at the meeting of 14 June 2011. This audit plan was prepared and approved following an analysis of the Group's major risks. The Group's main risks are regularly assessed in a detailed presentation to the Audit Committee. They were identified in a formal mapping procedure that covered the Group's main subsidiaries and main executives and was completed in June 2010;
- risk management: in addition, the Group sent its main subsidiaries a self-assessment questionnaire making it possible to evaluate whether their internal controls were adequate and effective. Based on the Group's Internal Control Policies and in compliance with the French Financial Markets Authority (AMF) Reference Framework for Risk Management and Internal Control ('*Cadre de référence de l'AMF sur le dispositif de gestion des risques et de contrôle interne*') and its Application Guide published in 2007 and updated in July 2010, this questionnaire covers Corporate Governance practices, operational matters and computer support. Response to the questionnaire was documented and reviewed in detail by the regional holding companies and the Group's Internal Audit Department.

  An analysis of the returned questionnaires was presented to the Audit Committee at the meeting on 30 August 2011;
- examination of the Internal Audit reports: in addition to the audits and controls carried out by the different subsidiaries on their own behalf, 25 Internal Audits were performed in 2010/2011 by the audit teams of the regional holding companies and the Company. A full report was drawn up for each audit covering the types of risks identified – operational, financial, legal or strategic – and their management. Recommendations are issued when deemed necessary. The Audit Committee approves the recommendations of all the audit reports issued and checks the progress in implementing the recommendations from previous audits.

Outlook for 2011/2012

In 2011/2012, the Audit Committee will pursue the mission it is carrying out for the Board of Directors in line with current regulations. In addition to the risks associated with preparing financial information, 2011/2012 will notably be dedicated to reviewing the management of risks presented in the Group's risk map, particularly risks associated with cash management and marketing expenditure.

Appointments Committee

At 31 August 2011, the Appointments Committee comprised:

Chairman:

Ms Nicole Bouton (Independent Director), replacing Mr Jean-Dominique Comolli as of 1 September 2010.

Members:

Mr Anders Narvinger (Independent Director), replacing Lord Douro as of 20 October 2010.

Ms Danièle Ricard

Mr 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.

Main roles of the Appointments Committee

The roles of this Committee, formalised in the Internal Regulations of July 2009, include:

- drawing up proposals concerning the selection of new Directors and proposing research and renewal procedures;
- on at least an annual basis, discussing the qualification of independence of Directors, and candidates for the post of Director or for a Committee of the Board of Directors in light of the independence criteria of the AFEP-MEDEF Code;
- ensuring the continuation of Management bodies by defining a succession plan for Executive Director(s) and Board Director(s) in order to propose replacement options in the event of an unplanned vacancy;
- being informed of the succession plan for key Group positions;
- regularly reviewing the composition of the Board of Directors to monitor the quality (number of members, diversity of profiles) and attendance of its members;
- carrying out assessments on the operation of the Board of Directors on a regular basis.

Report on the work carried out during the 2010/2011 financial year

In 2010/2011, the Appointments Committee had the following roles:

- examination of the appointment of a new Director following the resignation of a director in September 2010;
- proposals of new committee members following the resignation of a Director;

- review of the composition of the Board in application of the law on the balanced representation of women and men on boards and equal opportunity;
- review of the independence of Directors and committee members;
- implementation of a Code of Conduct in accordance with the AMF recommendations of November 2010;
- review and proposal of candidates for the renewal of Directors at the Shareholders' Meeting on 15 November 2011;
- preparation of the resolution to anticipate the renewal of offices to better stagger renewals in the future. Shareholders will vote on the resolution at the Meeting of 15 November 2011.

Remuneration Committee

At 31 August 2011, the Remuneration Committee comprised:

Chairman:

Ms Nicole Bouton (Independent Director), replacing Mr Jean-Dominique Comolli as of 1 September 2010.

Members:

Mr Anders Narvinger (Independent Director), replacing Lord Douro as of 20 October 2010.

Mr Gérald Frère (Independent Director).

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

Main roles of the Remuneration Committee

The roles of the Remuneration Committee, approved by the Board on 22 July 2009, include:

- reviewing and proposing to the Board of Directors the remuneration to be paid to the Executive Director(s), the provisions of retirement schemes and any other benefits granted to them;
- proposing rules to this effect, and assessing them on a yearly basis, to determine the variable portion of the remuneration of Executive Director(s) and ensure that the criteria applied are in line with the Company's short-, medium- and long-term strategy;
- recommending the total amount of Directors' fees to be submitted for approval to the Shareholders' Meeting to the Board of Directors, as well as the way it will be distributed:
  - for duties performed as Board members,
  - for duties carried out on specialised Committees of the Board of Directors;
- being informed, in the presence of the Executive Director(s), of the remuneration policy of the senior managers of Pernod Ricard group companies;
- ensuring that the remuneration policy for senior managers is consistent with the policy for Executive Director(s);
- proposing the general policy for stock option and bonus share plans, in particular the terms applicable to the Company's Executive Director(s);
- approving the information provided for shareholders in the annual report on the remuneration of Executive Director(s) and the policy on stock option and bonus share plans as well as, more generally, the other work of the Remuneration Committee.

Report on the work carried out during the 2010/2011 financial year

Further details of the work of the Remuneration Committee are provided in the paragraph 'Remuneration of Directors' in Section 4 'Management Report' of this document.

Management structure

General Management

Group General Management is provided by the Chief Executive Officer, Mr Pierre Pringuet, who is supported by three Managing Directors at 30 June 2011. The Executive Office is the permanent coordination unit of the Group's General Management.

It is comprised of Group General Management and General Counsel.

The Executive Office prepares and examines all decisions relating to the functioning of the Group or submits the latter to the Board of Directors when approval is required. It organises the Executive Committee's work.

Composition of the Executive Office:

- **Chief Executive Officer,** Pierre Pringuet, Executive Director;
- **4 Managing Directors,** respectively:
  - **Thierry Billot,** Managing Director, Brands;
  - **Gilles Bogaert,** Managing Director, Finance;
  - **Bruno Rain,** Managing Director, Human Resources and Corporate Social Responsibility;
  - **Alexandre Ricard,** Managing Director, Distribution Network (as from 1 September 2011);
- **Ian FitzSimons,** General Counsel.

The Communication Department is also part of the General Management.

Executive Committee

The Executive Committee is the management unit of the Group comprising General Management, the General Counsel and the Managers of the main subsidiaries.

The Executive Committee liaises between the Holding Company and the subsidiaries as well as between the subsidiaries themselves (Brand Companies and Market Companies). Under General Management's authority, the Executive Committee ensures that the activities are carried out and that its main policies are applied.

In this capacity, the Executive Committee:

- examines the activity of the Group and its variations with respect to the development plan;
- gives its opinion regarding the establishment of objectives (earnings, debt and qualitative objectives);
- periodically reviews the brands' strategies;
- analyses the performance of the network of the Group's Market Companies and Brand Companies and recommends the necessary organisational adjustments;
- approves and enforces the adherence to the main policies of the Group (human resources, good marketing and business practices, QSE (Quality, Security, Environment) policies, Corporate Responsibility, etc.).

It meets 8 to 11 times a year.

The Executive Committee is made up of:

- the Executive Office;
- the Brand Companies:
  - Chivas Brothers, Christian Porta, Chairman and CEO;
  - Martell Mumm Perrier-Jouët, Lionel Breton, Chairman and CEO;
  - Premium Wine Brands, Jean-Christophe Coutures, Chairman and CEO;
  - Irish Distillers Group, Alexandre Ricard, Chairman and CEO;
  - The ABSOLUT Company, Philippe Guettat, Chairman and CEO;
- the Market Companies:
  - Pernod Ricard Americas, Philippe Dréano, Chairman and CEO;
  - Pernod Ricard Asia, Pierre Coppéré, Chairman and CEO;
  - Pernod Ricard Europe, Laurent Lacassagne, Chairman and CEO;
  - Pernod, César Giron, Chairman and CEO;
  - Ricard, Philippe Savinel, Chairman and CEO.

Significant post-balance sheet events

Mr Alexandre Ricard was appointed Managing Director, Distribution Network, as of 1 September 2011. He was replaced as Chairman and CEO of Irish Distillers by Ms Anna Malmhake, who had held the position of Marketing Director of The ABSOLUT Company since September 2009.

Report of the Chairman of the Board of Directors on internal control and risk management

The Group's Internal Control and Risk Management policies and procedures follow Corporate Governance guidelines which are compliant with the AMF (French Financial Markets Authority) Reference Framework for risk management and internal control and its application guide.

Definition of internal control

The internal control policies and procedures in force within the Group are designed:

- first of all, to ensure that management, transactions and personal conduct comply with guidelines relating to Group business conduct, as set out by the Group bodies responsible for Corporate Governance and General Management, applicable law and regulations, and with Group values, standards and internal rules;
- secondary, to ensure that the accounting, financial and management information provided to the Group's governance bodies fairly reflects the performance and the financial position of the companies in the Group;
- lastly to ensure the proper protection of assets.

One of the objectives of the internal control systems is to prevent and control all risks arising from the activities of the Group, in particular accounting and financial risks, including error and fraud, as well as operational, strategic and compliance risk. As with all control systems, they cannot provide an absolute guarantee that such risks have been fully eliminated.

Description of the internal control environment

Components of the internal control system

The principal bodies with responsibility for internal control are as follows:

At Group level

The **Executive Committee** is comprised of Group General Management, the Managing Directors (in charge of Brands, Finance, Human Resources and Corporate Social Responsibility, and Distribution Network as of 1 September 2011), the General Counsel of the Group and the Chairmen and CEOs of the Brand and Market Companies. The Executive Committee ensures that the activities are carried out and that its main policies are applied. It meets 8 to 11 times a year.

The **Executive Office** is the permanent coordination unit of the Group's General Management. It is comprised of Group General Management and General Counsel. The Executive Office prepares and examines any decision relating to the functioning of the Group or submits it to the Board of Directors when approval is required. It organises the Executive Committee's work.

The Group's **Internal Audit** Department is attached to the Group's Finance Department and reports to Group General Management and the Audit Committee. It comprises teams located both in the Company and the Regions, as well as some large subsidiaries. The Audit plan is drawn up once the Group's main risks have been identified and analysed. It is validated by the General Management and Audit Committee and presents the different cross-business issues that will be reviewed during the year, the list of subsidiaries that will be audited, and the main topics covered during the audits.

The outcomes of the work are then submitted for examination and analysis to the Audit Committee, General Management and Statutory Auditors.

Statutory Auditors: the selection and appointment of joint Statutory Auditors proposed at the Shareholders' Meeting is performed by the Board of Directors on the basis of recommendations from the Audit Committee.

The Group has selected joint Statutory Auditors who are able to provide it with global and comprehensive coverage of Group risks.

At subsidiary level

The **Management Committee** is appointed by the Holding Company or by a Region and is composed of the subsidiary's Chairman and Chief Executive Officer and its senior managers. The Management Committee is notably responsible for managing the main risks affecting the subsidiary.

The subsidiary's **Finance Director** is tasked by the subsidiary's Chairman and Chief Executive Officer with establishing appropriate internal control systems for the prevention and control of risks arising from the subsidiary's operations, in particular accounting and finance risks including error and fraud.

Identification and management of risks

The 2010/2011 financial year was devoted to:

- reviewing and analysing the risk management systems in place, notably those identified during the formal mapping procedure completed in June 2010;
- implementing the self-assessment questionnaire on internal control and risk management. The questionnaire was in full compliance with the AMF's Reference Framework for risk management and internal control and its application guide, which were updated in July 2010. The questionnaire was updated during the financial year, notably regarding Corporate Social Responsibility;

- performing audits: 25 audits were carried out in 2010/2011. The purpose of these audits, along with the analysis of operational risk management, was to ensure that the Group's internal control policies were applied properly at its subsidiaries.

All of the key areas for improvement identified were addressed in specific action plans drawn up at each subsidiary and at Group level, which were validated by General Management and the Audit Committee. Their implementation is regularly assessed by the Group's Internal Audit Department.

The work performed enabled the quality of internal control and risk management to be strengthened within the Group.

Key components of internal control procedures

The key components of internal control procedures are as follows:

The **Pernod Ricard Charter,** updated during the financial year, sets out the rights and duties of every employee in relation to Group values, particularly in its Code of Ethics. Among other things, these rights and duties include compliance with the law and integrity. A copy of the Charter is given to each employee when they are recruited and is always available in several languages on the Group Intranet site.

A formal **Delegation of authority** procedure, issued by the Board of Directors, sets out the powers of the Chief Executive Officer as well as those of the Managing Directors in charge of Brands, Finance, Distribution Network, Human Resources and Corporate Social Responsibility, and those of the General Counsel of the Group.

The **Internal Audit Charter** is for all employees who have a management and audit position. It defines the standards, the missions, the responsibilities, the organisation and the operating mode of the Group's Internal Audit Department in order to remind every employee to strive for compliance with and improvement of the Internal Audit process.

Group **Internal Control Policies,** which have been established for each of the 14 operational cycles identified, enable the subsidiaries to concentrate on the internal control procedures related to the Group's main risks.

Regularly updated notably to comply with the AMF Reference Framework for risk management and internal control and its application guide, the **self-assessment questionnaire** is based on the Group's internal control policies. In particular, it covers Corporate Governance practices, operational activities and IT support.

Submitted to the Group's main subsidiaries, it enables them to assess the adequacy and the effectiveness of their internal controls. Responses to the questionnaires are documented and reviewed in detail by the Regions and Group Internal Audit Department. All of this work has been covered by:

- a summary by subsidiary and an overall Group summary, which are both provided to the General Management and the Audit Committee;
- a letter of representation from each subsidiary sent to the Chairman and Chief Executive Officer of their Parent Company and a letter of representation from the various parent companies sent to the Chief Executive Officer of Pernod Ricard. This letter engages subsidiary management as regards the adequacy of their control procedures in the light of identified risks.

The **Pernod Ricard Environment, Security and Quality Charter** sets out the rules to be complied with in these areas. The Industrial Operations Department of the Group is in charge of ensuring that they are followed. An annual report is presented by this Department to the Executive Committee.

Budgetary control is organised around three key areas: the annual budget (revised several times during the year), monthly reporting to monitor performance and the four-year strategic plan. Budgetary control is exercised by the management control teams attached to the Finance Departments of the Holding Company, the Regions and the subsidiaries. It operates as follows:

- the budget is subject to specific instructions (principles, timetable) published by the Holding Company and sent to all the subsidiaries. The final budget is approved by the General Management of the Group;
- *reporting* is prepared on the basis of data directly input by subsidiaries in accordance with a precise timetable provided at the beginning of the year and in accordance with the *reporting* manual as well as the accounting and financial policies published by the Holding Company;
- monthly performance analysis is carried out as part of the reporting process and is presented by the Finance Department to the General Management, the Executive Committee and at meetings of the Audit Committee and the Board of Directors;
- a four-year strategic plan for the Group's main brands is prepared each year using the same procedures as those used for the budget;
- a single management and consolidation system allows each subsidiary to directly input all its accounting and financial data.

Centralised Treasury Management is led by the Treasury Unit of the Group's Finance Department.

Legal and operational control of the Holding Company over its subsidiaries

Subsidiaries are mostly wholly-owned, either directly or indirectly, by the Pernod Ricard Parent Company.

The Holding Company is represented directly or indirectly (through an intermediate subsidiary) on its subsidiaries' Boards of Directors.

The Organisation Charter and the Group Internal Control Policies define the level of autonomy of subsidiaries, particularly with respect to strategic decisions.

The role of the Holding Company, as described in the 'decentralised business model' paragraph of Section 1 'Presentation of the Pernod Ricard group' of the present document is an important component of the control of subsidiaries.

Financial and accounting reporting

Preparation of the Group's consolidated financial statements

The Group, in addition to the management information described above, prepares half-year and annual consolidated financial statements. This process is managed by the Consolidation Department of the Group's Finance Department, as follows:

- communication of the main Group accounting and financial policies through a procedures manual;
- preparation and issuance of specific instructions by the Consolidation Department, including a detailed timetable, to the subsidiaries prior to each consolidation;
- consolidation by sub-group;
- preparation of the consolidated financial statements on the basis of information provided so as to cover the entire scope of consolidation;
- use of a single software package by Group subsidiaries. The maintenance of this software package and user training are carried out by the Group's Finance Department with the occasional assistance of external consultants.

In addition, consolidated subsidiaries sign a letter of representation addressed to the Statutory Auditors, which is also sent to the Holding Company. This letter commits the Senior Management of each consolidated subsidiary as to the accuracy and completeness of the financial information sent to the Holding Company within the consolidation process.

Preparation of Pernod Ricard Parent Company financial statements

Pernod Ricard prepares its financial statements in accordance with applicable laws and regulations. It prepares the consolidation package in accordance with the instructions received from the Holding Company's Finance Department.

Paris, 31 August 2011

Patrick Ricard

Chairman of the Board of Directors

Statutory Auditors' report

Statutory Auditors' report prepared in accordance with article L. 225-235 of the French Commercial code and dealing with the report of the Chairman of the Board of Directors of Pernod Ricard

To the Shareholders,

In our capacity as Statutory Auditors of Pernod Ricard and in accordance with article L. 225-235 of the French Commercial code, we hereby present our report dealing with the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial code for the financial year ending 30 june 2011.

The Chairman is responsible for preparing and submitting for the approval of the Board of Directors, a report describing the internal control and risk management procedures implemented by the Company and disclosing other information as required by article L. 225-37 of the French Commercial code dealing in particular with Corporate Governance.

Our own responsibility is to:

- communicate to you any observations we may have as to the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information; and
- attest that the report includes the other disclosures required by article L. 225-37 of the French Commercial code. It should be noted that we are not responsible for verifying the fair presentation of those other disclosures.

We have performed our work in accordance with the professional standards applicable in France.

Information relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information

Our professional standards require the application of procedures designed to assess the fair presentation of the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information.

Those procedures involve in particular:

- obtaining an understanding of the underlying internal control and risk management procedures in the area of the preparation and processing of financial and accounting information presented in the Chairman's report, and of the related documentation;
- obtaining an understanding of the work performed as a basis for preparing that information and the existing documentation ;
- determining if any major internal control weaknesses in the area of the preparation and processing of financial and accounting information identified by us during the course of our engagement have been appropriately disclosed in the Chairman's report.

On the basis of the procedures performed, we have nothing to report on the information relating to the Company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information contained in the report of the Chairman of the Board of Directors prepared in accordance with article L. 225-37 of the French Commercial code.

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by article L. 225-37 of the French Commercial code.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors,

Deloitte & Associés	Mazars
Marc de Villartay	Isabelle Sapet Loïc Wallaert

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

3

CORPORATE SOCIAL RESPONSIBILITY

Sharing a tangible commitment

Since its beginnings, Pernod Ricard has been committed to a policy of social and environmental responsibility designed with the aim of development over the long term. The Group focuses its action on five priorities: employees development, responsible drinking, the control of its environmental impacts, the promotion of entrepreneurship and the roll-out of cultural and social solidarity initiatives.

This commitment is illustrated by the Group's membership of the United Nations Global Compact since 2003 and the CEO Water Mandate.

The Company communicates on these principles and believes, in the words of Pernod Ricard's Chief Executive Officer, Pierre Pringuet, 'that collective commitment to the Group's values[1] and organisational principles[2] constitute a real competitive advantage'.

An historic step rooted in the Group's culture

For Pernod Ricard, Corporate Social Responsability involves reconciling economic efficiency, social equity and environmental protection in a process of continuous improvement. It contributes to Sustainable Development. The Group has often been a pioneer in its actions and has grown while respecting people and their cultures and always looking to the long term.

Historically, Pernod Ricard's corporate culture has been marked by strong Corporate Social Responsibility (CSR):

- employee shareholding in Ricard since 1938;
- creation of the Oceanographic Institute by Paul Ricard in 1966;
- creation of Institute for Scientific Research on Beverages (IREB) in 1971;
- founding of Pernod Ricard in 1975, while preserving the personality of the two founders, Pernod and Ricard;
- creation of Pernod Ricard Research Centre in 1975, with the aim of developing local production of anis flavours in France from the cultivation of fennel;
- in 1981, joint development of Inipol EAP 22 by the Paul Ricard Oceanographic Institute and Elf Aquitaine. This product accelerates the natural process of offshore hydrocarbon breakdown, and made a significant contribution to the clean-up of the coast of Alaska in 1989 following the Exxon Valdez disaster;
- introduction of a process for employees to express their collective views directly in 1982;
- first 'Environment Symposium' organised by the Oceanographic Institute in 1987 on Les Embiez Island;
- creation of the Enterprise & Prevention (E&P) association in 1990:

  Pernod Ricard jointly founded the 'Enterprise & Prevention' association in 1990, which today brings together the principal French producers of wines, beers and spirits.

  This organisation is now responsible for advertising self-regulation, in association with the ARPP (*Autorité de Régulation Professionnelle de la Publicité* – French Advertising Standards Authority).

  E&P works with the public authorities on issues related to alcohol and offers preventative programmes on inappropriate or excessive alcohol consumption;
- in 1990 the Group was a founding member of the European Forum for Responsible Drinking, formerly the Amsterdam Group, which promotes responsible drinking and encourages companies in the industry to adopt self-regulatory standards for commercial communications;
- in 1995 the *Grand Prix* of the French Academy of Science was awarded to Yvan Martin, Director of Research at the Paul Ricard Oceanographic Institute;
- cultural sponsorship of the Georges Pompidou Centre since 1997;
- every year since 1999, the *Prix Fondation d'Entreprise Ricard* has been awarded to an emerging young artist on the French arts scene;
- signatory of the Global Compact Charter since 2003;
- an Ethics Charter has been distributed in 17 languages since 2003;
- integrated 'Quality, Security, Environment policy' (QSE) since 2004;
- Pernod Ricard has been a member of the ICAP (International Centre for Alcohol Policies) since 2005;
- Pernod Ricard was included in the FTSE4Good extra-financial analysis index in 2005;
- in 2005 Pernod Ricard committed financial aid to the five-year water tank construction programme on Tortue Island in Haiti;
- sustainable Development Charter since 2006, with tangible commitments in relation to shareholders, employees, consumers, the environment, suppliers and partners;
- introduction of pictogram for the prevention of alcohol consumption by pregnant women in 2006 in all European countries;
- in 2007 Pernod Ricard adopted a Code for Commercial Communication;
- participation in Environment Summit (Grenelle de l'Environnement) in 2007 and 2008;
- ISO 14001 and ISO 9001 certification for over 80% of industrial production sites in 2009, covering 90% of production volume;
- in 2010 Pernod Ricard launched a new Corporate Social Responsibility platform (CSR);
- in Spring 2011, CSR training was offered to 18,226 Group employees.

(1) *Entrepreneurial spirit, mutual trust, sense of ethics.*

(2) *Decentralisation and conviviality.*

Establishment of appropriate governance

Pernod Ricard is a decentralised group, whose structure gives it unequalled strength to conduct its business all around the world. As a result, subsidiaries are to a large extent responsible for their own businesses.

After 10 years of external growth, financial year 2009/2010 saw the launch of a flagship internal project, called 'Agility', to update the Group's business model and improve its performance.

Group Management decided that Corporate Social Responsibility should be one of six areas marked for this internal initiative.

Interviews were conducted internally and externally (including with key stakeholders) to provide recommendations for Pernod Ricard's CSR policy.

Following these recommendations, it was decided by the Group Executive Committee:

- **to designate a high level organisation dedicated to CSR:**
  - responsibilities of the Managing Director for Group Human Resources extended to include Corporate Social Responsibility,
  - a Group CSR Advisory Committee created, gathering people from all regions and functions. Its main roles are to facilitate the introduction of Corporate Social Responsibility, to offer support to subsidiaries and provide analyses and recommendations on strategic CSR issues,
  - a network of Corporate Social Responsibility leaders developed, comprising employees from 70 countries, who operate under the management of their subsidiary and whose main role is to introduce the CSR strategy in their subsidiary;
- **to implement a CSR strategic platform based on three fundamentals:**
  - CSR activities should be linked with Group business,
  - they should be rooted in the Group's culture and identity,
  - they should involve all employees.

This platform has one prerequisite and four priorities:

- **a prerequisite:**
  - CSR fundamentals considered as prerequisites to our CSR policy: respect for our employees, our shareholders, our partners and our local communities;
- **two principal priorities:**
  - responsible drinking: Pernod Ricard aims in particular to set an excellent example on the issues of drink driving and education,
  - environment: to reduce its environmental impacts, the Group has defined five issues to be addressed, namely environmental management, sustainable farming, water use, energy use/CO_2 emissions and packaging materials;
- **two optional priorities:**
  - cultural initiatives;
  - actions that favour entrepreneurship.

This platform has been presented in cascade training sessions from the CSR leaders to the employees. In May 2011, more than 15,000 employees had already been trained in CSR.

An e-learning session on CSR was launched as well, in Spring 2011. In May 2011, more than 8,000 employees had completed the session online.

Employee CSR training

A training initiative has been introduced to enable appropriation of the platform by all employees and adaptation in accordance with local requirements: a series of Corporate Social Responsibility cascade training courses have been organised and an e-learning course has been launched (at Group scope).

The CSR training module describes the concept of Sustainable Development and Corporate Social Responsibility, explains the Corporate Social Responsibility issues for Pernod Ricard, develops each area of Corporate Social Responsibility strategy in detail and encourages employees to become involved.

Through Corporate Social Responsibility cascade training, 15,031 ☑ employees received face-to-face training on Corporate Social Responsibility during the 2010/2011 financial year. The feedback from employees on this training is very positive.

This training was carried out in three stages:

- the first stage involved the training of Corporate Social Responsibility leaders and was carried out by the Group (58 CSR leaders trained): five regional meetings for CSR leaders were organised between December 2010 and January 2011 in Hong Kong, Miami, Vienna and Paris (two meetings);
- the CSR leaders then trained the Managers in February/ March 2011;
- the Managers then trained their teams in March/April 2011.

Each training course was subject to internal reporting on the number of managers and employees trained by the trainer.

In order to confirm and examine the knowledge of employees about Corporate Social Responsibility, an e-learning module of around 40 minutes was launched on 26 April 2011. This is an online Corporate Social Responsibility training course (in English, Chinese, French and Spanish), completed on a voluntary basis. This training exists in two forms: Groups training where several people participate in the training using one computer (used notably on production sites) and stand-alone training where a person completes the training alone.

From 26 April to 30 June 2011, 8,333 ☑ employees completed this module.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

CSR governance

Pernod Ricard puts CSR at the heart of its vision and values (entrepreneurial spirit, mutual trust and sense of ethics), summed up in its slogan '*Créateurs de convivialité*'. Its 18,226 employees are ambassadors and actors in its CSR policy.

Pernod Ricard's approach and performance have been recognised and rewarded by the FTSE4Good and Ethibel's Excellence investment labels, in particular.

On 16 February 2011, the Board of Directors, whose composition and functions are described in Section 2 'Corporate Governance and Internal Control', decided to create a Business Ethics Code and Committee to prevent insider trading.

The Audit Committee, whose composition and missions are also described in Section 2 'Corporate Governance and Internal Control', exercises an extended role in supervising internal and external control.

Operational and CSR risks are covered by the Company's audit and internal control systems.

These cover financial, operational and legal risks, as well as CSR risks.

The environment is included in the Company's risk management process.

Internal QSE standards are a key reference for internal control procedures.

Moreover, in order to improve the transparency and reliability of the social, environmental and societal data issued, the Group has instigated a progressive system of verification of these environmental, social and societal indicators by its Statutory Auditors, Deloitte and Mazars. The first Statutory Auditors' report on this was published in respect of financial year 2009/2010.

External benchmarks

The main international standards with which the Group complies are: ISO 9001 (Quality), ISO 14001 (Environment), ISO 22000 (Product health and safety), ISO 26000 (CSR) and OHAS 18001 (Health and safety at work).

The Group applies the recommendations of the GRI (Global Reporting Initiative) to the implementation and monitoring of these indicators.

Human Resources

Challenges and policy

Leadership culture

Leadership culture is inherent in Pernod Ricard's values and history and drives its performance. In order to accelerate their adoption, in 2010 the Group committed itself to creating and deploying common tools and processes across all its subsidiaries.

Collective and individual performance

As a result of its decentralised economic model, Pernod Ricard's culture is based on three core values shared by all 18,226 employees: entrepreneurial spirit, mutual trust, sense of ethics. It is accompanied on a day-to-day basis by a collective attitude, which drives commitment: conviviality and team spirit, which can be seen in the ease of interactions and the recognition of success.

Ambitious HR tools and processes

Pernod Ricard's culture drives its creativity and permanent innovation. The Group has formalised the main principles of its culture, in terms of work organisation, attitude, leadership and talent development, in its Charter which was updated in early 2011 and sent to all employees. In order to support and optimise this dynamic model, effective HR management tools and processes common to the entire Group were developed following work carried out in consultation with all the subsidiaries. These major changes were accompanied by a new intranet dedicated to the HR community, facilitating the roll-out of these methods and practices across the Group.

Three key foundations on which to build the future

Talent management, promotion of diversity and mobility are essential for Pernod Ricard's development. Three HR foundation stones have therefore been laid, aiming to drive a high-performance, motivating and consistent policy across the whole Group.

- **Job banding** consists of implementing an objective methodology for rating posts, by classifying key Group posts and measuring their level of responsibility. This provides a single framework for measuring a post's contribution in the organisation, identifying natural progression paths within the Group.
- **Leadership & Performance** includes both a benchmark of skills and related behaviours, with the aim of defining the leadership model expected within the Group, and a common performance evaluation tool.
- Finally, **Diversity & Talent Management** uses dynamic route and talent management tools on a Group scale, across different processes: management of talent pools, reviewing the development of potential, career committees and training cycles, for example.

Concertation

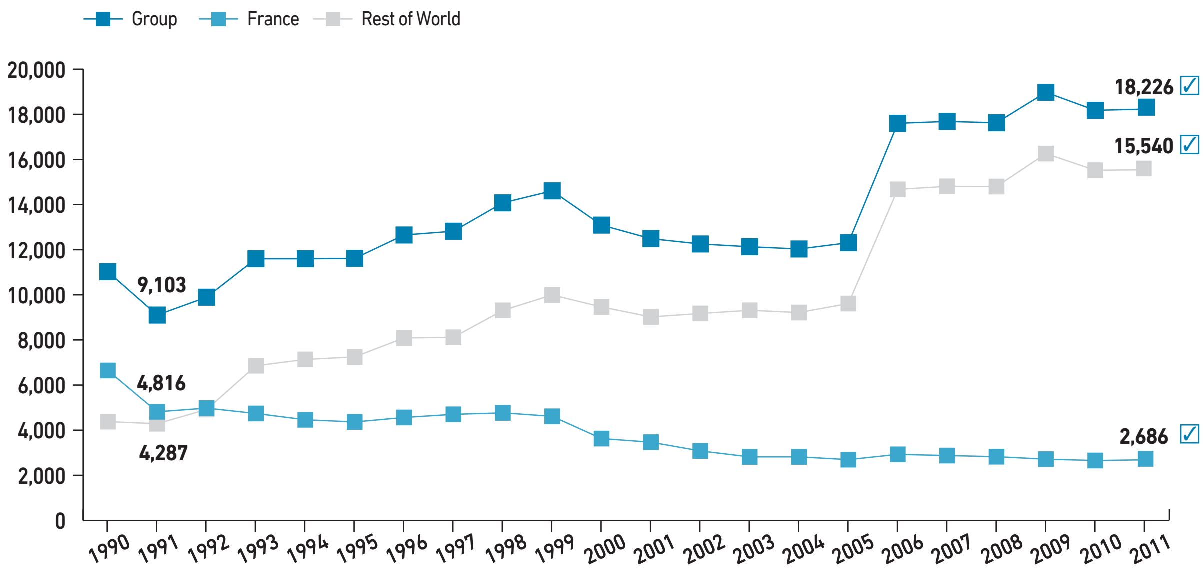
The Company has a tradition of concertation and promotes freedom of association, believing in the importance of providing a working environment which recognises working conditions. The Group's corporate report has a section which assesses the quality of concertation. In addition, the Sustainable Development Charter clearly states that one of the Group's targets is to ensure freedom of association.

The Group, with more than 50% of its staff based in Europe, has mainly been focusing its actions on the European trade unions, through the European Works Council (EWC), which gathers together representatives from every European subsidiary with more than 75 employees. Last year the Group modified its agreements to enable more small countries to be represented on this organisation. The EWC's latest renewal also enabled the election of a Select Committee which can act on its own initiative to respond to any social measure that might be taken in Europe involving two or more European countries where Pernod Ricard has local teams. Moreover, every year each European employee of the Group receives a brochure summarising the content of the 3-day annual meeting. This programme contains specific training offered to all our trade union representatives.

The Group's corporate report

The Group's corporate report, drawn up annually using contributions from the subsidiaries, reveals Pernod Ricard's corporate profile. To improve the transparency and reliability of the corporate data communicated, starting in 2010, the Statutory Auditors have verified Group data. This year, in addition to data on headcount (global, definite-term contracts and indefinite-term contracts), the ratio of men/women and voluntary turnover, two further indicators have been verified this year: average workforce by region and staff movements. The data in this report that has been verified is identified by this symbol: ☑. The Statutory Auditors' report, detailing the work performed as well as their comments and conclusions, appears on page 71.

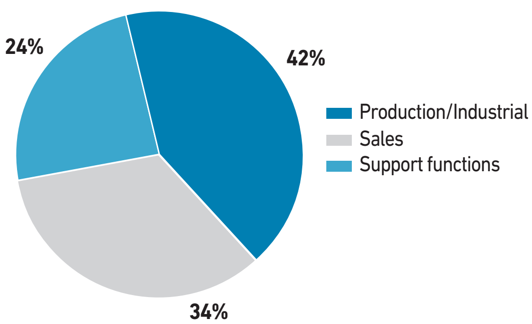
Trends in worldwide workforce at 30 June



This year-end snapshot shows stability in employee numbers between 2009/2010 and 2010/2011, reflecting an employment strategy of protecting jobs, despite an uncertain global economic outlook.

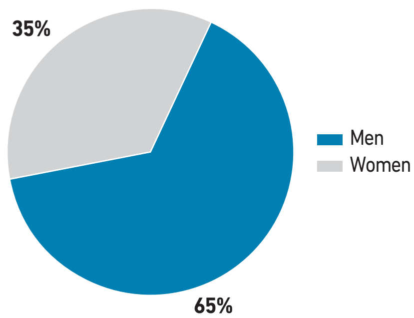
Group employee numbers doubled between 1991 and 2011, symbolising through the development of its Human Resources, the global ambitions of the Group and the relevance of its business model.

Breakdown of average workforce by sector of activity



The employee breakdown by major business sector shows that 42% work in the industrial sector (bottling sites, logistics centres, ageing warehouses, wine making, procurement, supply chain, QSE), 34% in sales and 24% in support functions. The growth in sales roles should be noted, accounting for 34% of posts in 2010/2011 compared to 30% in 2008/2009. Support function numbers have remained stable and industrial activities account for 42% of jobs performed in the Group compared to 47% in 2008/2009.

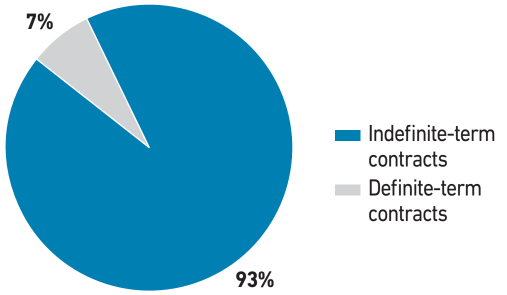
Breakdown of workforce by gender at 30 June 2011 ☑



Women account for one third of the Pernod Ricard Group's workforce (6,290 female members of staff). In 2010/2011, the share of external female recruits was close to 40%, compared to 42% the previous year.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

Breakdown of workforce by type of employment contract at 30 June 2011 ☑



The Group tends to prioritise indefinite-term contracts and internal mobility, reflecting its commitment to developing long-term relationships with its employees and offering them secure employment.

The proportion of definite-term contracts was stable compared with the previous year.

In France, definite-term contracts account for 5% of employment contracts compared with 11% in the Pacific region, due mainly to the large numbers of seasonal workers employed in the wine industry.

Average workforce by region

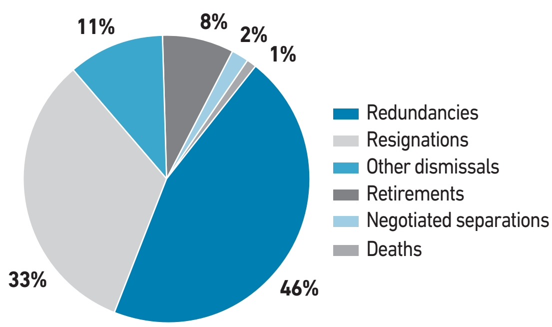
	2008/2009		2009/2010		2010/2011 ☑	
GROUP	**18,917**	**100%**	**18,453**	**100%**	**17,926**	**100%**
Europe	10,512	56%	10,046	54%	9,263	52%
O/w France	2,792	15%	2,657	14%	2,616	15%
O/w Europe excluding France	7,720	41%	7,389	40%	6,647	37%
Americas	4,368	23%	4,144	23% (1)	4,129	23%
Asia-Pacific	4,037	21%	4,263	23% (1)	4,534	25%

(1) Percentages have been corrected following a concern over calculation in financial year 2009/2010.

The Group is present internationally via subsidiaries located in almost 70 countries (52% of staff are located in Europe, 23% in the Americas and 25% in the Asia-Pacific region). This diversity contributes to the Group's performance and reflects its capacity to integrate employees from different cultural backgrounds. France, birthplace of Pernod Ricard, boasts 15% of Group total staff numbers.

The decrease in average headcount in Europe is mainly due to the sale of businesses in Spain and Scandinavia, and the reclassification of staff from Domecq Bodegas to Premium Wine Brands (Pacific).

Staff movements



Overall there were fewer departures from the Group than last year and the distribution between new recruits (2,528 ☑, of whom 556 were internal transfers) and departing employees (1,996 ☑) was stable. Resignations are the main reason for departures from the Group (46% of departures). The share of redundancies went from 43% in 2009/2010 to 33% in 2010/2011; the calmer economic environment and fewer asset disposals than in 2009/2010 helped to stabilise structures in place within the Group.

Staff rotations

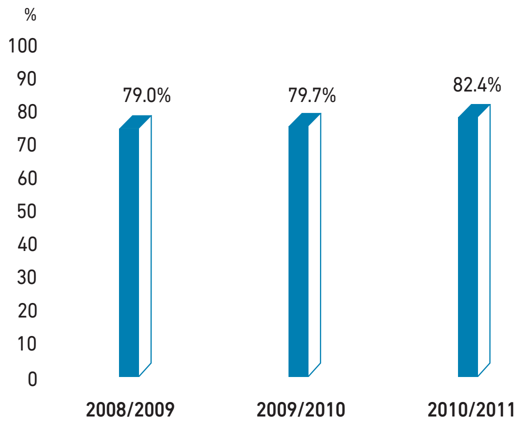
	Resignations	Annualised workforce on indefinite-term contracts	Rate of voluntary departures
Managers	171	3,728	4.6%
Non-Managers	746	13,164	5.7%
TOTAL	**917**	**16,892**	**5.4% ☑**

917 resignations were recorded during the period, compared to 742 last year. This was a 1.1% increase in the rate of voluntary departures, from 4.3% in 2009/2010 to 5.4% ☑ in 2010/2011. It is at the same level as in 2008/2009, reflecting the capability of Pernod Ricard to develop the loyalty of its employees.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

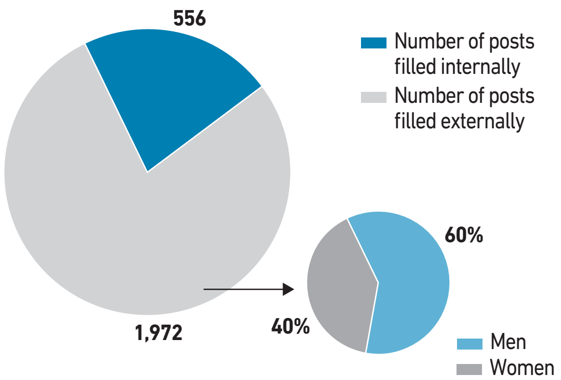
Recruitment and annual performance review

Change in annual performance review rate



Pernod Ricard is improving the evaluation of employee performance and the compilation of development goals with the rate of annual Manager/employee interviews reaching 82.4% in 2010/2011.

Breakdown of posts filled in financial year 2010/2011



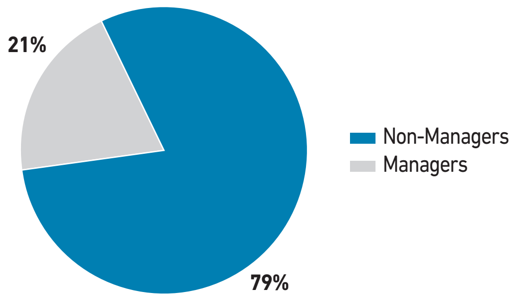
566 posts were filled by internal candidates (i.e. 22% of new indefinite-term contracts during the period). 98 international moves (from one country to another) were recorded in the expatriate population during the period.

Average age and length of service

The average length of service of Group employees is 10.2 years.

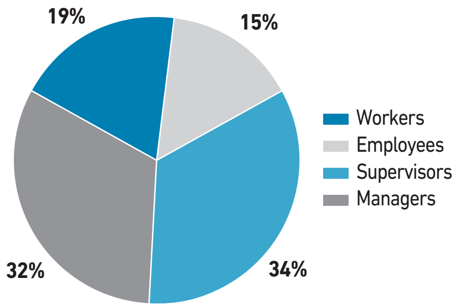
The average age of Group employees is 40.6 years.

Breakdown of Group average workforce by category



Worldwide, 21% of employees hold a managerial position (internal definition).

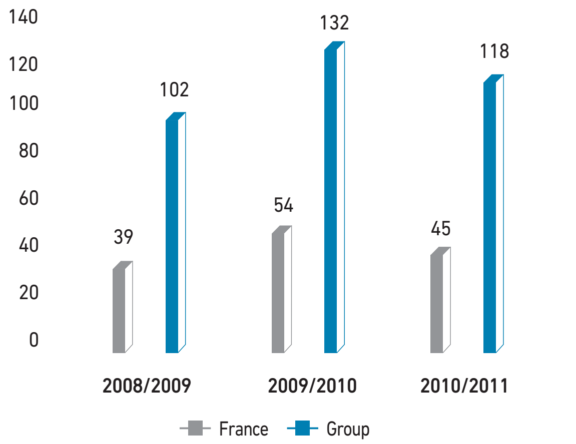
Breakdown of average workforce in France by category



Of the 2,616 employees (average workforce) in France, 68% of them are workers, employees or supervisors.

Company Agreements

Change in the number of Company Agreements signed



The Group favours the enhancement of social dialogue with nearly 120 agreements signed with its various social partners throughout the world during the last year. Therefore in France, 45 Company Agreements were signed by Group subsidiaries in 2010/2011.

Overall, 72% of Group entities benefit from a structure involving employee representation.

Collective bargaining mainly focuses on remuneration, working time length, profit-sharing, stress management, recruitment of older persons and male/female equality in France.

A corporate barometer on a global scale

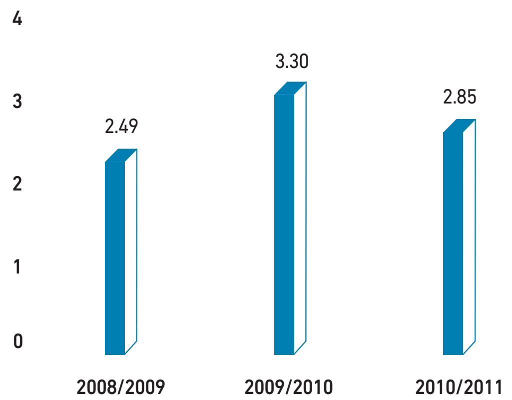
In June 2011, Pernod Ricard sent an extensive questionnaire to all Group employees (available in 34 languages and in electronic or paper format) to assess employee commitment. Its aim was to gather each employee's opinion on key subjects such as the environment and working relationships, corporate culture, communication, the sense of belonging, etc. 80% of employees responded. Thirteen themes were addressed; the results will be analysed and lead to targetted action plans.

Since the Group has not carried out any large-scale redundancy plans in the recent past, there is no global policy available at the moment within the Group relating to the management of reorganisations. However, during previous acquisitions which resulted in the carrying out of reorganisation plans, the Group drew up a list of principles to be respected by subsidiaries. General management principles available within the Sustainable Development Charter express the obligation for each subsidiary to act responsibly in order to respect local rights and, where possible, avoid unnecessary redundancies.

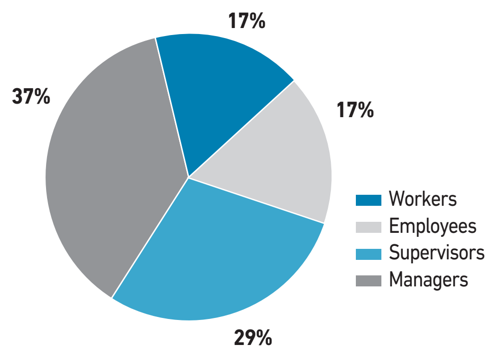
Local representatives are involved by General Management from the start of any such process and are given priority notice of the progress of projects. In Europe representatives on the EWC Select Committee are also kept informed via the Group General Management team.

Training

Trend in training investment in France over the last three years
(as a percentage of the total payroll)



Breakdown of training hours in France by professional category



Investment in training in France fell by 14% compared to the end of 2010 but remained higher than in 2009, which is mainly explained by the involvement of many employees in the Agility project. However, with 39,993 hours of training given in 2010/2011, training investment in France remains higher than the Group average (2.53%).

Training programmes are aimed at adapting employees' skills to the requirements of their current position and also preparing them for their next assignment. Pernod Ricard has developed seminars to develop employees' skills. These programmes cover such subjects as management and technical skills in marketing, finance, sales, industry, communication, CSR and legal issues.

The Group also has its own training centre, and offers a wide range of training sessions open to all managers around the world (22 programmes and 61 sessions in French, English and Spanish trained 536 employees in 2010/2011). A partnership with INSEAD was also set up in 2007 for the benefit of top-level managers.

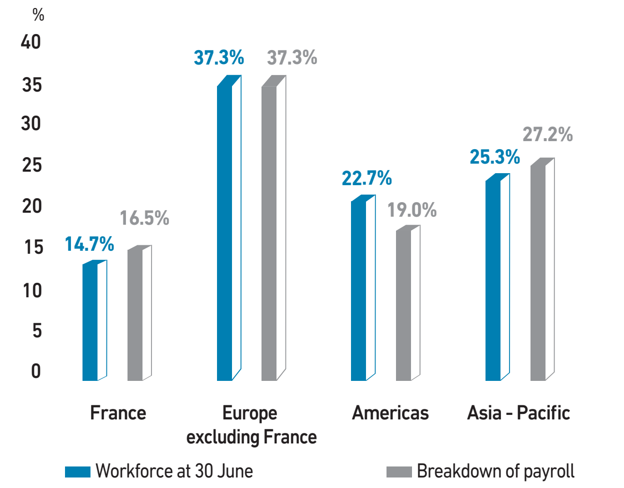
In order to support the development of its talented employees and train its future leaders, while still encouraging diversity, the Group created Pernod Ricard University. Through long-term training programmes, it will accompany employees throughout their professional careers. It is currently being set up and the first sessions are expected to run from June 2012.

Recognising and developing employee potential

With an integration policy, annual development and performance reviews, training sessions, etc., Pernod Ricard's HR procedures encourage employees' personal and professional development. This year the Group chose to go even further by introducing a system to promote talent, called 'iLead'. This initiative, which is common across the Group, is based on a leadership model defined by a benchmark of key skills and formalised by a talent evaluation tool. Together with management reviews and succession planning for key Group posts, it is an essential mechanism for recognising and selecting prospective talent.

Payroll and workforce by region

Breakdown of workforce at 30 June and payroll by region for 2010/2011



Work accidents and absenteeism

Pernod Ricard made a formalised commitment to health and safety issues in its Sustainable Development Charter. This commitment applies throughout the Group, supported by Senior Management.

The Company has allocated resources to address these issues, including a certified health and safety system involving training and awareness-raising programmes, internal monitoring, Internal H&S Audits, OHSAS 18001 certification and a road safety programme.

Pernod Ricard has launched an e-learning training programme on safety issues, provided for new employees, who receive a certificate for having participated in the programme. Pernod Ricard monitors the accident frequency rate and accident severity rate throughout the Company. Health and safety is among the aspects covered by internal audits. Most of the Group's production sites operate under OHSAS 18001 certification.

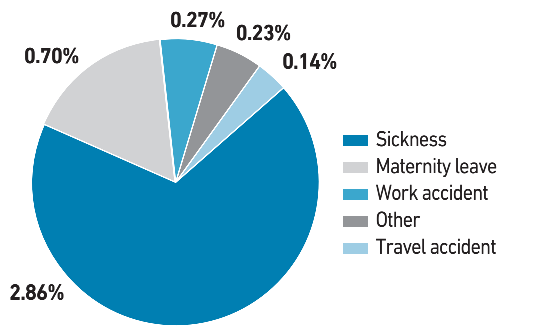
Group work accidents

	2008/ 2009	2009/ 2010	2010/ 2011
Number of accidents leading to lost-time	398	333	278
Frequency rate	12	10	9
Severity	0.25	0.18	0.19

Group absenteeism

	2008/ 2009	2009/ 2010	2010/ 2011
Rate of absenteeism	3.09%	3.51%	3.27%

Breakdown of reasons for absenteeism in France 2010/2011



Note on the methodology used to compile corporate indicators

Tools used

The Hypérion Financial Management (HFM) consolidation package has been used to gather and process corporate data for 2010/2011, supplied by local entities. Controls are performed by combining the HFM package with the query editor features of the Smart View data retrieval tool.

Corporate indicators in this report are based on all Group entities that have reported on their employees for the period concerned.

When a company joins the Group scope in the period concerned, its corporate data is immediately fully included in the figures, whatever the equity stake held by the Pernod Ricard Parent Company.

Consolidation scope for data retrieval

The corporate data and its level of detail have been expressed for a consolidation scope that differs slightly compared to that of 2010:

- the Domecq Bodegas entity, previously part of Pernod Ricard Europe, has been transferred into the Premium Wines Brand (Pernod Ricard Pacific) cluster;
- the entities Wyborowa SA and V&S Luksusowa Zielona Góra SA, previously part of PR Polska, have been transferred into the ABSOLUT Company cluster.

The indicators are mostly given for a global consolidation scope. However, for some indicators which are hard to standardise at a global level, we have preferred to report two figures for two different scopes: France and World.

This methodology, while allowing a breakdown of data by region, is nonetheless limited as there are no universally recognised definitions at local or international level for some indicators (professional categories, corporate social performance).

Methods of consolidation of indicators

After being input by the entities, data is gathered at cluster level, then at regional level to be sent to the Holding Company. At each level the data is processed and consolidated following a clearly defined procedure and criteria. Each entity which gathers and includes data is responsible for the indicators supplied and certifies the data as well as its control. Once all the data is gathered, the Holding Company performs a global control of the data and thus guarantees the accuracy and consistency as a whole.

To improve the reliability of the reporting process, a glossary is updated every year, providing precise definitions of each indicator, illustrated by tangible cases. A user guide for the reporting tool is also available for contributors. Automatic consistency controls have also existed since 2010.

The Pernod Ricard group seeks constantly to improve its collection and analysis of corporate data and therefore progressively develops its work to adapt its tools, glossary and user guide to the changing needs of the Group.

All of the corporate data is consolidated by aggregation.

Additional information

Professional categories are a specifically French concept which Pernod Ricard group companies in other countries find hard to apply. With the aim of improving the reliability of data, the Group has expanded this concept by retaining the four categories used in the French Group scope and allocating two categories for the World scope: Managers and non-Managers. The definitions of these categories have been explicitly notified to Group entities but their application is not yet standardised.

Departures are based solely on staff with indefinite-term contracts.

Average headcount is calculated on a full-time equivalent basis.

Pernod Ricard China employees are accounted for as staff with indefinite-term contracts (708 at 30 June 2011). Chinese employment contracts actually comprise a statutory duration and are only transformed into indefinite-term contracts after several years. However, given the specificities of employment legislation in China, the Pernod Ricard group considers its personnel to be staff with indefinite-term contracts.

Human Rights

The Group has been supporting the United Nations Global Compact since 2003. The 10 principles, including those linked to human rights (businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in Human Rights abuses), are fully accessible to its employees worldwide on the Group's intranet.

Respect for human rights and prevention of abuses

Pernod Ricard's Internal Charter sets out the requirement that its employees comply with the law, including fundamental principles such as the respect of Human Rights. In addition, our policy has been detailed in our Sustainable Development Charter. These two documents are available on our global website (www.pernod-ricard.com).

As a decentralised organisation, Pernod Ricard hands responsibility to its subsidiaries for the adoption, respect and promotion of the content of our Charters locally. However, dedicated departments at Group level regularly evaluate compliance with those principles (through internal audit and local initiatives aimed at developing or monitoring the Company's commitment to ethical practices).

Market visits by transversal internal audit teams also cover social aspects, which allows them to examine the issue of Human Rights. Since the Management Committee is responsible for ensuring respect of the law, our internal audits may focus on more specific topics.

Managing Directors are evaluated on social aspects as well as economic performance. Hence we believe that all activities are covered, although targets may vary from one subsidiary to another.

Respect for freedom of association and the right to collective bargaining

Pernod Ricard outlines freedom of association and the right to collective bargaining in its Sustainable Development Charter and the progress report drawn up in the framework of the UN Global Compact. The Company is a signatory to the Global Compact and communicates on this principle

Non-discrimination

Pernod Ricard made a formalised commitment to non-discrimination in its Sustainable Development Charter. The Company is a signatory to the Global Compact and communicates on this principle. In 2003 Pernod Ricard signed the 'Business Workplace Diversity Charter', whose aim is to encourage the employment of different elements of French society. This charter bans all forms of discrimination when recruiting, during training and in professional development.

In its fight against discrimination, Pernod Ricard has launched a dedicated task force through its global project, Agility, to study diversity and improve the ratio men/women and the variety of the profiles on internal recruitment shortlists.

Environmental management

Challenges and policy

Pernod Ricard was built on the development of brands with deep roots in the land and affords great importance to the use of high-quality raw materials in its production. As such, it has made preserving the environment a top priority. Since the 1960's, founder Paul Ricard was a pioneer and visionary in environmental protection, having created a marine observatory in 1966 which went on to become the Paul Ricard Oceanographic Institute.

This commitment was also reflected in the introduction of a Sustainable Development Charter in 2006, and was reaffirmed by the Group Executive Committee in 2010, placing the environment amongst the Group's priorities in relation to the roll-out of its Corporate Social Responsibility strategy.

Priorities based on the Group's environmental impacts generated along the production chain

	Raw materials	Production	Packaging	Logistics	Finished products
Businesses	Agricultural production	Pressing, vinification, distilling, maturing, blending	Bottling, packaging	Transport (sea and road)	Consumption
Main environmental impacts	Irrigation water Fauna/Flora Pesticides	Energy consumption Water consumption Organic waste Waste water Greenhouse gas emissions	Energy consumption Packaging waste Waste water	Greenhouse gas emissions	Packaging waste

This year there has been a major advance: the publication in January 2011 of a new environmental road map for all subsidiaries, whether they are involved in production or distribution. This establishes the directions and priorities for the coming years for each of the five major areas: Management of the environment, Agriculture, Water, Energy and CO_2, Waste and eco-design. It is intended to guide the subsidiaries in drawing up their action plans.

The table below illustrates the principal commitments of this road map.

Areas	Commitments	Initiatives
Management	Roll out an efficient environmental management system	Extend ISO 14001 certification to all production sites. Involve all production and distribution subsidiaries in the Group's commitment to preserve the environment.
Agriculture and protection of biodiversity	Promote sustainable agriculture and protection of biodiversity	Adopt stringent production standards for our own agricultural production and have them certified if appropriate. By purchasing agricultural products, contribute to reinforcing environmental protection among our suppliers. Encourage all subsidiaries to introduce initiatives in favour of the protection of biodiversity.
Water	Conserve water resources locally	Measure our water usage and take initiatives to reduce it, with priority on regions where water resources are limited. Control our waste water effluents to minimise the impact on the environment. Test the 'Water Footprint' methodologies on Group products.
Energy and greenhouse gas emissions	Reduce energy consumption Measure and reduce greenhouse gas emissions over the whole production chain	Take initiatives to reduce the consumption of electricity and fuels. Study and promote the use of renewable energy. Measure the carbon footprint of all production sites over their whole supply chain. Define priorities to reduce these emissions, either directly by reducing energy consumption or indirectly through the products and services purchased.
Waste and eco-design	Reduce the impact of waste Promote eco-design	Extend waste sorting and recycling at sites. Make standard the eco-design approach to products and reduce the quantity of packaging materials used.

The sections that follow provide further details on these measures.

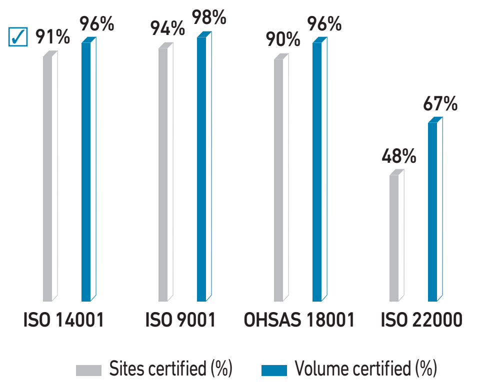
Environmental management

Organisation and certification

In line with the principles set out in its Sustainable Development Charter, the Group applies responsible environmental policy in each country that is home to one of its production facilities. The principles of this policy are:

- promoting the responsibility of subsidiaries: each subsidiary is fully responsible for determining how to reduce its own environmental footprint and how to apply the Group's policy locally. Pernod Ricard's Technical Division oversees and coordinates measures at Group level, notably by performing regular audits and sharing of best practices;
- the ISO 14001 (Environment) certification policy: as of 30 June 2011, 91% ☑ of the production sites are ISO 14001 certified, representing 96% of the volumes produced by the Group. This measure is in line with the Group's integrated Quality/Security/Environment management policy, which is based on extending the certification of production sites in these different fields (see chart).

Percentage of certified sites



Additionally, this year the Group extended the application of its environmental road map to distribution subsidiaries without industrial activities. A tool has been developed and distributed specifically to assess their environmental impacts and enable them to establish action plans.

2010/2011 environmental reporting scope

The Pernod Ricard environmental reporting relates to the financial year (July to June) and concerns all 99 industrial production sites under operational control as at 30 June 2011. Exceptionally, the Georgian Wines & Spirits subsidiary site in Georgia was recognised although it was sold on 29 June 2011. Its impact on the Group is minor (less than 0.1% by consolidated production volume and water and energy consumption). Only the industrial sites are taken into account. Agricultural properties, head offices and logistics sites are excluded from the environmental reporting scope.

This scope differs little from that of the previous financial year: it covers a production volume of 1,176 million litres (bottled or bulk finished products) compared to 1,182 million in 2009/2010, and a volume of distilled alcohol of 211 million litres (measured as pure alcohol) compared to 196 million in 2009/2010. The number of sites taken into account is slightly lower than the previous year: 99 sites compared to 108. This difference is explained by the closure or sale of several sites with limited capacity as well as the addition of two new minor sites (see Property, plant and equipment in Section 1 'Presentation of the Pernod Ricard group'). These changes in scope represent a total decrease in production capacity of 2.6%.

Methodology

The chosen indicators make it possible to monitor the Group's environmental performance on the basis of indicators that are relevant to its industrial activity. They are drawn up using the GRI (Global Reporting Initiative, version G3.1), guidelines and principles while remaining adapted to the Group's specific activity where necessary.

The main categories of data collected concern: water management (consumption and discharge), energy consumption, waste management (organic, solid, hazardous, etc.), packaging materials consumption, direct and indirect CO_2 emissions and environmental management.

In order to ensure more consistent results throughout the scope, the Group drew up a manual that included the definition of each indicator and sent it to all the Environment Managers in charge of consolidating data. This manual is updated every year to take into account comments from contributors and any necessary adjustments to the definitions.

Data is collected by the Environment Managers of each subsidiary. The Group then analyses this data and runs consistency checks to identify any reporting or data entry errors. If any significant gaps are noted, the Group verifies with subsidiaries whether the data is valid. The data is then formally approved by the Industrial Directors of the subsidiaries. The Group then uses an IT system to consolidate the data.

In the case where a significant reporting error from previous periods is identified, historical data is only readjusted if the impact on Group performance is greater than 1%, in order to enable a better understanding of results and trends. This was the case for the volume of distilled alcohol produced for the periods 2007/2008, 2008/2009 and 2009/2010. A problem in interpretation of definitions has lead to a slight correction of data from previous years (confusion at a site between rectified alcohol and distilled alcohol, with an impact that reduces distilled volume by 2.8%, 1.1% and 3.5% respectively).

It should be noted that for this year 2010/2011:

- the volume of water consumed by the Walkerville site in Canada could not be measured and was derived from estimates (water pumped from the river, including some that was unaltered from its original state, and is therefore not considered as consumption). Because of the significant impact that this site could have on Group results, this issue will be subject to more detailed studies and will result in a review of the definitions of flows to be taken into account in order to improve estimates;

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

- the volume of waste water released decreased significantly following the removal of the volume of cooling water from the Midleton site in Ireland which had previously been included as waste water. In fact, this cooling water is not considered as waste water because it is returned unpolluted into the natural environment and without modification of its characteristics (chemical, biological, thermal, etc.).

To improve the transparency and reliability of the environmental data communicated, the Statutory Auditors verify the Group data. This year, in addition to water consumption, energy consumption, CO_2 emissions (Scope 1) data, and ISO 14001 certification, two additional types of data were examined: CO_2 emissions (Scope 2) and solid and hazardous waste. The data in this report that has been verified is identified with this symbol: ☑. Their report, detailing the work performed as well as their comments and conclusions, appears on page 71.

Performance monitoring

The environmental performance of sites is expressed using several ratios, based on the type of business in which the Group has classified them:

- distilleries: data broken down by volumes of pure distilled alcohol;
- bottling sites: data broken down by volumes of finished bottled goods;
- wineries: data broken down by volumes made into wine.

At Group level, consolidated performance is expressed using the basis of:

- either the total amount of distilled alcohol for the environmental impacts due mainly to distilling (e.g.: water or energy consumption), expressed in thousand litre units of pure distilled alcohol (kl AP); or
- the volume of finished products manufactured when bottling is the main source of the environmental impact (e.g.: solid waste), expressed in thousand litre units (kl).

This distinction is sometimes complex, as some sites have several activities. Similarly, as the time frames involved in bottling may sometimes be very different from those for distilling (aged alcohols: whiskies, cognac, etc.), these figures may be difficult to interpret from one year to the next. Both calculation methods are therefore presented for some indicators. Setting overall Group quantitative targets for the quantity of water or energy consumed per unit produced, for example, becomes complex as the consolidation of targets depends on the business mix during the year and the consolidated indicator chosen. For that reason, the results expressed by the indicators should be used with care and interpreted over the long term. The quantitative targets currently defined by the Group for the period 2007/2008 to 2011/2012 represent the aim in the areas in question but must be adapted when determining operational targets for each site. Following a study launched last year, all subsidiaries have worked to lay down quantifiable targets for three key indicators at each site: water consumption, energy consumption and the quantity of non-recycled solid waste for the 2009/2010 to 2014/2015 period. This data is currently being consolidated and will allow the Group to set quantifiable targets for these three indicators next year.

Environmental compliance

All certified sites are subject to internal and external audits, during which any failures to comply are reviewed. Sites are regularly reviewed as part of the QSE (Quality, Security, Environment) audits performed by the Group.

In 2010/2011, no government penalty in relation to environmental regulation was recorded and no environmental incident was notified to local authorities.

During the same period, six complaints from third parties were received:

- four concerning noise pollution at sites very close to residential accommodation;
- one concerning the development of mould on buildings close to the whisky maturing cellars in Canada;
- one concerning olfactory pollution related to waste water in Sweden.

Promoting sustainable farming

Challenges and targets

Pernod Ricard is a major agricultural partner, as all the Group's products are manufactured with farm raw materials. As such, it promotes sustainable farming, using natural resources responsibly, respecting the environment, and is concerned about preserving water and soil quality, biodiversity and human health.

In 2010/2011, direct purchases of agricultural products from the year's harvest represented 989,000 tonnes, principally in the form of grapes, must and wines (474,000 tonnes) and grain for distilling (509,000 tonnes).

Including transformed products (alcohol, wines, sugar, aromatic plant extracts, etc.) the Group buys the equivalent of 2.8 million tonnes of raw agricultural products, representing around 175,000 hectares of cereals, vines, cane sugar, sugar beet and other crops.

Pernod Ricard is committed to promoting sustainable farming, both in its own agricultural activities and the products that it purchases from its suppliers. As such, the Group acts in accordance with local standards with the following requirements:

- reduced use of fertilisers, selection and use of pesticides that are less hazardous for the environment;
- control of water and energy consumption;
- protection of biodiversity;
- training and assistance in sustainable farming practices provided for farmers.

Application of sustainable agriculture benchmarks

The Group's vineyard estates cover 6,500 hectares in five main countries: New Zealand (43%), Australia (24%), Argentina (11%), France (10%) and Spain (7%). 74% of these vineyards are certified in accordance with environmental standards:

- in New Zealand, all the vineyards run by Brancott Estate/Montana are certified 'Sustainable Wine Growing New Zealand', of which Pernod Ricard New Zealand was one of the founding members in 1995;
- in Australia, Orlando Wines is a member of 'EntWine Australia', an environmental assurance program for vineyards and winemaking sites. Since 2002, all of its vineyards have been ISO 14001 certified;
- in France, the Martell & Co and Mumm Perrier-Jouët vineyards follow the integrated viticulture principles developed by Cognac and Champagne industry bodies. In addition, the Martell vineyards are ISO 14001 certified;
- in Spain, management of the vineyards is carried out according to the guidelines of the Sinergia benchmark, developed under the European Life programme;
- in the United States, Mumm Napa has applied the principles of sustainable agriculture based on ten key initiatives, which include the regular monitoring of insects and disease, reduction of risks caused by pesticides, protection of natural vegetation and its properties, installation of bird refuges, erosion control measures and construction of weather stations.

Several steps have also been undertaken with the Group's agricultural suppliers, in order to encourage them to work towards sustainable agriculture:

- in Australia, 90 strategic wine growers of Orlando Wines have currently applied for 'Freshcare Environmental' certification. Orlando Wines also encourages all wine growers to join the 'EntWine Australia 'scheme' and report on their consumption of energy, water and fertiliser and on their environmental management practices (biodiversity, soil and water conservation);
- in New Zealand, with all its vineyards now certified in accordance with the 'Sustainable Winegrowing New Zealand' standard, Brancott Estate/Montana is helping its grape growers to obtain this certification. The objective of this SWNZ programme is that 100% of vineyards are operated according to sustainable winegrowing standards;
- in Sweden, The ABSOLUT Company is supplied exclusively with wheat produced locally, in line with stringent sustainable agriculture standards;
- in Armenia, Yerevan Brandy Company helps wine growers with the management of their phytosanitary products: the subsidiary buys phytosanitary products in compliance with the *Bureau National Interprofessionnel du Cognac* (cognac producers' organisation) classification, distributes them to wine growers and collects the packaging materials waste, which it ensures is treated by a certified company. It also provides them with efficient sprayers which enable them to use the precise required amount of phytosanitary products to treat their plants;
- in France, part of the fennel used for the production of Ricard is grown by farmers in Provence in accordance with sustainable farming principles: this very fragrant plant has favoured the development of entomofauna, in particular bees, thus participating in maintaining biodiversity. Additionally, Pernod is supplied with organically produced wines and has thus obtained the organic label for its Café de Paris sparkling wine.

Actions for the protection of biodiversity

In addition to these good sustainable agriculture practices contributing to the protection of biodiversity, Pernod Ricard has the ambition to develop biodiversity protection projects around all the vineyards that it manages, and encourages all of its subsidiaries to undertake biodiversity protection projects related to their activities. In this regard, the Group has firmed up its commitment to the protection of biodiversity by supporting the French National Biodiversity Strategy in June 2011.

Some subsidiaries have already conducted particularly innovative actions in this area:

- in New Zealand, more than 35,000 endemic plants have been replanted alongside vineyards belonging to the Group, including 15,000 in the Marlborough vineyards. In the humid regions of Kaituna, Pernod Ricard New Zealand has successfully completed a programme to regenerate nine hectares of land, aiming to re-establish the original ecosystem (restoring soils, reintroducing local species, etc.). The subsidiary also contributes to the protection of the falcon thanks to a fund supported by the gift of one New Zealand dollar for each bottle of wine sold from the Living Land range;
- in Australia, more than 3,000 native plants have been planted in the gardens of the Jacob's Creek visitors' centre. This garden has been recognised by the Botanic Gardens of Adelaide as one of 26 sustainable native gardens of South Australia. Jacob's Creek has also worked on the restoration of biotopes in the Jacob's Creek river area, in collaboration with the Natural Resources Management Board;
- in France, the culture of yellow gentian, a basic ingredient of Suze, has been the subject of research programmes to enable its production in specialised farms, thus ensuring the protection of 50,000 wild plants every year;
- 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;
- in total, the Group has identified 31 protected or sensitive natural areas near to its production sites throughout the world;
- finally, the Paul Ricard Oceanographic Institute would not have been able to play its essential research and public education role for the protection of marine ecosystems and aquatic biodiversity without the material and financial support of the Ricard Company and the Group.

Preserving and saving water resources

Challenges and targets

Water is an essential component in the products manufactured by Pernod Ricard. It is used at every stage in the lifecycle of the Group's products: irrigation of farmlands, cleaning of equipment, manufacture of liqueurs and spirits and cooling of distillery facilities.

Pernod Ricard has marked water management as one of the five strategic focuses in its environmental policy. In September 2010, the Group joined the United Nations CEO Water Mandate, reinforcing the Group's commitment to the protection of the planet's water resources.

In 2009, the Group set itself the target of reducing its water consumption by 10% per unit produced between 2008 and 2012.

To meet the target, actions undertaken by subsidiaries are based on the following points:

- measuring consumption;
- ensuring that water intake does not endanger resources;
- taking measures to save water;
- ensuring effective treatment of waste water before its release into the environment.

These actions are particularly important for subsidiaries situated in geographical areas where water is scarce.

The basis of the Pernod Ricard production process being largely dependent on the availability of water resources, the Group has undertaken to test on its scope the Water Footprint methodologies which aim to assess the footprint of activities on water resources throughout the supply chain, from raw materials to the finished product. A pilot study was therefore carried out in 2011 for the manufacture of whisky in India. This is being complemented by another study relating to wine production and this pilot will enable common analysis tools to be introduced at Group level.

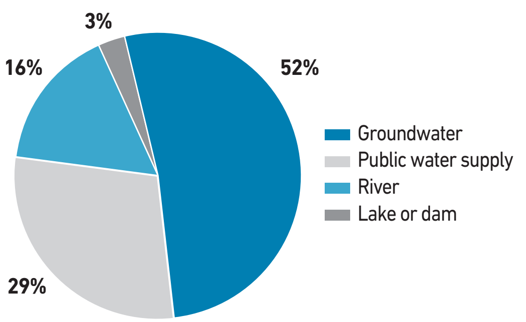
Water consumption and performance

A distinction should be made between water abstraction, which covers the total volume of water taken from the environment (groundwater, surface water, public water supply network, etc.) regardless of its eventual purpose, and water consumption, which only covers the amount of water used with a measurable impact on the environment. As such, the use of river water to cool a distillery, when the water is returned to the same river unpolluted without any alteration to its chemical, biological, thermal or other characteristics, is deemed water abstraction and not water consumption.

In 2010/2011, 25.6 million m^3 of water was taken by the industrial sites of the Group. Only 6.4 million m^3 ☑ constitutes water consumption as defined above, the rest being exclusively used for the cooling of distilleries and restored without disturbing the environment. 72% of this volume was consumed by the distilleries, which remain the principal sites for water consumption by Pernod Ricard.

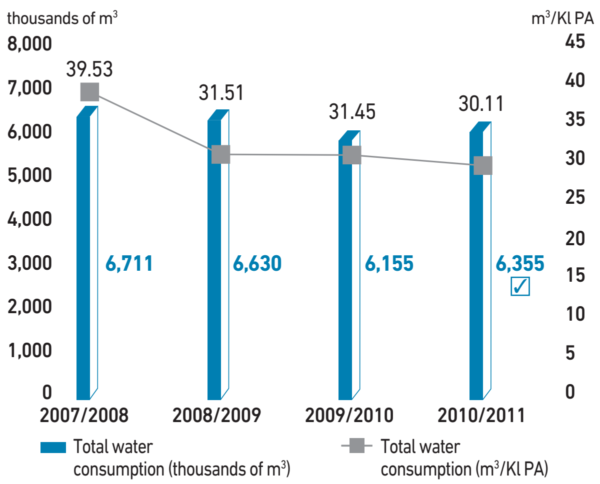
52% of water used by the Group is sourced from the underground water table, 29% from the public network and 19% from surface water sources (rivers, lakes, etc.).

Sources of water consumption



Based on the quantity of alcohol produced, water consumption declined by 4.3% compared to last year, to 30.1 litres per litre of distilled alcohol. In 2007/2008, this figure was 39.5 litres, an average cumulative reduction by a remarkable 23.8% in three years. This is explained both by the efforts undertaken by Group factories and by changes in the scope (recently acquired sites were on average more efficient than those that have been sold).

Trend in water consumption



For effective control of its water usage, the Group has continued its programme of introducing water meters: in 2010/2011, over 90% of consumption data thus came from accurate measurements.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

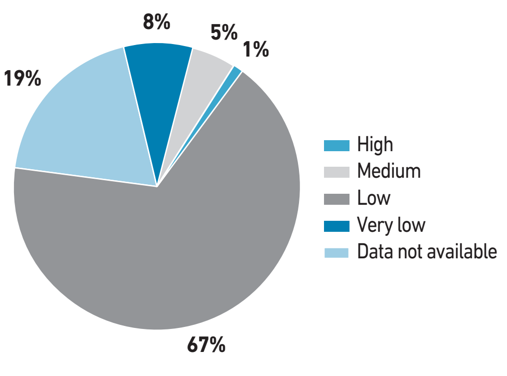
Measures to save water

The good performances for water consumption recorded by the Group since 2007/2008 are the results of efforts made by all industrial sites. The most notable are the following:

- since 2008, the Behror site has reduced its water consumption per unit produced by 26%: the production site situated in the very dry region of Rajasthan in India, including a whisky distillery and a bottling plant, has been significantly modified with the aim of being able to reuse and recycle water at all stages of production. With the exception of water which is recycled for the irrigation of green spaces, the site no longer emits effluent:
- in Armenia, the Yerevan Brandy Company has reduced its consumption by 26% since 2007/2008 as a result of a thorough renovation programme of the pipe network, as well as the improvement of its production process;
- in Mexico, Casa Pedro Domecq reduced its water consumption by 23% since 2007/2008 through several measures including the optimisation of the output of reverse osmosis units, high pressure cleaning of distilling equipment and the recovery of condensates from reverse osmosis units;

These examples illustrate the measures undertaken by all industrial sites and in particular those situated in geographic areas subject to appreciable water stress. 13 of Pernod Ricard's production units are situated in or in the immediate proximity of areas subject to average or high water stress (according to the Relative Water Stress Index developed by the World Resource Institute). These sites represent 7% of consumption and are spread across six countries (India, Mexico, Australia, Argentina, Spain and Armenia). The other sites, accounting for 93% of Group consumption, are located in areas considered as subject to a low level of water stress (or the information not available in some cases).

Breakdown of number of group production sites according to the intensity of water stress in the region

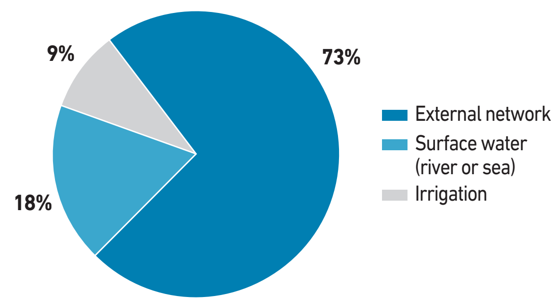


Treatment of waste water

During 2010/2011, the volume of waste water released was 4.9 million m^3 compared to 5.4 million m^3 in the 2009/2010 year. Part of this volume is based on estimates, but more than 70% of waste water released is subject to accurate measurement. The change observed is explained principally by a better understanding of these flows, notably as a result of a programme of meter installation for measuring releases.

73% of waste water was released into a public sewer system. Of the remainder, 18% was released into the environment (rivers, lakes, seas) under permits delivered by local authorities and in accordance with the imposed release criteria. The remaining 9% of waste water was recycled after treatment and used to irrigate crops (vineyards).

Waste water destination



Several types of processes are used by the Group's factories to reduce the organic water burden and make it suitable for reuse or even to be released into the environment: these include methane generated by microorganisms enabling biogas to be produced, aerobic lagoon treatment, membrane filtration, or even the use of plants to purify the water in the so-called 'filter gardens'. In 2010, Pernod Ricard Argentina was equipped with an entirely natural waste water treatment system: after a first filtration, the waste water is spread on grassed parcels and purified as a result of the bacteria that develop there. The water is recovered and stored, and is then used for the irrigation of vineyards.

To assess the efficiency of treatments introduced, the Group has added the measurement of the Chemical Oxygen Demand (COD) of water released into the environment after treatment to its environmental reporting. This constitutes a good indicator of the organic load returned to the environment. For 2010/2011, the quantity of COD released into the natural environment by the Group after treatment (internal or external) is estimated at around 1,900 tonnes.

Reducing energy consumption

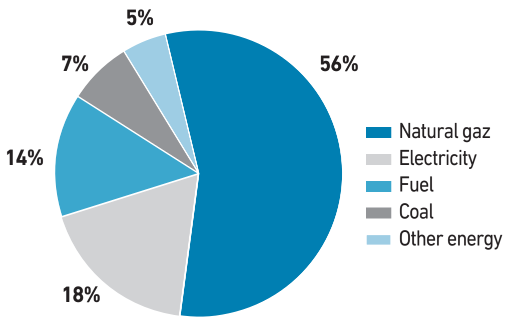
Challenges and targets

Pernod Ricard's industrial activities use energy in different forms. Some comes from fossil energy sources and is therefore non-renewable. Moreover, their combustion causes greenhouse gas emissions and therefore contributes to climate change.

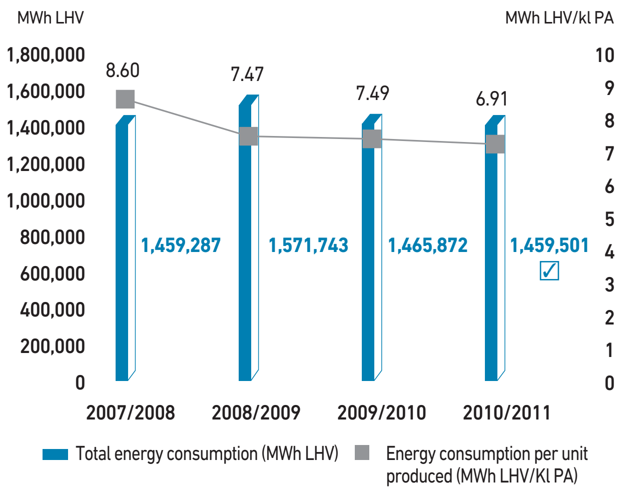
Most of this consumption involves natural gas (56%), the preferred combustible for distilling due to its flexibility, energy output and relatively low pollution. It is followed by electricity (18%), fuel oil (14%) and coal (7%) as well as other sources (5%).

The overall share of renewable energies in this energy mix is 9%, of which 7% is electricity and 2% biogas, wood and other renewable energies. In 2010/2011 the share of electricity from renewable sources used by the Group's factories totalled nearly 42%, compared to 30% last year: 17 production sites are supplied exclusively with 'green' electricity.

Breakdown of energy consumption



Trend in energy consumption



In 2009, Pernod Ricard undertook to reduce its energy consumption at all its production sites by setting itself the goal of reducing the quantity used per unit produced by 10% between 2008 and 2012.

The following measures are being carried out at production sites in order to meet these targets:

- continuous monitoring of energy consumption and implementation of energy management systems;
- in-depth energy assessments at sites, definition of energy-efficiency targets;
- roll-out of consumption reduction programmes requiring the management of processes and uses, and which may result in significant investment.

The Group also encourages the use of renewable energies to replace fossil energies.

Energy consumption and performance

During 2010/2011, total energy consumption of Group production sites amounted to 1,460 GWh ☑, compared to 1,466 GWhin 2009/2010. This relative stability reflects an overall 7.7% improvement in the energy efficiency of installations, with the average consumption per litre of pure distilled alcohol reducing from 7.49 kWh per litre to 6.91 kWh. This performance is explained mainly by the improvement in the efficiency of distilleries, which represent 83% of the total energy consumption of the Group. They benefited from a favourable volume impact (increase of nearly 8% in volume distilled) and from the results of various long-term programmes to improve their energy performance.

Since 2007/2008, the average cumulative reduction has been 19.6%. These arise both from measures undertaken at Group sites and the improved performance of sites acquired since this date compared to sites that have been sold.

Implementing projects to reduce energy consumption

The following examples illustrate the steps undertaken by the different subsidiaries in relation to the control of energy consumption, having contributed to the reduction in Group consumption since 2007/2008:

- in Sweden the Nöbbelöv distillery has a certified energy management system, guaranteeing its high energy performance. Its advanced mechanical vapour compression technology has made it one of the most efficient distilleries in the sector;
- in Scotland, since 2006 Chivas Brothers has undertaken an ambitious plan to reduce consumption at all its sites by investing in efficient equipment (third-generation thermo-compressors, etc.) and by committing to energy recovery and recycling measures in its processes. For example, the heat given off in the distilling process is recovered and used to dry the residues from the first distilling. Since 2002, the Longmorn, Strathclyde, Strathisla and Glenburgie distilleries have reduced their consumption by 35%, 24%, 24% and 20% respectively;
- in Ireland, the Midleton distillery has reduced its energy consumption by 27% since 2007/2008, in large measure by installing a new evaporator equipped with a very efficient vapour recompression system;
- in France, at the end of 2009 Pernod engaged a consultancy firm to help optimise its consumption. Based on on-site assessments, the company drew up a consumption report setting out the sites' actual requirements and defined an action plan covering the structure, equipment and contracts with service providers which is currently being implemented. Other French subsidiaries such as Martell & Co are also committed to carrying out detailed energy audits.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

Reducing the carbon footprint of businesses

The CO_2 emissions generated by human activities increase the greenhouse effect, and thus contribute to climate change. Pernod Ricard's businesses emit greenhouse gases in several ways:

- directly, due to the combustion of fossil fuel sources, notably at distilleries: these are so-called 'Scope 1' emissions [(1)];
- through the electricity consumed, which generated CO_2 emissions upstream when produced: 'Scope 2' emissions [(1)];
- indirectly, through products (farming material, packaging materials, etc.) and services (transport, etc.) purchased by subsidiaries: 'Scope 3' emissions [(1)].

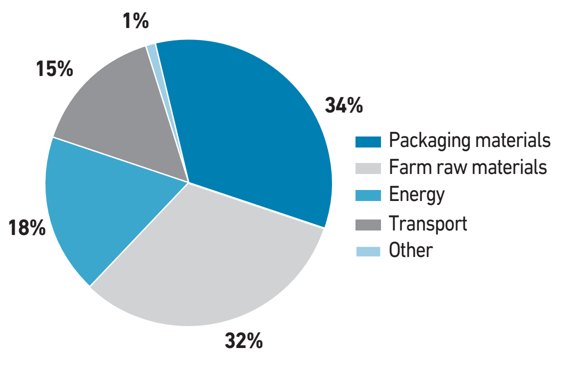
To measure and reduce greenhouse gas emissions, Pernod Ricard has undertaken to:

- assess its carbon footprint throughout its production chain;
- implement action plans to reduce its greenhouse gas emissions:
  - at its production sites (direct and indirect emissions);
  - in packaging design and product marketing.

Measuring our carbon footprint

In 2009, a carbon footprint assessment model developed for the Group was tested in six countries and used to establish an initial global assessment of CO_2 emissions at Group level. In 2010, the assessment was rolled out to all 23 countries where the Group has industrial facilities: around 90% of the industrial sites, covering 95% of the volumes produced by the Group, have thus been able to evaluate their own carbon footprint.

Carbon footprint linked to direct and indirect emissions throughout the production chain



This assessment confirmed the major role played by packaging (glass, cardboard) and farm raw materials (grains, wines, alcohol, grapes, etc.), which each represents approximately one-third of total emissions. Emissions linked to energy consumption at production sites (Scopes 1 and 2) are only responsible for 18% of the Group's total footprint. This confirms that the proportion of the footprint of the Group's businesses is relatively low compared with that linked to the purchase of products and services.

With the roll-out of this assessment, each subsidiary was able to evaluate the impact of its own businesses. These results helped raise the awareness of teams and identify the key areas where measures are needed. In 2010, the Group thus launched a survey of all of the Brand Companies aiming to gather their action priorities for the coming years and to evaluate the impacts at Group level. A hundred or so projects have been proposed. Amongst these, the replacement of traditional electricity sources by energy from renewable sources, enabling the emissions in relation to Scope 2 of the Group's carbon footprint to be reduced significantly. In 2011, the Group has sought to extend the application of its environmental strategy to Market Companies that don't have industrial activities. A specific tool for the measurement of their CO_2 emissions is currently being developed in the Group. It will enable the transport share (Scope 3) of the Group's carbon footprint to be completed.

Reducing greenhouse gas emissions at industrial sites

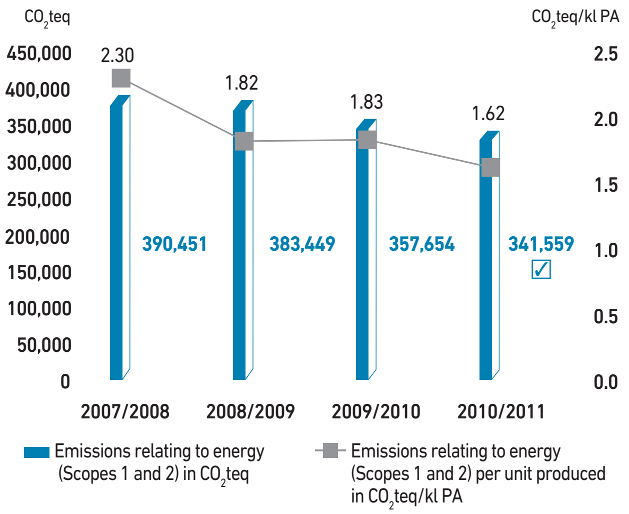
In 2010/2011, direct (Scope 1) and indirect (Scope 2) emissions of Pernod Ricard industrial sites totalled 341,559 tonnes CO_2 equivalent ☑, compared with 357,654 tonnes CO_2 equivalent for 2009/2010. The emissions per unit produced thus totalled 1.62 kg CO_2 equivalent per litre of pure alcohol, compared to 1.83 kg CO_2 equivalent last year. This 11% reduction is a result of the efforts undertaken to improve the energy efficiency of sites, in particular for distilleries. It also reflects the increase in the share of electricity derived from renewable energy purchased by industrial sites. In 2010/2011 the share of electrical energy arising from renewable sources totalled nearly 42% (up by 40% compared to the previous year), 17 Group production sites having made the decision to source 100% with green electricity. Thus, indirect emissions linked to electricity consumption (Scope 2) went from 97,758 tonnes CO_2 equivalent in 2009/2010 to 77,078 tonnes CO_2 equivalent ☑ in 2010/2011, a reduction of 21%.

In 2011/2012, the Group intends to continue the development of renewable energies, following the example of Hiram Walker & Sons Ltd in Canada, which is proposing to install photovoltaic panels on the roofs of its warehouses, for a surface equivalent to that of 24 football pitches.

(1) According to Greenhouse Gas Protocol Standards (GHG).

☑ Data verified by the Statutory Auditors, with a 'moderate' level of assurance.

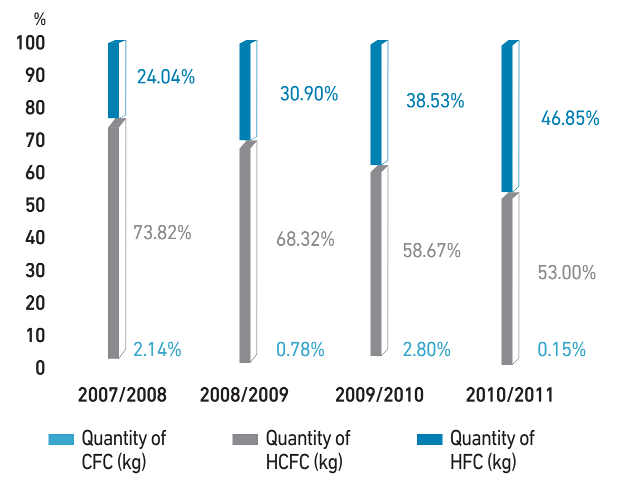
Direct (combustion) and indirect (electricity) CO_2 emissions from production sites (Scope 1 and Scope 2)



Certain gases used in refrigeration plant of industrial sites also contribute to the increase in greenhouse gases, but they have not been taken into account in the calculation of the Group's direct emissions because they represent less than 1% of these. Nevertheless, a programme to eliminate these refrigerant gases (in particular CFCs and HCFCs) in favour of other products that better respect the environment is underway (notably HFCs).

At 30 June 2011, out of the 18,022 kg of fluorinated gases present at all industrial sites, HCFC gases represented 53.0%, HFC gases 46.9% and CFCs 0.1%. Moreover, more stringent management and maintenance of refrigeration equipment helped reduce refrigerant gas leaks from 10.6% in 2009/2010 to 9% in 2010/2011.

Changes in the distribution of CFC/HCFC/HFCs installed



Minimising the impact of indirect CO_2 emissions

The so-called 'indirect' emissions are those caused by the suppliers of products purchased (mainly packaging and raw materials).

Working in partnership with suppliers

The Group strongly encourages its principal suppliers to reduce greenhouse gas emissions in their products and product design and works to reduce product loss throughout the whole production chain.

Each production subsidiary ensures the selection and monitoring of its own suppliers, and since 2007 has had a 'Commitment & Sustainable Development' questionnaire intended to evaluate their practices in the field. This tool serves as a basis to track the principal suppliers, reference new suppliers and encourage them to move towards exacting standards.

The eco-design of products

A software package to evaluate the CO_2 impact of packaging is used by the principal Brand Companies. This tool aids decision-making during the design of packaging. A programme was implemented to reduce the weight of packaging. The results are indicated in the following section on packaging.

The optimisation of logistics and transport

The logistics teams of the Pernod Ricard group have for a long time included the idea of sustainable development in their approach to transport and warehousing. It works at several levels: type of transport, optimisation of loads, planning.

- Type of transport

  Multi-modal transport by rail, sea or river is considered and, increasingly often, is chosen as the transport mode for Group products to customers. Thus, the Group estimates that nearly 80% of all transport involved in producing and distributing its products from the factory to the first customer is by sea (expressed in tonne-kilometres). As this method of transport consumes a particularly low amount of energy, it generates only about one-quarter of the greenhouse gas emissions related to the logistics businesses. Continental transport, which represents the remaining 20%, is optimised thanks to careful planning of loads and routes. Multi-modal transport (notably a combination of boat and rail) is used when available and financially profitable.

- Load optimisation

  The size and format of containers are selected and harmonised in order to facilitate optimisation in loading vehicles. Load sharing is also favoured in order to increase lorry load rates.

- Planning

  It allows for a more stable production planning to be established over a longer time horizon. This represents an important gain due to the reduction in the stock of finished goods, the reduction in losses (obsolete stock) and the optimisation of transport flows.

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☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

There are numerous initiatives:

- in Australia, a slight modification to the size of the Jacob's Creek bottle has enabled pallet plans and therefore volumes to be transported to be optimised. In addition, as a result of the reduction in the weight of the bottle, larger containers are now used for long distance sea transport (40 feet compared to 20 feet previously);
- in conjunction with several of its customers, Pernod Ricard UK has this year developed a business model targeting an increase in the efficiency of its distribution. In concrete terms, the subsidiary has developed an effective computer tool which records order forecasts and establishes the planning of order preparation and deliveries according to volumes, allowing for quantities transported to be optimised;
- in the United States, where land transport is widely used, Pernod Ricard is a member of the Smart Way Transport Partnership launched by the Environmental Protection Agency, which aims to tangibly reduce the carbon footprint of transport;
- at Martell Mumm Perrier-Jouët, the use of river transport for champagne has been increased and extended to cognacs;
- for its shipments of finished goods to China, Martell & Co has introduced a more direct route, from Cognac to Le Havre, avoiding the intermediary warehousing previously undertaken;
- Pernod Ricard Deutschland has chosen multi-modal transport by sea and rail to deliver products from Spain despite longer delivery times than those obtained by road. 100% of the transport between Italy and Germany, more than 700 journeys, is partially by rail;
- since 2007, the Ricard Company has encouraged various alternative modes of transport (rail and electric, for example). In 2011, in order to encourage the development of good practices, it also set up a platform involving all Management (purchasing, supply chain, logistics, industrial sites, etc.) and launched a programme aiming to mobilise all of its stakeholders (partners, customers and suppliers). These measures have achieved tangible results: Rail transport between sites enables a saving today of around 600 tonnes CO_2 equivalent each year. Furthermore, load optimisation and the gradual replacement of 40 tonne lorries with 44 tonne lorries is expected to reduce CO_2 emissions by 4% (according to the official report from the French National Road Haulage Committee *(Comité National Routier Français)*.

Reducing the impact of waste and packaging materials

Challenges and targets

Different types of waste are generated in the lifecycle of the products. They are classified as follows:

- organic waste, principally arising from the transformation of agricultural raw materials;
- solid wastes, mostly arising from packaging: glass, paper, cardboard and plastics;
- environmentally hazardous waste.

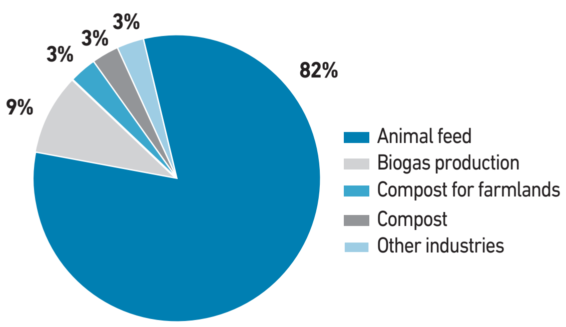
To limit the impact of this waste on the natural environment (water, ground, atmosphere, landscape), the Group favours, above all, reduction at source, and the recycling of nearly all of the waste generated at industrial sites. For example, it has set itself the objective to recycle 85% of solid waste in 2011/2012. Moreover, Pernod Ricard implements eco-design principles during the development of new products or packaging materials.

Reducing organic waste

The processing of our raw materials produces different types of organic by-products: distillers' grains, vinasses, grape marc, etc. More than 99% of these by-products are recovered and used as follows: to manufacture animal feed, to produce biogas, to make farm compost or for other industrial purposes.

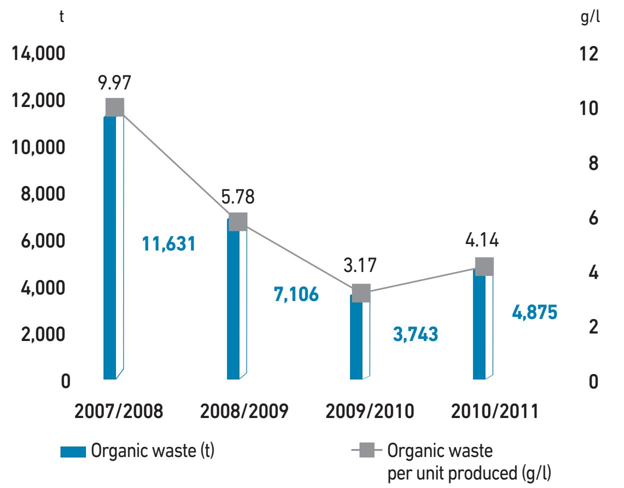
- The majority of the Group's grain distilleries transform the spent grain obtained from distilling into a dehydrated feed for livestock, rich in protein and easy to store. This is the case notably in Scotland, Ireland, Canada and India.
- In Sweden, the stillage from the ABSOLUT distillery supplies the pig farms in the Ahus region directly as part of a genuine 'industrial ecosystem'.
- In Scotland, the Glenlivet distillery (Chivas Brothers Limited) was equipped with a new evaporator used to concentrate the pot ale produced by distilling malt. The resulting syrup is rich in nutrients and used in animal feed.
- The sites in Walkerville, Canada, Behror, India, and Thuir, France transform their liquid effluents into biogas, a source of renewable energy.
- In France, the company REVICO recovers the vinasse produced at Martell & Co's cognac distilleries to transform it into biogas.

Breakdown of the use of recovered organic by-products by final destination, in % of total weight



Due to these recovery processes, only 0.45% of all the organic by-products generated in 2010/2011 is sent to landfills or incineration, i.e. a total volume of 4,875 tonnes.

Quantity of organic waste



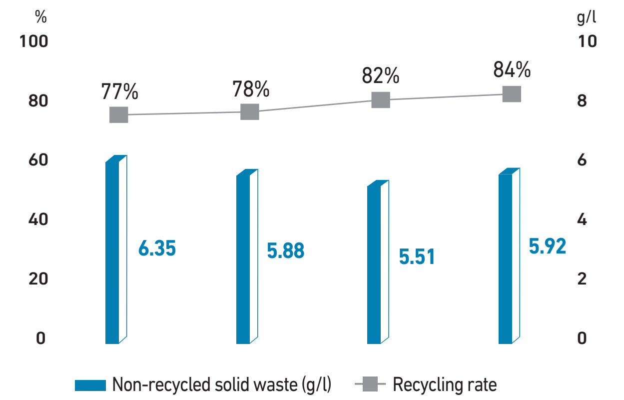
In 2010/2011, an increase of the volume of organic waste is observed, partly explained by an adjustment in the definition of the types of waste to take into consideration. On the long term, however, this amount has been considerably reduced since 2007/2008 (- 58%), notably due to measures to recover this waste into sub-products or compost:

- in Australia, the Rowland Flat vinification site recovers its sludge from treatment plants to make compost;
- in Spain, the Aura vinification site recovers its stalks to make compost;
- in India, the residue produced at the Nashik vinification site is reused to extract grape seed oil;
- in Mexico, Casa Pedro Domecq has developed an original process for the treatment of agave residues generated from distilling of tequila, enabling them to be transformed into compost and fertiliser.

Reducing the impact of solid waste and increasing recycling

The Group's industrial sites generated 43,721 tonnes ☑ of solid waste in 2010/2011, slightly more than the previous year (35,817 tonnes). This waste was produced by bottling sites (60%), distilleries (26%) and other sites (14%).

Production of non-recycled solid waste and recycling rate



The indicator used to measure the final impact of solid waste on the environment is the quantity of non-recycled waste, therefore dumped or incinerated, per litre of finished product. In 2010/2011 this has deteriorated slightly, from 5.51 g/l to 5.92 g/l. Distillation sites were responsible for generating 65% of this non-recycled waste, bottling sites for 29% and other sites for 6%. The main explanation for this increase is due to clinker produced by the coal-fired boilers of the Behor and Nashik distilleries: it accounts for 57% of the Group's non-recycled solid waste. The bottling sites, which generate packaging waste, improved their performance by 14% per litre of finished goods compared to the previous year.

Since 2007/2008, the rate of recycling in Group factories increased from 77% to 84% with a target of 85% for 2012. This reflects the efforts made to increase the sorting and recycling of waste at production sites, through the better separation of waste on-site, the choice of recycling rather than traditional incineration sites or landfills and the development of eco-design, one of whose aims is to produce fully recyclable products.

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Promote packaging eco-design

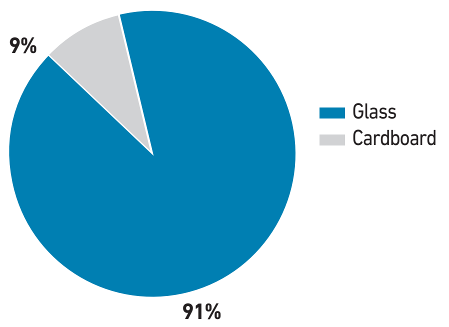
The Group's eco-design process was started in 2006 with the training of marketing and purchasing teams. It continued in 2007/2008 with the production and distribution to all Group Brand Companies of an internal method manual.

This process was stimulated this year by the roll-out in 11 subsidiaries of a software package to assess the environmental impact of packaging over the product life cycle. It will be used as a decision-making tool in the design of packaging.

In parallel, the Group has created a working party, consisting of employees from marketing, purchasing and logistics, as well as suppliers, whose role will be to formalise good practices and to make recommendations to spread the process. The focus of its work includes: a reflection on the relation between 'Premiumisation' and eco-design, training of teams and communication to consumers.

The introduction of this eco-design process has resulted, amongst others, in programmes for the reduction in the weight of packaging materials. In order to raise awareness and allow better monitoring over time of performance in this area, two new indicators have been added to environmental reporting in 2009/2010: consumption of glass and cardboard/paper. In 2010/2011, 661,750 tonnes of glass were used compared to 698,950 tonnes last year, and 64,900 tonnes of cardboard/paper compared to 64,100 tonnes last year. Glass consumption went from 591g to 563g per litre of finished goods.

Consumption of packaging materials (in bulk)



Orlando Wines should be mentioned amongst the major achievements in packaging optimisation. They developed a lighter bottle for their Jacob's Creek brand, whose glass accounts for 30% of the CO_2 emissions and a significant proportion of the waste from production. This innovation has enabled 9,600 tonnes of glass to be saved, to significantly reduce the number of containers used as well as the volumes for storage, and to reduce the number of lorries necessary for transport, a decrease in CO_2 emissions in the order of 10,000 tonnes per year.

Other initiatives have also been developed recently, including:

- the move to lighter glass for 100% of the Mumm Perrier-Jouët standard format champagnes starting with the 2009 vintage, a saving of around 500 tonnes of glass per year;
- the 25% weight reduction in the Café de Paris bottle at Pernod;
- the inclusion of recycled cardboard in the composition of the cardboard cases of The ABSOLUT Company;
- the gradual reduction in weight of Domecq Bodegas bottles since 2004: they moved from 550 g to 450 g, reaching a weight of 380 g in 2010. This measure, which affected 30 million bottles, has lowered glass consumption by 5,100 tonnes and waste by the same amount;
- the weight reduction of the Mumm Napa bottle from 907 g to 794 g in the United States;
- the 10% reduction in the weight of the Kahlúa bottle in Mexico;
- the weight reduction of several models of bottle in Argentina, Brazil and Canada: Montilla, reduced by 15%, Orloff, reduced by 11%, Malibu (replacement of glass by recyclable PET plastic);
- the replacement of glass by recyclable PET plastic for Pernod Ricard Nordic cider and sparkling wine bottles.

Hazardous waste treatment

Included in this category is all the waste deemed hazardous for the environment, thus requiring special treatment. The Group's production sites generate different types of hazardous waste: empty chemical product containers, used oils, solvents, electrical and electronic waste, neon tubes, batteries, etc. All this waste is sorted and directed towards appropriate treatment processes when they exist locally.

In 2010/2011, the volume of this waste collected was 541 tonnes ☑, compared to 626 tonnes in 2009/2010. Due to its small quantity, this waste is most often stored on site for a certain time: the above volumes correspond to the volumes transported but not necessarily generated during the year, which does not enable a performance indicator to be introduced. Furthermore, these figures do not include asbestos waste from building works; a major programme to remove asbestos from some roofing is currently underway at Chivas Brothers Limited.

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Summary table of environmental results

Category	Definition	Unit	Total Pernod Ricard 2007/2008	2008/2009	2009/2010	2010/2011	Unit	a) Ratio for 1000l of pure alcohol (kl PA) b) Ratio for 1000l of finished product (kl)	2007/2008	2008/2009	2009/2010	2010/2011	G3 GRI Index
Number of sites	Number of reporting sites		103	114	108	99	-	-	-	-	-		-
ISO 14001 certified	Percentage of certified sites	%	70	81	90	91 ☑	-	-	-	-	-		-
	Proportion of certified sites in total production	%	86	93	96	96	-	-	-	-	-		
Investments	Amount of investment for environmental protection	€ M	5.60	5.85	7.30	8.32	-	-	-	-	-		EN30
Business compliance	Fines or penalties related to the environment	Number	0	4	2	0	-	-	-	-	-		EN28
Production volume	Total production a) distilled alcohol	kl PA	169,778 (1)	210,440 (1)	195,689 (1)	211,106 (1)			-	-	-		-
	b) finished product	kl	1,166,177	1,228,829	1,182,500	1,176,385			-	-	-		-
Water	Total volume used	m^3	6,710,552	6,630,377	6,155,298	6,355,701 ☑ (2)	m^3/kl	a)	39.53 (1)	31.51 (1)	31.45 (1)	30.11 (1)	EN8
								b)	5.75	5.40	5.21	5.40	
Waste water	Total volume of waste water released	m^3	5,063,494	5,284,008	5,445,849	4,931,666 (3)	m^3/kl	a)	29.82 (1)	25.11 (1)	27.83 (1)	23.36 (1)	EN21
								b)	4.34	4.30	4.61	4.19	
Energy	Total energy consumed	MWh LHV	1,459,287	1,571,743	1,465,872	1,459,501 ☑	MWh/kl	a)	8.60 (1)	7.47 (1)	7.49 (1)	6.91 (1)	EN3 EN4
								b)	1.25	1.28	1.24	1.24	
	O/w: Natural Gas	MWh LHV	818,595	873,033	783,127	823,031	MWh/kl	a)	-	-	-		
								b)	-	-	-		
	O/w: Electricity	MWh LHV	218,929	272,880	267,652	258,976	MWh/kl	a)	-	-	-		
								b)	-	-	-		
CO_2 emissions	Direct emissions (Scope 1)	CO_2teq	280,947	279,294	259,896	264,481 ☑	CO_2teq/kl	a)	1.65 (1)	1.33 (1)	1.33 (1)	1.25 (1)	EN16
	Indirect emissions associated with electricity consumption (Scope 2)	CO_2teq	109,504	104,155	97,758	77,078 ☑	CO_2teq/kl	a)	0.64 (1)	0.49 (1)	0.50 (1)	0.37 (1)	

(1) The volumes of distilled alcohol produced reported for the years 2007/2008, 2008/2009 and 2009/2010 have been adjusted following a misunderstanding of the definitions by Résende site in Brazil, which included for the volumes of purchased alcohol and rectified alcohol in the volumes of distilled alcohol. This impacts all Group performance related to distilled alcohol volume.

(2) The volume of water consumed by Walkerville site is estimated at 353,182 m^3, or 5.6% of the Group's water consumption.

(3) The volume of waste water released decreased significantly following the removal of the volume of cooling water from the Midleton site in Ireland which had previously been included as waste water. In fact, this cooling water is not considered as waste water because it is returned unpolluted into the natural environment and without modification of its characteristics (chemical, biological, thermal, etc.).

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

Category	Definition	Unit	Total Pernod Ricard 2007/2008	2008/2009	2009/2010	2010/2011	Unit	a) Ratio for 1000l of pure alcohol (kl PA) b) Ratio for 1000l of finished product (kl)	2007/2008	2008/2009	2009/2010	2010/2011	G3 GRI Index
Refrigerant gases	Quantity of fluorinated gases installed	kg	20,249	20,499	19,353	18,022	-	-	-	-	-		EN19
	% of HFCs amongst the fluorinated gases installed	%	23.7	27.2	37.5	46.9	-	-	-	-	-		
	Quantity of fluorinated gases released into the atmosphere	kg	2,297	2,940	2,051	1,628	-	-	-	-	-		
	% of fluorinated gases released into the atmosphere	%	11.34	14.34	10.6	9.04	-	-	-	-	-		
Packaging materials	Glass consumption	t	-	-	698,948	661,746	g/l	b)	-	-	591	563	EN1
	Cardboard consumption	t	-	-	64,074	64,921	g/l	b)	-	-	54	55	
Organic waste	Quantity of organic waste dumped or incinerated	t	11,631	7,106	3,743	4,875	g/l	a)	68.51 (1)	33.77 (1)	19.13 (1)	23.09 (1)	EN22
								b)	9.97	5.78	3.17	4.14	
Solid waste	Total quantity of solid waste	t	32,202	32,879	35,817	43,721 ☑	g/l	b)	27.61	26.76	30.29	37.17	EN22
	Quantity of solid waste dumped or incinerated	t	7,400	7,228	6,510	6,966	g/l	b)	6.35	5.88	5.51	5.92	
	% of solid waste recycled or recovered	%	77	78	82	84	-	-	-	-	-	-	
Hazardous waste	Quantity of hazardous waste treated externally	t	349.8	515	626	541 ☑	g/l	b)	0.30	0.42	0.53	0.46	EN24

(1) The volumes of distilled alcohol produced reported for the years 2007/2008, 2008/2009 and 2009/2010 have been adjusted following a misunderstanding of the definitions by Résende site in Brazil, which included for the volumes of purchased alcohol and rectified alcohol in the volumes of distilled alcohol. This impacts all Group performance related to distilled alcohol volume.

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☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

Commitment to Society

Commitment to society and ethics is deeply rooted in Pernod Ricard's history and culture.

Responsible drinking is a strategic priority for the Group, which actively works to reduce the risks of alcohol abuse and inappropriate brand use by taking part in campaigns against drink driving and being involved in prevention and the education of young people and pregnant women.

Community involvement

Promoting social and economic development

The Pernod Ricard Charters (Organisation Charter and Sustainable Development Charter) outline the promotion of social and economic development locally.

Pernod Ricard's worldwide subsidiaries:

- provide employment to local economies, especially in agriculture, which produces the 950,000 tonnes of agricultural raw materials used every year (around €350 million per year);
- develop the skills of their employees and provide them with a fair, just and rewarding remuneration;
- add value to the goods and services purchased from suppliers and partners;
- generate revenue for governments through taxes, as well as for shareholders and investors.

The Managing Director of each subsidiary is responsible for implementing this policy.

Patronage and Solidarity

A tradition of sponsorship

Pernod Ricard's commitment to all forms of art and, in particular, contemporary art, is the result of a long tradition of partnering the arts. Paul Ricard, passionate about painting and a painter himself, had already created a foundation to support young artists in the 1960's. Since then, the *Prix de la Fondation d'Entreprise Ricard* has been created, rewarding one of the most representative young artists of his/her generation. Each year, the Foundation buys one of the winning artist's works and donates it to the Pompidou Centre in Paris.

Similarly, in 2004 Pernod Ricard became the first major patron of the Quai Branly Primitive Art Museum. Since last year, the Company has supported the video work entitled 'The River', by the artist Charles Sandison, and whose theme reflects on diversity. In 2011 Pernod Ricard continued its tradition of commitment to contemporary creation.

Entrepreneurial and international solidarity

Pernod Ricard is also committed to encouraging efforts which support entrepreneurs in developing countries to realise their projects. The Group supports the Appel aid association in its programme to help young company founders in Vietnam, financing their studies and initial set-up costs. The Group has also continued its commitment with PlaNet Finance, an association for the development of micro-credit, supporting projects put forward by African women.

In addition, together with Pernod Ricard Japan and Pernod Ricard Asia, the Holding Company made a 60 million yen (around €525,000) donation to the Japanese Red Cross, to help hundreds of thousands of victims of the earthquake and tsunami.

Impact on society of the Company's products and services

Product health and safety (production and consumption)

Pernod Ricard made a formalised commitment to health and safety issues in its Sustainable Development Charter. This commitment applies throughout the Group, and is supported by senior management.

Pernod Ricard has allocated resources to ensure product safety, including application of the Hazard Analysis-Critical Control Point (HACCP) method and internal audits of production processes. HACCP systems are implemented at production sites. Guidelines for Group subsidiaries have been established with experts on specific subjects related to product safety, such as controlling the risk of contamination by glass fragments or particles and by chemical products. Internal audits are carried out at all production sites by the Quality, Security, Environment (QSE) Department. Pernod Ricard has a warning system to alert its customers. The Company is assisted by a specialist consultant to test its product recall procedures, assess the risk of contamination, and train employees in product recall management.

QSE teams are directly involved in product health and safety. Product development and manufacturing are the responsibility of the Brand Companies, which are required to implement certified quality system based on both the ISO 9001 (Quality), and ISO 22000 (Food health and safety) standards. In each subsidiary, the QSE (Quality Security, Environment) Manager is responsible for coordinating risk assessment, which serves as the base for the control of all risks related to QSE. Based on this assessment, appropriate measures are decided to ensure the safety of the product for the consumer. Moreover, the Group has set out internal standards applicable to production sites, and it regularly verifies compliance in the field during audits conducted jointly with the subsidiaries, helping to standardise practices. Some of these standards focus specifically on product health and safety. Specific risks under permanent control include the risks of glass particles in a bottle and product contamination during the production process. A Group committee, the Food Risk Management Committee, is chaired by the Group Vice-President for Operations and is responsible for monitoring product health and safety risks, and especially emerging risks coming from new scientific knowledge or new regulations. Lastly, a Group intranet called ‘Complaint Management System’ has been developed to track customer complaints and any other quality problems in real time and immediately inform the Brand Company concerned for corrective action. In the case of a serious product health and safety concern, the system also informs the Holding Company instantly, and allows very rapid reaction.

All 99 production sites are subject to both internal and external QSE audits.

The Pernod Ricard Group does not use any nanotechnology or incorporate free nanoparticles in its products.

A review of relevant stakeholder sources did not reveal any allegations against the Company in terms of food safety over the past five years.

To the best of our knowledge, no product was recalled from consumers at the request of the authorities over the last five years. A small number of products were recalled from distributors by production plants for quality reasons rather than serious health and safety concerns (less than five occurrences) and these products were always recalled before reaching the end-consumer.

Transparent labelling and responsible advertising/ marketing practices

Through its Code for Commercial Communication, Pernod Ricard addresses its main responsibilities as a drinks producer and is committed to ensuring transparent labelling of products (information about product risks and responsible consumption patterns), and promoting responsibility in advertising, marketing and communication. The Group’s Human Resources Management is responsible for informing and ensuring that each employee supports the Company’s policies.

Pernod Ricard has allocated significant resources to:

- ensuring the public is properly informed of potential risks linked to excessive or inappropriate consumption of its products;
- providing detailed product information on its website;
- labelling clearly its products;
- training its sales and marketing staff on responsible marketing and commercial practices;
- distributing its Code for Commercial Communication and its internal monitoring procedures for marketing materials to external advertising or communication agencies.

Regarding transparent labelling, all Pernod Ricard bottles distributed in Europe carry the ‘drinking in pregnancy’ warning logo and all Pernod Ricard advertising worldwide includes a responsible drinking message.

Prevention

Pernod Ricard’s commitment addresses the main health and social problems linked to inapropriate product consumption: the campaign against drink driving, the prevention of excessive drinking, and the prevention of underage drinking.

In addition, the Company is committed to raising awareness on risks relating to alcohol consumption by pregnant women.

Pernod Ricard has allocated significant resources to preventing health and social problems linked to inappropriate consumption of its products sharing of research findings, support for medical research, prevention campaigns and programmes involving stakeholders.

Pernod Ricard is a founding member of IREB, an independent research organisation dedicated to alcohol and its social impacts, which publishes studies and papers. In Spain, the Company supports ‘Fundacion Alcohol Sociedad’, which has designed educational programmes about alcohol, for use in schools. Initiatives targeting youth awareness on the risks of drink driving have been implemented in Thailand and India. In the United States, an advertising campaign has been launched to deal with binge-drinking issues. These means are allocated in most countries where the products are sold.

In May 2011, Pernod Ricard launched the first day dedicated to CSR. **Pernod Ricard’s 18,226 employees, operating in 70 countries, all addressed a single issue on the same day: combating drink driving.** This day was also the starting point for new initiatives, campaigns and events to be launched throughout the world. This year, Pernod Ricard decided to put particular emphasis on emerging countries, where alcohol-related road deaths are increasing along with the emergence of a middle-class which can afford a car.

Visibility and extent of the Company’s policy towards stakeholders on the reduction of the negative social impacts of its products

Before developing specific and targeted prevention initiatives aimed at reducing excessive or inappropriate consumption of its products, the Group makes sure its marketing communications are ethical. Pernod Ricard has developed its own Code for Commercial Communication which has to be respected by all brands in all markets and has its own Internal Approval Panel, which is in charge of controlling the conformity of marketing projects with the Pernod Ricard Code. Finally, the Group has decided to focus its responsible drinking actions on two priorities: combating drink driving and education.

Stakeholders’ feedback

A review of relevant stakeholder sources did not reveal any allegations against the Company in terms of its management of health and social problems caused by consumption of its products.

Responsible drinking

The Pernod Ricard Code for Commercial Communication

All advertising campaigns run by Pernod Ricard throughout the world must comply with the Code for Commercial Communication. The Code was adopted in 2007 and can be accessed by all employees on the Group's Intranet.

Employee training in the Code for Commercial Communication

Pernod Ricard trains relevant employees in the Code for Commercial Communication.

The following issues are dealt with during this training: the importance of internal control of campaigns, the main provisions of the Code and the review procedure; particular attention is given to new media ('Digital Marketing'). At the end of each training session, an interactive training module allows knowledge and understanding of the Code for Commercial Communication to be confirmed by the teams being trained.

During the 2010/2011 financial year, 127 ☑ employees were trained at four training sessions. For each training course, an attendance list is produced in order to monitor the names and number of people who have followed these training courses.

The Internal Approval Panel

Ethical control over advertising is the responsibility of the Internal Approval Panel, which comprises four members: Audrey Yayon-Dauvet, Vice President, Legal and Public Affairs (Pernod Ricard Americas), Rick Connor, Vice-President, International Public Affairs (Chivas Brothers), Armand Hennon, Vice President, Public Affairs France (Pernod Ricard) and Tom Lalla, General Counsel (Pernod Ricard USA). The Panel is independent from the marketing department and reports directly to the Pernod Ricard Executive Committee. Its decisions are binding throughout the Group and provide 'case law' for the application of the Pernod Ricard Code for Commercial Communication. This Panel is required to hand down its decisions, which are arrived at in a collegiate manner, within seven days.

In the event of doubts pertaining to a campaign, the Internal Approval Panel has the right to seek advice from advertising regulators in the relevant markets.

In France, the ARPP (*Autorité de Régulation Professionelle de la Publicité* – French Advertising Standards Authority) is consulted regularly.

For each campaign submitted, the Panel hands down formal opinions: approval of the campaign, approval subject to modifications, or rejection, in which case a substitute campaign must be devised and submitted.

Some subsidiaries, such as The ABSOLUT Company, Pernod Ricard Nordic and Pernod Ricard Pacific, have introduced similar local control procedures. The implementation of such procedures, which are conducted prior to submission to the Internal Approval Panel, is strongly recommended.

Scope of controls

Controls are mandatory for the 14 strategic Spirits and Champagne brands [1] and the 4 priority Premium Wine Brands [2]. They are also recommended for 18 local brands [3] and are widely used in subsidiaries. Controls encompass advertising, the internet and sponsorship.

The Panel also increasingly controls packaging innovations for strategic brands as for example those of Malibu and ABSOLUT. Promotions and packaging materials should, like all Group advertising, comply with the Code.

In cases of ethical issues, it is recommended that marketing teams submit their proposed promotions and packaging materials to the Panel.

Reporting

The Panel reports directly to the Group Executive Committee. A report on all advertising campaigns is submitted to the Executive Committee at each of its meetings. Ten such reports were submitted during the 2010/2011 financial year.

Results of controls in 2010/2011

During the 2010/2011 financial year, the Panel examined 307 campaigns ☑. Amongst these campaigns, none was rejected and one was approved subject to modifications ☑. The approval subject to modifications concerned the main character who was not wearing his seat belt, which is contrary to section 4 of the Code (*Hazardous Activities*).

The number of campaigns submitted to the Panel has steadily increased since its inception in 2005 (11% increase between the 2009/2010 and 2010/2011 financial years). This increase stemmed from the increasing use of the internet and the increase in the number of approvals requested for local brands.

At the same time, the Panel handed down confidential rulings (under the '*copy advice*' procedure) for 144 ☑ campaign proposals.

During the period, no commercial communication falling under the Panel's remit was the object of a valid complaint.

☑ *Data verified by the Statutory Auditors, with a 'moderate' level of assurance.*

(1) *ABSOLUT, Chivas Regal, Ballantine's, Jameson, Kahlúa, Beefeater, Malibu, Ricard, Havana Club, Martell, Perrier-Jouët, The Glenlivet, Royal Salute, Mumm.*

(2) *Jacob's Creek, Brancott Estate/Montana, Campo Viejo, Graffigna.*

(3) *100 Pipers, Olmeca, Clan Campbell, Seagram's Gin, Ramazzotti, Blenders Pride, Pastis 51, Wiser's, Something Special, Royal Stag, Ararat, Ruavieja, Montilla, Becherovka, Passport, Wyborowa, Suze, Imperial.*

3

The Group's ethical practices

Prevention of corruption

In its Code of Ethics, its Sustainable Development Charter and its Procurement Code of Ethics, Pernod Ricard made a formalised commitment to fighting corruption. The Company is a signatory to the United Nations Global Compact and communicates on this principle.

The Company's commitment to combating corruption includes the following:

- active and passive corruption;
- gifts and invitations;
- extortion and embezzlement;
- fraud;
- conflicts of interest;
- illegal financing of political parties.

3

This commitment applies throughout the Group and is supported by senior management.

The Managing Director of each subsidiary is responsible for implementing this policy.

Pernod Ricard has a Group policy regarding ethics, which is applicable worldwide, by all entities and all employees.

This policy is set out in different documents which are available either on Pernod Ricard's intranet and website or distributed directly to Group employees. These documents include:

- Pernod Ricard's Charter, in particular Section 3 'Code of Ethics', specifies that 'all employees must comply with the law and behave ethically and with respect for public officials [...]';
- Section 9 of Pernod Ricard's Procurement Code of Ethics states 'no form of payment, gifts, services, invitations or other shall be proposed or offered, directly or indirectly, to a civil servant of the French state or any other state';
- the declaration states that Pernod Ricard has been a signatory to the United Nations Global Compact since 2003. The 10th principle of the Global Compact indicates that 'Businesses should work against corruption in all its forms, including extortion and bribery.

Pernod Ricard has also published a document called 'Pernod Ricard Internal Control Principles', which is applicable to all Group subsidiaries. These principles state that:

- all entities should be compliant with the Pernod Ricard Charter, and therefore with its section 3;
- all entities should be compliant with the Pernod Ricard Purchasing Department Code of Ethics;
- all Group suppliers should be compliant with the United Nations Global Compact's Code of Ethics.

Within the decentralized organization of Pernod Ricard, the management of each entity is responsible for ensuring that it is compliant with Pernod Ricard's various policies, including those described above.

Pernod Ricard has, however, an Internal Audit Department with internal auditors performing audit missions in the various entities of the Group. These missions cover various subjects and operational cycles related to activities such as 'purchasing', 'production', 'sales', 'human resources' etc. The number of audit missions is around 20 to 25 each year, with the target of covering the totality of the scope of the Group (exceeding a minimum size).

Furthermore, Pernod Ricard sends all subsidiaries a self-assessment questionnaire every year, in which they must state whether they are compliant with Group policies, including:

- compliance with the Code of Ethics policy included in the Pernod Ricard Charter;
- compliance with the Pernod Ricard Procurement Code of Ethics;
- ensuring that non-Group suppliers are compliant with the United Nations Global Compact Code of Ethics.

The accuracy of the answers to these questionnaires is confirmed in a 'representation' letter signed by the CEO and Administrative and Financial Director of each entity.

Finally, on 16 February 2011, Pernod Ricard's Board of Directors created a Business Ethics Code and Committee to prevent insider trading.

Prevention of anti-competitive practices

Pernod Ricard's policy is to always act and perform business in compliance with laws and regulations in force.

This policy is included in the Pernod Ricard Charter. It is also specifically stated in a letter that each CEO and Administrative and Financial Director of the Group sign every year and send to the CEO of its Parent Company.

This 'representation' letter states the following:

- 'We are the individuals responsible for the internal control procedures in operation in our company. The objectives of these internal control procedures are to:
  - firstly ensure that all management acts, all transactions and operations performed and the conduct of all personnel are in accordance with the framework defined by (....) applicable laws and regulations (...);
- We have the pleasure of confirming to you that to the best of our knowledge we are aware of and comply with all applicable laws and regulations affecting Pernod Ricard Group (...), we are aware of the Pernod Ricard Charter and strictly adhere to it, we address and resolve violations of behavioural and ethical standards consistently, timely and equitably in accordance with the provisions of the Pernod Ricard Charter, our Company policy complies with local rules and regulations, and the Pernod Ricard Code of Ethics is respected (...).'

Within a decentralised organisation like Pernod Ricard, each manager of each entity is responsible for managing anti-competitive issues.

If issues were to be identified, an internal audit team would perform specific audit missions. However, at this stage, no issue has required such an audit mission to be carried out.

The Company has instituted awareness-raising programmes for relevant employees on the prevention of anti-competitive practices.

Pernod Ricard USA has set up an e-learning ethical training programme to address issues related to anti-trust practices.

A review of stakeholder sources did not reveal any anti-trust allegations against the Company.

Transparency and integrity of strategies and practices seeking to influence

In general, all Pernod Ricard employees are subject to the provisions of the Group's Organisational Charter and specifically its rules of ethics (Section 3 of the Charter). In addition, the Charter sets out four fundamental values for employees to abide by, one of which is Integrity. More specifically, the Group lobbying policy conforms to professional (EPACA in Europe, *Association pour les Relations avec les Pouvoirs Publics* in France, etc.) or institutional codes. (see: http://ec.europa.eu/civil_society/interest_groups/approche/criteres_fr.htm).

Jean Rodesch, Vice President Government Affairs, is responsible for the oversight of and implementation of this policy. The main lobbying actions are approved by the Group CEO and the rest of senior management is kept informed of their status.

In order to promote integrity in lobbying practices within its operations, the Group organises a 'public affairs' seminar every year where the main guidelines of the Codes of Conduct and Deontology are reaffirmed. In addition, a 'public affairs' training course is currently being set up.

As regards interaction with governments, the requirement for high ethical standards is enshrined in the Group's Charter, covering all activities, not just lobbying. Details, such as the maximum permitted value of gifts, are subject to local legislation, in keeping with the Company's decentralisation principle.

The Group's Charter, together with its ethical principles, is applicable worldwide. Furthermore, in the European Union, Pernod Ricard has been registered in the Register of Representatives of Interests since its creation in 2008, under ID number 352172811-92. This register contains useful information about teams, budgets, areas of interest, membership of associations, etc. (see http://europa.eu/transparency-register/index_fr.htm).

Lobbying activities in the United States are highly regulated at federal level and also state and municipal level. Pernod Ricard conducts its lobby activities in full compliance with applicable US laws, including the Lobbying and Disclosure Act of 1995, the Honest Leadership and Open Government Act of 2007, the Federal Election Campaign Act of 1971, and the Foreign Corrupt Practices Act of 1977. In addition, Pernod Ricard complies with the various ethics rules adopted by the US Senate, the US House of Representatives and the agencies of the Executive Branch.

Pernod Ricard is required under US law to file quarterly and half-yearly reports on its lobbying activities and political contributions with the Secretary of the Senate and the Clerk of the House of Representatives. In addition, the Pernod Ricard USA Political Action Committee is required to file regular reports with the Federal Election Commission. These reports are available for public examination at:

- Secretary of the Senate: http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm;
- Federal Election Commission: http://query.nictusa.com/cgi-bin/dcdev/forms/C00380527/.

Involvement of the Group's partners in its CSR commitments

Sustainable relationships with suppliers

Pernod Ricard made a formalised commitment to establish sustainable relationships with its suppliers and sub-contractors in its Sustainable Development Charter.

This commitment applies throughout the Group, supported by senior management.

Each subsidiary selects and monitors its own suppliers and is therefore responsible for its purchasing policy.

A seminar took place in January 2011, in which the implementation of guidelines was discussed. As a consequence, a task force has been put in place to formalise Pernod Ricard's commitment to responsible sourcing through a Responsible Procurement Policy and related tools. These documents and tools will reinforce the actions already in place.

Pernod Ricard maintains close partnerships with its suppliers in order to ensure ethical business practices and sustainable development of its activities. In all Group subsidiaries, these partnerships are built on specific requirements and regular controls.

The actions the Company takes to ensure that relationships with suppliers are managed responsibly include the following:

- in the Pernod Ricard internal training course on purchasing, a section addresses selection of suppliers and partners;
- Pernod Ricard Holding has close relationships with its top 10 suppliers, who represent 65% of the cost of packaging materials. These relationships are regularly examined from a commercial standpoint.

Certain of the results of the Company's commitment to ensure balanced and sustainable relations with suppliers are of particular note:

- none of Pernod Ricard's major suppliers has gone bankrupt;
- on 14 December 2010, Ricard signed a Charter with the French Government about sustainable relations with its suppliers, called '*Charte de bonnes pratiques – Grands donneurs d'ordres – PME*' (Best Practices Charter – Large contractors – Small and Medium Enterprises);

- for 10 years, The ABSOLUT Company (Sweden) has worked closely with farmers to promote wheat farming practices that are both more sustainable and respectful of the environment;
- in Armenia, the Yerevan Brandy Company provides training to its grape-growing suppliers on the management of their pesticide products and the collection of waste;
- Pernod Ricard Nordic's corporate responsibility evaluation process enables continual dialogue with suppliers;
- in the UK, the Chivas supplier audit checklist is used as a basis for dialogue with suppliers.

A review of relevant stakeholder sources did not reveal any allegations against the Company in terms of the sustainability of its relations with suppliers.

Integration of environmental factors in the supply chain

Pernod Ricard has made a formalised commitment to including environmental factors in supply chain management in its Procurement Code of Ethics.

This commitment applies throughout the Group and is supported by senior management. The Managing Director of each subsidiary is responsible for implementing this policy.

Pernod Ricard has set up at least three measures to enable the inclusion of environmental factors in supply chain management:

- integration of environmental issues into contractual clauses;
- supplier questionnaires;
- supplier support (e.g.: training, technical assistance, etc.);
- training and awareness-raising of employees in charge of purchasing. In its calls for tender, Pernod Ricard has integrated environmental issues when selecting suppliers. The main suppliers have completed a questionnaire regarding environmental issues. Buyers must acknowledge and respect the ethical guidelines, which include environmental issues.

In addition, the subsidiaries help suppliers achieve ISO 14001 or equivalent certification. Even though there is no formal Group-wide policy, the Pernod Ricard Goods, Services and Promotions Purchasing (POS) co-ordination team has drawn up a list of Group-wide referenced suppliers. Prior to any referencing, the suppliers have to answer a 'supplier audit checklist' covering environmental aspects.

Integration of labour issues in the supply chain

Pernod Ricard has made a formalised commitment to including labour issues in supply chain management in its Procurement Code of Ethics.

The Group's labour requirements for suppliers refer to the Global Compact and the ILO conventions and address the most relevant issues in the sector: trade union rights, abolition of child labour, non-discrimination and equality of remuneration.

Pernod Ricard has set up two measures for ensuring that labour issues are included in its supply chain management: supplier questionnaires and awareness-raising for employees responsible for purchasing. Pernod Ricard's major suppliers have completed a questionnaire on labour issues. Buyers receive guidelines to ensure that they comply with the Company's Code of Ethics in their dealings with suppliers.

This commitment applies throughout the Group and is supported by senior management. The Managing Director of each subsidiary is responsible for implementing this policy

Although there is no Group-wide policy for performing labour audits of suppliers, the Pernod Ricard Goods, Services and Promotions Purchasing (POS) co-ordination team has drawn up a list of Group-wide referenced suppliers which is constantly updated. Prior to any referencing, suppliers have to complete a supplier audit checklist covering, among other things, environmental and labour aspects, and systematically allow a co-ordination (POS) team member to make an audit. This is the basis of further reviews.

Statutory Auditors' report on the review of certain environmental, social and societal indicators

Pursuant to your request and in our capacity as Statutory Auditors of Pernod Ricard, we have performed a review with the aim of providing assurance on the environmental, social and societal indicators selected by Pernod Ricard and identified by the ☑ symbols in Section 3 of the 2010-2011 Registration Document (the "Data").

This Data has been prepared under the responsibility of Pernod Ricard Executive Management, in accordance with the internal reporting criteria covering all the procedures for:

- environmental data reporting;
- social data reporting;
- societal data reporting;

which may be consulted at the Group Human Resources and Corporate Social Responsibility, Industrial Operations and Institutional Affairs Departments, and which is summarised in Section 3 (hereinafter referred to as the "Reporting Criteria"). It is our responsibility, based on the procedures performed, to express a conclusion on the Data. The conclusions expressed below relate solely to this Data and not the 2010-2011 Registration Document as a whole.

Nature and scope of our procedures

We have conducted our procedures in accordance with the applicable professional guidelines.

We conducted the following procedures in order to provide moderate assurance that the selected Data(1), identified by the ☑ symbol, does not contain any material anomalies for the selected entities(2). A higher level of assurance would have required more extensive work.

For the selected Data, we have:

- assessed the Reporting Criteria with respect to their relevance, reliability, objectivity, clarity and completeness;
- conducted interviews with individuals responsible for the application of the Reporting Criteria in the Group Human Resources and Corporate Social Responsibility, Industrial Operations and Institutional Affairs Departments;
- conducted tests on the application of the internal Reporting Criteria in the selected entities, verified the submission of the selected Data with regard to these entities and the various consolidation levels and tested the calculations on a sampling basis.

To assist us in conducting our work, we referred to the Environment and Sustainable Development experts of our firms under the responsibility of Mr Eric Dugelay for Deloitte & Associés and Ms Emmanuelle Rigaudias for Mazars.

Comments on the procedures

The improvement program launched in 2010 has contributed to increase the reliability of the data. Efforts must be continued particularly in strengthening the data control processes within the selected entities.

Conclusion

Based on our work, we did not identify any material anomaly likely to call into question the fact that the Data identified by the ☑ symbol has been prepared, in all material respects, in accordance with the above-mentioned Reporting Criteria.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	Mazars
Marc de Villartay	Isabelle Sapet Loïc Wallaert

(1) *The Data used is as follows [the contribution to Group data from the entities selected for our procedures is shown in the brackets. It takes into account the work carried out during on-site visits]: Water consumption (49%); Energy consumption (48%); CO_2 emissions generated by industrial sites (scope 1) (46%); CO_2 emissions generated by industrial sites (Scope 2) (29%); Solid waste (16%); Toxic waste (39%); Percentage of ISO 14001 certified sites (42%); Year-end number of employees (breakdown by contract type and gender) (29%); Voluntary departure rate (compared to the annual average number of employees) (18%); Average number of employees by geographical region (28%), Employee turnover (19%); Number of advertising campaigns examined by the Internal Committee (33%); Breakdown of opinions provided by the Internal Committee (33%); Employee training in the Code for Commercial Communication (100%); CSR training and e-learning for employees (41% and 100%)*

(2) *Walkerville (Canada), Strathclyde (Scotland), Kilmalid (Scotland), Ahus (Sweden), Nöbbelöv (Sweden), Fuenmayor (Spain), Midleton (Ireland), Fox and Geese (Ireland), Epernay (France), Reims (France) for environmental data and Pernod SA (France), Ricard SA (France), Martell SA (France), Chivas Brother (United Kingdom), Pernod Ricard UK (United Kingdom), Pernod Ricard China (China), Pernod Ricard India (India) for social data.*

(This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers)

4

MANAGEMENT REPORT

Key figures from the consolidated financial statements for the year ended 30 June 2011

Key income statement figures

In euro million	30.06.2009 (2)	30.06.2010	30.06.2011
Net sales	7,203	7,081	7,643
Profit from recurring operations	1,846	1,795	1,909
Operating profit	1,757	1,707	1,852
GROUP NET PROFIT	**945**	**951**	**1,045**
Group net profit per share – diluted *(in euro)* (1)	3.92	3.59	3.94
GROUP NET PROFIT FROM RECURRING OPERATIONS	**1,010**	**1,001**	**1,092**
Group net profit from recurring operations per share – diluted *(in euro)* (1)	4.19	3.78	4.12

(1) Earnings per share at 30 June 2009 was restated to take account of the bonus rights issue of one share for each 50 shares held on 18 November 2009.
(2) The financial statements at 30 June 2009 only include Vin&Sprit AB from the date of acquisition (23 July 2008), i.e. for 11 months.

4

Key balance sheet figures

In euro million	30.06.2009	30.06.2010	30.06.2011
Assets			
Non-current assets	19,253	21,148	19,947
of which intangible assets	*16,199*	*17,757*	*16,332*
Current assets	5,435	5,918	5,748
Assets held for sale	178	42	4
TOTAL ASSETS	**24,867**	**27,107**	**25,699**
Liabilities and shareholders' equity			
Consolidated shareholders' equity	7,608	9,337	9,474
Non-current liabilities	14,390	13,792	13,272
Current liabilities	2,810	3,975	2,953
Liabilities held for sale	60	2	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,867**	**27,107**	**25,699**

Key net financial debt figures

In euro million	30.06.2009	30.06.2010	30.06.2011
Gross non-current financial debt	10,820	9,818	9,386
Gross financial debt from recurring operations	400	1,250	405
Non-current hedging instruments - assets	-	(20)	(54)
Hedging instruments from recurring operations – assets	-	-	-
Non-current derivative instruments – liabilities	188	105	75
Derivative instruments from recurring operations – liabilities	-	132	-
Cash and cash equivalents	(520)	(701)	(774)
NET FINANCIAL DEBT	**10,888**	**10,584**	**9,038**
Free cash flow [1]	1,037	1,110	1,001

(1) The calculation of free cash flow is set out in the notes to the cash-flow statement and shareholders' equity in the Management Report.

Key cash flow statement figures

In euro million	30.06.2009	30.06.2010	30.06.2011
Net change in cash flow from operating activities	1,126	1,205	1,134
Net change in cash flow from investing activities	(5,113)	46	(60)
Self-financing capacity before interest and tax	1,782	1,826	1,836
Net interest paid	(630)	(493)	(478)
Net income tax paid	(164)	(80)	(256)
Net change in cash flow from financing activities	4,121	(1,129)	(975)
Cash flow from discontinued operations	8	-	-
Cash and cash equivalents at beginning of period	421	520	701
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**520**	**701**	**774**

Analysis of business activity and results

In 2010/2011, with consumer spending starting to pick up in its markets, Pernod Ricard proved the effectiveness of its strategy, which has enabled it to exceed its financial targets. Amongst its achievements were:

- strong business activity and record volumes levels for its Top 14 and its 7 other brands;
- increased advertising and promotional support and numerous innovation;
- an acceleration of organic growth in profit from recurring operations to 8% (4% in 2009/2010) with positive organic growth in each of the Group's regions;
- on-going debt reduction and refinancing.

Every region contributed to organic growth of profit from recurring operations, which was up 20% in Asia/Rest of the World, 3% in the Americas, 2% in Europe excluding France and 2% in France.

Emerging countries (*) are an increasingly important growth engine for the Pernod Ricard group. They comprised 38% of the Group's profit from recurring operations in financial year 2010/2011 compared to 33% in 2009/2010.

Presentation of results

In euro million	30.06.2010	30.06.2011
Net sales	7,081	7,643
Gross margin after logistics expenses	4,218	4,610
Contribution after advertising and promotional expenses	2,956	3,169
Profit from recurring operations	1,795	1,909
Operating margin	*+25.4%*	*+25.0%*
Group net profit from recurring operations [1]	1,001	1,092
Group net profit	951	1,045
Group net profit per share from recurring operations – diluted *(in euro)*	3.78	4.12
GROUP NET PROFIT PER SHARE FROM RECURRING OPERATIONS (EXCLUDING DISCONTINUED OPERATIONS) – DILUTED *(IN EURO)*	**3.59**	**3.94**

(1) Profit from recurring operations adjusted for net interest expense relating to ordinary activities, corporate income tax, profits of equity-method companies and profit from assets held for sale.

Group net profit from recurring operations and net profit per share (diluted)

In euro million	30.06.2010	30.06.2011
Profit from recurring operations	1,795	1,909
Interest (expense) income from recurring operations	(497)	(469)
Corporate income tax on recurring operations	(271)	(317)
Minority interests, profit from discontinued operations and share of net income from associates	(26)	(31)
Group net profit from recurring operations	1,001	1,092
Number of shares in circulation – diluted	264,856,425	265,032,466

In euro	30.06.2010	30.06.2011
Group net profit per share from recurring operations – diluted	3.78	4.12

(*) Countries with an annual GNP per capita of less than USD10,000.

France

In euro million	30.06.2010	30.06.2011	Organic growth	
Net sales	721	750	30	*4%*
Gross margin after logistics expenses	528	546	19	*4%*
Advertising and promotional expenses	(170)	(189)	(19)	*11%*
Contribution after advertising and promotional expenses	358	356	(0)	*0%*
PROFIT FROM RECURRING OPERATIONS	**187**	**189**	**3**	**2%**

Europe excluding France

In euro million	30.06.2010	30.06.2011	Organic growth	
Net sales	2,176	2,114	5	*0%*
Gross margin after logistics expenses	1,234	1,228	20	*2%*
Advertising and promotional expenses	(337)	(343)	(5)	*2%*
Contribution after advertising and promotional expenses	897	886	14	*2%*
PROFIT FROM RECURRING OPERATIONS	**501**	**479**	**11**	**2%**

Americas

In euro million	30.06.2010	30.06.2011	Organic growth	
Net sales	1,911	2,068	87	*5%*
Gross margin after logistics expenses	1,193	1,277	59	*5%*
Advertising and promotional expenses	(332)	(379)	(33)	*10%*
Contribution after advertising and promotional expenses	861	898	26	*3%*
PROFIT FROM RECURRING OPERATIONS	**541**	**558**	**15**	**3%**

Asia and Rest of the World

In euro million	30.06.2010	30.06.2011	Organic growth	
Net sales	2,273	2,711	337	*15%*
Gross margin after logistics expenses	1,263	1,559	240	*19%*
Advertising and promotional expenses	(424)	(531)	(79)	*19%*
Contribution after advertising and promotional expenses	839	1,029	161	*20%*
PROFIT FROM RECURRING OPERATIONS	**566**	**684**	**107**	**20%**

Total

In euro million	30.06.2010	30.06.2011	Organic growth	
Net sales	7,081	7,643	459	*7%*
Gross margin after logistics expenses	4,218	4,610	338	*8%*
Advertising and promotional expenses	(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%**

Sales and volumes

In millions of 9-litre cases	30.06.2010	30.06.2011	Volume growth	Organic sales growth	Mix/ price effect
ABSOLUT	10.4	11.0	6%	6%	0%
Chivas Regal	4.2	4.6	7%	9%	2%
Ballantine's	5.9	6.3	7%	8%	1%
Ricard	5.4	5.4	(1)%	3%	4%
Jameson	2.9	3.4	17%	20%	3%
Malibu	3.3	3.5	6%	3%	(3)%
Beefeater	2.3	2.4	3%	4%	1%
Kahlúa	1.8	1.7	(1)%	(1)%	0%
Havana Club	3.5	3.8	10%	8%	(2)%
Martell	1.6	1.8	11%	22%	11%
The Glenlivet	0.6	0.7	13%	14%	1%
Royal Salute	0.1	0.2	24%	27%	4%
Mumm	0.6	0.6	6%	7%	1%
Perrier-Jouët	0.2	0.2	14%	17%	3%
14 STRATEGIC BRANDS (TOP 14)	**42.9**	**45.6**	**6%**	**10%**	**4%**
Jacob's Creek	7.1	6.8	(3)%	(1)%	3%
Brancott Estate	1.3	1.3	2%	(3)%	(5)%
Campo Viejo	1.5	1.6	6%	8%	3%
Graffigna	0.3	0.3	3%	6%	3%
PRIORITY PREMIUM WINES	**10.2**	**10.1**	**(1)%**	**0%**	**1%**

Full-year sales were €7,643 million (excluding duties and taxes), a steady increase of 8%, resulting from:

- organic growth of 7%, including return to growth in mature markets of 1.5% and a return to very strong growth of 17% in emerging markets;
- a favourable currency effect of €277 million, up 4% over the full year although down in second half, after having reached €325 million at the end of the first half; and
- a -2% effect from changes in the scope of consolidation relating mainly to the sale of businesses in Scandinavia, Spain and New Zealand.

All regions reported growth:

- Asia/Rest of the World recorded growth of 19% (organic growth of 15%) and remains the Group's strongest growth engine, mainly due to Asia (in particular China, India, Vietnam, Taiwan and Duty Free markets). Growth is also very strong in Africa/Middle East and Turkey;
- The Americas grew 8%, with organic growth of 5%. In the United States sales increased 2% (organic growth), with ABSOLUT returning to growth and the continuing success of Jameson. Sales were also up in all other markets in the region except Venezuela;
- Europe excluding France is showing a clear improvement, with business stable (in organic growth) over the full year (compared to a decline of 5% in 2009/2010). This is due to the strong recovery in Eastern and Central Europe combined with a slight decline in Western Europe, mainly related to Greece and Spain. Business in Western Europe has nevertheless clearly improved over the previous financial year;
- In France, sales rose 4% organically.

Contribution after advertising and promotional expenses

Gross margin (after logistics costs) was €4,610 million, up 8% (organic growth), with **gross margin to sales ratio** advancing significantly to reach **60.3%** in 2010/2011 compared to 59.6% the previous year (+75 bp). This is the result of a favourable mix effect related to an increase in share of the Top 14 and Premium quality brands, particularly Martell, Ballantine's and Chivas, price increases (averaging 1.5% for the Top 14) and effective cost control (averaging 1,5% rise for the Top 14).

Advertising and promotional expenses were up 11% on an organic basis at €1,441 million. As previously stated, Pernod Ricard gave significantly more support to its brands, with an advertising and promotional expenses to sales ratio of 18.9%. 76% of these expenses were concentrated on the Top 14 brands, which benefited from an advertising and promotional expenses to sales ratio of 24.7% in 2010/2011 compared to 24.3% the previous year. Priority is given to emerging markets which accounted for 54% of total growth.

Profit from recurring operations

Profit from recurring operations rose 8% (organic growth) to €1,909 million, twice the growth rate for 2009/2010 (4%). Operating margin rose to 25%, up 28bp compared to the previous year (excluding exchange rate and scope of consolidation effects), despite the significant increase in the advertising and promotional expenses to sales ratio.

In the financial year 2010/2011, the foreign exchange effect on the profit from recurring operations was €25 million, with a favourable effect of €98 million in the first half and a negative effect of €(73) million in the second half. The scope of consolidation effect on profit from recurring operations in 2010/2011 of €(49) million was related to the sale of businesses in Spain, Scandinavia and New Zealand.

Interest (expense) income

Interest (expense) income from recurring operations totalled €(469) million, comprising financial expenses on debt, which were stable at €(446) million, and other financial income and expenses from recurring operations for €(23) million, down from the previous year. The reduction in net financial expenses relating to pension commitments had a positive impact on this item.

The average cost of debt was 4.7% over the 2010/2011 financial year, a slight increase on the 4.3% in the previous financial year.

Group net profit from recurring operations

Tax on recurring items was €(317) million, amounting to a current effective tax rate of 22%, a slight increase compared to 2009/2010 (20.9%). Minority interests and other totalled €(31) million.

In total, Group net profit from recurring operations was €1,092 million, an increase of 9% compared to financial year 2009/2010, and net profit per share (diluted) from recurring operations was also up 9% to €4.12 per share.

Group net profit

Other non-current operating income and expenses amounted to €(56) million with net gains on sales of €19 million (certain businesses in Scandinavia and Spain, the stake in Suntory, etc.), impairment of intangible assets for €(42) million (mainly relating to Polish vodkas), restructuring expenses of €(17) million and other non-recurring income and expenses amounting to €(16) million. Non-current financial income (expense) amounted to net income of €11 million. Deferred taxes amounted to a net expense limited to €(1) million.

Group net profit therefore amounted to €1,045 million, a rise of 10% compared to financial year 2009/2010.

Cash and capital

Reconciliation of net financial debt – The Group uses net financial debt in the management of its cash and its net debt capacity. A reconciliation of net financial debt and the main balance sheet items is provided in Note 17 – *Financial instruments* in the Notes to the annual consolidated financial statements. The following table shows the change in net debt over the year:

In euro million	30.06.2010	30.06.2011
Profit from recurring operations	1,795	1,909
Other operating income and expenses	(51)	(190)
■ Depreciation of fixed assets	160	159
■ Net changes in provisions, excluding investments in the pension funds acquired from Allied Domecq	(94)	(142)
■ Net change in impairment of goodwill and intangible assets	116	43
■ Fair value adjustments on commercial derivatives and biological assets	(39)	(2)
■ Net (gain)/loss on disposal of assets	16	(19)
■ Share-based payment	26	25
■ Non-cash impact from other operating income and expenses	(38)	134
Sub-total depreciation of fixed assets, change in provisions and other	**149**	**198**
SELF-FINANCING CAPACITY	**1,893**	**1,916**
Decrease/(increase) in working capital requirements	(48)	32
Net interest and tax payments	(573)	(734)
Net acquisitions of non-financial assets and other	(163)	(213)
FREE CASH FLOW	**1,110**	**1,001**
Net disposals of financial assets, investments in the pension funds acquired from Allied Domecq and others	129	73
Change in the scope of consolidation	12	0
■ Capital increase and other change in shareholders' equity	13	(0)
■ Dividends paid	(136)	(389)
■ (Repurchase)/sale agreements	(38)	(70)
Sub-total dividends, purchase of treasury shares and other	**(161)**	**(460)**
DECREASE/(INCREASE) IN DEBT BEFORE EXCHANGE-RATE EFFECTS	**1,090**	**614**
Net effect of translation adjustments	(786)	932
DECREASE/(INCREASE) IN DEBT AFTER EXCHANGE-RATE EFFECTS	**304**	**1,546**

Outlook

In 2010/2011 Pernod Ricard was able to profit from the return to consumption in its markets and:

- reinforced its commercial positions, in particular in emerging markets which again grew very strongly;
- continued its strategy of innovation and premiumisation, thanks to sustained, targeted investments;
- increased its gross margin;
- accelerated the organic growth in profit from recurring operations to 8% (4% in 2009/2010);
- continued to reduce its debt and to increase the proportion of its debt in bonds (EUR & USD).

Group performance in financial year 2010/2011 was excellent and showed the pertinence of its strategy. The 2011/2012 financial year has started well, confirming the robustness of the Group's markets. The Group will continue to follow its growth strategy by capitalising on the strength of its brand portofolio, the quality of its distribution network and the powerful leverage of emerging markets. The Group confirms, furthermore, the priority given to the pursue of the reduction of its debt.

Human resources

Directors' compensation

Compensation policy for members of the Board of Directors

The conditions governing Directors' compensation are determined by the Board of Directors on the basis of a recommendation by the Remuneration Committee and must fall within the bounds of the total amount allocated by the Shareholders' Meeting for Directors' fees.

Mr Patrick Ricard and Mr Pierre Pringuet are not eligible for Directors' fees.

Directors' annual compensation comprises a fixed portion, set at €11,500, and an additional €5,500 for members of the Audit Committee and €3,000 for members of the Remuneration and Appointments Committees. The Chairmen also receive an additional sum of €6,000 for the Audit Committee and €3,000 for the Remuneration and Appointments Committees. Directors are also eligible for a variable portion, calculated on the basis of their presence at Board and Committee meetings. The variable portion is €3,750 per meeting. Furthermore, in order to take into account travel constraints, an additional bonus of €1,500 is paid to Directors who are not French residents when they attend Board meetings. Directors who take part in Board meetings by videoconference or conference call are not eligible for this additional sum. Members of the Strategic Committee are not eligible for Directors' fees.

A total of €745,584 in Directors' fees was paid to members of the Board of Directors in the 2010/2011 financial year, in accordance with the rules set out above, out of the €840,000 allocated by the 10 November 2010 Shareholders' Meeting.

It is worth noting that the authorised sum of €840,000 also covers the possible appointment of a censor (no censors were appointed in 2010/2011). Excluding the sum relating to the possible appointment of a censor, the allocation to the Board of Directors was €786,000.

The following table gives the amounts (in euro) of Directors' fees and other compensation received by non-Executive Directors:

Directors	Amounts paid in 2009/2010	Amounts paid in 2010/2011
Ms Nicole Bouton	53,667	94,500
Mr Michel Chambaud	50,167	80,000
Mr Jean-Dominique Comolli (1)	63,000	19,375
Mr Wolfgang Colberg	67,500	70,250
Lord Douro (2)	82,000	43,125
Mr Gerald Frère	44,667	57,250
Mr François Gérard	71,000	68,750
Mr César Giron (3)	39,500	41,500
Mr Rafaël Gonzalez-Gallarza	51,500	53,500
Mr Anders Narvinger	27,667	70,000
Ms Danièle Ricard	49,500	59,500
Société Paul Ricard SA represented by Mr Alexandre Ricard (3)	32,667	53,500
Ms Susan Murray (4)	N.A.	32,417
Mr Laurent Burelle (5)	N.A.	1,917
Other Directors' fees (6)	76,085	N.A.
TOTAL	**708,920**	**745,584**

(1) Until September 2010.

(2) Until March 2011.

(3) In addition to Directors' fees, Messrs César Giron and Alexandre Ricard receive compensation in their capacity as Chairman and CEO of Pernod and Chairman and CEO of Irish Distillers Group respectively. The amount of their compensation is included in the total compensation of the members of the Executive Committee provided later in this report.

(4) As of November 2010.

(5) As of May 2011.

(6) Directors' fees paid to Directors whose term of office expired in November 2009.

Compensation policy for the Executive Directors

The compensation policy for Executive Directors of Pernod Ricard is established by the Board of Directors with reference to proposals made by the Remuneration Committee. The Board approves all elements of the remuneration package of the Board's non-executive Chairman and the Group CEO.

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies, which the Group uses as reference, the Remuneration Committee bases its proposals on the following principles:

Overview and balance

All the elements comprising the compensation package are reviewed annually and their respective weightings considered: fixed and variable remuneration, the amounts and volumes of any stock options, and retirement and social security benefits.

Simplicity and consistency

The Board of Directors has always sought to put in place a compensation policy for Executives that is straightforward and consistent over time. It was therefore decided some years ago not to pay Directors' fees to Executive Directors: the compensation of the Board's non-executive Chairman consists solely of a fixed portion, while the CEO receives a fixed and a variable portion. In addition, the CEO receives an allocation of stock options, subject to certain performance conditions being met.

Motivation and performance

In its recommendations to the Board, the Remuneration Committee aims to propose a compensation policy commensurate with the responsibilities of each recipient and in line with the practices of large international groups.

Since the Executive Directors have had long careers in the Pernod Ricard Group, as is the case of many of its key executives, annual salary increases and stock option awards are relatively reasonable. Increases in compensation are made by regularly applying these principles, and allow the performance of each executive to be rewarded in the medium and long term. In addition, the policy relating to the variable cash portion is reviewed every year in line with the Group's strategic priorities, and the level is set in order to provide an incentive.

The compensation of the Group CEO comprises:

- a fixed portion; and
- a variable portion. The variable portion may represent between 0% and 110% of the annual fixed compensation if the targets set each year are achieved and can rise to 180% if the Group records exceptional financial performance. It mainly consists of quantitative aspects linked to Group results, as well as a qualitative assessment of the CEO's performance. The quantitative criteria are based on increases in net profit per share, the level of operating profit compared with that budgeted and the reduction in Group debt, using the net debt/EBITDA ratio.

Compensation of individual Executive Directors

Mr Patrick Ricard, Chairman of the Board of Directors

Mr Patrick Ricard has been non-executive Chairman of the Board of Directors since November 2008. As Chairman, Mr Ricard oversees all of the Board's work and ensures the implementation of and compliance with governance rules within the Board.

Moreover, since he is widely known, Mr Ricard continues to take part in the Group's growth, but without making commitments, through his contacts with the leading players in the world of business and the associations he supports.

At the meeting held on 1 September 2010, the Board of Directors set Mr Ricard's annual fixed compensation for the year 2010/2011 at the gross amount of: €850,000, unchanged from 2009/2010. The Board also decided that Mr Ricard would keep his company car and chauffeur.

In order to ensure complete independence and integrity in executing his duties, the Board confirmed the following aspects with regard to the compensation of Mr Patrick Ricard:

- no variable portion
- no rights to stock options or free or performance-based shares
- no Directors' fees

Lastly, the Board reiterated that Mr Ricard is not eligible for any indemnities in the event of his removal from office or the non-renewal of his term of office.

The following table summarises the compensation paid to Mr Patrick Ricard by the Company, the controlled companies as defined in article L. 233-16 of the French Commercial Code and the controlling company or companies.

In euro	2009/2010 Amounts due	2009/2010 Amounts paid	2010/2011 Amounts due	2010/2011 Amounts paid
Fixed compensation	850,000	850,000	850,000	850,000
Variable compensation	No variable compensation		No variable compensation	
Special bonus	No special bonus		No special bonus	
Directors' fees	No Directors' fees		No Directors' fees	
Benefits in kind (1)	3,700	3,700	3,700	3,700
TOTAL	**853,700**	**853,700**	**853,700**	**853,700**

(1) Company car

Mr Pierre Pringuet, Chief Executive Officer

At the meeting held on 1 September 2010, the Board of Directors decided to increase Mr Pringuet's fixed compensation for 2010/2011 to €1,000,000 (+3.09% vs. 2009/2010).

Mr Pringuet has not received any ordinary Directors' fees in his capacity as Director.

On the recommendation of the Remuneration Committee, the Board approved the elements determining the variable portion relating to 2010/2011:

- the variable portion may represent between 0% and 110% of the annual fixed compensation if the quantitative and qualitative targets are achieved (target level), and can rise to a maximum of 180% if the Group records exceptional financial performance;
- the quantitative targets are based on increases in net profit from recurring operations per share (target level of 20%, which may rise to a maximum of 40%), the level of profit from recurring operations compared with the budgeted outcome (target level of 30%, which may rise to a maximum of 55%), and the reduction in Group debt, using the net debt/EBITDA ratio (target level of 30%, which may rise to a maximum of 55%);
- the qualitative objectives, which correspond to the evaluation of the individual performance of the CEO by the Board as a whole, may vary from 0% to a maximum of 30% of the fixed annual compensation.

The variable compensation structure demonstrates the Board's aim of providing an attractive incentive for the CEO in relation to the Group's financial performances.

During the meeting held on 31 August 2011, and based on the financial results for the 2010/2011 financial year, the Board approved, in accordance with the rules set at the beginning of the year, the variable compensation for Mr Pierre Pringuet of €1,657,434 for the 2010/2011 financial year. The high amount of this variable element is due, in particular, to the growth in net profit per share, as well as the significant reduction in the ratio of net debt to EBITDA. In addition, the Board awarded the CEO the maximum amount for achievement of the qualitative criteria leading to the payment of variable compensation.

The following table summarises the compensation paid to Mr Pierre Pringuet by the Company, the controlled companies as defined in article L. 233-16 of the French Commercial Code and the controlling company or companies.

In euro	2009/2010 Amounts due	2009/2010 Amounts paid	2010/2011 Amounts due	2010/2011 Amounts paid
Fixed compensation	970,000	970,000	1,000,000	1,000,000
Variable compensation (1)	1,221,867	910,279	1,657,434	1,221,867
Special bonus	No special bonus		No special bonus	
Directors' fees	No Directors' fees		No Directors' fees	
Benefits in kind (2)	3,700	3,700	3,700	3,700
TOTAL	**2,195,567**	**1,883,979**	**2,661,134**	**2,225,567**

(1) Compensation due in year N is paid in year N+1
(2) Company car

Principles of the policy on stock options and performance shares for Executive Directors

The Board of Directors of Pernod Ricard, following the proposal of the Remuneration Committee, has adopted the following principles:

- the non-executive Chairman of the Board of Directors is not eligible for any stock option plan;
- Executive Directors are not eligible to receive free shares, even subject to performance conditions;
- all awards made to Executive Directors are subject to performance criteria. Such criteria shall be reviewed and set whenever shares or stock options are awarded in order to align them as closely as possibly with the Group's strategic priorities at the time the award is made;
- the economic value of the total award made to Executive Directors is limited to 5% of the plan's total economic value (the plan's total economic value comprises all elements distributed, i.e. stock options with or without performance conditions and performance-based shares);

- the economic value of the awards made to Executive Directors is proportionate to their individual compensation. This level is a maximum of 50% of their total annual compensation (fixed and variable portions);
- the Board of Directors requires the Executive Directors to retain, until the end of their term, a fixed quantity of shares derived from the exercise of options awarded.

The Board recommends that its Executive Directors do not use hedging mechanisms.

Allocation of stock options to Executive Directors

During the 2010/2011 financial year, on the recommendation of the Remuneration Committee, the Board of Directors implemented stock option and performance-based share plans on two occasions, owing to exceptional circumstances.

On 15 September 2010, and in accordance with the commitments undertaken at its meeting of 24 June 2010, the Board authorised a stock option plan with performance conditions with Mr Pierre Pringuet as the sole beneficiary. The details of this plan, which was granted in respect of the 2009/2010 financial year are as follows:

- number of stock options: 70,000 options to purchase shares subject to performance conditions
- strike price: €64 (identical to the strike price for the Group plan of 24 June 2010);
- the entire award comprises *stock options* subject to conditions; the options can only be exercised if the Total Shareholder Return (TSR) of Pernod Ricard's share greater by 1% per year than the performance of the CAC 40, for half the shares on 24 June 2013, and for the other half on 24 June 2014. This condition is the same as that approved by the Board of Directors on 24 June 2010 for the Group plan;
- obligation to hold the shares: 25% of the shares resulting from the exercise of stock options granted under this plan must be held, in the holder's name, until the end of the term of office.

On 15 June 2011, the Board authorised an annual Group stock option and performance-based share plan for 1,030 employees. The terms approved for the allocation to Mr Pierre Pringuet are as follows:

- number of stock options: 65,220 options to purchase shares subject to performance conditions;
- strike price: €68.54;
- performance conditions: as is the case for all beneficiaries, the following conditions must be met in full:
  - firstly, an internal performance condition through the achievement of a target for Group profit from recurring operations, assessed for half the options with reference to the financial statements for the period to the end of June 2012 and the other half at end June 2013.

    After this initial period, the exercise of the options will be subject to the following external performance condition:
  - the performance (TSR) of Pernod Ricard's share must exceed that of the CAC 40 index plus 1 percentage point per year. This condition will be assessed for half the options on 15 June 2014, and the other half on 15 June 2015;
- obligation to hold the shares: 25% of the shares resulting from the exercise of stock options granted under this plan must be held, in the holder's name, until the end of the term of office.

Mr Pierre Pringuet has agreed not to enter into hedging transactions on the options received.

The terms of the June 2011 Group plan applicable to all employees are described in detail in the section 'Policy for the allocation of stock options and performance-based shares'.

Stock options awarded to Mr Pierre Pringuet during the 2009/2010 and 2010/2011 financial years

	Date of plan	No. of shares granted	Strike price	Performance conditions	Exercise period	Unit value under IFRS
2009/2010 financial year [(1)]	15 September 2010	70,000	€64	TSR performance > CAC 40 performance +1%, half assessed at N+3 and half at N+4	15 September 2014 15 September 2018	8.13
2010/2011 financial year	15 June 2011	65,220	€68.54	■ Achievement of target for profit from recurring operations at N+1 and N+2 ■ TSR performance > CAC 40 performance + 1 point, half assessed at N+3 and half at N+4	15 June 2015 15 June 2019	10.33

(1) The allocation of stock options to Mr Pierre Pringuet in relation to 2009/2010 was postponed until 2010/2011.

Summary table of stock options exercised by the Executive Directors in 2009/2010

Options exercised during the year by each Executive Director	Number of options exercised	Strike price	Date of plan
Mr Patrick Ricard	35,848	28.42	17.12.2002
Mr Pierre Pringuet	9,557 55,363	23.75 28.42	18.12.2001 17.12.2002

Commitments made to the Executive Directors

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code of October 2008, revised in April 2010, Mr Pierre Pringuet resigned in February 2009 from his suspended work contract. Consequently, he also waived his right to the elements attached to the suspended contract, namely a no-competition clause and the promise of a payment in the event of his departure.

Since that date, Mr Pierre Pringuet ceased to have an employment contract with Pernod Ricard. His compensation relates entirely to his directorship.

The Board, meeting on 12 February 2009, has allowed Mr Pierre Pringuet to keep the benefits of the supplementary and conditional collective defined-benefit pension scheme and to retain cover under the same health insurance scheme he enjoyed prior to the renewal of his term of office.

The same Board of Directors meeting also introduced a two-year no-competition clause, linked to Mr Pierre Pringuet's directorship, in exchange for a year's fixed and variable compensation.

The commitments made in Mr Pierre Pringuet's favour were put to the vote of the shareholders and duly authorised in accordance with the procedures laid down with respect to regulated agreements and commitments at the 2 November 2009 Shareholders' Meeting.

Supplementary pension scheme for the Executive Directors

The Executive Directors and senior managers of Pernod Ricard benefit from a supplementary defined-benefit pension scheme on the condition that they:

- meet a number of conditions relating primarily to the length of their service and the amount of their compensation;
- end their career with Pernod Ricard.

The aim of the scheme is to allow the Group's senior managers to supplement the pension provided by France's mandatory state-run pension system. It offers retired beneficiaries a life pension that can be passed on to their spouse and/or ex-spouse in the event of death.

The scheme is collective, conditional and supplementary. Potential beneficiaries must have spent at least 10 years within the Group. Pensions are proportionate to the beneficiary's length of service, with an upper limit of 20 years. Pensions are calculated on the basis of the beneficiary's average compensation (fixed and variable) over the three years preceding his or her retirement.

The amount of the supplementary pension is calculated by applying the following coefficients to the base calculation:

- For the portion between 8 and 12 times France's annual Social Security ceiling, the coefficient is 2% multiplied by the number of years service (capped at 20 years, i.e. 40%);
- between 12 and 16 times France's annual Social Security ceiling, the coefficient is 1.5% per year of service (capped at 20 years, i.e. 30%);
- in excess of 16 times France's annual Social Security ceiling, the coefficient is 1% per year of service (capped at 20 years, i.e. 20%).

The supplementary pension equals the sum of the three amounts above.

In addition to these conditions, the manager must be employed by the Group on the day of his or her retirement. In accordance with regulations, employees aged above 55 years whose contract is terminated and who do not take up another job are deemed to have retired.

The Board of Directors has consistently chosen to treat the Group's Executive Directors in the same way as its senior managers, especially with regard to elements comprising compensation and advantages, including supplementary pensions. It therefore signalled at its 12 February 2009 meeting that the termination of an Executive Director's mandate can be assimilated with the termination of a work contract, subject to the abovementioned conditions regarding age and failure to take up another job.

The rights granted under this plan, added to those of other pensions, cannot exceed two thirds of the last annual fixed remuneration of the beneficiary.

Mr Patrick Ricard receives an annuity paid from the supplementary pension scheme. In 2010/2011, Mr Patrick Ricard received an annuity of approximately €450,000 under the plan. The scheme is fully outsourced.

Rights under this scheme are supplementary and cannot be individualised, based on the above-mentioned regulations that take effect from the time a beneficiary terminates his executive functions. As an example, in the case of Mr Pierre Pringuet, if the calculation were made at 30 June 2011 and on the basis of his total compensation over the last three years, the annuity paid under the supplementary pension scheme would represent approximately 40% of his annual fixed compensation.

Work contract/term of office

	Work contract		Defined-benefit pension scheme		Indemnities or advantages due or liable to be due by virtue of the discontinuance of or change in their positions		Indemnities relative to a no-competition clause	
Executive Directors	Yes	No	Yes	No	Yes	No	Yes	No
Mr Patrick Ricard, Chairman of the Board of Directors		X	X			X		X
Mr Pierre Pringuet, Chief Executive Officer		X	X			X	X	

Other aspects of the compensation policy

Compensation of Executive Committee members

The members of the Remuneration Committee are kept regularly informed of changes in the compensation given to members of the Executive Board (the Deputy Managing Directors and General Counsel) and the members of the Executive Committee, the Chairmen of direct subsidiaries.

In reviewing the different aspects of the compensation, the members of the Remuneration Committee pay particular attention to the consistency of the policy applied to the Group's Executive Directors and to its senior management.

The compensation of the Deputy Managing Directors, which is set by the General Management, comprises a fixed portion, plus a variable portion representing an attractive incentive, for which the criteria are largely based, as is the case with the CEO, on the Group's financial performances and debt reduction. The Chairmen of direct subsidiaries, who are members of the Executive Committee, also receive compensation comprising a fixed portion, which is set in proportion to individual responsibilities, plus a variable portion, for which the quantitative criteria partly reflect the financial performances of the subsidiary managed, and partly the results of the Group.

The same performance indicators therefore apply to the Group's key business development personnel, through the variable portion of their compensation.

From the 2010/2011 financial year, to align the compensation mechanisms with the Group's new objectives under the Agility initiative, two new individual qualitative criteria were set with regard to human resources management and the development of Corporate Social Responsibility (CSR) projects.

The total amount of the fixed compensation allocated for the 2010/2011 financial year to the 15 members of the Executive Committee, including the Chief Executive Officer, was €6.9 million. In addition to this, payments of nearly €5.7 million in variable compensation due for the 2009/2010 financial year were also made.

As explained above, the variable compensation for Pernod Ricard executives provides an attractive incentive, and its structure allows the sums involved to be adjusted to the financial results of Group entities: after a year marked by the global economic crisis in 2008/2009, the results for the 2009/2010 financial year were excellent, and the variable compensation of members of the Executive Committee reflected this.

The total expense relative to pension commitments for Executive Committee members was €5.3 million in the financial statements for the year ended 30 June 2011.

Policy governing the allocation of stock options and performance shares

During the 2010/2011 financial year, the Board of Directors reaffirmed its aim to give the Group's key personnel an interest in the performance of Pernod Ricard shares by introducing a new stock option and performance-based share plan. The aim of the Board is therefore to align the interests of shareholders with those of Pernod Ricard employees.

At the Board meeting of 15 June 2011, a new combined stock option and performance-based share plan was authorised. As in the past, the Board maintained the scope of the plan at around 1,000 employees, so that it could be used to foster the loyalty of young managers with potential (identified as new 'talents') in the Group's subsidiaries worldwide, as well as benefiting senior managers.

The June 2011 plan comprises stock options with and without performance conditions, and performance-based shares. The number of stock options as opposed to performance-based shares increases in line with the beneficiary's level in the hierarchy. At its meeting of 15 June 2011, the Board decided, on the recommendation of the Remuneration Committee, with specific reference to this year, to:

- increase the proportion of stock options with performance conditions compared to stock options without performance conditions;
- supplement the external performance conditions for stock options subject to conditions with an internal performance condition.

As explained above, the entire allocation to the CEO comprises stock options subject to conditions. It was decided to grant the Deputy Managing Directors, as well as the Chairmen of direct subsidiaries who are members of the Executive Committee, a number of stock options with conditions plus a low proportion of performance-based shares.

Executive Committee members mainly receive stock options with conditions, but are also eligible for stock options without conditions and performance-based shares.

For other staff, and for each level of allocation, the proportion of stock options with performance conditions has been increased compared to stock options without performance conditions. The allocation to managers with potential consists solely of performance-based shares.

Allocation of stock options

The number of stock options with conditions allocated by the Board of Directors on 15 June 2011 totals 341,370 stock options (of which 65,220 have been awarded to Mr Pierre Pringuet).

As explained earlier, the stock options with conditions relating to the June 2011 plan can only be exercised if the internal and external performance conditions are met:

- the internal performance condition requires the achievement of a target for Group profit from recurring operations, assessed for half the options with reference to the financial statements for the year ending June 2012 and for the otherhalf with reference to the financial statement ending June 2013. This condition, which is identical to that determining the number of performance-based shares, will enable the number of options that can be exercised, subject to the following external performance condition, to be determined:

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- the performance of the Pernod Ricard stock must exceed that of the CAC 40 index plus 1 percentage point per year. This condition will be assessed for half the options on 15 June 2014, and the other half on 15 June 2015.

The Board of Directors decided to allocate 606,680 stock options free of any performance conditions.

Allocation of performance-based shares

A total of 578,759 performance-based shares were awarded by the Board of Directors on 15 June 2011.

The Board of Directors retained the performance condition requiring the achievement of the target for profit from recurring operations, restated for changes in the scope of consolidation and currency fluctuations, for the financial years 2011/2012 and 2012/2013. If operating profit does not reach 95% of the target level, no shares will be awarded. An intermediate volume calculation is carried out if operating profit is between 95% and 100% of the budgeted amount. This condition is assessed at two distinct times, each bearing on half the volume of shares, in the two relevant years.

Performance-based shares awarded to beneficiaries residing in France have a three-year vesting period, followed by a mandatory two-year retention period, while beneficiaries who are not French residents are subject to a four-year vesting period, with no retention period.

In addition, beneficiaries must still be present within the Group on the vesting date, except in the case of retirement, death or invalidity.

History of allocations of stock options – Situation at 30 June 2011

	Plan dated 27.09.2000	Plan dated 19.12.2000	Plan dated 19.09.2001	Plan dated 18.12.2001	Plan dated 11.02.2002	Plan dated 17.12.2002	Plan dated 18.12.2003	Plan dated 02.11.2004
Date of authorisation by Shareholders' Meeting	05.05.1998	05.05.1998	03.05.2001	03.05.2001	03.05.2001	03.05.2001	03.05.2001	17.05.2001
Date of the Board of Directors' meeting	27.09.2000	19.12.2000	19.09.2001	18.12.2001	11.02.2002	17.12.2002	18.12.2003	02.11.2004
Type of options	Purchase	Purchase	Purchase	Subscription	Subscription	Subscription	Purchase	Purchase
Total number of options that can be subscribed or purchased	193,974	972,502	125,395	2,158,451	360,530	2,238,853	1,637,890	1,962,738
of which by Executive Directors of Pernod Ricard SA	193,974	89,687	0	252,492	0	179,926	106,822	148,162
of which by Mr Ricard	0	38,331	0	97,752	0	69,200	41,085	56,984
of which by Mr Pringuet	96,987	25,678	0	77,370	0	55,363	32,869	45,589
Commencement date of options	28.09.2003	20.12.2003	20.09.2005	19.12.2005	12.02.2006	18.12.2006	19.12.2007	18.11.2008
Subscription or purchase price	16.81	17.99	24.28	23.75	25.14	28.42	33.83	42.30
Number of shares subscribed or purchased as at 01.07.2010	193,974	958,640	97,334	1,953,906	288,921	1,656,239	917,984	670,154
Total number of stock options cancelled or lapsed	0	13,862	0	50,191	43,074	65,714	25,203	91,768
Stock options remaining at 30.06.2011	0	0	28,061	154,354	28,535	516,900	694,703	1,200,816

	Plan dated 25.07.2005	Plan dated 14.06.2006	Plan dated 21.06.2007	Plan dated 18.06.2008	Plan dated 24.06.2010	Plan dated 15.09.2010	Plan dated 15.06.2011
Date of authorisation by Shareholders' Meeting	17.05.2004	17.05.2004	07.11.2006	07.11.2006	02.11.2009	02.11.2009	02.11.2009
Date of the Board of Directors' meeting	25.07.2005	14.06.2006	21.06.2007	18.06.2008	24.06.2010	01.09.2010	15.06.2011
Type of options	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Total number of options that can be subscribed or purchased	981,206	2,279,214	985,292	1,273,556	901,603	70,000	948,050
of which by Executive Directors of Pernod Ricard SA	115,945	205,140	125,078	141,258	0	70,000	65,220
of which by Mr Ricard	44,595	113,966	74,552	84,196	0	0	0
of which by Mr Pringuet	35,675	91,174	50,526	57,062	0	70,000	65,220
Commencement date of options	12.08.2009	15.06.2010	22.06.2011	19.06.2012	25.06.2014	15.09.2010	16.06.2011
Subscription or purchase price	52.59	58.41	74.73	66.16	64	64	68.54
Number of shares subscribed or purchased as at 01.07.2010	158,610	306,710	0	1,721	0	0	0
Total number of stock options cancelled or lapsed	71,622	117,169	44,418	54,391	17,236	0	0
Stock options remaining at 30.06.2011	750,974	1,855,335	940,874	1,217,444	884,367	70,000	948,050

At 30 June 2011, 9,290,413 stock options (subscription or purchase) were in circulation, or 3.5% of the Company's share capital, of which 7,401,489 were in the money and 1,888,924 out of the money (at the Pernod Ricard share closing price at 30 June 2011 = €67.97).

The number of Pernod Ricard shares which could potentially be created by stock options outstanding as at 30 June 2011 is 699,789 or 0.26% of the Company's share capital as at this date.

The contingent share capital is exclusively made up of stock options.

Stock options exercised over the year

During the financial year, 489,490 stock options were exercised in respect of the different plans granted to Pernod Ricard Group employees for the period from 1 July 2010 to 30 June 2011.

History of allocations of free shares – Situation as of 30 June 2011

	Plan dated 21.06.2007	Plan dated 18.06.2008	Plan dated 24.06.2010	Plan dated 15.06.2011
Date of the Board of Directors' meeting	21.06.2007	18.06.2008	24.06.2010	15.06.2011
Free shares allocated	335,458	411,634	572,119	578,759
Free shares cancelled (1)	53,558	232,341	19,621	-
Free shares vested (2)	281,900	55,156	-	-
Unvested free shares (3)	0	124,137	552,498	578,759

(Figures include the capital increases held on 14 May and 18 November 2009 and, for the 21 June 2007 plan, the splitting of the nominal amount of the share in two on 15 January 2008).

Free shares awarded under the June 2007, June 2008, June 2010 and June 2011 plans are subject to both performance and continued employment conditions. Free shares under the first two plans become available after four years on condition that the beneficiaries are still working for the Company on the date of the vesting period. The vesting period is two years for French tax residents (followed by a two year lock-up period) and four years for non-French tax residents.

(1) Free shares cancelled after the beneficiaries ceased to meet the continued employment condition (resignation, redundancy) or failed to meet the performance condition (June 2008 plan).

(2) Shares granted to beneficiaries under the June 2007 plan (which were transferred on 22 June 2009 for beneficiaries resident in France and on 22 June 2011 for non-residents in France as determined for tax purposes) and on 19 June 2010 under the June 2008 plan, subject to the continued employment condition.

(3) Free shares granted to beneficiaries who are not resident in France under the June 2008 plan, and due to be transferred on 19 June 2012. This also includes all free shares awarded under the June 2010 and June 2011 plans, which are subject to the performance conditions due for evaluation at the end of financial years 2010/2011 and 2011/2012 for the June 2010 plan and at the end of the 2011/2012 and 2012/2013 financial years for the June 2011 plan.

There was no free share plan in the year ended 30 June 2009.

Stock options granted to the top ten employees in the Group other than Directors and options exercised by the top ten employees of the issuer during the 2010/2011 financial year

	Number of options granted/shares subscribed or purchased	Price *(in euro)*	Plans
Options granted during the financial year by the Company to the top ten employees of the Company and all companies within its Group granting options, receiving the highest number of options	156,110	68.54	15.06.2011
Options on the Company's shares exercised during the financial year by the top ten employees of the Company and all companies within its Group granting options, purchasing or subscribing for the highest number of shares	222,393	35.17	19.12.2000 18.12.2001/17.12.2002 18.12.2003/02.11.2004 25.07.2005/14.06.2006

Pernod Ricard has not issued any other option instruments granting access to shares reserved for its Executive Directors or to its top ten employees.

Employee profit-sharing plans

All employees of the Group's French companies benefit from profit-sharing and incentive agreements based on the results of each specific entity. In line with the Group's decentralised structure, the terms and conditions of each of these agreements are negotiated at the level of each entity concerned.

Similarly, outside France, the Group encourages all subsidiaries to implement local agreements enabling employees to share in the profits of the entity to which they belong.

Provisions for pension benefits

Details of the total amount of provisions recorded or otherwise recognised by the Company for the payment of pensions are provided in Note 15 – *Provisions* in the Notes to the consolidated financial statements.

Transactions involving Pernod Ricard shares made by Directors in 2010/2011 (article 223-26 of the General Regulations of the AMF)

First name, surname, Company name	Function	Financial instrument	Type of transaction	Date	Price *(in euro)*	Amount of transaction *(in euro)*
Mr Patrick Ricard	Chairman of the Board of Directors	Other	Exercise of options	06.05.2011	28.42	1,018,800
Mr Pierre Pringuet	Chief Executive Officer	Other	Administered exercise of options	29.11.2010	23.75	226,979
		Other	Administered exercise of options	29.11.2010	28.42	297,302
		Other	Exercise of options	06.05.2011	28.42	1,276,115
Mr Alexandre Ricard	Permanent representative of Société Paul Ricard	Shares	Purchase	29.11.2010	63.83	7,723
		Other	Administered exercise of options	18.02.2011	52.59	142,519
Mr François Gérard	Director	Other	Exercise of options	11.11.2010	17.99	7,358
		Shares	Transfer	11.11.2010	63.31	25,894
		Other	Exercise of options	12.11.2010	23.75	431,205
		Shares	Transfer	12.11.2010	61.99	1,125,579
		Other	Exercise of options	12.11.2010	17.99	135,591
		Shares	Transfer	12.11.2010	62.58	471,665
		Shares	Transfer	15.11.2010	63.27	1,151,830
		Shares	Transfer	17.11.2010	62.43	5,731,072
Ms Nicole Bouton	Director	Shares	Purchase	18.11.2010	63.92	44,936
Mr Wolfgang Colberg	Director	Shares	Purchase	17.02.2011	67.92	33,960
Mr Laurent Burelle	Director	Shares	Purchase	22.06.2011	66.32	63,004
SNC Le Garlaban	Associate company, in the meaning of article L. 621-18-2 of the French Monetary and Financial Code, of Société Paul Ricard	Shares	Purchase	16.08.2010 17.08.2010	61.36	4,984,747
		Shares	Purchase	18.02.2011	67.65	5,999,945

Directors' equity investments in the issuer's share capital (position as of 31 August 2011)

Members of the Board of Directors	Number of shares at 31.08.2011	Percentage of share capital at 31.08.2011	Number of voting rights at 31.08.2011	Percentage of voting rights at 31.08.2011
Executive Directors				
Mr Patrick Ricard (Chairman of the Board of Directors)	1,564,282	0.59%	3,097,331	1.07%
Mr Pierre Pringuet (Chief Executive Officer)	190,000	0.07%	190,000	0.07%
Directors				
Mr François Gérard	14,217	0.01%	20,370	0.01%
Mr Rafaël Gonzalez-Gallarza	1,477,603	0.56%	1,477,603	0.51%
Mr César Giron	4,103	N.M.	7,010	N.M.
Ms Danièle Ricard	220,542	0.08%	404,643	0.14%
Mr Alexandre Ricard (1)	7,340	N.M.	7,340	N.M.
Société Paul Ricard SA represented by Mr Alexandre Ricard (2)	37,840,834	14.29%	57,725,855	19.93%
Independent Directors				
Ms Nicole Bouton	1,000	N.M.	1,000	N.M.
Mr Michel Chambaud	1,050	N.M.	1,050	N.M.
Mr Gérald Frère	1,050	N.M.	1,050	N.M.
Mr Anders Narvinger	1,020	N.M.	1,020	N.M.
Mr Wolfgang Colberg	1,076	N.M.	1,076	N.M.
Ms Susan Murray	200	N.M.	200	N.M.
Mr Laurent Burelle	1,000	N.M.	1,000	N.M.

N.M. = Not Meaningful.

(1) In addition, and through the Irish Distillers Employee Share Purchase Scheme, Mr Alexandre Ricard indirectly holds 463 Pernod Ricard shares.

(2) This includes the shares held by Société Paul Ricard and by Lirix, the SNC Le Garlaban, Le Delos Invest I, Le Delos Invest II and Le Delos Invest III (the latter having pledged 8,392,096 shares as a guarantee to the financial institution that financed its purchase of the said shares), related to Société Paul Ricard as defined in article L. 621-18-2 of the French Monetary and Financial Code.

Risk factors

Risks in connection with business activity

Risks relating to the global economic environment

Pernod Ricard is co-leader of the global Wine and Spirits market. It sells products in 70 countries.

The Group's business is sensitive to general economic conditions in its key markets, in particular in the United States, France and the rest of Europe. In most countries, the consumption of Wine and Spirits, which is closely linked to the broader economic environment, tends to decline during periods of economic recession, unemployment, reductions in consumer spending levels, and increases in cost of living and inflation.

While the Group's business has held up well during the recent economic and financial crisis, the Group believes that it remains exposed to the consequences of economic downturns and the possibility of more limited growth in consumption, particularly in North America and certain European countries.

In addition, Wine and Spirits consumers, including consumers of Pernod Ricard's products, also have the option of trading down to less costly products ('standard' as opposed to 'Premium' products), particularly during economic declines.

The diversified geographical spread of the Group's activities can help mitigate difficulties encountered, particularly in specific markets. For example, during the recent economic crisis that affected Europe and the United States in particular, the Group's sales in emerging markets continued to grow, and in the 2010/2011 financial year, the Asia/Rest of the World Region consolidated its position as the Group's leading region in terms of sales. Nevertheless, global recessions or severe or continued contractions in the Group's key markets could have an adverse impact on its sales, sparking a deterioration in the Group's consolidated earnings and outlook.

Risks relating to seasonality trends

Pernod Ricard makes an above-average portion of its sales during the Christmas and New Year season (November, December) and the Chinese New Year (January, February). Any major unexpected adverse event occurring during these periods, such as a natural disaster, pandemic, or economic or political crises, could result in a reduction in the Group's revenues during these periods, and, consequently, a deterioration in its full-year earnings.

Risks relating to competition

The Group operates in fiercely competitive markets, where brand recognition, corporate image, price, innovation, product quality, the breadth of distribution networks and services provided to consumers are differentiating factors among competitors.

While the Group constantly aims to strengthen the recognition of its brands, particularly its strategic brands, through advertising and promotional campaigns, enhancing the quality of its products and optimising its distribution and service networks, it must also face up to heightened competition from major international players on its international brands and from smaller groups or local producers on its local brands.

The fierce competition prevailing in the mature markets and the increasingly competitive nature of the emerging markets could require the Group to boost its advertising and promotion expenditures, or even reduce its prices, or keep them stagnant, in order to protect its market share.

Risks relating to further consolidation in the Wine and Spirits industry, as well as to retailers in general

The Group's industry has witnessed a trend toward the consolidation of distributors and merchants, which, in the past, has not had an adverse impact on the Group's business, due in part to the Group's strong brand portfolio and its own extensive distribution network.

However, further consolidation among spirits producers and merchants in the Group's key markets could negatively impact the sale of the Group's products as a result of, for example, less attention and fewer resources allocated to its brands. As the retail trade consolidates, merchants and retailers will have greater resources and negotiating leverage and, as a result, may seek to have the Group and other producers reduce their prices, otherwise conduct product promotions and/or accept payment terms that could reduce the Group's margins. As the market share of a merchant grows, its decisions may have a greater impact on the Group's sales and profitability. Changes in merchants' strategies, including a reduction in the number of brands they carry, the allocation of shelf space for our competitors' brands or private label products (including 'store brands') may adversely affect the Group's sales, outlook and market share.

Risks relating to the Group's geographic footprint

The Group derives a considerable (and increasing) portion of its sales from emerging markets in Asia, Latin America, and Central and Eastern Europe (India, China, Brazil and Russia, for instance).

Although any countries in the world could be affected, the Group's activities in the emerging countries are more particularly exposed to political and economic risks, including risks resulting from changes in government or regulatory policy. These risks include risks stemming from exchange rate controls, inflation, problems with the repatriation of foreign earnings, dividends and investment capital, exchange rate fluctuations, changes in tax regimes, implementation of restrictions on imports, as well as political instability.

Moreover, the Group may find itself unable to defend its rights appropriately before the courts of some of these countries, particularly in a litigation with the state or with state-controlled entities.

In addition, acts of terrorism or a declaration of war, the impact on consumer sentiment and tourism from threats of terrorism or war, any other adverse political event, or concerns relative to the threat of global pandemics could have a negative impact on consumers' propensity to make purchases in the more expensive product ranges of the Group's key product categories, in duty free stores and in other markets. Concerns of the above nature or other economic and political upheavals in the Group's markets could spark heightened volatility in its sales, with a negative impact on its earnings and outlook in these markets.

Risk relating to changes in consumer tastes and preferences

Pernod Ricard holds a core portfolio of 14 strategic Spirits and Champagne brands and four Priority Premium Wine brands, as well as 18 key local brands that are leaders in their particular category or on the Premium segments of the respective local markets. The Group's performance is dependent on its capacity to satisfy consumer expectations and desires. However, change in consumer expectations and desires is difficult to anticipate, and in many cases is beyond the Group's control. As a result, negative changes in consumer demands could affect its sales and market share.

In addition, the increasing number of advertising campaigns aimed at discouraging the consumption of alcoholic beverages, as well as changes in lifestyle and approaches to health issues, could over time modify consumer habits, the general social acceptability of alcoholic beverages and have an adverse impact on the Group's reputation, sales, financial position, earnings and outlook.

Risks relating to the Group's industrial sites

The Group has a substantial inventory of aged product categories, principally Scotch whisky, Irish Whiskey, cognac, rum, brandy and fortified wine, which mature over periods which can go beyond 30 years. The Group's maturing inventory is stored at numerous locations throughout the world. However, the loss of all or part of the maturing inventory or the loss of all or part of the production, distilling, blending or packaging sites attributable to negligence, an act of malice, contamination, fire or natural disaster could lead to a significant fall or prolonged interruption of the supply of certain products, precluding the Group from satisfying consumer demand for the said products. In addition, there is an inherent risk of forecasting error in determining the quantity of maturing stock to store in a given year for future consumption. This could lead to either an inability to supply future demand or a future surplus of inventory and consequently write downs in value of maturing stocks. Finally, there also can be no assurance that insurance proceeds would be sufficient to cover the replacement value of lost maturing inventory or assets in the event of their loss or destruction.

Risks relating to raw materials and energy prices

A number of the raw materials that we use for the production of our products are commodities that are subject to price volatility caused by changes in global supply and demand, weather conditions, agricultural uncertainty or governmental controls. Commodity price changes resulting in unexpected increases in the cost of raw materials cost or packaging materials could significantly increase our operating costs. Similarly, shortages of such materials could have a negative effect on our business. In addition, energy cost increases result in higher transportation, freight, distillation and other operational costs. The Group may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit, which could negatively impact the Group's results.

Risks relating to acquisitions

The Group has made major acquisitions in the past, such as the joint-acquisition with Diageo of the Seagram's Wines and Spirits business in 2001, the joint acquisition with Fortune Brands of Allied Domecq in 2005 and the acquisition of the Vin&Sprit group, owner of ABSOLUT vodka, in 2008. Pernod Ricard believes that it was able to successfully integrate these acquisitions.

In the event that Pernod Ricard decides to conduct a major acquisition in the future, it cannot guarantee that it will be completely successful in integrating the target into the Group. In addition to the fact that acquisitions require senior managers to devote a significant amount of time to resolving organisational issues, they also require the integration of new businesses, employees and products belonging to newly acquired companies. The integration process involves a great many unknowns, including the impact of the integration of new entities in a new structure and the management of the Human Resources of merged businesses. The Group's financial position, reported results and outlook could be affected should it be unable to make a success of the integration of newly acquired companies.

Risks relating to the Group's image and reputation

The success of the Group's brands depends upon the positive image that consumers have of those brands. The Group's reputation and image may at any time be significantly undermined by one-off incidents at an industrial facility or relating to a specific product. For example, contamination, whether arising accidentally, or through an act of malice, or other events that harm the integrity or consumer support for their brands, could adversely affect the sales of the Group's products. The Group purchases most of the raw materials for the production of its wines and spirits from third-party producers or on the open market. Contaminants in those raw materials or defects in the distillation or fermentation process at one of our industrial facilities could lead to low beverage quality as well as illness among, or injury to, our consumers, which could subject the Group to liability and result in reduced sales of the affected brand or all its brands.

In addition, to the extent that third-parties sell products that are either counterfeit versions of the Group's brands or inferior 'look alike' brands, consumers of the Group's brands could confuse its products with those brands. This could cause them to refrain from purchasing the Group's products in the future, which could in turn impair brand equity and adversely affect the Group's results.

Although the Group has implemented protection and control systems to limit the risk of contamination and other industrial accidents and has a Group Intellectual Property Department dedicated to protecting its brands (for more information, see 'Risks relating to Intellectual Property'), there can be no guarantee that problems arising from industrial accidents, contamination and other factors will not compromise the Group's reputation and image on a global scale. Reputational damage could potentially have negative effects on the Group's image, financial position, reported results and outlook.

Risks relating to personnel

The Group's success is dependent on the loyalty of its employees, and in particular of key employees, as well as its ability to continue to attract and retain highly qualified personnel. Difficulties in retaining or hiring key personnel, or the unexpected loss of experienced employees, including among acquired companies, could slow the implementation of the Group's strategic growth plans, and could have an adverse impact on its business, financial condition and results of operations.

In addition, the Group cannot guarantee the absence of strikes or other types of labour disputes. Any extended labour disputes could have an impact on the Group's sales.

Risks relating to a breakdown of the Group's information technology systems

Pernod Ricard uses information technology systems for the processing, transmission and storage of electronic data relating to the Group's operations and financial reporting. A significant portion of communications among the Group's personnel, clients and suppliers relies on the efficient performance of the Group's information technology systems.

In addition, the Group's information technology systems could be exposed to interruptions for reasons beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunications breakdowns, computer viruses, hackers or other security issues. Although the Group invests heavily in the maintenance and protection of its information systems, unexpected major breakdowns of one or several systems or any significant interruptions could disrupt the normal functioning of the Group, which could result in a negative impact on the Group's business, operations, operating profit, cash flow and financial position.

Risks relating to the Group's indebtedness

The Group reduced its indebtedness in 2010/2011, due in particular to free cash flow of €1 billion. The Group's net debt/EBITDA ratio decreased from 4.9 at 30 June 2010 to 4.4 at 30 June 2011 (net debt translated at average rates). For more information on the Group's indebtedness, see Note 16 to the consolidated financial statements.

The risks related to indebtedness are:

- limiting the Group's ability to obtain additional financing for working capital, capital expenditure, acquisitions or general corporate purposes, and increasing the cost of such additional financing;
- a reduction in the cash available to finance working capital requirements, capital expenditure, acquisitions or corporate projects, a significant part of the Group's operating cash flow being put towards the repayment of the principal and interest on its debt;
- increasing the Group's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- the occurrence of a breach of one of the commitments made by the Group pursuant to the contracts bearing on its financing could require it to accelerate the repayment of its debt, thereby potentially sparking a liquidity crisis.

Risks relating to the Group's pension plans

The Group's unfunded pension obligations amounted to €216 million at 30 June 2011. During the 2010/2011 financial year, the Group made total contributions to Group pension plans of €130 million. For more information on the Group's pension and other post-employment liabilities, see Note 15 to the consolidated financial statements.

The Group's pension obligations are for the most part covered by balance sheet provisions and partially covered by pension funds or by insurance. The amount of these provisions is based on certain actuarial assumptions, which include for example discounting factors, demographic trends, pension trends, future salary trends and expected returns on plan assets. If actual developments were to deviate from these assumptions, this could result in an increase in pension obligations on the Group's balance sheet and require a substantially higher allocation to pension provisions, which could have a material adverse effect on the Group's financial results.

The funding of the increase in the Group's future obligations under its pension plans should be able to be carried out from its cash flow from operations. If the performance of the assets in the Group's funded pension plans does not meet its expectations or if other actuarial assumptions are modified, the Group's contributions to its pension plans could be materially higher than expected, which would reduce the cash available for its business.

Risks relating to Intellectual Property

The recognition of the Group's brands is a fundamental part of its competitiveness. The management of the Group's brands and other owned intellectual property rights require substantial investments both for their protection and defence.

The Group has taken very strict actions in this area. It has formulated an intellectual property policy implemented by a team of nearly 30 specialists working in six distinct locations (to whom specific brand portfolios are allocated), coordinated by the Intellectual Property Department, which is housed in the Holding Company. This team is responsible for the administrative management of the Group's brands, designs and models, copyright, domain names and patents (part of the innovation policy of the Group). The team is in charge of coordinating litigation (counterfeits, unfair competition, forfeiture, opposition, etc.) and contracts (sale, licensing, coexistence) involving intellectual property issues.

The defence of such property is a mission involving all of the Group's personnel, who are aware of the importance of this crucial asset; for instance, sales forces are called on to identify any imitation of the products and brands of the Group by a third party and to transmit to the team of intellectual property lawyers all information in order to respond efficiently to those actions.

However, the Group, as any owner of intellectual property rights, is not in a position to guarantee that such measures will be fully sufficient to force third parties to respect its rights. In some non-European Union countries, particularly in Asia (China, Thailand, Vietnam, etc.), even though satisfactory legal options generally exist, it can be difficult to persuade the local authorities to apply dissuasive sanctions on counterfeiters that reproduce in full or in part the Group's most popular brands in these countries. Yet those illicit acts are likely to have unfavourable consequences on the image of the relevant products. Therefore, the Group takes specific action, with objectives determined on the basis of the market and the brand, bringing together different internal departments so as to bring a cross-functional approach to bear on the problem of counterfeiting. These actions include coordinated legal responses and operations aimed at raising awareness among local authorities, field and online surveys, as well as technical and technological measures aimed at improving the protection of the Group's products.

Third parties can also contest the Group's ownership of certain brands. For instance, the Group is currently involved in litigation on the Havana Club brand (see 'Disputes relating to brands' below).

Legal decisions could therefore affect the Group's brand portfolio, potentially having negative effects on its financial position, reported results and outlook.

Risks relating to change in the regulatory environment

The Group's businesses throughout the world are subject to a growing number of bodies of regulations, in particular with respect to the sale and advertising of alcoholic beverages. The regulatory environment governing the production and marketing of alcoholic beverages could undergo change in France, in the European Union or in the rest of the world. Similarly, advertising and promotions of alcoholic beverages are subject to increasingly stringent rules aimed at changing consumer behaviour and reducing alcohol consumption.

In particular, in its capacity as a distributor of international beverage brands, the Group is subject, in the various countries in which it trades, to numerous regulatory requirements concerning production, product responsibility, distribution, marketing, advertising, labelling and imports. More broadly speaking, it is also subject to issues relating to competition and consolidation, commercial and pricing policies, pensions, labour law and environmental concerns.

In addition, the Group's products are subject to import and indirect taxes in the various countries in which it trades. Regulatory decisions and changes in legal and regulatory requirements in these markets could have a negative impact on Pernod Ricard's business:

- **product recalls**: regulatory authorities in the countries in which the Group trades could be given coercive powers and could subject the Group to measures including product recalls, product seizures and other sanctions, any of which could have an adverse effect on its trading or harm its reputation and its operating profit;
- **advertising and promotions**: regulatory authorities in the countries in which the Group trades could impose restrictions on advertising for alcoholic beverages, for instance by banning television advertisements or the sponsoring of sporting events, or by restricting the use of these media. Furthermore, the Group has signed several voluntary self-regulation codes, which impose restrictions on the advertising of and promotions for alcoholic beverages. These limits could have the effect of (i) hindering or restricting the Group's capacity to maintain or reinforce consumer behaviour in relation to its brands and their recognition on major markets and (ii) significantly affecting the Group's trading environment;
- **labelling**: regulatory authorities in the countries in which the Group trades could impose new or different requirements in terms of labelling and production. Changes to labelling requirements for alcoholic beverages, encompassing the Group's portfolio of Premium Wine and Spirits, could diminish the appeal of these products in the eyes of consumers, thereby leading to a fall in the sales of these beverages. Furthermore, such changes could have the consequence of increasing costs, thereby affecting the Group's earnings;
- **import taxes and customs duties:** the Group's products are subject to import taxes and customs duties in most markets. An increase to import taxes and customs duties or a change in the legislation relative to duty free sales could lead to an increase in price as well as a reduction in the consumption of its Premium Wine and Spirits brands or an increase in costs for the Group; and
- **access to market companies**: regulatory authorities in the countries in which the Group trades could seek to restrict consumers' access to Group products, for instance by limiting the trading hours of establishments serving alcoholic beverages or increasing the legal age for alcohol consumption.

Aside from the fact that change in local laws and regulations could in some cases restrict the Group's growth capacity by changing consumer behaviour, compliance with new laws and regulations could also require substantial investments. This could potentially have a significantly negative impact on the Group's reporting results and outlook.

Similar to other businesses, the Wine and Spirits business is highly sensitive to changes in tax regulations. In addition, in the current macroeconomic climate, governmental entities may resort to increasing taxes on alcoholic beverages in order to raise funds. The effect of any future tax increases on the Group's sales in a given jurisdiction cannot be precisely measured. However, significant increases in import and excise duties on alcoholic beverages and on other taxes could have a significant adverse impact on the Group's financial condition and operating profit. Furthermore, the Group's net profit is calculated on the basis of extensive tax and accounting requirements in each of the jurisdictions in which the Group operates. Changes in tax regulations (including tax rates), accounting policies and accounting standards could have a material impact on the Group's results.

In addition, as a large, international group, the Pernod Ricard Group can be subject to tax audits in several jurisdictions. The Group takes tax positions that it believes are correct and reasonable in the course of its business with respect to various tax matters. However, there is no assurance that tax authorities in the jurisdictions in which the Group operates will agree with its tax positions. In the event the tax authorities successfully challenge the Group on any material positions, the Group may be subject to additional tax liabilities that may have an adverse effect on the Group's financial condition if they are not covered by provisions or if they otherwise trigger a cash payment.

Risks relating to litigation

Similar to other companies in the Wine and Spirits industry, the Group is, from time to time, subject to class action or other litigation and complaints from consumers or government authorities. In addition, the Group routinely faces litigation in the ordinary course of its business. If such litigation resulted in fines, monetary damages or reputational damage to the Group or its brands, its business could be materially adversely affected.

Disputes relating to brands

Havana Club

The Havana Club brand is owned in most countries by a joint venture company called Havana Club Holding SA (HCH), of which Pernod Ricard is a shareholder. In some countries, including the United States, the brand is owned by a Cuban company called Cubaexport. Ownership of this brand is currently being challenged, particularly in the United States and in Spain, by a competitor of Pernod Ricard.

In 1998, the United States passed a law relating to the conditions for the protection of brands previously used by companies nationalised by the Castro regime. This law was condemned by the World Trade Organization (WTO) in 2002. However to date the United States has not amended its legislation to comply with the WTO decision.

1. The United States Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of the US trademark registration for the Havana Club brand, which is owned in the United States by Cubaexport. In August 2006, the United States Patent and Trademark Office (USPTO) denied Cubaexport's application for renewal of the Havana Club registration, following guidance from OFAC. Cubaexport petitioned the Director of the USPTO to reverse this decision and also filed a claim against OFAC in the US District Court for the District of Columbia, challenging OFAC's decision and the law and regulations applied by OFAC. On 30 March 2009, the US District Court for the District of Columbia ruled against Cubaexport. On 29 March 2011, the Court of Appeals blocked, in a two to one decision, Cubaexport from renewing its trademark. On 31 August 2011, The Court of Appeals dismissed Cubaexport's claim to have its case newly examined. Cubaexport will be able to appeal before the Supreme Court. Cubaexport's petition against the USPTO's decision has been stayed pending the final and binding outcome of the OFAC proceedings.
2. A competitor of the Group has petitioned the USPTO to cancel the Havana Club trademark, which is registered in the name of Cubaexport. On 29 January 2004, the USPTO denied the petition and refused to cancel the trademark registration. As this decision was appealed, proceedings are now pending before the Federal District Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition to the USPTO (which, as noted above, itself is stayed pending the final and binding outcome to the OFAC proceedings).
3. In August 2006, this competitor introduced a 'Havana Club' rum in the United States, which is manufactured in Puerto Rico. Pernod Ricard USA instituted proceedings in the District Court for the District of Delaware on the grounds that the competitor is falsely claiming to own the Havana Club trademark and that this false claim and the use of the Havana Club trademark on rum of non-Cuban origin is misleading to consumers and should be prohibited. In April 2010, the District Court for the District of Delaware ruled against Pernod Ricard USA. Pernod Ricard USA filed an appeal against the decision. On 4 August 2011, the Court of Appeals upheld the judgement.
4. HCH's rights relating to the Havana Club brand were confirmed in June 2005 by the Spanish Court of First Instance as a result of proceedings initiated in 1999, in particular by this same competitor. The decision was appealed by the plaintiffs before the Madrid Provincial Court, but their appeal was rejected in February 2007. They appealed before the Spanish Supreme Court, which rejected their appeal in a decision handed down on 3 February 2011.

Stolichnaya

Allied Domecq International Holdings B.V. and Allied Domecq Spirits & Wine USA, Inc., together with SPI Spirits and other parties, are defendants in an action brought in the United States District Court for the Southern District of New York by entities that claim to represent the interests of the Russian Federation on matters relating to ownership of the trademarks for vodka products in the United States. In the action, the plaintiffs challenged Allied Domecq International Holdings B.V.'s then-ownership of the Stolichnaya trademark in the United States and sought damages based on vodka sales by Allied Domecq in the United States and disgorgement of the related profits. On 31 March 2006, Judge George Daniels dismissed all of the plaintiffs' claims concerning Allied Domecq International Holdings B.V.'s then-ownership of the Stolichnaya trademark in the

United States. The plaintiffs subsequently filed in the United States Court of Appeals for the Second Circuit an appeal of the portion of the 31 March 2006 decision dismissing their trademark ownership, trademark infringement and fraud claims (as well as the dismissal of certain claims brought only against the SPI entities).

The Court of Appeals on October 8, 2010 (i) affirmed the dismissal of plaintiffs' fraud and unjust enrichment claims and (ii) reinstated plaintiffs' claims for trademark infringement, misappropriation and unfair competition related to the use of the Stolichnaya trademarks. The Court of Appeals has remanded the case to the District Court for further proceedings.

Plaintiffs filed their Third Amended Complaint on 23 February 2011, alleging trademark infringement (and related claims) and misappropriation against Allied Domecq, the SPI entities and newly-added defendants William Grant & Sons USA and William Grant & Sons, Inc., (the current distributors of Stolichnaya vodka in the United States). All defendants moved to dismiss plaintiffs' Third Amended Complaint. On 1 September 2011, Judge Daniels dismissed plaintiffs' trademark and unfair competition claims with prejudice on the ground that plaintiffs lack standing to bring these claims in the name of the Russian Federation. Because he dismissed the federal trademark claims, Judge Daniels declined to exercise jurisdiction over the remaining common law misappropriation claim and thus he dismissed that claim without prejudice to plaintiffs refiling that claim in state court.

Commercial disputes

Claim brought by the Republic of Colombia against Pernod Ricard, Seagram and Diageo

The Republic of Colombia, as well as several Colombian regional departments, brought a lawsuit in October 2004 before the US District Court for the Eastern District of New York against Pernod Ricard S.A., Pernod Ricard USA LLC, Diageo Plc, Diageo North America Inc. (formely known as Guinness UDV America Inc. f/k/a UDV North America Inc. f/k/a Heublein Inc.), United Distillers Manufacturing Inc., UDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiffs' claims are that these companies have committed an act of unfair competition against the Colombian government and its regional departments (which hold a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution channels and by receiving payments from companies involved in money laundering. Pernod Ricard contests these claims.

The defendants moved to dismiss the lawsuit on a variety of grounds, including that the Court is not competent to hear this dispute, that Colombia is a more convenient forum, and that the Complaint fails to state a legal claim. On 19 June 2007, the District Court granted in part and denied in part the defendants' motions to dismiss.

On 18 January 2008, the Second Circuit Court of Appeals refused to review the District Court's decision.

After a period of discovery regarding the plaintiffs' claims that were not dismissed, Pernod Ricard on March 1, 2011 filed a new motion to dismiss based on recent case law regarding the extraterritorial application of 'RICO'. The discovery has been stayed it its entirety until the Court rules on this motion. Pernod Ricard will continue to vigorously defend itself against the claims.

On September 21, 2009, Pernod Ricard and Diageo, in exchange for a payment of USD 10 million made to each of Diageo and Pernod Ricard, released Vivendi SA and Vivendi I Corp. from any obligation to indemnify Pernod Ricard and Diageo for certain Colombia litigation losses based on conduct of Seagram that pre-dates its acquisition by Pernod Ricard and Diageo, if Seagram were ever found liable in this litigation.

Customs duties in Turkey

Allied Domecq Istanbul Iç ve Dis Ticaret Ltd. Sti ('Allied Domecq Istanbul'), as well as some of its competitors, was involved in a customs dispute over the customs valuation of certain Turkish imports. The main issue was whether the duty free sales price can be used as the basis for declaring the customs value of Turkish imports. The customs authorities took legal action against Allied Domecq Istanbul in Turkey for non-compliance with customs regulations in respect of certain imports. An amnesty law that allows for settlement of existing tax liabilities in Turkey was enacted on February 25, 2011. Allied Domecq Istanbul submitted applications to benefit from the provisions of this law. As a result, the customs dispute described herein has been settled with the Turkish authorities.

Customs duties in India

Pernod Ricard India (P) Ltd has an ongoing dispute with Indian Customs over the declared transaction value of concentrate of alcohol beverage (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court which issued an order on 26 July 2010, setting out the principles applicable for the determination of values which should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. Even for the subsequent period up to December 2010 the Company has deposited the differential duty as determined by customs although the values adopted by them are being disputed to be on the higher side. The Company continues to actively work with the authorities to resolve pending issues.

Apart from the above-mentioned procedures, there are no other government, legal or arbitration procedures pending or threatened, including all procedures of which the Company is aware, which are likely to have or which have had over the last 12 months a significant impact on the profitability of the Company and/or Group.

The litigations described above are also mentioned in Note 23 of the Notes to the consolidated statements.

Presentation of industrial and environmental risks

Prevention of industrial and environmental risks

Pernod Ricard's management of industrial and environmental risks is based on a QSE (Quality, Security, Environment) policy which is common to the entire Group and has been implemented in all production subsidiaries worldwide.

It is coordinated by the Group's Technical Division, and is based on internal Pernod Ricard standards inspired by systematic risk analysis, and by Guidelines setting out best practice in each of the areas covered: product quality, security of personnel, environment,

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and major risks (fire, explosions, etc.). It is implemented in each of the subsidiaries, each one being entirely responsible for identifying and controlling its impacts and its environmental risks, within the framework of the Group's decentralised organisation.

At each production subsidiary, a QSE representative is responsible for the application of this policy. Led by the Group's QSE team, the QSE network enables best practices to be identified and shared in a context of continuous improvement. It also participates in the implementation of full QSE audits, in order to endorse risk analysis done by subsidiaries and the measures taken to reduce these risks. Covering around 30% of the Group's production sites each year, these audits (known as 'crossed audits') involve the auditors of several subsidiaries. This helps to boost knowledge-sharing, enhance the skills of internal experts, and improve internal standards by adding new Guidelines on an on-going basis.

With regard to major industrial risks, a Risk Manager attached to the Technical Division coordinates the work done by subsidiaries in the area of risk reduction. The Risk Manager mainly focuses on prevention measures (design and maintenance of facilities, training, operating procedures, etc.) and protection systems (automatic fire extinguishing systems, water retention facilities, emergency procedures, etc.). He makes regular visits to assess the sites, in conjunction with the insurer, with each site being attributed a score, along with technical recommendations. The Risk Manager is systematically consulted on projects relating to the construction or extension of these facilities. In agreement with the insurer's experts he also recommends the most appropriate solution for the risk in question in each case.

In addition, a programme devoted to implementing Business Continuity Plans has been initiated on a priority basis for the most strategic subsidiaries. It is aimed at protecting the Group's operations from the consequences of a major disaster with catastrophic consequences, such as a fire. To this end, the programme sets out the various scenarios liable to affect a site, and looks for ways to reduce the impact on business. It leads to the preparation of a business resumption plan including the implementation of emergency solutions and access to alternative means of production.

Lastly, Pernod Ricard's risk management policy is accompanied by an ambitious QSE certification initiative for the Group's production sites, in accordance with four standards. As at end June 2011, the following proportions of the Group's global industrial facilities had been certified:

- for quality management (ISO 9001): 94% of sites, or 98% of production;
- for environmental management (ISO 14001): 91% of sites, or 96% of production;
- for safety management (OHSAS 18001): 90% of sites, or 96% of production;
- for food safety (ISO 22000): 48% of sites, or 67% of production.

Major risks identified and specific risk prevention measures

Various types of risks have been identified in relation to the level of the Group's industrial activities, for which specific preventative measures or monitoring procedures have been implemented.

Fire hazard

As alcohol is highly inflammable, fire is the main risk to our facilities and staff, particularly the sites where spirits are produced and stored. This risk is also present at sites where blending and conditioning of alcohol take place. There is also the risk of explosion, which could occur if alcohol vapours come into contact with a heat source.

Of the 99 industrial sites operational as at 30 June 2011, 7 (1 in Ireland and 6 in Scotland) were classified as high-threshold Seveso due to the volumes stored there, higher than 50,000 tonnes (classification by the European Directive Seveso II for the prevention of major accidents). In the rest of the world, only one site, in Canada, was above this threshold. These sites are systematically subject to a high level of protection and prevention, which can be seen in the use of fire-resistant materials, the presence of automatic fire-extinguishing systems (sprinklers) and water reserves, training and the implementation of rigorous working procedures. Moreover, the recommendations of the ATEX Directive on explosive atmospheres have been reflected in the Group's internal Guidelines, which are applicable to all subsidiaries.

No fires or explosions have affected the Group's activities during the last ten years. In May 2000, a fire led to the loss of a bourbon warehouse in Kentucky.

Risk of accidental spillage

There is a risk of accidental spillage of a product (wine, alcohol or other), potentially polluting the soil, a river or water tables. The risk is particularly high in cases of fire causing alcohol to be spilled and spread by water and foam used to extinguish the fire. The risk of pollution is part of risk surveys and prevention measures at the Group's sites, and is the object of significant preventative measures: water retention facilities in storage and unloading areas, construction of drainage systems, drainage to storage basins.

Risk of natural disasters

Several facilities are located in areas known to be at significant risk of earthquake. This includes facilities located in New Zealand, Armenia, California and Mexico. The Group's wine production facility in Gisborne, New Zealand, was hit by an earthquake in 2007. This caused substantial damage, but without major consequences for the business.

Some areas are exposed to hurricane risk. The San José plant in Cuba has taken preventative measures to cover this contingency.

There is also a risk of flooding at certain sites. Cellars were affected in Scotland in 2009, but there was no significant damage. Flooding is not considered to be a particularly high risk at any of the Group's facilities.

Lastly, in January 2010, exceptionally heavy snowfalls in the northern part of Scotland caused the roofs of 40 ageing cellars at the Mulben facility to collapse. A scenario of this nature had never previously been seen in this region and was deemed extremely unlikely. The damages only concerned the buildings, as the collapse did not affect inventories of spirits. The damaged cellars were rebuilt.

Other environmental risks

The risks of climate events such as frost, hail or drought can affect agricultural supplies to the Group's subsidiaries. In the event, since our subsidiaries' own agricultural production still represents much less than raw materials purchases, climate risk for agriculture relates essentially to climate-related impacts on the purchasing price of raw materials used.

In addition, the Group remains attentive to the issue of climate change and is committed, in its environmental policy, to reducing its greenhouse gas emissions, whether directly, through energy consumption (Scope 1 and Scope 2 emissions) or through purchasing of raw materials, packaging materials and logistics services.

Lastly, a number of production sites use groundwater for their water needs. The quality of this water is therefore a key factor in product quality, and is monitored very closely. Responsible water management is a major part of the Group's environmental management policy: each site has to ensure that the use of groundwater or river water and release of waste water back to the environment do not cause harm to nature.

More detailed information on the impact of the Group's activities on nature and its environmental management is provided in the section 'Corporate Social Responsibility'.

Risks for consumers

The Group has noted the health risks involved in the inappropriate consumption of alcoholic beverages and accordingly has a very strong ethical commitment to encouraging responsible drinking (see specific comments on this subject).

The other risks for consumers relate to product quality. They mainly concern the presence of foreign bodies in bottles (glass fragments) or contamination by an undesirable component. The control of these risks is based on the application of the HACCP method, which aims to identify risks involved in the manufacturing *process* and to bring them under control. Despite the fact that Wine and Spirits are less exposed to such risks than the products of other food-industry segments, Pernod Ricard decided in 2009 to go ahead with the gradual certification of its facilities in accordance with ISO 22000, which aims specifically to bring these risks under control. As of 30 June 2011, 48 of the Group's 99 industrial sites that are currently operational had been certified under this standard. The Group has also included specific guidelines concerning glass fragments and the risk of contamination in its internal standards.

Management of liquidity risk

At 30 June 2011, cash totalled €774 million (compared with €701 million at 30 June 2010). An additional €1,478 million of medium-term credit facilities with banks was confirmed and remained undrawn at this date. Group funding is provided in the form of long-term debt (syndicated loans, bonds, etc.) and short-term financing (commercial paper, bank overdrafts, factoring, etc.), which provide adequate financial resources to ensure the continuity of its business. Short-term financial debt after hedging was €405 million (compared with €1,382 million at 30 June 2010).

While the Group has not identified any other significant short-term cash requirement, it cannot be fully guaranteed that it will be able to continue to get the funding and refinancing needed for its day-to-day operations and investments on satisfactory terms, given the uncertain economic climate.

The Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. At 30 June 2011, the Group was in compliance with the covenants under the terms of its syndicated loan: hedging ratio (consolidated EBITDA/net financing costs) of 2.75 or above and solvency ratio (total net debt/consolidated EBITDA) of 6.25 or below. At 30 June 2011, the change to a 'suspension test' (total consolidated debt/consolidated EBITDA of 4.5 or below) implies that it is no longer necessary to apply the coverage ratio, and that only the solvency ratio need be kept.

Furthermore, while the vast majority of the Group's cash surplus is placed with branches of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may experience reduced liquidity and severe volatility.

The currency controls in place in certain countries limits the Group's ability to use cash (prohibition on investment with Pernod Ricard Finance), and in some cases, the possibility of paying dividends (authorisation from the relevant authorities is required in Cuba and Venezuela).

Additional information regarding liquidity risks is provided in Notes 16 *Financial liabilities* and 17 *Financial instruments* of the consolidated financial statements.

Market risks (currency and interest rates)

Currency risk

As the Group consolidates its financial statements in euro, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction risk and translation of results).

While some hedging strategies allow exposure to be limited, there is no absolute protection against exchange rate fluctuations.

For asset risk, financing foreign currency denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit assets.

Movements in currencies against the euro (notably the USD dollar) may impact the nominal amount of these debts and the financial costs published in euro in the consolidated financial statements, and this could affect the Group's reported results.

With respect to operational currency risk, its international operations expose the Group to currency risks bearing on transactions carried out by subsidiaries in a currency other than their operating currency.

In all cases, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to exchange rate risk on invoicing between producer and distributor subsidiaries is managed via a monthly payment centralisation procedure involving most countries with freely convertible and transferable currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged using financial derivatives (forward buying, forward selling or options) to hedge certain highly probable non-Group operating receivables and payables.

Interest rate risk

At 30 June 2011, Pernod Ricard group debt comprised floating-rate debt (mainly the syndicated loan and other bank loans) and fixed-rate debt (mainly bonds), in addition to a hedging portfolio including interest rate swaps and options in EUR and USD.

The Group cannot guarantee that these hedges will prove sufficient nor that it will be able to maintain them on acceptable terms.

Additional information on currency and interest-rate risks is provided in Notes 16 *Financial liabilities*, 17 *Financial instruments* and 18 *Interest rate and foreign exchange derivatives* in the Notes to the consolidated financial statements.

Insurance and risk coverage

For Pernod Ricard, use of insurance is a solution for the financial transfer of the major risks facing the Group. This transfer is accompanied by a policy of prevention for the purpose of reducing contingencies as far as possible. The Group evaluates its risks with care in order to best adjust the level of coverage of the risks it incurs.

The Group has two types of cover: Group insurance programmes and local policies. The programmes at Group level are monitored by an insurance manager who coordinates the insurance and risk management policy and also by a person in charge of monitoring industrial risk prevention.

Insurance policies

In order to cover the main risks, Pernod Ricard has set up international insurance programmes for all Group subsidiaries, barring exceptions due to local regulatory constraints in certain countries or as a result of more attractive conditions offered by the local market. These programmes provide the following cover:

- property damage and business interruption losses;
- operating and product liability;
- costs and losses incurred by the Group due to accidental and/or criminal contamination;
- Directors' civil liability;
- damage during transport (and storage);
- credit insurance for trade receivables;
- fraud.

A number of subsidiaries have taken out additional insurance for specific needs (e.g. insurance for vineyards in Australia and Spain, insurance for vehicle fleets, etc.).

Coverage

Type of insurance	Coverage and limits on the main insurance policies [1]
Property damage and business interruption losses	Coverage: fully comprehensive (except exclusions) Basis of compensation: ■ new value for moveable property and real estate, except for certain subsidiaries, which have exceptionally chosen, with the contractual agreement of the insurers, to provide for another basis of compensation; ■ cost of sale for inventories, except for certain maturing stocks that are insured at cost of sale or net book value plus a fixed margin (tailored to each company); ■ business operating losses with a compensation period of between 12 and 24 months according to the company. Limits on compensation: ■ up to €950 million for the Midleton (Ireland) site, €550 million for Martell (France), €150 million for the Spanish and Nordic sites acquired with V&S, and €360 million for the rest, including the sites of The ABSOLUT Company. Furthermore, a captive insurance company provides insurance cover for an amount of €0.8 million per claim with a maximum commitment of €4 million per annum.
General civil liability (operating and product liability)	Fully comprehensive coverage (except for exclusions) for damage caused to third parties for up to €220 million per year of insurance.
Product contamination	Coverage for recall outlay, loss of business and outlay on rebuilding Pernod Ricard's image following contamination of products delivered: €45 million for accidental contamination and €50 million for criminal contamination.
Directors' civil liability	Coverage of up to €125 million per year of insurance.
Transport	Coverage of up to €25 million per claim.
Credit	Guarantees covering mainly the Group's French and European subsidiaries. These guarantees range from €19 million to €134 million depending on whether the subsidiaries are party to the various factoring and securitisation programmes.
Fraud	Coverage of up to €35 million per year.

(1) The figures shown are the main limits for the year ended 30 June 2011. Changes may have been negotiated for the 2011/2012 financial year. Some contracts provide specific limits for certain aspects of coverage.

Means used by the Group to manage the compensation of victims in the event of technological incidents for which it is liable

In the event of a technological incident that triggers Pernod Ricard's liability or that of a Group company, the Company and/or the Group will rely on their brokers and insurers for assistance; they will set up, in particular, a crisis unit bringing together all necessary service providers. All these players have the experience and means required for managing exceptional situations.

Risks and disputes: provisioning procedure

As part of its commercial activities, the Pernod Ricard group is involved in legal actions and subject to tax, customs and administrative audits. The Group only records provisions for contingencies and expenses when it is likely that a current obligation stemming from a past event will require the payment of an amount that may have been underestimated. Provisions represent the best estimate of the amount of resources required to extinguish the said obligation. Provisions accordingly involve an assessment by the Group's senior management.

Significant contracts

Significant contracts not related to financing

Jinro

On 15 February 2000, Jinro Ballantine's Company Limited was formed in South Korea. 70% of its share capital is held by Allied Domecq (Holdings) Limited ('Allied Domecq'), with the remaining 30% held by Jinro Limited, one of South Korea's largest spirits producers and distributors. Additionally, Allied Domecq Spirits & Wine (Europe) B.V. ('ADSWE') purchased a 70% interest in Jinro Ballantine's Import Company Ltd ('JBIC'), with the remaining 30% held by Korea Wines & Spirits Company Ltd. The total value of Allied Domecq's 70% interest in both companies was approximately £103 million. The first of these companies bottles and distributes the Imperial Whisky brand, while the second company (wound up on 4 July 2006) imported and distributed brands from Allied Domecq's international brown spirits portfolio. In addition, the distribution rights for non-brown spirits were transferred to Jinro Ballantine's Import Company Ltd in April 2004.

In April-May 2003, Jinro Limited became subject to involuntary reorganisation proceedings. Following the failure of Jinro to recover from such reorganisation proceedings, Allied Domecq sent Jinro a notice of termination of the joint venture agreement, the validity of which has been affirmed under Korean law. Jinro Limited still holds a 30% stake in Jinro Ballantine's Company.

In May 2006, some of JBIC's rights and obligations were transferred to Pernod Ricard Korea, while all JBIC employees were transferred to Jinro Ballantine's Company.

In September 2008, 'Jinro Ballantine's Company' changed its name to 'Pernod Ricard Korea Imperial Company Ltd'.

Suntory

In 1988, Allied Domecq entered into a series of agreements with Suntory Ltd, one of Japan's leading producers and distributors of spirits. One element of these agreements was the creation of a joint venture company in Japan called Suntory Allied Ltd, of which 49.99% of the capital and voting rights are owned by Allied Domecq and 50.01% by Suntory Ltd. Suntory Allied Ltd was granted the exclusive rights to distribute certain Allied Domecq brands in Japan until 31 March 2029.

The management of Suntory Allied Ltd is jointly controlled by Pernod Ricard, as successor-in-interest to Allied Domecq and Suntory Ltd.

Meanwhile, Pernod Ricard sold its 1% minority shareholding in Suntory Holdings Limited, parent company of Suntory Ltd. The shareholding was bought back by Suntory Holdings Limited for a cash consideration of 4.66 billion Yen (circ. €40 million), which was received on April 4th, 2011.

Sale and repurchase agreements

In relation to sale and repurchase agreements, Pernod Ricard resold 5,955,534 treasury shares in 2008 and 832,352 treasury shares in 2010, which had been purchased to cover certain stock option plans. For these transactions, the stock held to cover a number of stock option plans was transferred to three different banks, although Pernod Ricard reserved the right through a repurchase clause, to buy up these shares as the options are exercised at the option exercise price. These transactions are viewed legally as sales carried out under a dissolving condition (exercise of the repurchase option); when the option is exercised, the initial sale is considered as never having taken place, and it is deemed that the shares involved were the property of the assignor from the outset. Thus the Group meets its legal obligation to cover purchase options with shares, at the latest on the date on which the options may be exercised.

Sale and repurchase agreements were operated on the 5 plans, as follows:

Date of the sale and repurchase agreements	Number of shares assigned	Selling price, net of premium *(in euro)*	Dates of the Board Meetings authorising the plans
06.03.2008	2,079,776	48.0	14.06.2006
11.03.2008	1,782,028	38.8	02.11.2004
13.03.2008	1,200,000	33.7	18.12.2003
13.03.2008	893,730	45.2	25.07.2005
05.10.2010	832,352	51.8	21.06.2007

No shares were sold pursuant to these arrangements in 2009/2010.

Financing contracts

2008 Credit Agreement

Within the context of the purchase of V&S Vin&Sprit Aktiebolag ('V&S'), on 27 March 2008, Pernod Ricard and a number of subsidiaries signed a new credit agreement modified by successive amendments ('the Credit Agreement'), with a pool of banks headed by BNP Paribas, Crédit Agricole CIB, J.P. Morgan Plc, Natixis, The Royal Bank of Scotland Plc and Société Générale Corporate & Investment Banking.

The main purpose of this Credit Agreement was to refinance existing Group debt (including the entire amount drawn down under the 21 April 2005 credit agreement upon the purchase of Allied Domecq) and to finance the purchase of V&S.

The main terms of the Credit Agreement are as follows:

- Facility A – a medium-term loan in euros for €1,000 million;
- Facility B – medium-term loans, including a facility in euros for €665 million and another in US dollars for $3,620 million;
- Facility C – five-year loans, including a facility in euros for €713 million and another in US dollars for $6,518 million;
- Facility D – a five-year loan in euros for €600 million to refinance a bond issue by Allied Domecq Financial Services Ltd amounting to €600 million at a nominal rate of 5.875% due on 12 June 2009;
- Facility E – two multi-currency revolving credit lines for €1,200 million and €820 million.

The loan was drawn down to pay for the V&S acquisition on 23 July 2008 and to refinance bonds issued by Allied Domecq Financial Services Ltd. The amounts drawn down under the Credit Agreement at 30 June 2011 came to approximately €4.3 billion. As at 30 June 2011, Facilities A and B had been repaid in full, the residual outstanding amount with respect to Facility C is $4,536 million, to Facility D is €600 million and to Facility E is €500 million and $60 million.

The obligations of each of the borrowers under the Credit Agreement are guaranteed by Pernod Ricard. No collateral was granted under the terms of the Credit Agreement.

The Credit Agreement contains the customary representations and warranties, as well as the usual restrictive covenants contained in such contracts, restricting the ability of certain companies in the Group (subject to some exceptions) to arrange additional loans or pledge their assets as collateral, alter the general nature of the Group's activities or carry out acquisition, disposal or restructuring transactions. However, an adjustment mechanism ('suspension test') allows for the easing of some contractual restrictions.

The Credit Agreement also sets out commitments including a commitment to provide lenders with adequate information, compliance with two financial ratios mentioned opposite, at each half-year end (coverage ratio and solvency ratio) as well as compliance with certain commitments customary in this type of credit agreement (including the maintenance of the credit's *pari passu* ranking).

Coverage ratio (consolidated EBITDA/consolidated net financial expenses)

At each of the dates indicated in the table below, the coverage ratio must be greater than or equal to the following levels:

Date	Ratio
30 June 2011	2.75:1
31 December 2011	3.00:1
30 June 2012	3.25:1
31 December 2012	3.25:1
30 June 2013	3.50:1

Solvency ratio (total consolidated net debt/ consolidated EBITDA)

At each of the dates indicated in the table below, the solvency ratio must be lower than or equal to the following levels:

Date	Ratio
30 June 2011	6.25:1
31 December 2011	6.25:1
30 June 2012	5.50:1
31 December 2012	5.25:1
30 June 2013	4.75:1

In November 2008 an initial amendment allowed the calculation of the hedging ratio (total consolidated net debt/consolidated EBITDA) by converting debt at the average exchange rate for the year. This method avoids the calculation bias which would have been generated if debt had been converted at the year end exchange rate and consolidated EBITDA converted at the average exchange rate for the year. Year-end rates continue to be used to calculate this ratio for credit margins.

In June 2009 a second amendment was made in relation to the assessment of these two financial ratios and the calendar which should be applied. With effect from 30 June 2010, the applicable calendar has been delayed by one year.

As of 30 June 2011, the 'suspension test' was met (ie the ratio of consolidated total net debt/consolidated EBITDA≤4.5), which means that the Group is no longer subject to the interest cover covenant but only to the solvency ratio. Accordingly, from 31 December 2011 to 30 June 2013, the solvency ratio must be kept at a level below or equal to the lower of the two following ratios: 5 or the level shown in the table above for the relevant date.

The Credit Agreement also provides for voluntary or compulsory early repayment obligations, depending on circumstances, standard practice in this kind of credit agreement (e.g., assets disposals, issue of securities including securities representing debts, compliance with commitments, change of control, cross default). The Credit Agreement contains a clause under which the taking of control of the Company by any person or group of persons acting together (other than the Société Paul Ricard SA or any group of persons acting together with the Société Paul Ricard) is likely to constitute grounds for compulsory early repayment. The suspension test having been met, the early repayment undertaking in the case of assets and securities disposals is no longer applicable.

In addition to the two amendments mentioned above, in February 2011 a third amendment modified the definition of the authorised financial debt.

Credit Agreement of November 2010

Pernod Ricard signed a Credit Agreement with a banking institution with effect on 26 November 2010 for €150 million, which was allocated in full to the reimbursement of the syndicated loan. This will be repaid on 26 November 2015 (15%), 26 November 2016 (20%), with the remainder due on 26 November 2017. This credit agreement contains the customary representations, warranties and early repayment undertakings, as well as the usual restrictive covenants and commitments contained in such contracts. It also provides for compliance with one solvency ratio at each half-year end – i.e. total consolidated net debt/consolidated EBITDA, being a more flexible indicator than the ratios applied to the syndicated loan.

Bond issue of December 2006

On 6 December 2006 Pernod Ricard issued a series of fixed-rate and floating-rate bonds admitted for trading on the Luxembourg regulated Stock Exchange.

2011 Floating-rate bonds

With nominal value per bond of €50,000, the issue totalled a nominal amount of €300 million.

The 2011 floating-rate bonds bore interest at a floating rate, payable quarterly in arrears on 6 March, 6 June, 6 September and 6 December. The annual floating interest rate was calculated on the basis of 3-month EURIBOR plus a margin of 0.50% per annum.

The 2011 floating-rate bonds were repaid in full on 6 June 2011.

2013 Fixed-rate bonds

With nominal value per bond of €50,000, the issue totalled a nominal amount of €550 million.

The 2013 fixed-rate bonds bear interest at a fixed 4.625% per annum, payable annually in arrears on 6 December.

The 2013 fixed-rate bonds will be repaid in full on 6 December 2013.

The 2013 fixed-rate bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured or unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the 2013 fixed-rate bonds benefit from similar security interests or security interests approved by the bondholders.

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of the 2013 fixed-rate bonds upon request of each 2013 fixed-rate bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these 2013 fixed-rate bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of June 2009

In mid-June 2009 Pernod Ricard successfully issued €800 million of fixed-rate bonds, maturing on 15 January 2015. The bonds have a nominal value of €50,000 and are traded on the Luxembourg regulated Stock Exchange.

The bonds have an annual fixed interest rate of 7%, payable annually in arrears on 15 January.

The bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue allowed Pernod Ricard to repay the shortest-term tranches of the syndicated loan in order to extend the Group's debt maturity.

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of March 2010

In March 2010 Pernod Ricard successfully issued €1.2 billion of fixed-rate bonds, maturing on 18 March 2016. The bonds have a nominal value of €50,000 and are traded on the Luxembourg regulated Stock Exchange.

The bonds have an annual fixed interest rate of 4,875%, payable annually in arrears on 18 March.

The bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue allowed Pernod Ricard to repay the shortest-term tranches of the Group's syndicated loan.

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of December 2010

At the end of December 2010 Pernod Ricard issued $201 million of floating-rate bonds, maturing on 21 December 2015. The Bonds have a nominal value of $1 million and were subscribed in full by a single counterparty.

The Bonds bear interest at a floating rate, payable quarterly as from 21 March 2011.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the Bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue allowed Pernod Ricard to repay the shortest-term tranches of the syndicated loan in order to extend the Group's debt maturity.

This Bond includes a clause regarding change of control, which could lead to the compulsory early repayment of Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default as well as at the Company's or holder's request, as appropriate, in particular in certain cases of a change in the Company's situation or a change in taxation.

Bond issue of March 2011

In March 2011 Pernod Ricard successfully issued €1 billion of fixed-rate bonds, maturing on 15 March 2017. The bonds have a nominal value of €100,000 and are traded on the Luxembourg regulated Stock Exchange.

The bonds have an annual fixed interest rate of 5%, payable annually in arrears on 15 March.

The bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the repayment of the syndicated loan in order to extend the Group's debt maturity.

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of April 2011

In April 2011 Pernod Ricard successfully issued bonds in American dollars, through a private placement for institutional investors, and subject to New York State (United States) law. The issue was for $1 billion of fixed-rate bonds, maturing on 7 April 2021. The bonds have a nominal value of $150,000 (multiples of $1,000 in excess of this amount).

The bonds have an annual fixed interest rate of 5,75%, payable semi-annually in arrears on 7 April and 7 October as from 7 October 2011.

The bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to other bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the partial repayment of the syndicated American dollar loan.

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

In addition, these bonds may be redeemed early upon the occurrence of certain customary events of default.

Allied Domecq bonds

Bond issue of 2001

On 18 April 2001, Allied Domecq Financial Services Limited (formerly Allied Domecq Financial Services Plc) ('Allied Domecq Financial Services') issued fixed-rate bonds, maturing on 18 April 2011, in an aggregate nominal amount of £350 million (the '2001 bonds'). The 2001 bonds were issued in denominations of £1,000, £10,000 or £100,000 per bond. On 8 June 2001, Allied Domecq Financial Services issued additional 2001 bonds, increasing the aggregate nominal amount of the issue to £450 million. The 2001 bonds had an annual fixed interest rate of 6.625%, payable semi-annually in arrears on 18 October and 18 April of each year.

The 2001 bonds were repaid in full on 18 April 2011.

Bond issue of 2002

On 10 June 2002, Allied Domecq Financial Services issued fixed-rate bonds, maturing on 12 June 2014, in an aggregate nominal amount of £250 million (the '2002 bonds'). The 2002 bonds were issued in denominations of £1,000, £10,000 or £100,000 per bonds.

The 2002 bonds have an annual fixed interest rate of 6.625%, payable annually in arrears on 12 June of each year.

The 2002 bonds are admitted to trading on the London Stock Exchange. Allied Domecq Financial Service's payment obligations under the 2002 bonds are guaranteed by Allied Domecq Limited (formerly, Allied Domecq Plc) and, since 28 April 2006, by Pernod Ricard SA.

The Group's obligations with respect to payment of principal and interest under the Allied Domecq Notes are unsecured. In addition, Allied Domecq Limited and Allied Domecq Financial Services agreed, on behalf of themselves and their principal subsidiaries, not to grant any security interest with respect to any bonds or any other securities that have been or may be admitted on a regulated market unless 2002 Notes benefit from similar security interests or security interests approved by the bondholders.

The 2002 bonds may be redeemed early upon the occurrence of certain customary events of default.

Factoring agreement Europe

On 15 December 2008, certain subsidiaries of Pernod Ricard and Pernod Ricard Finance entered into a 'Factoring Framework Agreement' with BNP Paribas Factor, for the purpose of setting up a pan-European factoring programme for a gross amount of €350 million increased to €400 million by amendment dated 23 June 2009. The programme is valid for a minimum period of three years. The receivables are sold under the contractual subrogation regime under French law, save for local legal restrictions. As substantially all of the risks and rewards related to the receivables have been transferred to the purchaser in accordance with such factoring programme, the transferred receivables were deconsolidated.

In addition, some contractual adjustments have been made with the addition of clauses on 23 June 2009 to allow certain subsidiaries to resign from the factoring programme and to enter the securitization programme arranged by Crédit Agricole CIB, and on 24 June 2001 to allow another entity to enter the programme.

Securitisation (Master Receivables Assignment Agreement)

On 24 June 2009, certain subsidiaries of Pernod Ricard and Pernod Ricard Finance entered into an international programme arranged by Crédit Agricole CIB for the transfer of commercial eligible receivables to Ester, in accordance with the provisions of the framework agreement dated 24 June 2009 and jurisdiction- specific agreements entered into at the date each relevant subsidiary accedes to the program. The initial amount was €45 million, USD 130 million and Sterling GBP 120 million.

This five-year programme includes a change of control clause that applies to each subsidiary participating in the programme as a seller, which could lead to the early repayment of the programme by the subsidiary concerned by such change of control. 'Change of control' is defined as Pernod Ricard ceasing to hold, directly or indirectly, at least 80% of the share capital or voting rights of a subsidiary participating in the programme as a seller, unless (i) Pernod Ricard continues to hold, directly or indirectly, 50% of the share capital or voting rights of such seller and (ii) issues, at the request of Crédit Agriciole CIB, a guarantee in terms that Crédit Agricole CIB deems satisfactory (acting reasonably) for the purpose of securing the obligations of such seller under the securitisation transaction documents.

Factoring agreement Pacific

In December 2008, an agreement for the disposal of receivables was signed between Premium Wine Brands (formely Pernod Ricard Pacific Pty) and NAB. This factoring agreement, which initially included only Australia, has covered New Zealand since 2009.

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ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Annual consolidated income statement

In euro million	30.06.2010	30.06.2011	Notes
Net sales	7,081	7,643	
Cost of sales	(2,863)	(3,033)	
Gross margin after logistics expenses	**4,218**	**4,610**	
Advertising and promotional expenses	(1,262)	(1,441)	
Contribution after advertising and promotional expenses	**2,956**	**3,169**	
Structure costs	(1,160)	(1,260)	
Profit from recurring operations	**1,795**	**1,909**	
Other operating income	234	121	6
Other operating expenses	(322)	(177)	6
Operating profit	**1,707**	**1,852**	
Financial expenses	(524)	(531)	5
Financial income	17	72	5
Interest (expense) income	**(507)**	**(459)**	
Corporate income tax	(223)	(318)	7
Share of net profit/(loss) of associates	1	2	
Net profit from continuing operations	**978**	**1,077**	
Net profit from discontinued operations	0	0	
NET PROFIT	**978**	**1,077**	
o/w:			
■ attributable to non-controlling interests	27	32	
■ attributable to equity holders of the Parent	951	1,045	
Earnings per share – basic *(in euro)*	3.62	3.98	8
Earnings per share – diluted *(in euro)*	3.59	3.94	8
Net earnings per share from continuing operations (excluding discontinued operations) – basic *(in euro)*	3.62	3.98	8
Net earnings per share from continuing operations (excluding discontinued operations) – diluted *(in euro)*	3.59	3.94	8

Consolidated statement of comprehensive income

In euro million	30.06.2010	30.06.2011
Net profit for the financial year	**978**	**1,077**
Net investment hedges	**(403)**	**392**
Amount recognised in shareholders' equity	*(403)*	*392*
Amount recycled in net profit	-	-
Cash flow hedges	**(66)**	**109**
Amount recognised in shareholders' equity	*122*	*265*
Amount recycled in net profit	*(187)*	*(156)*
Available-for-sale financial assets	**-**	**1**
Unrealised gains and losses recognised in shareholders' equity	-	1
Amount removed from equity and included in profit/loss following a disposal	-	-
Exchange differences	**1,371**	**(944)**
Tax on items recognised directly in shareholders' equity	**31**	**(55)**
Other adjustments	**-**	**-**
Other comprehensive income, net of tax	**933**	**(497)**
Comprehensive net profit for the period	**1,911**	**580**
o/w:		
■ attributable to equity holders of the Parent	1,863	558
■ attributable to non-controlling interests	48	22

Annual consolidated balance sheet

Assets

In euro million	30.06.2010	30.06.2011	Notes
Net amounts			
Non-current assets			
Intangible assets	12,364	11,291	10
Goodwill	5,393	5,041	10
Property, plant and equipment	1,823	1,805	11
Biological assets	116	111	
Non-current financial assets	118	178	12
Investments in associates	6	6	
Deferred tax assets	1,307	1,459	7
Non-current derivative instruments	20	56	18
NON-CURRENT ASSETS	**21,148**	**19,947**	
Current assets			
Inventory and work in progress	4,007	3,875	13
Trade receivables	944	904	14
Income taxes receivable	37	40	
Other current assets	218	136	14
Current derivative instruments	12	19	18
Cash and cash equivalents	701	774	16
CURRENT ASSETS	**5,918**	**5,748**	
Assets held for sale	42	4	
TOTAL ASSETS	**27,107**	**25,699**	

Liabilities and Shareholders' Equity

In euro million	30.06.2010	30.06.2011	Notes
Shareholders' equity			
Share capital	410	410	21
Share premium	3,022	3,034	
Retained earnings and currency translation adjustments	4,739	4,795	
Group net profit	951	1,045	
Group shareholders' equity	**9,122**	**9,284**	
Non-controlling interests	216	190	
TOTAL SHAREHOLDERS' EQUITY	**9,337**	**9,474**	
Non-current liabilities			
Non-current provisions	691	607	15
Provisions for pensions and other long-term employee benefits	408	348	15
Deferred tax liabilities	2,500	2,657	7
Bonds – non-current	2,893	4,657	16
Other non-current financial liabilities	6,925	4,729	16
Non-current derivative instruments	375	275	18
TOTAL NON-CURRENT LIABILITIES	**13,792**	**13,272**	
Current liabilities			
Current provisions	312	265	15
Trade payables	1,871	1,884	19
Income taxes payable	104	91	
Other current liabilities	224	293	
Other current financial liabilities	317	323	16
Bonds – current	934	82	16
Current derivative instruments	212	14	18
TOTAL CURRENT LIABILITIES	**3,975**	**2,953**	
Liabilities held for sale	2	0	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**27,107**	**25,699**	

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Changes in shareholders' equity

In euro million	Share capital	Additional paid-in capital	Consolidated reserves	Changes in fair value	Currency translation adjustments	Treasury shares	Total attributable to equity holders of the Parent	Non-controlling interests	Total shareholders' equity
At 01.07.2009 – restated	**401**	**3,019**	**5,331**	**(173)**	**(1,045)**	**(111)**	**7,423**	**185**	**7,608**
Comprehensive net profit for the period	-	-	951	(49)	961	-	1,863	48	1,911
Capital increase	9	2	-	-	-	-	11	-	11
Share-based payment	-	-	26	-	-	-	26	-	26
Disposal/acquisition of treasury shares	-	-	-	-	-	(35)	(35)	-	(35)
Sale and repurchase agreements	-	-	-	-	-	(3)	(3)	-	(3)
Dividends distributed	-	-	(161)	-	-	-	(161)	(19)	(180)
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Other movements	-	-	(2)	-	-	-	(2)	2	(0)
AT 30.06.2010	**410**	**3,022**	**6,145**	**(222)**	**(84)**	**(149)**	**9,122**	**216**	**9,337**

In euro million	Share capital	Additional paid-in capital	Consolidated reserves	Changes in fair value	Currency translation adjustments	Treasury shares	Total attributable to equity holders of the Parent	Non-controlling interests	Total shareholders' equity
At 01.07.2010	**410**	**3,022**	**6,145**	**(222)**	**(84)**	**(149)**	**9,122**	**216**	**9,337**
Comprehensive net profit for the period	-	-	1,045	72	(558)	-	558	22	580
Capital increase	1	12	-	-	-	-	13	-	13
Share-based payment	-	-	25	-	-	-	25	-	25
Disposal/acquisition of treasury shares	-	-	-	-	-	(60)	(60)	-	(60)
Sale and repurchase agreements	-	-	-	-	-	(6)	(6)	-	(6)
Dividends distributed	-	-	(368)	-	-	-	(368)	(38)	(406)
Changes in scope of consolidation	-	-	(1)	-	-	-	(1)	0	(0)
Other movements	-	-	1	-	-	-	1	(10)	(9)
AT 30.06.2011	**410**	**3,034**	**6,849**	**(151)**	**(644)**	**(216)**	**9,284**	**190**	**9,474**

Annual consolidated cash flow statement

In euro million	30.06.2010	30.06.2011	Notes
Cash flow from operating activities			
Group net profit	951	1,045	
Non controlling interests	27	32	
Share of net profit/(loss) of associates, net of dividends received	(1)	(2)	
Financial (income) expense	507	459	
Income tax expense	223	318	
Net profit from discontinued operations	(0)	-	
Depreciation of fixed assets	160	159	
Net change in provisions	(161)	(223)	
Net change in impairment of goodwill, property, plant and equipment and intangible assets	116	43	
Changes in fair value of commercial derivatives	(0)	1	
Fair value adjustments on biological assets	(39)	(3)	
Net (gain)/loss on disposal of assets	16	(19)	
Share-based payment	26	25	
Self-financing capacity before interest and tax	**1,826**	**1,836**	
Decrease/(increase) in working capital needs	(48)	32	20
Interest paid	(506)	(520)	
Interest received	13	42	
Tax expense	(217)	(277)	
Tax income	137	21	
CASH FLOW FROM OPERATING ACTIVITIES	**1,205**	**1,134**	
Cash flow from investing activities			
Capital expenditure	(184)	(223)	20
Proceeds from disposals of property, plant and equipment and intangible assets	21	11	20
Change in the scope of consolidation	0	-	
Purchases of financial assets	(6)	(9)	
Disposals of financial assets	215	161	
CASH FLOW FROM INVESTING ACTIVITIES	**46**	**(60)**	
Cash flow from financing activities			
Dividends paid	(136)	(389)	
Other changes in shareholders' equity	11	(0)	
Issuance of long-term debt	1,369	2,948	20
Repayment of long term debt	(2,334)	(3,464)	20
(Acquisitions)/disposals of treasury shares	(38)	(70)	
NET CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES	**(1,129)**	**(975)**	
Net cash from discontinued operations	0	-	
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (BEFORE CURRENCY TRANSLATION EFFECT)	**122**	**99**	
Net effect of translation adjustments	58	(26)	
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (AFTER CURRENCY TRANSLATION EFFECT)	**181**	**73**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**520**	**701**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**701**	**774**	

Notes to the annual consolidated financial statements

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Pernod Ricard SA is a French public limited company (*Société Anonyme*), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 12 place des États-Unis, 75016 Paris, and is listed on the Paris Stock Market. The consolidated financial statements reflect the accounting position of Pernod Ricard and its subsidiaries (the 'Group'). They are presented in euro rounded to the nearest million.

The Group's business is the sale of Wines & Spirits.

The annual consolidated financial statements for the financial year ended 30 June 2011 were approved by the Board of Directors on 31 August 2011.

Note 1 Accounting principles

1. Principles and accounting standards governing the preparation of the annual consolidated financial statements

Because of its listing in a country of the European Union (EC), and in accordance with EC Regulation 1606/2002, the Group's consolidated financial statements for the financial year ending 30 June 2011 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. These standards include the standards approved by the International Accounting Standards Board (IASB), being IFRS, IAS (International Accounting Standards) and their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or its predecessor, the Standing Interpretations Committee (SIC). The accounting policies used in preparing the consolidated financial statements for the year ended 30 June 2011 are consistent with those used for the consolidated financial statements for the year ended 30 June 2010, except for standards and interpretations adopted by the European Union that are applicable as from 1 July 2010 (see Note 1.2).

The IFRS and related interpretations adopted by the European Union are available on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The Group's financial year runs from 1 July to 30 June.

2. Changes in accounting standards

No new standards and interpretations were applied to Pernod Ricard group as from 1 July 2010.

The annual consolidated financial statements do not take into account:

- draft standards and interpretations which still have the status of exposure drafts of the IASB and the IFRIC at the balance sheet date;
- new standards, amendments to existing standards and interpretations published by the IASB but not yet approved by the European Accounting Regulatory Committee in the annual consolidated financial statements at the balance sheet date;

- standards published by the IASB and adopted by the European Union at the balance sheet date but which only become mandatory after 1 July 2010, including IAS 24 revised on related party disclosures and IFRIC 14 on prepayments of a minimum funding requirement.

3. Consolidation scope and methods

The annual consolidated financial statements include the financial statements of the Parent Company, Pernod Ricard SA, and those of entities controlled by the Parent Company ('the subsidiaries'). Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, irrespective of the percentage held in the entity. Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from Parent Company shareholders' equity. Non-controlling interests include both the interests of minority shareholders at the date of the original business combination and minority interests in any subsequent changes to shareholders' equity.

Intragroup transactions and internal profits and losses relating to consolidated companies are eliminated.

Companies over which the Group exercises significant influence are accounted for under the equity method.

4. Measurement basis

The financial statements are prepared in accordance with the historical cost method, except for certain categories of assets and liabilities, which are measured in accordance with the methods provided for by IFRS.

5. Principal uncertainties arising from the use of estimates and judgements by Management

Estimates

The preparation of consolidated financial statements in accordance with IFRS requires that Management makes a certain number of estimates and assumptions which have an impact on the amount of the Group's assets, liabilities, shareholders' equity, and items of profit and loss during the financial year. These estimates are made on the assumption the Company will continue as a going concern, and are based on information available at the time of their preparation. Estimates may be revised where the circumstances on which they were based change or where new information becomes available. Future outcomes can differ from these estimates.

Goodwill and intangible assets

As indicated in Note 1.7, in addition to annual impairment tests applied to goodwill and intangible assets with indefinite useful lives (such as brands), specific impairment tests are applied where there is an indication that the value of an intangible asset may have been impaired. Any impairment loss recognised is calculated using discounted future cash flows and/or the market values of the assets in question. These calculations require the use of assumptions regarding market conditions and any changes in these assumptions may thus lead to outcomes different from those initially estimated.

Provisions for pensions and other post-employment benefits

As indicated in Note 1.18, the Group runs defined-benefit and defined-contribution pension plans. In addition, provisions are also recognised in virtue of certain other post-employment benefits such as life assurance and medical care (mainly in the United States and the United Kingdom). The carrying amount of these provisions at the balance sheet date is set out in Note 15.

These benefit obligations are based on a number of assumptions such as discount rates, expected returns on plan assets, average future salary increases, rate of employee turnover and life expectancy.

These assumptions are generally updated annually. Assumptions used in the preparation of the financial statements for the year ended 30 June 2011 and their methods of determination are set out in Note 15. The Group considers that the actuarial assumptions used are appropriate and justified. However, such actuarial assumptions may change in the future and this may have a material impact on the amount of the Group's benefit obligations and on its profits.

Deferred tax

As indicated in Note 1.21, the deferred tax assets recognised result mainly from tax loss carryforwards and from temporary differences between the tax base and carrying amount of assets and liabilities. Deferred tax assets in respect of tax losses are recognised if it is probable that the Group will have future taxable profits against which such losses will be used. The assessment of whether the Group will be able to use these tax losses is largely a matter of judgement. Analyses are carried out to decide whether or not these tax loss carryforwards are likely to be usable in the future.

Provisions

As explained in Note 15, the Group is involved in a number of disputes and claims arising in the ordinary course of its business. In some cases, the amounts requested by the claimants are significant and the legal proceedings can take several years. In this context, provisions are calculated on the basis of the Group's best estimate of the amount that will be payable based on the information available (notably that provided by the Group's legal advisors). Any change to assumptions can have a significant effect on the amount of the provision recognised. The carrying amount of these provisions at the balance sheet date is set out in Note 15.

Judgements

In the absence of standards or interpretations applicable to a specific transaction, Group Management uses its judgement to define and apply accounting policies that provide relevant and reliable information in the context of the preparation of the financial statements.

6. Business combinations

Business combinations carried out before 1 July 2009 were recognised using the accounting standards in force at 30 June 2009. Business combinations after 1 July 2009 are measured and recognised in accordance with the revised version of IFRS 3: the consideration transferred (cost of acquisition) is measured at the fair value of assets given, equity instruments issued and liabilities incurred at the transaction date. Identifiable assets and liabilities belonging to the acquired company are measured at their fair value at the acquisition date. Costs directly attributable to the acquisition, such as legal, due diligence and other professional fees are recognised as expenses as incurred.

Any surplus consideration in excess of the Group's share in the fair value of the acquired company's identifiable assets and liabilities is recognised as goodwill. The option is available for each transaction to apply either proportionate or full goodwill methods. Goodwill arising on the acquisition of foreign entities is denominated in the functional currency of the business acquired. Goodwill is not amortised. Instead, it is subject to an impairment test once a year or more often if there is any indication that its value may have been impaired.

Finally, in accordance with IFRS 3 as revised and IAS 27 as amended, the Group recognised in equity the difference between the price paid and the proportional part of minority interests acquired in previously controlled companies.

7. Goodwill and intangible assets

Goodwill

Goodwill is subject to an impairment test at least once a year and whenever there is an indication that its value may have been impaired. To perform these tests, goodwill is allocated by geographical area on the basis of asset groupings at the date of each business combination. These asset groupings correspond to groups of assets which jointly generate identifiable cash flows that are largely independent. The methods and assumptions used for impairment tests in respect of these asset groupings are set out in Note 1.9. If impairment is identified, an impairment loss is recognised in profit and loss for the financial year.

Intangible assets

Intangible assets are measured at cost on initial recognition. With the exception of assets with indefinite useful lives, they are amortised on a straight-line basis over their period of use, which is generally less than five years, and are written down when their recoverable amount is less than their carrying amount. Amortisation of intangible assets is recognised within operating profit in the income statement.

Brands recognised in the context of business combinations

The fair value of identifiable acquired brands is determined using an actuarial calculation of estimated future profits or using the royalty method and corresponds to the fair value of the brands at the date of acquisition. As the Group's brands are intangible assets with indefinite useful lives, they are not amortised but are rather subject to an impairment test at least once a year or whenever there is an indication that their value may have been impaired. Brands acquired as part of acquisitions of foreign entities are denominated in the functional currency of the business acquired.

8. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and broken down by component. Depreciation is calculated on a straight-line basis or, in certain cases, using the diminishing balance method over the estimated useful life of the assets. Useful life is reviewed regularly. Items of property, plant and equipment are written down when impaired; i.e., when their recoverable amount falls below their carrying amount. The average depreciable lives for the major categories of property, plant and equipment are as follows:

Buildings	15 to 50 years
Machinery and equipment	5 to 15 years
Other property, plant and equipment	3 to 5 years

In accordance with IAS 17, assets acquired under finance lease contracts are capitalised, and a corresponding lease obligation liability is recognised, when the lease contract transfers substantially all the risks and rewards related to the asset to the Group. Buildings which have been subject to sale and lease back contracts are treated in a similar manner.

Depreciation of property, plant and equipment is recognised within operating profit in the income statement.

9. Impairment of non-current assets

In accordance with IAS 36, intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the value of the asset has been impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and brands).

Assets subject to impairment tests are included in Cash Generating Units (CGUs), corresponding to linked groups of assets, which generate identifiable cash flows. The CGUs include assets related to the Group's brands and are allocated in accordance with the four geographical areas defined by the Group, on the basis of the sale destination of the products.

When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised within operating profit. The recoverable amount of the CGU is the higher of its market value and its value in use.

Value in use is measured based on cash flows projected over a 19-year period. This period reflects the typically long lives of the Group's brands and their productive assets. Projected cash flows are discounted to present based on annual budgets and multi-year strategies, extrapolated into subsequent years by gradually increasing the figure for the last year of the plan for each brand and market towards a perpetual growth rate. The calculation includes a terminal value derived by capitalising the cash flows generated in the last forecast year. Assumptions applied to sales and advertising spending are determined by the Management based on previous results and long-term development trends in the markets concerned. The present values of discounted cash flows are sensitive to these assumptions as well as to consumer fashions and economic factors.

Fair value is based either on the sale price, net of selling costs, obtaining under normal market conditions or earnings multiples observed in recent transactions concerning similar assets.

The discount rate used for these calculations is an after-tax rate applied to after-tax cash flows and corresponds to the weighted average cost of capital; this rate reflects specific rates for each market or region, depending on the risks that they represent. Assumptions made in terms of future changes in sales and of terminal values are reasonable and in accordance with market data available for each of the CGUs. Additional impairment tests are applied where events or specific circumstances suggest that a potential impairment exists.

10. Foreign currency translation

10.1 Reporting currency used in the consolidated financial statements

The Group's consolidated financial statements are prepared in euro, which is the functional currency and the reporting currency of the Parent Company.

10.2 Functional currency

The functional currency of an entity is the currency of the economic environment in which it mainly operates. In most cases, the functional currency is the entity's local currency. However, in certain entities, a functional currency different from the local currency may be used if it reflects the entity's economic environment and the currency in which most of the entity's transactions are denominated.

10.3 Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate applying at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate applicable at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applying at the balance sheet date. Foreign currency differences are recognised in profit and loss for the period, except for foreign currency differences arising on debts designated as hedges for the net foreign currency assets of consolidated subsidiaries. These latter differences are recognised directly in equity, under currency translation adjustments, until the disposal of the net investment. Foreign currency differences related to operating activities are recognised within operating profit for the period; foreign currency differences related to financing activities are recognised within interest (expense) income or in shareholders' equity.

10.4 Translation of financial statements of subsidiaries whose functional currency is different from the euro (the reporting currency)

The balance sheet is translated into euro at year-end exchange rates. The income statement and cash flows are translated on the basis of average exchange rates. Differences resulting from the translation of the financial statements of these subsidiaries are recognised in currency translation adjustments within shareholders' equity. On disposal of a foreign entity, currency translation adjustments previously recognised in shareholders' equity are recognised in profit and loss.

11. Research and Development costs

In the context of the Group's activities, and in accordance with IAS 38 (Intangible assets), Research and Development costs are recognised as expenses in the financial year during which they are incurred, except for certain development costs which meet the capitalisation criteria prescribed by the standard.

12. Assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), where they are significant, assets and liabilities held for sale are not subject to depreciation or amortisation. They are shown separately in the balance sheet at the lower of carrying amount or fair value less costs to sell. An asset is considered as being held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order for this to be the case, the asset must be available for immediate sale and its sale must be highly probable. Items in the balance sheet related to discontinued operations held for sale are presented under specific captions in the consolidated financial statements. Income statement items related to discontinued operations are separately presented in the financial statements for all periods reported upon if they are important from a Group perspective.

13. Inventories

Inventories are measured at the lowest of either cost (acquisition cost and cost of production, including indirect production overheads) or net realisable value. Net realisable value is the selling price less the estimated costs of completion and sale of inventories. Most inventories are valued using the weighted average cost method. The cost of long-cycle inventories is calculated using a single method which includes distilling and ageing costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing process used for certain wines and spirits.

14. Agriculture

IAS 41 (Agriculture) sets out the accounting treatment of operations involving biological assets (for example, vines) destined for sale or for agricultural produce (for example, grapes). IAS 41 was specifically adapted to the accounting treatment of vines and grapes, which make up the principal agricultural activities of the Group. A similar accounting treatment also applies to other biological assets (for example, agave fields). IAS 41 requires that biological assets (vines) and their production (harvests) be recognised at fair value on the balance sheet, after deducting estimated selling costs, as from the date at which it is possible to obtain a reliable assessment of price, for example by reference to an active market. Changes in fair value are recognised in profit and loss. Land on which biological assets are planted is measured in accordance with IAS 16.

15. Financial liabilities and derivative instruments

IAS 32 and IAS 39 relating to financial instruments have been applied as of 1 July 2004. IFRS 7 has been applied from 1 July 2007.

15.1 Derivative instruments

In application of the amended version of IAS 39 (Financial instruments: recognition and measurement), all derivative instruments must be recognised in the balance sheet at fair value, determined on the basis of valuation models recognised on the market or of external listings issued by financial institutions.

Where the derivative has been designated as a fair value hedge, changes in the value of the derivative and of the hedged item are recognised in profit and loss for the same period. If the derivative has been designated as a cash flow hedge, the change in value of the effective component of the derivative is recognised in shareholders' equity. It is recognised in profit and loss when the hedged item is itself recognised in profit and loss. The change in value of the ineffective component of the derivative is however recognised directly in profit and loss. If the derivative is designated as a hedge of a net foreign currency investment, the change in value of the effective component of the derivative is recognised in equity and the change in value of the component considered to be ineffective is recognised in profit and loss.

15.2 Financial liabilities

Borrowings and other financial liabilities are recognised, on the basis of their effective interest rates, in accordance with the amortised cost method. The effective interest rate includes all costs, commissions and fees payable under the contract between the parties. Under this method, costs that are directly attributable to the acquisition or issue of the financial liability are recognised in profit and loss on the basis of the effective interest rate.

16. Financial assets

Financial assets are recognised on the transaction date.

16.1 Available-for-sale financial assets

These include the Group's investments in non-consolidated companies and in securities which do not satisfy the criteria for classification as short-term investments included in cash equivalents. On initial recognition, these assets are measured at cost. At subsequent balance sheet dates, available-for-sale financial assets are measured at fair value where this can be measured reliably. Changes in fair value are recognised directly in shareholders' equity except where a reduction in value compared with the historical acquisition cost constitutes a material or sustained impairment in the asset's value. On disposal of available-for-sale financial assets, changes in fair value previously recognised in equity are recognised in profit and loss. Fair value is determined on the basis of the financial criteria most appropriate to the specific situation of each company. The fair value of financial assets listed on a financial market is their stock market value. Unlisted available-for-sale financial assets are generally measured using the following criteria: the proportion of shareholders' equity held and expected future profitability.

16.2 Investment-related loans and receivables

This category mainly includes receivables related to investments, current account advances granted to non-consolidated entities or associates and guarantee deposits. They are measured at amortised cost.

16.3 Trade receivables

Trade receivables are recognised initially at their fair value, which is usually their nominal value. Impairment losses are recognised where there is a risk of non-recovery.

16.4 Cash and cash equivalents

In accordance with IAS 7 (Cash flow statements), cash and cash equivalents presented in assets and liabilities in the balance sheet and shown in the statement of cash flows include items that are immediately available as cash or are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in their value. Cash is composed of cash at bank and on hand, short-term deposits with an initial maturity of less than three months and money-market mutual funds that are subject to an insignificant risk of change in their value. Cash equivalents are short-term investments with a maturity of less than three months. Bank overdrafts, which are considered to be equivalent to financing, are excluded from cash and cash equivalents.

17. Treasury shares

Treasury shares are recognised on acquisition as a deduction from shareholders' equity. Subsequent changes in the value of treasury shares are not recognised. When treasury shares are sold, any difference between the acquisition cost and the fair value of the shares at the date of sale is recognised as a change in shareholders' equity and has no impact on profit and loss for the year.

18. Provisions

18.1 Nature of provisioned liabilities

In accordance with IAS 37 (Provisions, contingent liabilities and contingent assets), provisions are recognised to cover probable outflows of resources that can be estimated and that result from present obligations relating to past events. In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Group's commitments. The amounts provided are measured taking account of the most probable assumptions or using statistical methods, depending on the nature of the obligations. Provisions notably include:

- provisions for restructuring;
- provisions for pensions and other long-term employee benefits;
- provisions for litigation (tax, legal, employee-related).

Litigation is kept under regular review, on a case-by-case basis, by the Legal Department of each subsidiary or region or by the Group's legal department, drawing on the help of external legal consultants in the most significant or complex cases. A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources whose amount can be reliably estimated. The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this obligation.

18.2 Provisions for restructuring

The cost of restructuring is fully provided for in the financial year, and is recognised in profit and loss within other income and expenses, when it is material and results from a Group obligation to third parties arising from a decision taken by the competent corporate body that has been announced to the third parties concerned before the balance sheet date. This cost mainly involves redundancy payments, early-retirement payments, costs of notice periods not served, training costs of departing individuals and costs of site closure. Scrapping of property, plant and equipment, impairment of inventories and other assets, as well as other costs (moving costs, training of transferred individuals, etc.) directly related to the restructuring measures are also recognised in restructuring costs. The amounts provided for correspond to forecasted future payments to be made in connection with restructuring plans, discounted to present value when the timetable for payment is such that the effect of the time value of money is significant.

18.3 Provisions for pensions and other long-term employee benefits

In accordance with applicable national legislation, the Group's employee benefit obligations are composed of:

- long-term post-employment benefits (retirement bonuses, pensions, medical and healthcare expenses, etc.);
- long-term benefits payable during the period of employment.

Defined-contribution plans

Contributions are recognised as expenses as they are incurred. As the Group is not committed beyond the amount of such contributions, no provision is recognised in respect of defined-contribution plans.

Defined-benefit plans

For defined-benefit plans, the projected unit credit method is used to measure the present value of defined-benefit obligations, current service cost and, if applicable, past service cost. The measurement is made at each balance sheet date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate, discount rate, expected return on plan assets) and assumptions concerning employees (mainly: average salary increase, rate of employee turnover, life expectancy). Plan assets are measured at their market value at each annual balance sheet date. The provision in the balance sheet corresponds to the discounted value of the defined-benefit obligation, adjusted for unrecognised past service cost and unrecognised actuarial gains and losses, and net of the fair value of plan assets. Actuarial gains and losses mainly arise where estimates differ from actual outcomes (for example between the expected value of plan assets and their actual value at the balance sheet date) or when changes are made to long-term actuarial assumptions (for example: discount rate, rate of increase of salaries). In the case of long-term benefits payable during the period of employment (such as a long-service award), any actuarial gains and losses are fully recognised at each balance sheet date. In other cases, actuarial gains and losses are only recognised when, for a given plan, they represent more than 10% of the greater of the present value of the benefit obligation and the fair value of plan assets (termed the 'corridor' method). Recognition of the provision is on a straight-line basis over the average number of remaining years' service of the employees in the plan in question (amortisation of actuarial gains and losses). The expense recognised in respect of the benefit obligations described above incorporates:

- expenses corresponding to the acquisition of an additional year's rights;
- interest cost;
- income corresponding to the expected return on plan assets;
- income or expense corresponding to the amortisation of actuarial gains and losses;
- past service cost recognised on a straight-line basis over the average residual period until the corresponding benefits vest with employees;
- income or expense related to changes to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

The expense arising from the change in net obligations for pensions and other long-term employee benefits is recognised within operating profit or within interest (expense) income on the basis of the nature of the underlying.

19. Net sales

Revenue is measured at the fair value of the consideration received or to be received, after deducting trade discounts, volume rebates and sales-related taxes and duties. Sales are recognised when the significant risks and rewards of ownership have been transferred, generally at the date of transfer of ownership title.

19.1 Cost of services rendered in connection with sales

Pursuant to IAS 18 (Revenue), certain costs of services rendered in connection with sales, such as advertising programmes in conjunction with distributors, listing costs for new products and promotional activities at point of sale, are deducted directly from sales if there is no separately identifiable service whose fair value can be reliably measured.

19.2 Duties and taxes

In accordance with IAS 18, certain import duties, in Asia for instance, are classified as cost of sales, as these duties are not specifically re-billed to customers (as is the case for Social Security stamps in France, for example).

19.3 Discounts

In accordance with IAS 18, early payment discounts are not considered to be financial transactions, but rather are deducted directly from sales.

20. Gross margin after logistics costs, contribution after advertising & promotional expenses, profit from recurring operations and other income and expenses

Gross margin after logistics costs refers to sales (excluding duties and taxes), less cost of sales and logistics costs. The contribution after advertising and promotional expenses is the gross margin after deducting logistics, advertising and promotional costs. The Group applies ANC (French Accounting Standards Authority) recommendation 2009-R03, notably as regards the definition of profit from recurring operations. Profit from recurring operations is the contribution after advertising and promotional expenses less trading costs and overheads. This is the indicator used internally to measure the Group's operational performance. It excludes other income and expenses, such as those relating to restructuring and integration, capital gains and losses on disposals and other non-recurring income and expenses. These other operating income and expenses are excluded from profit from recurring operations because the Group believes they have little predictive value due to their occasional nature. They are described in detail in Note 6.

21. Deferred tax

Deferred tax is recognised on temporary differences between the tax and book value of assets and liabilities in the consolidated balance sheet and is measured using the balance sheet approach. The effects of changes in tax rates are recognised in shareholders' equity or in profit and loss in the year in which the change of tax rates is decided. Deferred tax assets are recognised in the balance sheet when it is more likely than not that they will be recovered in future years. Deferred tax assets and liabilities are not discounted to present. In order to evaluate the Group's ability to recover these assets, account is notably taken of forecasts of future taxable profits.

Deferred tax assets relating to tax loss carryforwards are only reported when they are likely to be recovered, based on projections of taxable income calculated by the Group at the end of each financial year. All assumptions used, including, in particular, growth in operating profit and net interest income, taking into account interest rates, are reviewed by the Group at the end of the financial year based on data determined by the relevant senior management.

22. Share-based payment

In accordance with the option provided by IFRS 1, the Group applies IFRS 2 (Share-based payment) as of 1 July 2004, to all instruments granted after 7 November 2002 and not yet fully vested at 1 July 2004. The Group applies this standard to transactions whose award and settlement are share-based and to transactions whose award is share-based but which are settled in cash.

In application of this standard, stock options granted to employees are measured at fair value. The amount of such fair value is recognised in profit and loss over the vesting period of the rights and a corresponding double entry is recognised as an increase in shareholders' equity. Share appreciation rights, which will be settled in cash, are measured at fair value and recognised in profit and loss with a corresponding double entry to the liability incurred. This liability is remeasured at each balance sheet date until settlement.

The fair value of options and rights is calculated using the binomial valuation model taking into account the characteristics of the plan and market data at the date of grant and on the basis of Group Management assumptions.

23. Earnings per share

Basic and diluted earnings per share are calculated on the basis of the weighted average number of outstanding shares, less the weighted average number of dilutive instruments.

The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options and convertible bonds, etc.) on the theoretical number of shares. When funds are obtained at the date of exercise of the dilutive instruments, the 'treasury stock' method is used to determine the theoretical number of shares to be taken into account. When funds are obtained at the issue date of the dilutive instruments, net profit is adjusted for the finance cost, net of tax, relating to these instruments.

Note 2 Highlights of the financial year

1. Asset disposals

During the year, Pernod Ricard carried out the following disposals:

- on 21 July 2010, the Spanish wine brands Marqués de Arienzo™ and Viña Eguía™, along with the winery and 358 hectares of associated vineyards, to a consortium of buyers composed of Vinos de los Herederos del Marqués de Riscal SA and Gangutia SL (Bodegas Muriel) for €28 million;
- on 31 August 2010, its stake in the company Ambrosio Velasco, to Diego Zamora for €32 million;
- on 3 December 2010, the Renault cognac brand and certain inventories of finished products, to Altia for €10 million;
- on 22 December 2010, Lindauer™ and several wine brands from the Gisborne and Hawke's Bay regions in New Zealand, along with related stocks and production assets for €48 million, to a consortium of buyers composed of Lion Nathan New Zealand and Indevin;
- on 4 April 2011, its minority stake in Suntory Holdings Limited, to Suntory Holdings Limited for €40 million;
- on 29 June 2011, its stake in Georgian Wine and Spirits LLC, to JSC Marussia (Georgia).

2. Bond issues

During the year, Pernod Ricard carried out the following bond issues:

- on 15 March 2011, a €1 billion bond issue with the following characteristics: remaining period to maturity of 5 years and 9 months (maturity date: 15 March 2017) and bearing fixed-rate interest of 5%;
- on 7 April 2011, a USD1 billion bond issue with the following characteristics: remaining period to maturity of 9 years and 10 months (maturity date: 7 April 2021) and bearing fixed-rate interest of 5.75%.

These two transactions enabled the Group to diversify its sources of financing and to extend the maturity of the debt.

Note 3 Scope of consolidation

The main changes to Group scope at 30 June 2011 are presented above in Note 2 – *Highlights of the financial year*.

Note 4 Segment reporting

Following its various restructuring initiatives, the Group is now focused on a single business line, wine and spirits sales, and organised into four operating segments covering the following regions: France, Europe, the Americas and Asia/Rest of the World.

Group Management assesses the performance of each operating segment on the basis of sales and its contribution after advertising & promotion expenses, defined as the gross margin after logistics, advertising, promotional and structure costs. The segments presented are identical to those used in reporting to General Management.

Items in the income statement and the balance sheet are allocated on the basis of either the destination of sales or profits. Reporting by operating segment follows the same accounting policies as those used for the preparation of the consolidated financial statements. Intra-segment transfers are transacted at market prices.

At 30.06.2010 *In euro million*	France	Europe	Americas	Asia and Rest of the World	Elimination of intragroup accounts	Unallocated	Total
Income statement items							
Segment net sales	917	3,193	2,614	3,099	-	-	9,822
Intersegment sales	196	1,016	703	826	-	-	2,741
Net sales	**721**	**2,176**	**1,911**	**2,273**	**-**	**-**	**7,081**
Gross margin after logistics expenses	528	1,234	1,193	1,263	-	-	4,218
Contribution after advertising and promotional expenses	358	898	861	839	-	-	2,956
Profit from recurring operations	187	501	541	566	-	-	1,795
Other information							
Capital expenditure	22	67	24	23	-	-	135
Depreciation, amortisation and impairment	17	52	19	18	-	-	106
Balance sheet items							
Segment assets	3,507	18,614	20,581	10,456	-	-	53,158
Unallocated assets*	-	-	-	-	(26,092)	40	(26,052)
TOTAL ASSETS	**3,507**	**18,614**	**20,581**	**10,456**	**(26,092)**	**40**	**27,107**
Segment liabilities	3,893	18,200	12,124	9,645	(26,092)	-	17,770
NET ASSETS	**(386)**	**414**	**8,457**	**811**	**0**	**40**	**9,337**

* *The unallocated assets item includes mainly non-current financial assets and assets and liabilities held for sale.*

At 30.06.2011 *In euro million*	France	Europe	Americas	Asia and Rest of the World	Elimination of intragroup accounts	Unallocated	Total
Income statement items							
Segment net sales	956	3,175	2,821	3,815	-	-	10,766
intersegment sales	205	1,061	753	1,104	-	-	3,123
Net sales	**750**	**2,114**	**2,068**	**2,711**	**-**	**-**	**7,643**
Gross margin after logistics expenses	546	1,228	1,277	1,559	-	-	4,610
Contribution after advertising and promotional expenses	356	886	898	1,029	-	-	3,169
Profit from recurring operations	189	479	558	684	-	-	1,909
Other information							
Current investments	35	86	29	34	-	-	184
Depreciation, amortisation and impairment	27	111	24	41	-	-	202
Balance sheet items							
Segment assets	6,586	11,655	17,079	7,142	-	-	42,461
Unallocated assets*	-	-	-	-	(16,763)	1	(16,762)
TOTAL ASSETS	**6,586**	**11,655**	**17,079**	**7,142**	**(16,763)**	**1**	**25,699**
Segment liabilities	6,684	9,867	10,998	5,437	(16,763)	1	16,225
NET ASSETS	**(99)**	**1,788**	**6,081**	**1,704**	**-**	**-**	**9,474**

* *The unallocated assets item includes mainly non-current financial assets and assets and liabilities held for sale.*

Breakdown of sales

In euro million	Sales at 30.06.2010	Sales at 30.06.2011
Top 14 Spirits & Champagne	3,881	4,424
Priority Premium Wines	346	368
18 key local spirits brands	1,220	1,312
Other	1,633	1,539
TOTAL	**7,081**	**7,643**

Note 5 Net interest income

In euro million	30.06.2010	30.06.2011
Interest expense on net financial debt	(460)	(488)
Interest income on net financial debt	14	42
Net financing costs	**(446)**	**(446)**
Structuring and placement fees	(11)	(8)
Net financial impact of pensions and other long-term employee benefits	(39)	(12)
Other net current financial income (expense)	(1)	(3)
Interest (expense) income from recurring operations	**(497)**	**(469)**
Foreign currency gains (loss)	3	30
Other non-current financial income (expense)	(13)	(20)
TOTAL INTEREST (EXPENSE) INCOME	**(507)**	**(459)**

At 30 June 2011, the main items making up net financing costs were financial expenses on the syndicated loan of €90 million, bond payments of €215 million, commercial paper payments of €2 million and interest rate and currency hedges of €133 million.

Weighted average cost of debt

The Group's weighted average cost of debt was 4.7% at 30 June 2011 compared with 4.3% at 30 June 2010. Weighted average cost of debt is defined as net financing costs plus structuring and placement fees as a proportion of average net debt outstanding.

Note 6 Other operating income and expenses

Other operating income and expenses are broken down as follows:

In euro million	30.06.2010	30.06.2011
Net restructuring expenses	(44)	(17)
Capital gains (losses) on asset disposals	(16)	19
Impairment of property, plant and equipment and intangible assets	(117)	(42)
Other non-current operating expenses	(145)	(118)
Other non-current operating income	234	102
OTHER OPERATING INCOME AND EXPENSES	**(88)**	**(56)**

At 30 June 2011, other operating income and expenses included:

- capital gains or losses on asset disposals (for details see Note 2 – *Highlights of the financial year*);
- impairment of property, plant and equipment and intangible assets, mainly in relation to certain Polish brands;
- other operating expenses relating to various non-current provisions for contingencies and expenses;
- other operating income related to various writebacks of provisions, notably tax provisions, and to insurance payouts.

Note 7 Corporate income tax

Analysis of income tax expense

In euro million	30.06.2010	30.06.2011
Tax payable	(231)	(322)
Deferred tax	7	4
TOTAL	**(223)**	**(318)**

Analysis of effective tax rate – Net profit from continuing operations before tax

In euro million	30.06.2010	30.06.2011
Operating profit	1,707	1,852
Interest (expense) income	(507)	(459)
Taxable profit	**1,200**	**1,394**
Theoretical tax charge at the effective income tax rate in France (34.43%)	(413)	(480)
Impact of tax rate differences by jurisdiction	84	113
Tax impact of variations in exchange rates	33	(24)
Re-estimation of deferred tax assets linked to rate changes	18	31
Impact of tax losses used	11	3
Impact of reduced tax rates	6	7
Impact of differences between the carrying amounts and tax bases of assets sold	60	14
Impact of Contribution to Companies' Value Added	(3)	(4)
Other impacts	(18)	22
EFFECTIVE TAX CHARGE	**(223)**	**(318)**
EFFECTIVE TAX RATE	**19%**	**23%**

In France, the Group considers that the Contribution to Companies' Value Added (CCVA) component of the Territorial Economic Contribution (TEC), which came into force on 1 January 2010, is a new tax that meets the definition of income tax in IAS 12 (Tax).

Deferred taxes are broken down by nature as follows:

In euro million	30.06.2010	30.06.2011
Unrealised margins in inventories	84	74
Fair value adjustments on assets and liabilities resulting from business combinations	42	40
Provisions for pension benefits	121	101
Deferred tax assets related to losses eligible for carry-forward	501	731
Provisions (other than provisions for pension benefits) and other items	560	513
TOTAL DEFERRED TAX ASSETS	**1,307**	**1,459**
Special depreciation change	40	25
Fair value adjustments on assets and liabilities resulting from business combinations	2,299	2,372
Other	161	260
TOTAL DEFERRED TAX LIABILITIES	**2,500**	**2,657**

Breakdown of tax allocated to other comprehensive income items

In euro million	30.06.2010			30.06.2011		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Net investment hedges	(403)	14	**(389)**	392	(16)	**376**
Cash flow hedges	(66)	17	**(49)**	109	(38)	**71**
Available-for-sale financial assets	-	-	**-**	1	(0)	**1**
Exchange differences	1,371	-	**1,371**	(944)	-	**(944)**
Other comprehensive net profit for the period	**902**	**31**	**933**	**(442)**	**(55)**	**(497)**

Tax loss carryforwards (used or not used) represented a potential tax saving of €770 million at 30 June 2011 and €567 million at 30 June 2010. The potential tax savings at 30 June 2011 and 30 June 2010 relate to tax loss carryforwards with the following expiry dates:

2010/2011 financial year

Year	Tax effect of loss carryforwards *(in euro million)*	
	Losses used	Losses not used
2011	-	-
2012	1	-
2013	-	1
2014	1	1
2015 and thereafter	273	36
No expiry date	456	1
TOTAL	**731**	**39**

2009/2010 financial year

Year	Tax effect of loss carryforwards *(in euro million)*	
	Losses used	Losses not used
2010	1	1
2011	0	0
2012	0	0
2013	0	1
2014 and thereafter	150	3
No expiry date	350	61
TOTAL	**501**	**66**

Note 8 Earnings per share

Earnings per share and net earnings per share from continuing operations:

	30.06.2010	30.06.2011
Numerator *(in euro million)*		
Group net profit	951	1,045
Group net profit from continuing operations	951	1,045
Denominator *(in number of shares)*		
Average number of outstanding shares	262,692,639	262,684,644
Dilutive effect of free share allocations	325,078	481,379
Dilutive effect of stock options	1,838,708	1,866,442
Average number of outstanding shares – diluted	**264,856,425**	**265,032,466**
Earnings per share *(in euro)*		
Earnings per share – basic	3.62	3.98
Earnings per share – diluted	3.59	3.94
Net earnings per share from continuing operations (excluding discontinued operations) – basic	3.62	3.98
Net earnings per share from continuing operations (excluding discontinued operations) – diluted	3.59	3.94

Note 9 Expenses by type

Operating profit notably includes depreciation, amortisation and impairment expenses as well as personnel expenses as follows:

In euro million	30.06.2010	30.06.2011
Total depreciation, amortisation and impairment expenses	**(272)**	**(202)**
Salaries and payroll costs	(935)	(1,025)
Pensions, medical expenses and other similar benefits under defined-benefit plans	(31)	(37)
Expenses related to stock options and share appreciation rights	(26)	(25)
Total personnel expenses	**(992)**	**(1,087)**

Note 10 Intangible assets and goodwill

	Movements in the year						
In euro million	01.07.2009	Acquisitions	Amortisation	Disposals	Currency translation adjustments	Other movements	30.06.2010
Goodwill	5,112	0	-	(8)	518	(43)	5,579
Brands	11,413	0	-	0	1,153	0	12,566
Other intangible assets	175	16	-	(9)	18	5	206
GROSS VALUE	**16,700**	**16**	**-**	**(17)**	**1,689**	**(38)**	**18,350**
Goodwill	(224)	-	-	-	(7)	45	(186)
Brands	(185)	-	(108)	0	(2)	0	(295)
Other intangible assets	(93)	-	(22)	7	(6)	4	(112)
AMORTISATION/IMPAIRMENT	**(502)**	**-**	**(131)**	**7**	**(16)**	**48**	**(593)**
INTANGIBLE ASSETS, NET	**16,199**	**16**	**(131)**	**(10)**	**1,673**	**10**	**17,757**

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In euro million	Movements in the year						
	01.07.2010	Acquisitions	Amortisation	Disposals	Currency translation adjustments	Other movements	30.06.2011
Goodwill	5,579	-	-	(18)	(337)	2	5,226
Brands	12,566	-	-	(24)	(1,042)	0	11,500
Other intangible assets	206	22	-	(2)	(11)	1	215
GROSS VALUE	**18,350**	**22**	**-**	**(44)**	**(1,390)**	**3**	**16,941**
Goodwill	(186)	-	-	3	(2)	1	(184)
Brands	(295)	-	(40)	19	17	(2)	(301)
Other intangible assets	(112)	-	(21)	1	4	4	(124)
AMORTISATION/IMPAIRMENT	**(593)**	**-**	**(61)**	**23**	**19**	**3**	**(609)**
INTANGIBLE ASSETS, NET	**17,757**	**22**	**(61)**	**(21)**	**(1,371)**	**5**	**16,332**

Goodwill

Goodwill mainly comprises goodwill from the acquisitions of Allied Domecq in July 2005 and Vin&Sprit in July 2008.

Brands

The main brands recorded on the balance sheet are: ABSOLUT, Ballantine's, Beefeater, Chivas Regal, Kahlúa, Malibu, Martell and Brancott Estate/Montana. Most of these were recognised at the time of the acquisitions of Seagram, Allied Domecq and V&S.

In addition to annual impairment tests applied to goodwill and brands, specific impairment tests are applied where there is an indication that the value of an intangible asset may have been impaired. The data and assumptions used for the impairment test applied to Cash Generating Units (CGUs) are as follows:

In euro million	Method used to determine the recoverable amount	Carrying amount of goodwill at 30.06.2011	Net carrying amount of brands at 30.06.2011	Value in use		
				Discount rate 2011	Discount rate 2010	Perpetual growth rate
France	Value in use based on the discounted cash flow method	230	559	6.39%	7.31%	From -1% to +2.5%
Europe		1,681	2,882	7.20%	7.46%	From -1% to +2.5%
Americas		2,247	5,305	7.40%	7.76%	From -1% to +2.5%
Asia/Rest of World		884	2,454	8.15%	8.07%	From -1% to +2.5%

A 50 bp increase in the after-tax discount rate would result in no risk of impairment for goodwill, but it could result in a writedown of approximately €90 million to the brand portfolio (e.g. €36 million and €49 million in relation to Kahlúa and Brancott Estate/Montana respectively).

A 50 bp decrease in the perpetual growth rate would result in no risk of impairment for goodwill, but it could result in a writedown of approximately €25 million to the brand portfolio (e.g. €6 million and €17 million in relation to Kahlúa and Brancott Estate/Montana respectively).

The Group is not dependent on any specific patent or licence.

Note 11 Property, plant and equipment

In euro million	01.07.2009	Movements in the year: Acquisitions	Amortisation	Disposals	Currency translation adjustments	Other movements	30.06.2010
Land	311	1	-	(7)	19	(3)	320
Buildings	762	14	-	(36)	47	68	856
Machinery & equipment	1,343	43	-	(62)	128	84	1,537
Other property, plant and equipment	382	35	-	(33)	18	(47)	355
Assets in progress	166	62	-	(1)	7	(146)	88
Advance on property, plant and equipment	3	1	-	(0)	0	(2)	1
GROSS VALUE	**2,968**	**156**	**-**	**(140)**	**219**	**(46)**	**3,158**
Land	(17)	-	(2)	0	(2)	2	(19)
Buildings	(246)	-	(30)	15	(13)	(50)	(325)
Machinery & equipment	(661)	-	(84)	45	(60)	(53)	(813)
Other property, plant and equipment	(287)	-	(20)	9	(9)	130	(178)
DEPRECIATION/IMPAIRMENT	**(1,211)**	**-**	**(136)**	**69**	**(85)**	**29**	**(1,335)**
PROPERTY, PLANT AND EQUIPMENT, NET	**1,757**	**156**	**(136)**	**(71)**	**135**	**(17)**	**1,823**

In euro million	01.07.2010	Movements in the year: Acquisitions	Amortisation	Disposals	Currency translation adjustments	Other movements	30.06.2011
Land	320	0	-	(7)	(0)	(32)	281
Buildings	856	13	-	(12)	(27)	87	917
Machinery & equipment	1,537	34	-	(77)	(51)	27	1,471
Other property, plant and equipment	355	34	-	(8)	(21)	40	400
Assets in progress	88	142	-	(38)	(4)	(98)	89
Advance on property, plant and equipment	1	3	-	0	(0)	(1)	3
GROSS VALUE	**3,158**	**226**	**-**	**(143)**	**(104)**	**23**	**3,160**
Land	(19)	-	(1)	0	(0)	16	(4)
Buildings	(325)	-	(33)	6	10	(14)	(356)
Machinery & equipment	(813)	-	(85)	62	28	19	(790)
Other property, plant and equipment	(176)	-	(22)	7	11	(24)	(204)
Assets in progress	(2)	-	-	-	-	-	(2)
DEPRECIATION/IMPAIRMENT	**(1,335)**	**-**	**(141)**	**75**	**49**	**(4)**	**(1,355)**
PROPERTY, PLANT AND EQUIPMENT, NET	**1,823**	**226**	**(141)**	**(68)**	**(55)**	**19**	**1,805**

Note 12 Financial assets

In euro million	30.06.2010 Current	30.06.2010 Non-current	30.06.2011 Current	30.06.2011 Non-current
Financial assets				
Available-for-sale financial assets	-	32	-	22
Other financial assets	-	21	-	99
Loans and receivables				
Guarantees and deposits	-	60	-	55
Investment-related receivables	-	5	-	2
Total non-current financial assets	**-**	**118**	**-**	**178**
Derivative instruments	**12**	**20**	**19**	**56**
FINANCIAL ASSETS	**12**	**138**	**19**	**234**

The table below shows details of the Group's financial assets, excluding derivative instruments:

In euro million	01.07.2009	Movements in the year: Acquisitions	Allowances	Disposals	Currency translation adjustments	Other movements	30.06.2010
Other financial assets	39	(0)	-	-	0	12	51
Available-for-sale financial assets	83	0	-	(18)	0	1	67
Guarantees and deposits	54	5	-	(1)	6	(4)	60
Investment-related receivables	7	1	-	(1)	1	1	9
GROSS VALUE	**184**	**6**	**-**	**(20)**	**7**	**10**	**187**
Provisions for other financial assets	(30)	-	-	-	-	-	(30)
Impairment losses recognised on available-for-sale financial assets	(44)	-	(5)	14	0	-	(35)
Provisions for guarantees and deposits	0	-	-	-	0	0	0
Impairment losses recognised on investment-related receivables	(4)	-	0	0	(1)	0	(5)
PROVISIONS	**(78)**	**-**	**(5)**	**14**	**(1)**	**0**	**(70)**
NON-CURRENT FINANCIAL ASSETS, NET	**105**	**6**	**(5)**	**(6)**	**7**	**10**	**118**

In euro million	01.07.2010	Movements in the year: Acquisitions	Allowances	Disposals	Currency translation adjustments	Other movements	30.06.2011
Other financial assets	51	0	-	(45)	-	94	100
Available-for-sale financial assets	67	1	-	(25)	(2)	(6)	36
Guarantees and deposits	60	7	-	(4)	(2)	(3)	59
Investment-related receivables	9	-	-	-	-	(7)	3
GROSS VALUE	**187**	**9**	**-**	**(74)**	**(3)**	**79**	**198**
Provisions for other financial assets	(30)	-	(0)	27	0	2	(1)
Impairment losses recognised on available-for-sale financial assets	(35)	-	(0)	24	(0)	(2)	(14)
Provisions for guarantees and deposits	0	-	-	-	-	(4)	(4)
Impairment losses recognised on investment-related receivables	(5)	-	-	-	(0)	4	(0)
PROVISIONS	**(70)**	**-**	**(0)**	**51**	**0**	**0**	**(20)**
NON-CURRENT FINANCIAL ASSETS, NET	**118**	**9**	**(0)**	**(23)**	**(3)**	**79**	**178**

Other financial assets at 30 June 2011 include a pension plan surplus of €89 million (see Note 15).

Provisions on available-for-sale financial assets relate mainly to the Seagram joint ventures (39% Pernod Ricard/61% Diageo) whose shares have been fully or partly written down for impairment since 2002.

Available-for-sale financial assets are composed of:

In euro million	Percentage ownership	Carrying amount of shares at 30.06.2010	Carrying amount of shares at 30.06.2011
GEO Sandeman	30.0%	6	6
Seagram venture entities	39.1%	2	1
Other available-for-sale financial assets		24	15
AVAILABLE-FOR-SALE FINANCIAL ASSETS		**32**	**22**

Note 13 Inventory and work in progress

The breakdown of inventories and work-in-progress at the balance sheet date is as follows:

		Movements in the year				
In euro million	01.07.2009	Change in gross value	Change in impairment	Currency translation adjustments	Other movements	30.06.2010
Raw materials	175	(21)	-	13	(4)	163
Work-in-progress	2,982	97	-	138	(12)	3,205
Goods in inventory	379	6	-	50	27	461
Finished products	252	15	-	21	(25)	263
GROSS VALUE	**3,788**	**97**	**-**	**222**	**(14)**	**4,092**
Raw materials	(16)	-	(1)	(1)	(6)	(24)
Work-in-progress	(28)	-	(5)	(1)	0	(34)
Goods in inventory	(12)	-	2	(2)	(3)	(15)
Finished products	(17)	-	(3)	(1)	10	(11)
PROVISIONS	**(74)**	**-**	**(7)**	**(5)**	**1**	**(85)**
NET INVENTORIES	**3,714**	**97**	**(7)**	**217**	**(13)**	**4,007**

		Movements in the year				
In euro million	01.07.2010	Change in gross value	Change in impairment	Currency translation adjustments	Other movements	30.06.2011
Raw materials	163	(1)	-	(7)	(24)	131
Work-in-progress	3,205	79	-	(119)	12	3,176
Goods in inventory	461	(42)	-	(29)	(4)	386
Finished products	263	5	-	(7)	(15)	244
GROSS VALUE	**4,092**	**40**	**-**	**(163)**	**(31)**	**3,938**
Raw materials	(24)	-	3	1	6	(15)
Work-in-progress	(34)	-	7	1	1	(26)
Goods in inventory	(15)	-	(2)	1	2	(14)
Finished products	(11)	-	4	0	(2)	(8)
PROVISIONS	**(85)**	**-**	**12**	**2**	**8**	**(63)**
NET INVENTORIES	**4,007**	**40**	**12**	**(160)**	**(23)**	**3,875**

At 30 June 2011, ageing inventories intended mainly for use in whisky and cognac production accounted for 74% of work-in-progress. Pernod Ricard is not significantly dependent on its suppliers.

Note 14 Breakdown of trade receivables

The following table breaks down trade receivables and other accounts receivable at 30 June 2010 and 2011 by due date:

In euro million	Net carrying amount	Not impaired and not due	Not impaired and due on the following dates: Less than 30 days	31 to 90 days	91 to 180 days	181 to 360 days	More than 360 days
Net carrying amounts							
Trade receivables	944	571	173	120	32	19	28
Other receivables	218	201	2	3	2	0	9
TOTAL AT 30.06.2010	**1,161**	**772**	**175**	**123**	**35**	**19**	**37**
Depreciation	*121*						
Trade receivables	904	490	228	138	30	5	13
Other receivables	136	121	2	3	-	-	9
TOTAL AT 30.06.2011	**1,040**	**611**	**230**	**142**	**30**	**5**	**22**
Depreciation	*109*						

Changes in the impairment of trade and other receivables were as follows:

In euro million	2009/2010	2010/2011
At 1 July	**116**	**121**
Allowances during the year	51	73
Reversals during the year	(16)	(21)
Used during the year	(30)	(60)
Foreign currency gains and losses	-	(4)
At 30 June	**121**	**109**

At 30 June 2011, there was no reason to question the creditworthiness of non-depreciated past due receivables. More specifically, non-depreciated receivables with due dates of over twelve months show no additional credit-related risk. There is no significant concentration of risks.

In financial years 2010 and 2011 the Group continued to implement its programmes to sell the receivables of several subsidiaries. Receivables sold under these programmes totalled €425 million at 30 June 2011 and €435 million at 30 June 2010. As substantially all risks and rewards associated with the receivables were transferred, they were derecognised.

Note 15 Provisions

1. Breakdown of balance sheet amounts

The breakdown of provisions in the balance sheet is as follows:

In euro million	30.06.2010	30.06.2011
Non-current provisions		
Provisions for pensions and other long-term employee benefits	408	348
Other non-current provisions for contingencies and charges	691	607
Current provisions		
Provisions for restructuring	28	12
Other current provisions for contingencies and charges	284	253
TOTAL	**1,411**	**1,220**

2. Changes in provisions (other than provisions for pensions and other long-term employee benefits)

In euro million	01.07.2009	Movements in the year					30.06.2010
		Allowances	Used	Reversal of surplus provisions	Currency translation adjustments	Other movements	
Provisions for restructuring	49	15	(36)	(5)	4	0	28
Other current provisions	263	69	(43)	(39)	29	6	284
Other non-current provisions	521	242	(10)	(213)	66	84	691
PROVISIONS	**833**	**326**	**(88)**	**(256)**	**99**	**90**	**1,003**

In euro million	01.07.2010	Movements in the year					30.06.2011
		Allowances	Used	Reversal of surplus provisions	Currency translation adjustments	Other movements	
Provisions for restructuring	28	1	(13)	(2)	(2)	-	12
Other current provisions	284	84	(90)	(10)	(17)	0	253
Other non-current provisions	691	131	(41)	(120)	(53)	(0)	607
PROVISIONS	**1,003**	**217**	**(144)**	**(132)**	**(72)**	**(0)**	**872**

3. Provisions for pension benefits

The Group provides employee benefits such as pensions and retirement bonuses and other post-employment benefits, such as medical care and life assurance:

- in France, benefit obligations mainly comprise arrangements for retirement indemnities (non-funded) and supplementary pension benefits (partly funded);
- in the United States and Canada, benefit obligations include funded pension plans guaranteed to employees as well as unfunded post-employment medical plans;
- in Ireland, the United Kingdom and the Netherlands, benefit obligations mainly consist of pension plans granted to employees.

Defined-benefit plans in the Group relate mainly to subsidiaries in the United Kingdom, in North America and in the rest of Europe. Defined-benefit plans are subject to an annual actuarial valuation on the basis of assumptions depending on the country. Under these pension and other benefit plan agreements, employees receive at the date of retirement either a capital lump sum payment or an annuity. These amounts depend on the number of years of employment, final salary and the position held by the employee. At 30 June 2011, fully or partly funded benefit obligations totalled €3,578 million, equivalent to 94.3% of total benefit obligations.

Certain subsidiaries, mainly those located in North America, also provide their employees with post-employment medical cover. These benefit obligations are unfunded. They are measured using the same assumptions as those used for the pension obligations in the countries in question.

Several subsidiaries, mainly in Europe, also provide their employees with other long-term benefits. Benefit obligations of this type are mainly in respect of long-service awards and jubilee awards.

The table below presents a roll-forward of provisions between 30 June 2010 and 30 June 2011:

In euro million	30.06.2010			30.06.2011		
	Pension benefits	Medical expenses and other employee benefits	**Total**	Pension benefits	Medical expenses and other employee benefits	**Total**
Provisions at beginning of period	249	156	**405**	214	181	**395**
Expenses (income) for the period	61	11	**72**	32	3	**35**
Employer contributions	(103)	2	**(101)**	(130)	0	**(130)**
Benefits paid directly by the employer	(6)	(10)	**(16)**	(9)	(9)	**(18)**
Change in scope	(1)	-	**(1)**	1	-	**-**
Foreign currency gains and losses	14	22	**36**	(7)	(17)	**(24)**
Net liability recognised in the balance sheet	**214**	**181**	**395**	**101**	**158**	**259**
Plan surplus	12	-	**12**	89	-	**89**
PROVISIONS AT END OF PERIOD	**227**	**181**	**408**	**190**	**158**	**348**

The net expense (income) recognised in profit and loss in respect of pensions and other long-term employee benefits are broken down as follows:

Expense for the period *In euro million*	30.06.2010			30.06.2011		
	Pension benefits	Medical expenses and other employee benefits	**Total**	Pension benefits	Medical expenses and other employee benefits	**Total**
Service cost	29	2	**31**	34	2	**36**
Interest cost (effect of unwinding of discount)	188	9	**197**	195	7	**202**
Expected return on plan assets	(159)	(0)	**(159)**	(192)	(0)	**(192)**
Amortisation of past service cost	1	(1)	**0**	(10)	(6)	**(16)**
Amortisation of actuarial (gains)/losses	2	1	**3**	4	0	**4**
Effect of ceiling on plan assets	0	-	**0**	(0)	-	**(0)**
Effect of settlements and curtailments	(0)	-	**(0)**	1	(0)	**1**
NET EXPENSE (INCOME) RECOGNISED IN PROFIT AND LOSS	**61**	**11**	**72**	**32**	**3**	**35**

The Group has elected to adopt the corridor method under which actuarial gains and losses are only recognised when they represent more than 10% of the greater of the present value of the benefit obligation and the fair value of corresponding plan assets.

Changes in provisions for pensions and other long-term employee benefits are shown below:

Net liabilities recognised in the balance sheet *In euro million*	30.06.2010 Pension benefits	30.06.2010 Medical expenses and other employee benefits	30.06.2010 Total	30.06.2011 Pension benefits	30.06.2011 Medical expenses and other employee benefits	30.06.2011 Total
Change in the actuarial value of cumulative benefit obligations						
Actuarial value of cumulative benefit obligations at start of period	3,142	129	**3,271**	4,014	159	**4,173**
Service cost	29	2	**31**	34	2	**36**
Interest cost (effect of unwinding of discount)	188	9	**197**	195	7	**202**
Employee contributions	1	1	**2**	2	1	**3**
Benefits paid	(197)	(12)	**(209)**	(206)	(10)	**(216)**
Changes to plans	1	(0)	**1**	(11)	(7)	**(18)**
Settlement or curtailment of benefits	(2)	-	**(2)**	1	(0)	**1**
Actuarial (gains) and losses	613	9	**622**	(22)	3	**(19)**
Currency translation adjustments	239	21	**260**	(353)	(14)	**(367)**
Changes in scope of consolidation	(0)	-	**(0)**	1	-	**-**
ACTUARIAL VALUE OF CUMULATIVE BENEFIT OBLIGATIONS AT END OF PERIOD	**4,014**	**159**	**4,173**	**3,655**	**139**	**3,794**
Change in the fair value of plan assets						
Fair value of plan assets at beginning of period	2,999	1	**3,000**	3,733	2	**3,735**
Actual return on plan assets	605	(0)	**605**	216	0	**216**
Employee contributions	1	-	**1**	2	-	**2**
Employer contributions	103	2	**105**	130	0	**130**
Benefits paid	(191)	(2)	**(193)**	(198)	(1)	**(199)**
Changes to plans	-	-	**-**	-	-	**-**
Settlement of benefits	(2)	-	**(2)**	(0)	-	**(0)**
Currency translation adjustments	219	-	**219**	(346)	-	**(346)**
Changes in scope of consolidation	-	-	**-**	-	-	**-**
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**3,733**	**2**	**3,735**	**3,536**	**1**	**3,537**
Present value of funded benefits	3,933	2	**3,935**	3,578	1	**3,578**
Fair value of plan assets	3,733	2	**3,735**	3,536	1	**3,537**
Deficit (surplus) on funded benefits	**200**	**0**	**200**	**42**	**(0)**	**41**
Present value of unfunded benefits	82	157	**239**	77	139	**216**
Effect of ceiling on plan assets (including the impact of IFRIC 14)	0	-	**0**	-	-	**-**
Unrecognised actuarial gains and (losses)	(61)	18	**(43)**	(10)	12	**2**
Unrecognised past service cost	(8)	7	**(1)**	(7)	7	**0**
NET LIABILITY RECOGNISED IN THE BALANCE SHEET	**214**	**181**	**395**	**101**	**158**	**259**

At 30.06.2011	Actuarial value of cumulative benefit obligations		Fair value of plan assets		Gross provisions under balance sheet assets		Balance sheet assets	
	(in euro million)	*%*	*(in euro million)*	*%*	*(in euro million)*	*%*	*(in euro million)*	*%*
United Kingdom	2,873	76%	2,967	84%	27	8%	(80)	90%
United States	272	7%	159	5%	108	31%	-	-
Canada	297	8%	234	7%	69	20%	(3)	3%
Ireland	114	3%	95	3%	3	1%	(2)	2%
France	140	4%	21	0%	105	30%	(0)	0%
Other countries	98	2%	61	2%	36	10%	(4)	5%
TOTAL	**3,794**	**100%**	**3,537**	**100%**	**348**	**100%**	**(89)**	**100%**

The breakdown of pension assets between the different asset categories (bonds, shares, etc.) is as follows:

Breakdown of plan assets	30.06.2010		30.06.2011	
	Pension benefits	Medical expenses & other employee benefits	Pension benefits	Medical expenses & other employee benefits
Shares	25%	13%	25%	12%
Bonds	67%	77%	69%	79%
Other money-market funds	5%	10%	3%	9%
Property assets	2%	0%	2%	0%
Other	1%	0%	1%	0%
TOTAL	**100%**	**100%**	**100%**	**100%**

The expected rate of return on plan assets corresponds to the weighted average of the different expected rates of return of each category of assets.

Contributions payable by the Group in 2012 in respect of funded benefits are estimated at €136 million.

Benefits payable in respect of defined-benefit plans over the next 10 years are broken down as follows:

Benefits payable in the next 10 years *In euro million*	Pension benefits	Medical expenses and other employee benefits
2012	210	9
2013	205	9
2014	211	9
2015	233	9
2016	223	9
2017-2021	1,124	45

At 30 June 2010 and 30 June 2011, the main assumptions used for the measurement of pension obligations and other long-term employee benefits were as follows:

Actuarial assumptions in respect of commitments	30.06.2010		30.06.2011	
	Pension benefits	Medical expenses & other employee benefits	Pension benefits	Medical expenses & other employee benefits
Discount rate	5.26%	5.36%	5.35%	5.30%
Average rate of increase in annuities	3.32%	1.76%	3.40%	1.75%
Average salary increase	3.71%	3.47%	3.64%	3.55%
Expected return on plan assets	5.74%	4.00%	5.80%	4.25%
Expected increase in medical expenses				
■ Initial rate	Not applicable	8.84%	Not applicable	8.01%
■ Final rate	Not applicable	4.97%	Not applicable	5.23%

Actuarial assumptions in respect of benefit obligations	30.06.2010 Pension benefits	30.06.2010 Medical expenses and other employee benefits	30.06.2011 Pension benefits	30.06.2011 Medical expenses and other employee benefits
Discount rate	6.28%	6.93%	5.26%	5.36%
Average rate of increase in annuities	3.45%	1.77%	3.32%	1.76%
Average salary increase	3.77%	3.24%	3.71%	3.47%
Expected return on plan assets	5.51%	4.25%	5.74%	4.00%
Expected increase in medical expenses				
■ Initial rate	Not applicable	9.23%	Not applicable	8.84%
■ Final rate	Not applicable	5.11%	Not applicable	4.97%

Actuarial assumptions at 30.06.2011 (pensions and other commitments) by region	United Kingdom	United States	Canada	Eurozone countries	Other non-eurozone countries
Discount rate	5.40%	5.50%	4.99%	5.29%	4.64%
Average rate of increase in annuities	3.56%	0.00%	1.50%	2.26%	1.50%
Average salary increase	3.45%	3.75%	3.50%	3.84%	3.70%
Expected return on plan assets	5.72%	8.00%	6.30%	4.32%	5.36%
■ Shares	8.68%	12.06%	7.00%	6.12%	8.17%
■ Bonds	4.75%	9.11%	5.00%	3.63%	3.95%
Expected increase in medical expenses					
■ Initial rate	6.00%	9.00%	8.00%	4.68%	Not applicable
■ Final rate	6.00%	5.25%	5.00%	4.68%	Not applicable

The obligation period-related discount rates used within the euro zone are as follows:

- short-term rate (3-5 years): 4.00%;
- medium-term rate (5-10 years): 4.50%;
- long-term rate (more than 10 years): 5.00% to 5.90%.

The expected rate of return on plan assets of funded or partially funded benefit plans has been determined on the basis of the expected rate of return of each asset class in each country and in accordance with their respective weighting in each fund at 30 June 2011. These rates were determined on the basis of historical rates of assets but also taking account of market expectations.

Discount rates are determined by reference to the yield at the balance sheet date on premium category corporate bonds (if available), or on government bonds, with maturities similar to the estimated duration of the benefit obligations.

A 50 bp reduction in the yield on assets at 30 June 2011 would have an impact of around €16 million on the cost of the Group's main benefit plans, which are in the UK and North America (United States and Canada).

The impact of a change in the rate of increase in medical expenses would be as follows:

In respect of post-employment medical coverage *In euro million*	With current rate	Effect of a change: 1% increase	Effect of a change: 1% decrease
On the present value of the benefit obligation at 30.06.2011	120	13	(11)
On the interest cost for the period and on the service cost for the period	8	1	(1)

The experience gains or losses on the benefit obligations and plan assets are set out below:

In euro million	30.06.2011 Pension benefits	30.06.2011 Medical expenses and other employee benefits
Amount of experience losses or (gains) on benefit obligations	(2)	0
Percentage compared with amount of benefit obligations	(0.05)%	0.28%
Amount of experience losses or (gains) on plan assets	(23)	(0)
Percentage compared with amount of plan assets	(0.66)%	(8.24)%

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Note 16 Financial liabilities

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at closing rate), including fair value and net investment hedge derivatives, less cash and cash equivalents.

1. Breakdown of net financial debt by nature and maturity

In euro million	30.06.2010			30.06.2011		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	**934**	**2,893**	**3,826**	**82**	**4,657**	**4,739**
Syndicated loan	-	6,868	**6,868**	-	4,280	**4,280**
Commercial paper	176	-	**176**	119	-	**119**
Other loans and long-term debts	140	57	**197**	204	449	**653**
Other financial liabilities	**316**	**6,925**	**7,241**	**323**	**4,729**	**5,052**
GROSS FINANCIAL DEBT	**1,250**	**9,818**	**11,068**	**405**	**9,386**	**9,790**
Fair value hedge derivatives – assets	-	(20)	**(20)**	-	(17)	**(17)**
Fair value hedge derivatives – liabilities	96	41	**137**	-	75	**75**
Fair value hedge derivatives	**96**	**21**	**117**	**-**	**58**	**58**
Net investment hedge derivatives – assets	-	-	**-**	-	(37)	**(37)**
Net investment hedge derivatives – liabilities	36	64	**99**	-	-	**-**
Net investment hedge derivatives	**36**	**64**	**99**	**-**	**(37)**	**(37)**
FINANCIAL DEBT AFTER HEDGES	**1,382**	**9,902**	**11,284**	**405**	**9,407**	**9,812**
Cash and cash equivalents	**(701)**	**-**	**(701)**	**(774)**	**-**	**(774)**
NET FINANCIAL DEBT	**681**	**9,902**	**10,584**	**(369)**	**9,407**	**9,038**

2. Breakdown of debt by currency before and after foreign exchange hedge instruments at 30 June 2010 and 30 June 2011

At 30.06.2010 *In euro million*	Debt before hedging	Amount hedged	Debt after hedging	Cash	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	4,427	(27)	4,400	(194)	4,206	39%	40%
USD	5,577	1,177	6,754	(45)	6,709	60%	63%
GBP	925	(443)	482	(10)	472	4%	4%
SEK	12	(437)	(425)	(6)	(431)	(4)%	(4)%
Other currencies	127	(54)	73	(446)	(373)	1%	(4)%
FINANCIAL DEBT BY CURRENCY	**11,068**	**216**	**11,284**	**(701)**	**10,584**	**100%**	**100%**

At 30.06.2011 *In euro million*	Debt before hedging	Amount hedged	Debt after hedging	Cash	Net debt after hedging	% debt after hedging	% net debt after hedging
EUR	5,264	(653)	4,611	(185)	4,426	47%	49%
USD	4,056	1,154	5,211	(54)	5,156	53%	57%
GBP	310	(249)	61	(22)	39	1%	0%
SEK	12	(238)	(226)	(18)	(244)	(2)%	(3)%
Other currencies	147	8	156	(494)	(339)	2%	(4)%
FINANCIAL DEBT BY CURRENCY	**9,790**	**22**	**9,812**	**(774)**	**9,038**	**100%**	**100%**

3. Breakdown of debt by currency and type of rate hedging at 30 June 2010 and 30 June 2011

At 30.06.2010 *In euro million*	Debt after hedging by currency	Fixed-rate debt	'Capped' floating- rate debt	Non-hedged floating-rate debt	% (fixed + capped floating-rate debt) debt after hedging	Cash	% (fixed + capped floating-rate debt) net debt
EUR	4,400	2,438	750	1,212	72%	(194)	76%
USD	6,754	3,647	815	2,292	66%	(45)	67%
GBP	482	-	-	482	N.M.	(10)	N.M.
SEK	(425)	-	-	(425)	N.M.	(6)	N.M.
Other	73	-	-	73	N.M.	(446)	N.M.
TOTAL	**11,284**	**6,085**	**1,565**	**3,635**	**68%**	**(701)**	**72%**

At 30.06.2011 *In euro million*	Debt after hedging by currency	Fixed-rate debt	'Capped' floating rate debt	Non-hedged floating rate debt	% (fixed + capped floating rate debt)/ debt after hedging	Cash	% (fixed + capped floating rate debt)/ net debt
EUR	4,611	2,426	750	1,435	69%	(185)	72%
USD	5,211	2,911	138	2,161	59%	(54)	59%
GBP	61	-	-	61	N.M.	(22)	N.M.
SEK	(226)	-	-	(226)	N.M.	(18)	N.M.
Other	156	-	-	156	N.M.	(494)	N.M.
TOTAL	**9,812**	**5,337**	**888**	**3,586**	**63%**	**(774)**	**69%**

4. Breakdown of fixed-rate/floating rate debt before and after interest rate hedge instruments at 30 June 2010 and 30 June 2011

	30.06.2010				30.06.2011			
In euro million	Debt before hedging		Debt after hedging		Debt before hedging		Debt after hedging	
Fixed-rate debt	3,571	32%	6,085	54%	4,489	46%	5,337	54%
'Capped' floating-rate debt	-	-	1,565	14%	-	-	888	9%
Floating-rate debt	7,713	68%	3,635	32%	5,324	54%	3,586	37%
FINANCIAL DEBT AFTER HEDGING BY NATURE OF HEDGES	**11,284**	**100%**	**11,284**	**100%**	**9,812**	**100%**	**9,812**	**100%**

At 30 June 2011, before taking account of any hedges, 46% of the Group's gross debt was fixed-rate and 54% floating-rate. After hedging, the floating-rate part was 37%.

5. Schedule of financial liabilities at 30 June 2010 and 30 June 2011

The following table shows the maturity of future financial liability-related cash flows (nominal and interest). Variable interest flows have been estimated on the basis of rates at 30 June 2010 and 30 June 2011.

At 30.06.2010 *In euro million*	Balance sheet value	Contractual flows	< 6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Interest		(1,201)	(103)	(213)	(271)	(271)	(169)	(115)	(59)
Nominal value		(10,948)	(315)	(850)	(267)	-	(7,480)	(800)	(1,236)
GROSS FINANCIAL DEBT:	**(11,068)**	**(12,148)**	**(418)**	**(1,063)**	**(538)**	**(271)**	**(7,649)**	**(915)**	**(1,294)**
Cross currency swaps:	(201)	-	-	-	-	-	-	-	-
■ Payable flows	-	(1,736)	(11)	(675)	(10)	(10)	(378)	(0)	(652)
■ Receivable flows	-	1,551	15	583	18	18	323	-	594
Other derivatives – liabilities:	(390)	(512)	(132)	(112)	(114)	(109)	(27)	(17)	-
DERIVATIVE INSTRUMENTS – LIABILITIES:	**(591)**	**(697)**	**(128)**	**(203)**	**(106)**	**(101)**	**(82)**	**(17)**	**(58)**
TOTAL FINANCIAL LIABILITIES	**(11,658)**	**(12,844)**	**(546)**	**(1,266)**	**(644)**	**(373)**	**(7,731)**	**(932)**	**(1,353)**

At 30.06.2011 *In euro million*	Balance sheet value	Contractual flows	< 6 months	6 to 12 months	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years
Interest		(1,508)	(81)	(238)	(318)	(258)	(209)	(152)	(251)
Nominal value		(9,723)	(169)	(154)	(200)	(5,107)	(800)	(1,362)	(1,931)
GROSS FINANCIAL DEBT:	**(9,790)**	**(11,230)**	**(250)**	**(392)**	**(518)**	**(5,365)**	**(1,009)**	**(1,513)**	**(2,182)**
Cross currency swaps:	(75)	-	-	-	-	-	-	-	-
■ Payable flows	-	(405)	(6)	(6)	(12)	(380)	-	-	-
■ Receivable flows	-	325	-	16	16	293	-	-	-
Derivative instruments – liabilities	(213)	(337)	(74)	(58)	(113)	(44)	(35)	(12)	-
DERIVATIVE INSTRUMENTS – LIABILITIES:	**(288)**	**(417)**	**(80)**	**(48)**	**(109)**	**(131)**	**(35)**	**(12)**	**-**
TOTAL FINANCIAL LIABILITIES	**(10, 078)**	**(11,647)**	**(330)**	**(441)**	**(628)**	**(5,497)**	**(1,045)**	**(1,525)**	**(2,182)**

6. Vin&Sprit syndicated loan

At 30 June 2011:

- it had drawn down from this multicurrency syndicated loan entered into on 27 March 2008 €1,100 million and USD 4,596 million, a total equivalent to €4,280 million; the credit facilities, whether revolving or fixed maturity, denominated in euro, USD or multicurrencies, incur interest at the applicable LIBOR (or, for euro denominated borrowing, EURIBOR), plus a pre-determined spread and mandatory costs;
- the amount of the syndicated loan not drawn down was €1,478 million.

7. Bonds

Nominal amount	Interest rate	Issue date	Maturity	Carrying amount at 30.06.2011 *(in euro million)*
GBP 250 million	6.625%	12.06.2002	12.06.2014	306
EUR 550 million	4.625%	06.12.2006	06.12.2013	563
EUR 800 million	7.000%	15.06.2009	15.01.2015	821
EUR 1,200 million	4.875%	18.03.2010	18.03.2016	1,205
USD 201 million	Spread + 3-month LIBOR	21.12.2010	21.12.2015	138
EUR 1,000 million	5.000%	15.03.2011	15.03.2017	1,007
USD 1,000 million	5.750%	07.04.2011	07.04.2021	699
TOTAL BONDS				**4,739**

Note 17 Financial instruments

1. Fair value of financial instruments

In euro million	Measurement level	Breakdown by accounting classification: Fair value – profit	Fair value shareholders' equity	Loans and receivables	Liabilities at amortised cost	30.06.2010: Balance sheet value	Fair value
Assets							
Available-for-sale financial assets	Level 3	-	32	-	-	32	32
Guarantees, deposits, investment-related receivables		-	-	65	-	65	65
Other non-current financial assets	Level 2	21	-	-	-	21	21
Trade receivables		-	-	944	-	944	944
Other current assets		-	-	218	-	218	218
Derivative instruments – assets	Level 2	32	-	-	-	32	32
Cash and cash equivalents	Level 1	701	-	-	-	701	701
Liabilities and shareholders' equity							
Bonds		-	-	-	3,826	3,826	3,895
Bank debt		-	-	-	7,182	7,182	7,182
Finance lease obligations		-	-	-	61	61	61
Derivative instruments – liabilities	Level 2	587	-	-	-	587	587

In euro million	Measurement level	Breakdown by accounting classification: Fair value – profit	Fair value shareholders' equity	Loans and receivables	Liabilities at amortised cost	30.06.2011: Balance sheet value	Fair value
Assets							
Available-for-sale financial assets	Level 3	-	22	-	-	22	22
Guarantees, deposits, investment-related receivables		-	-	57	-	57	57
Other non-current financial assets	Level 2	99	-	-	-	99	99
Trade receivables		-	-	904	-	904	904
Other current assets		-	-	136	-	136	136
Derivative instruments – assets	Level 2	75	-	-	-	75	75
Cash and cash equivalents	Level 1	774	-	-	-	774	774
Liabilities and shareholders' equity							
Bonds		-	-	-	4,739	4,739	4,898
Bank debt		-	-	-	5,002	5,002	5,002
Finance lease obligations		-	-	-	50	50	50
Derivative instruments – liabilities	Level 2	289	-	-	-	289	289

The methods used are as follows:

- debt: the fair value of the debt is determined for each loan by discounting future cash flows on the basis of market rates at the balance sheet date, adjusted for the Group's credit risk; for floating rate bank debt, fair value is approximately equal to carrying amount;
- bonds: market liquidity enabled the bonds to be valued at their fair value;
- other long-term financial liabilities: the fair value of other long-term financial liabilities is calculated for each loan by discounting future cash flows using an interest rate taking into account the Group's credit risk at the balance sheet date;
- derivative instruments: the market value of instruments recognised in the financial statements at the balance sheet date was calculated on the basis of available market data, using current valuation models.

The hierarchical levels for fair value disclosures below accord with the definitions in the amended version of IFRS 7 (financial instruments: disclosures):

- Level 1: fair value based on prices quoted in an active market;
- Level 2: fair value measured based on observable market data (other than quoted prices included in level 1);
- Level 3: fair value determined by valuation techniques based on unobservable market data.

2. Risk management

Management and monitoring of financial risks is performed by the Financing and Treasury Department, which has fourteen staff members. This Department, which is part of the Group Finance Department, manages all financial exposures and prepares monthly reporting for General Management. It processes or validates all financing, investment and hedging transactions in the context of a programme approved by General Management.

All financial instruments used hedge existing or forecast hedge transactions or investments. They are contracted with a limited number of counterparts who benefit from a first class rating from specialised rating agencies.

Management of liquidity risk

At 30 June 2011, cash and cash equivalents totalled €774 million (compared with €701 million at 30 June 2010). An additional €1,478 million of medium-term credit facilities with banks was confirmed and remained undrawn at this date. Group funding is provided in the form of long-term debt (syndicated loans, bonds, etc.) and short-term financing (commercial paper, bank overdrafts, factoring, etc.), which provide adequate financial resources to ensure the continuity of its business. Short-term financial debt after hedging was €405 million (compared with €1,382 million at 30 June 2010).

While the Group has not identified any other significant short-term cash requirement, it cannot be fully guaranteed that it will be able to continue to get the funding and refinancing needed for its day-to-day operations and investments on satisfactory terms, given the uncertain economic climate.

The Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. At 30 June 2011, the Group was in compliance with the covenants under the terms of its syndicated loan: coverage ratio (consolidated EBITDA/net financing costs) of 2.75 or above and solvency ratio (total net debt/consolidated EBITDA) of 6.25 or below. At 30 June 2011, the change to the 'suspension test' (total consolidated debt/consolidated EBITDA of 4.5 or below) implies that it is no longer necessary to apply the coverage ratio, and that only the solvency ratio need be kept.

Furthermore, while the vast majority of the Group's cash surplus is placed with branches of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may experience reduced liquidity and severe volatility.

The currency controls in place in certain countries limits the Group's ability to use cash (prohibition on investment with Pernod Ricard Finance), and in some cases, the possibility of paying dividends (authorisation from the relevant authorities is required in Cuba and Venezuela).

Management of currency risk

As the Group consolidates its financial statements in euro, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction risk and translation of results).

While some hedging strategies allow exposure to be limited, there is no absolute protection against exchange rate fluctuations.

For asset risk, financing foreign currency denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit.

Movements in currencies against the euro (notably the USD) may impact the nominal amount of these debts and the financial costs published in euro in the consolidated financial statements, and this could affect the Group's reported results.

With respect to operational currency risk, its international operations expose the Group to currency risks bearing on transactions carried out by subsidiaries in a currency other than their operating currency.

In all cases, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to exchange rate risk on invoicing between producer and distributor subsidiaries is managed via a monthly payment centralisation procedure involving most countries with freely convertible and transferable currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged using financial derivatives (forward buying, forward selling or options) to hedge certain highly probable non-Group operating receivables and payables.

Sensitivity analysis of financial instruments to currency risks

Financial liabilities classified as hedges of a net investment are essentially sensitive to fluctuations in the USD; a 1% increase or decrease in the dollar/euro exchange rate would affect Group shareholders' equity by +/-€21 million. This impact would be offset by change in the translated value of the net investment being hedged.

Management of interest rate risk

At 30 June 2011, Pernod Ricard group debt comprised floating-rate debt (mainly the syndicated loan and other bank loans) and fixed-rate debt (mainly bonds), in addition to a hedging portfolio including interest rate swaps and options in EUR and USD.

The Group cannot guarantee that these hedges will prove sufficient nor that it will be able to maintain them on acceptable terms.

The schedule of floating-rate debt after hedging is shown in the table below:

Schedule of floating-rate debt and hedges in EUR *(notional value in euro million)*

At 30.06.2011 *In euro million*	< 1 year	1 to 5 years	> 5 years	Total
Total assets (cash)	185	-	-	185
Total floating-rate liabilities	(279)	(1,459)	-	(1,738)
NET FLOATING-RATE DEBT BEFORE HEDGING	**(94)**	**(1,459)**	**-**	**(1,553)**
Derivative instruments	450	(146)	-	303
NET FLOATING-RATE DEBT AFTER HEDGING	**356**	**(1,606)**	**-**	**(1,250)**

Schedule of floating-rate debt and hedges in USD *(notional value in euro million)*

At 30.06.2011 *In euro million*	< 1 year	1 to 5 years	> 5 years	Total
Total assets (cash)	54	-	-	54
Total floating-rate liabilities	(10)	(3,366)	-	(3,376)
NET FLOATING-RATE DEBT BEFORE HEDGING	**44**	**(3,366)**	**-**	**(3,322)**
Derivative instruments	-	1,458	(242)	1,216
NET FLOATING-RATE DEBT AFTER HEDGING	**44**	**(1,908)**	**(242)**	**(2,107)**

Analysis of the sensitivity of financial instruments to interest rate risks (impacts on the income statement):

A 50 bp increase or decrease in (USD and EUR) interest rates would increase or reduce the cost of net financial debt by €16 million.

Analysis of the sensitivity of financial instruments to interest rate risks (impact on equity)

A relative fluctuation of +/-50 bp in (USD and EUR) interest rates would generate an equity gain or loss of approximately €55 million as a result of changes in the fair value of the derivatives documented as cash flow hedges (swaps and interest rate options).

Counterparty risk in financial transactions

The Group could be exposed to counterparty default via its cash investments, hedging instruments or the availability of confirmed but undrawn financing lines. In order to limit this exposure, the Group performs rigorous selection of counterparts according to several criteria, including credit ratings, and depending on the maturity dates of the transactions.

However, no assurance can be given that this rigorous selection will be enough to protect the Group against risks of this type, particularly in the current economic climate.

Note 18 Interest rate and foreign exchange derivatives

Type of hedging at 30.06.2010 *In euro million*	Description of financial instrument	Notional amount of contracts				Fair value	
		< 1 year	> 1 year and < 5 years	> 5 years	Total	Assets	Liabilities and shareholders' equity
Fair value hedge						**20**	**137**
Interest rate risk hedges	Swaps	-	-	600	**600**	20	-
Interest rate and currency hedges	Cross currency swaps	663	368	-	**1,031**	-	137
Hedge of a net investment						**-**	**99**
Currency risk hedges	Currency swaps	652	-	-	**652**	-	36
Interest rate and currency hedges	Cross currency swaps	-	-	594	**594**	-	64
DERIVATIVE INSTRUMENTS INCLUDED IN NET DEBT						**20**	**236**
Cash flow hedges						**-**	**318**
Interest rate risk hedges	Swaps	1,752	2,395	-	**4,147**	-	232
	Collars	652	913	-	**1,565**	-	87
Outside hedge accounting						**12**	**32**
Hedging of foreign exchange risk on intragroup financing	Currency swaps	2,494	-	-	**2,494**	12	32
TOTAL DERIVATIVE INSTRUMENTS						**32**	**587**
TOTAL NON-CURRENT						**20**	**375**
TOTAL – CURRENT						**12**	**212**

Type of hedging at 30.06.2011 *In euro million*	Description of financial instrument	Notional amount of contracts				Fair value	
		< 1 year	> 1 year and < 5 years	> 5 years	Total	Assets	Liabilities and shareholders' equity
Fair value hedge						**17**	**75**
Interest rate risk hedges	Swaps	-	1,342	242	**1,584**	17	0
Interest rate and currency hedges	Cross currency swaps	-	368	-	**368**	-	75
Hedge of a net investment						**37**	**-**
Currency risk hedges	Currency swaps	-	-	-	**-**	-	-
Interest rate and currency hedges	Cross currency swaps	-	594	-	**594**	37	-
DERIVATIVE INSTRUMENTS INCLUDED IN NET DEBT						**53**	**75**
Cash flow hedges						**-**	**172**
Interest rate risk hedges	Swaps	-	2,716	-	**2,716**	-	127
	Collars	-	888	-	**888**	-	39
Hedging of foreign exchange-risk on intragroup financing	Currency swaps	227	45	-	**272**	-	6
Outside hedge accounting						**22**	**41**
Hedging of foreign exchange risk on intragroup financing	Currency swaps and forwards	2,001	-	-	**2,001**	19	9
Interest rate risk hedges	Swaps	-	1,000	-	**1,000**	3	32
TOTAL DERIVATIVE INSTRUMENTS						**75**	**289**
TOTAL NON-CURRENT						**56**	**275**
TOTAL – CURRENT						**19**	**14**

The notional amount of these contracts is the nominal value of the contracts. Foreign currency denominated notional amounts in cross currency swaps are shown in euro at the exchange rate agreed. For other instruments, notional amounts denominated in foreign currencies are translated into euro at year-end rates. Estimated values are based on information available on the financial markets and valuation methods appropriate to the type of financial instrument concerned. These valuation methods were subjected to a dedicated review during the year and found to yield results consistent with the valuations provided by bank counterparts.

Note 19 Trade and other accounts payable

The breakdown of operating payables is as follows:

In euro million	30.06.2010	30.06.2011
Trade payables	1,105	933
Taxes and Social security	526	559
Other operating payables	237	386
Other payables	3	6
TOTAL	**1,871**	**1,884**

Most operating payables are due within one year.

Note 20 Notes to the consolidated cash flow statement

1. Working capital requirements

Working capital requirements decreased by €32 million. The change breaks down as follows:

- increase in inventory: +€52 million;
- increase in trade receivables: +€10 million;
- increase in operating and other payables: €(94) million.

The increase in inventory relates to the build-up of ageing inventories to meet growing demand. The increase in trade receivables reflects the growth in sales. The increase in operating and other payables chiefly relates to higher spending on advertising in the year ended June 2011 compared with the previous year.

2. Capital expenditure

Capital expenditure related mainly to the construction of new warehouses or the renewal of machinery and equipment in the production subsidiaries.

3. Disposals of property, plant and equipment, intangible assets and financial assets

The main disposals carried out concerned the sale of:

- the stake in Ambrosio Velasco, owner of the brand Pacharán Zoco, the Navarra wine producer Palacio de la Vega and related assets for €32 million;
- the Renault cognac brand for €10 million;
- the Lindauer™ brand for €48 million;
- shares in Suntory Holdings Limited for €40 million.

4. Bond issues/repayment of long term debt

The Group made net repayments of drawdowns from the syndicated loan of €1,781 million and redeemed two bonds, for €300 million and GBP 450 million (equivalent to €513 million). In addition, it issued bonds worth USD 1,201 million (equivalent to €853 million) and €1,000 million, and took out €150 million of bank debt.

Note 21 Shareholders' equity

1. Share capital

Pernod Ricard's share capital changed as follows between 1 July 2009 and 30 June 2011:

	Number of shares	Amount in euro million
Share capital at 30 June 2009	**258,640,536**	**401**
Issue of 1 bonus share for each 50 shares held at 18 November 2009	5,174,153	8
Exercise of stock options (plan of 18 December 2001)	207,563	0
Exercise of stock options (plan of 17 December 2002)	13,977	0
Exercise of stock options (plan of 11 February 2002)	196,084	0
Share capital at 30 June 2010	**264,232,313**	**410**
Exercise of stock options (plan of 18 December 2001)	211,004	0
Exercise of stock options (plan of 17 December 2002)	15,598	0
Exercise of stock options (plan of 11 February 2002)	262,888	0
SHARE CAPITAL AT 30 JUNE 2011	**264,721,803**	**410**

On 18 November 2009, Pernod Ricard SA issued one free bonus share for each 50 shares held.

All Pernod Ricard shares are issued and fully paid and have a nominal amount of €1.55. Only one category of ordinary Pernod Ricard shares exists. These shares obtain double voting rights if they have been nominally registered for an uninterrupted period of 10 years.

2. Treasury shares

At 30 June 2011, Pernod Ricard SA and its controlled subsidiaries held 2,104,319 Pernod Ricard shares valued at €60 million.

These treasury shares are presented, at cost, as a deduction from shareholders' equity.

As part of its stock option plans, Pernod Ricard SA holds either directly (treasury shares) or indirectly (calls or repurchase options) shares that may be granted if options are exercised under the stock option plans or, in the case of free shares, if performance targets are met.

3. Dividends paid and proposed

At its meeting of 15 June 2011 the Board decided to pay an interim dividend of €0.67 per share in respect of 2010/2011, equivalent to a total dividend payment of €177,364 thousand. This interim dividend was paid on 6 July 2011 and recognised under other operating payables in the balance sheet at 30 June 2011.

4. Share capital management

The Group manages its share capital in such a way as to optimise its cost of capital and profitability for its shareholders, provide security for all its counterparts and maintain a high rating. In this context, the Group may adjust its payment of dividends to shareholders, repay part of its share capital, buy back its own shares and authorise share-based payment plans.

Note 22 Share-based payment

Description of share-based payment plans

All of the plans are equity-settled, except for the plans granted on 14 June 2006, 18 January 2007 and 21 June 2007, which also included awards of Share Appreciation Rights (SARs) to Group employees. The SARs are cash-settled options. The 21 June 2007, 18 June 2008, 24 June 2010 and 15 June 2011 plans also include a free share grant, subject to performance and continued employment conditions.

On the exercise of their rights, the beneficiaries of the SARs will receive a cash payment based on the Pernod Ricard share price equal to the difference between the Pernod Ricard share price at the date of the exercise and the exercise price set at the date of grant.

During the 2010/2011 financial year, the plans granted on 27 September 2000 and 19 December 2000 reached maturity.

Information relating to stock option plans

The stock option plans are granted to managers with high levels of responsibility, key management personnel for the Group and potential managers.

During the financial year 2010/2010, two new remuneration plans were put in place:

- plan dated 15 September 2010:
  - performance-dependent stock options, tied to the stock outperforming the CAC 40, plus 1% a year (50% is measured after three years and 50% over four years);
- combined plan dated 15 June 2011:
  - classic unconditional stock options,
  - stock options involving a number of performance conditions, with the first based on the level of recurring operating profit compared with the budgeted outcome over the two financial years following the year in which the stock options were awarded, and on the stock outperforming the CAC 40 plus 1% per year (50% measured over three years and 50% over four years),
  - the award of performance-based shares, including a performance criterion based on recurring operating profit compared to budget, measured over the two years following the year in which the shares were granted and dependent on the beneficiaries being employed within the Group on the vesting date.

	Plan dated 02.11.2004	Plan dated 25.07.2005	Plan dated 14.06.2006	Plan dated 14.06.2006	Plan dated 18.01.2007	Plan dated 21.06.2007
Type of options	Purchase	Purchase	Purchase	SARs	SARs	Purchase
Performance conditions	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional
Number of beneficiaries	459	485	555	49	1	515
Vesting date of options/shares	18.11.2008	12.08.2009	15.06.2010	15.06.2009	18.01.2010	22.06.2011
Exercisable from	18.11.2008	12.08.2009	15.06.2010	15.06.2009	18.01.2010	22.06.2011
Expiry date	17.11.2014	11.08.2015	14.06.2016	14.06.2016	18.01.2017	21.06.2015
Subscription or purchase price in euro at 30 June 2011	42.30	52.59	58.41	58.41	N.A.	74.73
Outstanding options at 30.06.2011	1,200,816	750,974	1,855,335	157,339	-	819,465
Stock option expense 2010/2011 *(in euro thousand)*	0	0	0	(67)	0	3,709

	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 18.06.2008	Plan dated 18.06.2008	Plan dated 18.06.2008
Type of options	SARs	Purchase	Free	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional	Unconditional	Conditional	Conditional
Number of beneficiaries	56	13	731	598	13	804
Vesting date of options/shares	22.06.2011	22.06.2011	21.06.2009 (FRA) 21.06.2011 (ROW)	19.06.2012	19.06.2012	19.06.2010 (FRA) 19.06.2012 (ROW)
Exercisable from	22.06.2011	22.06.2011	21.06.2011	19.06.2012	19.06.2012	19.06.2012 (FRA and ROW)
Expiry date	21.06.2015	21.06.2015	N.A.	19.06.2016	19.06.2016	N.A.
Subscription or purchase price in euro at 30 June 2011	74.73	74.73	N.A.	66.16	66.16	N.A.
Outstanding options at 30.06.2011	75,203	121,409	0	1,080,335	137,109	124,137
Stock option expense 2010/2011 *(in euro thousand)*	(121)	433	1,024	4,314	417	2,083

	Plan dated 24.06.2010	Plan dated 24.06.2010	Plan dated 24.06.2010	Plan dated 24.06.2010
Type of options	Purchase	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional	Conditional
Number of beneficiaries	705	133	133	980
Vesting date of options/shares	24.06.2014	24.06.2013	24.06.2014	24.06.2013 (FRA) 24.06.2014 (ROW)
Exercisable from	24.06.2014	24.06.2013	24.06.2014	24.06.2015 (FRA) 24.06.2014 (ROW)
Expiry date	24.06.2018	24.06.2018	24.06.2018	N.A.
Subscription or purchase price in euro at 30 June 2011	64.00	64.00	64.00	N.A.
Outstanding options at 30.06.2011	602,880	140,744	140,744	552,498
Stock option expense 2010/2011 *(in euro thousand)*	2,733	568	442	8,866

	Plan dated 15.09.2010	Plan dated 15.06.2011	Plan dated 15.06.2011	Plan dated 15.06.2011	Plan dated 15.06.2011 (ROW)	Plan dated 15.06.2011 (FRA)
Type of options	Purchase	Purchase	Purchase	Purchase	Free	Free
Performance conditions	Conditional	Unconditional	Conditional	Conditional	Conditional	Conditional
Number of beneficiaries	1	713	144	144	804	225
Vesting date of options/shares	15.09.2014	15.06.2015	15.06.2014	15.06.2015	15.06.2015	15.06.2014
Exercisable from	15.09.2014	15.06.2015	15.06.2015	15.06.2015	15.06.2015	15.06.2016
Expiry date	15.09.2018	15.06.2019	15.06.2019	15.06.2019	N.A.	N.A.
Subscription or purchase price in euro at 30 June 2011	64.00	68.54	68.54	68.54	N.A.	N.A.
Outstanding options at 30.06.2011	70,000	606,680	170,685	170,685	446,234	132,525
Stock option expense 2010/2011 *(in euro thousand)*	112	91	16	16	271	106

FRA: French tax residents; ROW: non-French tax residents.

Other stock options plans that have not yet expired are explained in the 'Management Report' section of the Registration Document.

The Group recognised an expense of €12.8 million in operating profit in respect of the 11 stock option plans effective at 30 June 2011, an expense of €12.4 million in respect of the 4 free share plans, and an expense of €(0.2) million in respect of the SARs programmes. A liability of €3.4 million was recognised in other current liabilities at 30 June 2011 in respect of the SARs programmes.

Annual expenses *(in euro million)*	30.06.2010	30.06.2011
Stock options (equity settled) – through a double entry to equity	18.3	12.8
SARs (cash settled) – through a double entry to other current liabilities	2.0	(0.2)
Free shares (equity settled) – through a double entry to equity	7.7	12.4
TOTAL ANNUAL EXPENSES	**28.0**	**25.0**

Changes made to outstanding stock options during the year are described below:

	Plan dated 02.11.2004	Plan dated 25.07.2005	Plan dated 14.06.2006	Plan dated 14.06.2006	Plan dated 18.01.2007	Plan dated 21.06.2007
Type of options	Purchase	Purchase	Purchase	SARs	SARs	Purchase
Performance conditions	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional
Outstanding options at 30.06.2010	**1,447,578**	**834,807**	**2,156,257**	**186,419**	**-**	**832,352**
Granted between 01.07.2010 and 30.06.2011	-	-	-	-	-	-
Cancelled between 01.07.2010 and 30.06.2011	641	4,383	22,994	4,488	-	12,887
Exercised between 01.07.2010 and 30.06.2011	246,121	79,450	277,928	24,592	-	-
Expired between 01.07.2010 and 30.06.2011	-	-	-	-	-	-
OUTSTANDING OPTIONS AT 30.06.2011	**1,200,816**	**750,974**	**1,855,335**	**157,339**	**-**	**819,465**

	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 18.06.2008	Plan dated 18.06.2008	Plan dated 18.06.2008
Type of options	SARs	Purchase	Free	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional	Unconditional	Conditional	Conditional
Outstanding options at 30.06.2010	**80,573**	**121,409**	**208,001**	**1,098,418**	**137,109**	**134,528**
Granted between 01.07.2010 and 30.06.2011	-	-	-	-	-	-
Cancelled between 01.07.2010 and 30.06.2011	5,370	-	13,111	16,362	-	9,877
Exercised between 01.07.2010 and 30.06.2011	-	-	194,890 (1) (2)	1,721 (1)	-	514 (1)
Expired between 01.07.2010 and 30.06.2011	-	-	-	-	-	-
OUTSTANDING OPTIONS AT 30.06.2011	**75,203**	**121,409**	**0**	**1,080,335**	**137,109**	**124,137**

(1) Deaths
(2) 193,981 shares vested in relation to ROW beneficiaries

	Plan dated 24.06.2010	Plan dated 24.06.2010	Plan dated 24.06.2010
Type of options	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional
Outstanding options at 30.06.2010	**619,108**	**282,495**	**572,119**
Granted between 01.07.2010 and 30.06.2011	-	-	-
Cancelled between 01.07.2010 and 30.06.2011	15,627	1,008	19,621
Exercised between 01.07.2010 and 30.06.2011	601 (3)	-	-
Expired between 01.07.2010 and 30.06.2011	-	-	-
OUTSTANDING OPTIONS AT 30.06.2011	**602,880**	**281,487**	**552,498**

(3) Exercise of PEE (company savings scheme)

	Plan dated 15.09.2010	Plan dated 15.06.2011	Plan dated 15.06.2011	Plan dated 15.06.2011
Type of options	Purchase	Purchase	Purchase	Free
Performance conditions	Conditional	Unconditional	Conditional	Conditional
OUTSTANDING OPTIONS AT 30.06.2011	**70,000**	**606,680**	**341,370**	**578,759**

The assumptions used in calculating the fair values of the options, other than use of the binomial model and the terms under which the options were granted, are as follows:

The fair values shown above for SARs granted in June 2006 and January 2007 have been re-estimated at 30 June 2011 in accordance with IFRS 2.

	Plan dated 02.11.2004	Plan dated 25.07.2005	Plan dated 14.06.2006	Plan dated 14.06.2006	Plan dated 18.01.2007	Plan dated 21.06.2007
Type of options	Purchase	Purchase	Purchase	SARs	SARs	Purchase
Performance conditions	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional	Unconditional
Initial share price (in euro after adjustments)***	44.15	55.22	56.83	67.97*	67.97*	73.98
Exercise price (in euro after adjustments)	42.30	52.59	58.41	58.41	N.A.	74.73
Expected volatility**	30%	30%	30%	22%	22%	22%
Expected dividend yield**	2%	2%	2%	2%	2%	2%
Risk free rate**	3.85%	3.25%	4.00%	4.50%	4.50%	4.50%
IFRS 2 FAIR VALUE AT 30 JUNE 2011	**15.13**	**18.40**	**18.47**	**17.10******	**-********	**19.25**

	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 21.06.2007	Plan dated 18.06.2008	Plan dated 18.06.2008	Plan dated 18.06.2008
Type of options	SARs	Purchase	Free	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional	Unconditional	Conditional	Conditional
Initial share price (in euro after adjustments)***	67.97*	73.98	73.98	63.29	63.29	63.29
Exercise price (in euro after adjustments)	74.73	74.73	N.A.	66.16	66.16	N.A.
Expected volatility**	22%	22%	N.A.	21%	21%	N.A.
Expected dividend yield**	2%	2%	2%	2%	2%	2%
Risk free rate**	4.50%	4.50%	4.50%	4.83%	4.83%	4.83%
IFRS 2 FAIR VALUE AT 30 JUNE 2011	**9.87********	**14.92**	**68.87 (FRA) 68.13 (ROW)**	**15.76**	**12.07**	**54.23 (FRA) 57.39 (ROW)**

	Plan dated 24.06.2010	Plan dated 24.06.2010	Plan dated 24.06.2010	Plan dated 24.06.2010
Type of options	Purchase	Purchase	Purchase	Free
Performance conditions	Unconditional	Conditional	Conditional	Conditional
Initial share price (in euro after adjustments)	65.16	65.16	65.16	65.16
Exercise price (in euro after adjustments)	64.00	64.00	64.00	N.A.
Expected volatility**	28%	28%	28%	N.A.
Expected dividend yield**	2%	2%	2%	2%
Risk free rate**	3.41%	3.41%	3.41%	2.28%
IFRS 2 FAIR VALUE AT 30 JUNE 2011	**18.39**	**12.45**	**13.04**	**60.15 (ROW) 59.27 (FRA)**

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	Plan dated 15.09.2010	Plan dated 15.09.2010	Plan dated 15.06.2011	Plan dated 15.06.2011	Plan dated 15.06.2011	Plan dated 15.06.2011
Type of options	Purchase	Purchase	Purchase	Purchase	Purchase	Free
Performance conditions	Conditional	Conditional	Unconditional	Conditional	Conditional	Conditional
Initial share price (in euro after adjustments)	59.91	59.91	66.74	66.74	66.74	66.74
Exercise price (in euro after adjustments)	64.00	64.00	68.54	68.54	68.54	N.A.
Expected volatility**	23%	23%	23%	23%	23%	N.A.
Expected dividend yield**	2%	2%	2%	2%	2%	2%
Risk free rate**	2.93%	2.93%	3.37%	3.37%	3.37%	3.12%
IFRS 2 FAIR VALUE AT 30 JUNE 2011	**8.02**	**8.23**	**15.12**	**10.09**	**10.33**	**61.61 (ROW) 60.02 (FRA)**

* *Share price at 30.06.2011.*
** *Assumptions used for initial measurement.*
*** *Share price at grant date after value adjustment.*
**** *Restated fair value at 30.06.2011 for accounting purposes in 2010/2011.*

For the 2002/2006 plans, the volatility assumption was determined on the basis of the historical daily share price over a period equivalent to the maturity of the options.

For the 2007 and 2008 plans, the volatility assumption was determined using a multi-criteria approach taking into consideration:

- historic volatility over a period equal to the estimated duration of the options;
- historic volatility over a shorter period;
- implicit volatility calculated on the basis of options available in financial markets.

The volatility assumption used for the 2008 and 2009 measurements was based on an analysis of historic volatility.

The volatility assumption used for the 2010 and 2011 plans is based on the implied volatility of the Pernod Ricard share at the date the plans were granted.

The possibility of the pre-maturity exercise of options was included in the measurement model for stock option plans (with or without a market performance-related element). It was assumed that 1% of options are exercised each year as a result of employees leaving the Company. For the 2007 and 2008 plans it was assumed that 67% and 33% of options would be exercised once the share price reached 150% and 250% of the exercise price, respectively. For the 2010 and 2011 plans, it was assumed that 60%, 30% and 10% of options would be exercised once the share price reached 125%, 175% and 200% of the exercise price. This new assumption is based on an analysis of behaviour over the period and the most recent plans.

The options allocated on 15 September 2010 are subject to the market performance of the Pernod Ricard share price relative to the CAC 40: 50% of the stock options will be vested from 24 June 2013, subject to the Pernod Ricard share price having outperformed the CAC 40 index plus 1% annually over the period from 24 June 2010 to 24 June 2013. The remaining 50% will be vested from 24 June 2014, subject to the Pernod Ricard share price having outperformed the CAC 40 index plus 1% annually over the period from 24 June 2010 to 24 June 2014. In order to take into account this performance condition when estimating the fair value of the options, a simulation model (Monte Carlo) was used.

The options allocated on 15 June 2011 to the Executive Committee (COMEX) and some Senior Managers are subject to the achievement of Group profit from recurring operations for the years ended 30 June 2012 and 2013 compared with budget at constant exchange rates and scope of consolidation, and to the market performance of the Pernod Ricard share price relative to the CAC 40 price: 50% of the stock options will be vested from 15 June 2014, subject to the Pernod Ricard share price having outperformed the CAC 40 index plus 1% annually over the period from 15 June 2011 to 15 June 2014, and the remaining 50% will be vested from 15 June 2015, subject to the Pernod Ricard share price having outperformed the CAC 40 index plus 1% annually over the period from 15 June 2011 to 15 June 2015. In order to take into account this performance condition when estimating the fair value of the options, a simulation model (Monte Carlo) was used.

The fair value of the performance-based shares allocated on 15 June 2011 is the market price of the share on the date of allocation, less the loss of dividends forecast for the vesting period (three years for French tax residents and four years for non-French tax residents). For French tax residents, a cost to reflect the non-saleable nature of the shares for an additional period of two years was also applied and was estimated as being approximately 4% of the fair value of the share.

In addition, the number of performance-based shares granted will depend on the level of the Group profit from recurring operations for the years ended 30 June 2012 and 2013 compared with budgeted profit from recurring operations at constant exchange rates and scope of consolidation. The accounting expense for the plan under IFRS 2 will be adjusted for this condition at the end of the vesting period at the latest.

Note 23 Off-balance sheet financial commitments and disputes

In euro million	Total	< 1 year	> 1 year and < 5 years	> 5 years
Financing				
Lines of bank financing	1,696	208	1,484	4
Guarantees granted	217	155	6	55
Operating activities				
Unconditional purchase obligations	1,001	315	603	83
Operating lease agreements	256	61	116	78
Other contractual commitments	80	28	48	4
Contractual commitments	**1,337**	**404**	**767**	**166**

1. Details of main financial commitments

The lines of bank financing are mainly commitments linked to the Group's financing and financial investments, and in particular, to the nominal amount of the undrawn portion of the syndicated loan at 30 June 2011 (see Note 17).

In the context of the acquisition of Allied Domecq, warranties with respect to the adequacy of liabilities, notably of a tax-related nature, were granted. Provisions have been recognised to the extent of the amount of the risks as estimated by the Group (see Note 15).

2. Contractual commitments

In the context of their wine and champagne production, the Orlando Wyndham Australian subsidiaries, New Zealand subsidiary PR New Zealand and French subsidiary Mumm Perrier-Jouët have commitments of, respectively, €112 million, €37 million and €322 million under grape supply agreements. In the context of its cognac production activity, the Group's French subsidiary Martell is committed in an amount of €480 million under maturing spirit supply agreements.

3. Risks relating to litigation

Similar to other companies in the Wine and Spirits industry, the Group is, from time to time, subject to class action or other litigation and complaints from consumers or government authorities. In addition, the Group routinely faces litigation in the ordinary course of its business. If such litigation resulted in fines, monetary damages or reputational damage to the Group or its brands, its business could be materially adversely affected.

Disputes relating to brands

Havana Club

The Havana Club brand is owned in most countries by a joint-venture company called Havana Club Holding SA (HCH), of which Pernod Ricard is a shareholder. In some countries, including the United States, the brand is owned by a Cuban company called Cubaexport. Ownership of this brand is currently being challenged, particularly in the United States and in Spain, by a competitor of Pernod Ricard.

In 1998, the United States passed a law relating to the conditions for the protection of brands previously used by companies nationalised by the Castro regime. This law was condemned by the World Trade Organization (WTO) in 2002. However to date the United States has not amended its legislation to comply with the WTO decision.

1. The United States Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of the US trademark registration for the Havana Club brand, which is owned in the United States by Cubaexport. In August 2006, the United States Patent and Trademark Office (USPTO) denied Cubaexport's application for renewal of the Havana Club registration, following guidance from OFAC. Cubaexport has petitioned the Director of the USPTO to reverse this decision and has also filed a claim against OFAC in the US District Court for the District of Columbia, challenging OFAC's decision and the law and regulations applied by OFAC. On 30 March 2009, the US District Court for the District of Columbia ruled against Cubaexport. On 29 March 2011, the Court of Appeal blocked, in a two to one decision, Cubaexport from renewing its trademark. On 31 August 2011, the Court of Appeal dismissed Cubaexport's claim to have its case newly examined. Cubaexport will be able to appeal before the Supreme Court. Cubaexport's petition against the USPTO's decision has been stayed pending the final and binding outcome of the OFAC proceedings.
2. A competitor of the Group has petitioned the USPTO to cancel the Havana Club trademark, which is registered in the name of Cubaexport. On 29 January 2004, the USPTO denied the petition and refused to cancel the trademark registration. As this decision was appealed, proceedings are now pending before the Federal District Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition to the USPTO (which, as noted above, itself is stayed pending the final and binding outcome to the OFAC proceedings).
3. In August 2006, this competitor introduced a 'Havana Club' rum in the United States, which is manufactured in Puerto Rico. Pernod Ricard USA instituted proceedings in the District Court for the District of Delaware on the grounds that the competitor is falsely claiming to own the Havana Club trademark and that this false claim and the use of the Havana Club trademark on rum of non-Cuban origin is misleading to consumers and should be prohibited. In April 2010, the District Court for the District of Delaware ruled against Pernod Ricard USA. Pernod Ricard USA filed an appeal against the decision. On 4 August 2011, the Court of Appeals upheld the judgement.

4. HCH's rights relating to the Havana Club brand were confirmed in June 2005 by the Spanish Court of First Instance as a result of proceedings initiated in 1999, in particular by this same competitor. The decision was appealed by the plaintiffs before the Madrid Provincial Court, but their appeal was rejected in February 2007. They appealed before the Spanish Supreme Court, which rejected their appeal in a decision handed down on 3 February 2011.

Stolichnaya

Allied Domecq International Holdings B.V. and Allied Domecq Spirits & Wine USA, Inc., together with SPI Spirits and other parties, are defendants in an action brought in the United States District Court for the Southern District of New York by entities that claim to represent the interests of the Russian Federation on matters relating to ownership of the trademarks for vodka products in the United States. In the action, the plaintiffs challenged Allied Domecq International Holdings B.V.'s then-ownership of the Stolichnaya trademark in the United States and sought damages based on vodka sales by Allied Domecq in the United States and disgorgement of the related profits. On 31 March 2006, Judge George Daniels dismissed all of the plaintiffs' claims concerning Allied Domecq International Holdings B.V.'s then-ownership of the Stolichnaya trademark in the United States. The plaintiffs subsequently filed in the United States Court of Appeals for the Second Circuit an appeal of the portion of the 31 March 2006 decision dismissing their trademark ownership, trademark infringement and fraud claims (as well as the dismissal of certain claims brought only against the SPI entities).

The Court of Appeals on October 8, 2010 (i) affirmed the dismissal of plaintiffs' fraud and unjust enrichment claims and (ii) reinstated plaintiffs' claims for trademark infringement, misappropriation and unfair competition related to the use of the Stolichnaya trademarks. The Court of Appeals has remanded the case to the District Court for further proceedings.

Plaintiffs filed their Third Amended Complaint on 23 February 2011, alleging trademark infringement (and related claims) and misappropriation against Allied Domecq, the SPI entities and newly-added defendants William Grant & Sons USA and William Grant & Sons, Inc., (the current distributors of Stolichnaya vodka in the United States). All defendants moved to dismiss plaintiffs' Third Amended Complaint. On 1 September 2011, Judge Daniels dismissed plaintiffs' trademark and unfair competition claims with prejudice on the ground that plaintiffs lack standing to bring these claims in the name of the Russian Federation. Because he dismissed the federal trademark claims, Judge Daniels declined to exercise jurisdiction over the remaining common law misappropriation claim and thus he dismissed that claim without prejudice to plaintiffs refiling that claim in state court.

Commercial disputes

Claim brought by the Republic of Colombia against Pernod Ricard, Seagram and Diageo

The Republic of Colombia, as well as several Colombian regional departments, brought a lawsuit in October 2004 before the US District Court for the Eastern District of New York against Pernod Ricard S.A., Pernod Ricard USA LLC, Diageo Plc, Diageo North America Inc. (formely known as Guinness UDV America Inc. f/k/a UDV North America Inc f/k/a Heublein Inc.), United Distillers Manufacturing Inc., UDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiffs' claims are that these companies have committed an act of unfair competition against the Colombian government and its regional departments (which hold a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution channels and by receiving payments from companies involved in money laundering. Pernod Ricard contests these claims.

The defendants moved to dismiss the lawsuit on a variety of grounds, including that the Court lacks subject matter jurisdiction, that Colombia is a more convenient forum, and that the Complaint fails to state a legal claim. On 19 June 2007, the District Court granted in part and denied in part the defendants' motions to dismiss.

On 18 January 2008, the Second Circuit Court of Appeals refused to review the District Court's decision.

After a period of discovery regarding the plaintiffs' claims that were not dismissed, Pernod Ricard on March 1, 2011 filed a new motion to dismiss based on recent case law regarding the extraterritorial application of 'RICO'. The discovery has been stayed it its entirety until the Court rules on this motion. Pernod Ricard will continue to vigorously defend itself against the claims.

On September 21, 2009, Pernod Ricard and Diageo, in exchange for a payment of $10,000,000 made to each of Diageo and Pernod Ricard, released Vivendi SA and Vivendi I Corp. from any obligation to indemnify Pernod Ricard and Diageo for certain Colombia litigation losses based on conduct of Seagram that pre-dates its acquisition by Pernod Ricard and Diageo, if Seagram were ever found liable in this litigation.

Customs duties in Turkey

Allied Domecq Istanbul Iç ve Dis Ticaret Ltd. Sti ('Allied Domecq Istanbul'), as well as some of its competitors, was involved in a customs dispute over the customs valuation of certain Turkish imports. The main issue was whether the duty free sales price can be used as the basis for declaring the customs value of Turkish imports. The customs authorities took legal action against Allied Domecq Istanbul in Turkey for non-compliance with customs regulations in respect of certain imports. An amnesty law that allows for settlement of existing tax liabilities in Turkey was enacted on February 25, 2011. Allied Domecq Istanbul submitted applications to benefit from the provisions of this law. As a result, the customs dispute described herein has been settled.

Customs duties in India

Pernod Ricard India (P) Ltd has an ongoing dispute with Indian Customs over the declared transaction value of concentrate of alcohol beverage (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court which issued an order on 26th July 2010, setting out the principles applicable for the determination of values which should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. Even for the subsequent period up to December 2010 the Company has deposited the differential duty as determined by customs although the values adopted by them are being disputed to be on the higher

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side. The Company continues to actively work with the authorities to resolve pending issues.

Apart from the above-mentioned procedures, there are no other government, legal or arbitration procedures pending or threatened, including all procedures of which the Company is aware, which are likely to have or which have had over the last 12 months a significant impact on the profitability of the Company and/or Group.

The litigations described above are also mentioned in Note 23 of the notes to the consolidated statements.

Note 24 Related parties

Transactions with associates and joint ventures were immaterial in the year ended 30 June 2011.

The remuneration paid to Company Directors and Executive Committee (COMEX) members in return for their services to the Group is detailed below:

In euro million	30.06.2010	30.06.2011
Board of Directors*	1	1
Group Executive Committee		
■ Short-term benefits	11	13
■ Post-employment benefits	4	5
■ Share-based payments**	3	2
TOTAL EXPENSES RECOGNISED FOR THE YEAR	**19**	**21**

* *Directors' fees*

** *The cost of stock option plans is the fair value of the options granted to Group Executive Committee members, and is recognised in the income statement over the vesting period of the options for plans 21.06.2007 to 15.06.2011.*

Note 25 Post-balance sheet event

On 20 July 2011, the Group announced that it had signed a joint venture agreement with Tequila Avión. This agreement covers the use and development of the ultra-premium 'Avión™' tequila brand. The Pernod Ricard group will be a minority shareholder in the joint venture, and will be sole distributor of the brand worldwide.

Note 26 List of main consolidated companies

Incorporated bodies	Country	% holding at 30.06.2010	% holding at 30.06.2011	Consolidation method
Pernod Ricard SA	France	Parent Company	Parent Company	
Pernod Ricard Finance SA	France	100	100	F.C.
Ricard SA	France	100	100	F.C.
Pernod SA	France	100	100	F.C.
Cusenier SAS	France	100	100	F.C.
Société des Produits d'Armagnac SA	France	100	100	F.C.
Spirits Partners SAS	France	100	100	F.C.
Pernod Ricard Europe SA	France	100	100	F.C.
Pernod Ricard España	Spain	100	100	F.C.
Pernod Ricard Swiss SA	Switzerland	100	100	F.C.
Pernod Ricard Italia SPA	Italy	100	100	F.C.
Pernod Ricard Portugal – Distribuiçao SA	Portugal	100	100	F.C.
Pernod Ricard Deutschland GmbH	Germany	100	100	F.C.
Pernod Ricard Austria GmbH	Austria	100	100	F.C.
Pernod Ricard Nederland BV	Netherlands	100	100	F.C.
Pernod Ricard Minsk	Belarus	99	99	F.C.
Pernod Ricard Ukraine	Ukraine	100	100	F.C.
Pernod Ricard Romania SRL	Romania	100	100	F.C.
Georgian Wines and Spirits Company Ltd	Georgia	100	0	F.C.
Pernod Ricard Latvia LLC	Latvia	100	100	F.C.
Pernod Ricard Estonia OÜ	Estonia	100	100	F.C.
Pernod Ricard Hungary Import Szeszesital Kereskedelmi KFT Ltd	Hungary	100	100	F.C.
Pernod Ricard Belgium SA	Belgium	100	100	F.C.
Pernod Ricard Rouss CJSC	Russia	100	100	F.C.
Pernod Ricard Sweden AB	Sweden	100	100	F.C.
Pernod Ricard Denmark A/S	Denmark	100	100	F.C.
Pernod Ricard Finland OY	Finland	100	100	F.C.
Tinville SAS	France	100	100	F.C.
Yerevan Brandy Company	Armenia	100	100	F.C.
Jan Becher – Karlovarska Becherovka, A/S	Czech Republic	100	100	F.C.
SALB, SRO	Czech Republic	100	100	F.C.
Pernod Ricard UK Ltd**	United Kingdom	100	100	F.C.
Pernod Ricard Asia SAS	France	100	100	F.C.
Pernod Ricard Japan K.K.	Japan	100	100	F.C.
Pernod Ricard Asia Duty Free Ltd	China	100	100	F.C.
Pernod Ricard Taiwan Ltd	Taiwan	100	100	F.C.
Pernod Ricard Thailand Ltd	Thailand	100	100	F.C.
Pernod Ricard Korea Ltd	South Korea	100	100	F.C.
Pernod Ricard Korea Imperial Co. Ltd	South Korea	70	70	F.C.
Pernod Ricard Singapore PTE Ltd	Singapore	100	100	F.C.
Pernod Ricard Malaysia SDN BHD	Malaysia	100	100	F.C.
Pernod Ricard (China) Trading Co Ltd	China	100	100	F.C.
Shangai Yijia International Trading Co. Ltd	China	100	100	F.C.
Établissements Vinicoles Champenois SA (EVC)	France	100	0	F.C.

Incorporated bodies	Country	% holding at 30.06.2010	% holding at 30.06.2011	Consolidation method
Pernod Ricard North America SAS	France	100	100	F.C.
Pernod Ricard USA Llc	USA	100	100	F.C.
Pernod Ricard CESAM (Central and South America)	France	100	100	F.C.
Pernod Ricard Argentina Corp.	Argentina	100	100	F.C.
Pernod Ricard Venezuela CA	Venezuela	100	100	F.C.
Pramsur SA	Uruguay	100	100	F.C.
Pernod Ricard Colombia SA	Colombia	100	100	F.C.
Pernod Ricard Brasil Industria e Comercio ltda	Brazil	100	100	F.C.
Pernod Ricard Uruguay SA	Uruguay	100	100	F.C.
Agros Holding SA	Poland	100	100	F.C.
Wyborowa SA	Poland	100	100	F.C.
Chivas Brothers (Holdings) Ltd **	United Kingdom	100	100	F.C.
Chivas 2000 UL	United Kingdom	100	100	F.C.
The Glenlivet Distillers Ltd	United Kingdom	100	100	F.C.
Glenlivet Holdings Ltd	United Kingdom	100	100	F.C.
Hill, Thomson & Co Ltd	United Kingdom	100	100	F.C.
Chivas Brothers Pernod Ricard	United Kingdom	100	100	F.C.
World Brands Duty Free Ltd	United Kingdom	100	100	F.C.
Irish Distillers Ltd	Ireland	100	100	F.C.
Fitzgerald & Co. Ltd	Ireland	100	100	F.C.
Watercourse Distillery Ltd	Ireland	100	100	F.C.
Pernod Ricard South Africa PTY Ltd	South Africa	100	100	F.C.
Comrie Ltd	Ireland	100	100	F.C.
Martell Mumm Perrier-Jouët	France	100	100	F.C.
Martell & Co. SA	France	100	100	F.C.
Augier Robin Briand & Co. SASU	France	100	100	F.C.
Domaines Jean Martell	France	100	100	F.C.
Pernod Ricard Pacific Holding Pty Ltd	Australia	100	100	F.C.
Premium Wine Brands Pty Ltd	Australia	100	100	F.C.
Orlando Wyndham New Zealand Ltd	New Zealand	100	100	F.C.
Montana Group (NZ) Limited	New Zealand	100	100	F.C.
Peri Mauritius	Mauritius	100	100	F.C.
Pernod Ricard India PTE Ltd	India	100	100	F.C.
Seagram Distilleries Pte Ltd	India	100	100	F.C.
Havana Club Internacional	Cuba	50	50	F.C.
Allied Domecq Australia Pty Ltd	Australia	100	100	F.C.
Pernod Ricard Bosnia d.o.o.	Bosnia	100	100	F.C.
Pernod Ricard Bulgaria EOOD	Bulgaria	100	100	F.C.
Corby Distilleries Limited*	Canada	45.76	45.76	F.C.
Hiram Walker and Sons Ltd	Canada	100	100	F.C.
PRC Diffusion EURL	France	100	100	F.C.
Allied Domecq Spirits & Wine (Shanghai) Trading Co Ltd	China	100	100	F.C.
AD sro – Czech Republic	Czech Republic	100	100	F.C.
Domecq Bodegas S.L.U	Spain	98.45	98.45	F.C.
Financière Moulins de Champagne	France	100	100	F.C.
G.H. Mumm & Cie – Sté Vinicole de Champagne Successeur	France	100	100	F.C.

Incorporated bodies	Country	% holding at 30.06.2010	% holding at 30.06.2011	Consolidation method
Champagne Perrier-Jouët	France	99.5	100	F.C.
SA Théodore Legras	France	99.5	99.5	F.C.
Allied Domecq (Holdings) Ltd**	United Kingdom	100	100	F.C.
AD Pensions Limited	United Kingdom	100	100	F.C.
AD Medical Expenses Trust Ltd	United Kingdom	100	100	F.C.
Allied Domecq Ltd	United Kingdom	100	100	F.C.
ADFS PLC	United Kingdom	100	100	F.C.
CG Hibbert Ltd	United Kingdom	100	100	F.C.
Allied Domecq Spirits & Wine (China) Ltd	China	100	100	F.C.
Pernod Ricard Serbia d.o.o	Serbia	100	100	F.C.
Pernod Ricard Croatia d.o.o.	Croatia	100	100	F.C.
PR Hungary Kft	Hungary	100	100	F.C.
Casa Pedro Domecq	Mexico	100	100	F.C.
AD International Holdings BV	Netherlands	100	100	F.C.
Pernod Ricard New Zealand Limited	New Zealand	100	100	F.C.
Pernod Ricard Philippines Inc.	Philippines	100	100	F.C.
Ballantine's Polska Sp z.o.o. – Poland	Poland	100	100	F.C.
Pernod Ricard Slovenja d.o.o.	Slovenia	100	100	F.C.
AD Istanbul Dom. and Foreign Trade Ltd	Turkey	100	100	F.C.
AS Premium Brands Norway	Norway	100	100	F.C.
Pernod Ricard Vietnam Company Limited	Vietnam	-	100	F.C.
Austin, Nichols & Co, Inc**	United Kingdom	100	100	F.C.
La Casa dels Licors SL	Andorra	100	100	F.C.
UAB Pernod Ricard Lietuva	Lithuania	100	100	F.C.
V&S Vin&Sprit AB	Sweden	100	100	F.C.
V&S Luksusowa Zielona Gora SA	Poland	100	100	F.C.
Pernod-Ricard Norway A/S	Norway	100	100	F.C.

* *Corby Distilleries Limited is consolidated using the full consolidation method because of the Group's majority control percentage in respect of this Company.*

** *Incorporated bodies with subsidiaries or who themselves are members of UK partnerships.*
In accordance with Regulation 7 of The Partnership (Accounts) Regulations 2008, annual partnership accounts have not been prepared as the UK partnerships are consolidated within the Pernod Ricard group annual consolidated financial statements.

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the financial year ended 30 June 2011, on:

- the audit of the accompanying consolidated financial statements of Pernod Ricard;
- the basis for our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Basis for our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- At each balance sheet date the company systematically carries out impairment tests on goodwill and intangible assets with indefinite useful lives, also assessing whether there are any indications of impairment of non-current assets, as detailed in Notes 1.5, 1.7 and 1.9 to the consolidated financial statements. We assessed the data and assumptions on which the estimates are based, particularly the cash flow forecasts used, reviewed the calculations performed by the Company, evaluated the principles and methods used to determine fair values, compared the accounting estimates made in prior years with corresponding outcomes and verified that Note 10 to the consolidated financial statements gives appropriate information.
- The company has recorded provisions for pensions and other postemployment benefits, deferred tax liabilities and others contingencies, as described in Note 1.5 to the consolidated financial statements. We have assessed the basis on which these provisions were recognised and reviewed the disclosures concerning risks in Notes 15 and 23 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to our opinion expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, on 16 September 2011

The Statutory Auditors,

Deloitte & Associés

Marc de Villartay

Mazars

Isabelle Sapet Loïc Wallaert

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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PERNOD RICARD SA FINANCIAL STATEMENTS

Pernod Ricard SA income statement

For the financial years ending 30 June 2010 and 30 June 2011

In euro thousand	30.06.2010	30.06.2011
Net sales	-	911
Royalties	36,404	36,517
Other income	35,508	32,601
Reversals of financial provisions and expense transfers	3,940	5,554
TOTAL OPERATING INCOME	**75,852**	**75,583**
Purchases of goods and supplies not for stock	(487)	(1,126)
External services	(88,445)	(98,696)
Duties and taxes	(3,466)	(3,638)
Personnel expenses	(36,938)	(44,367)
Depreciation, amortisation and provision charges	(7,624)	(8,834)
Other expenses	(1,856)	(4,049)
TOTAL OPERATING EXPENSES	**(138,816)**	**(160,710)**
Operating profit (loss)	**(62,964)**	**(85,127)**
Income from investments	439,961	632,417
Other interest and related income	131,421	208,053
Reversals of financial provisions and expense transfers	38,731	10,424
Translation gains	422,471	260,119
TOTAL FINANCIAL INCOME	**1,032,584**	**1,111,013**
Provision charges	(12,039)	(90,935)
Interest and related expenses	(329,298)	(582,956)
Translation losses	(553,840)	(336,680)
TOTAL FINANCIAL EXPENSES	**(895,177)**	**(1,010,571)**
Interest (expense) income	**137,407**	**100,442**
Profit before tax and exceptional items	**74,443**	**15,315**
Exceptional items	**(59,409)**	**69,965**
Net profit/loss before income tax	**15,034**	**85,280**
Corporate income tax	74,091	153,279
PROFIT FOR THE FINANCIAL YEAR	**89,125**	**238,559**

Pernod Ricard SA balance sheet

For the financial years ending 30 June 2010 and 30 June 2011

Assets

In euro thousand	Net value 30.06.2010	Gross value 30.06.2011	Depreciation, amortisation & provisions	Net value 30.06.2011	Notes
Legal goodwill, brands and software	33,638	45,615	(9,246)	36,369	
Intangible assets	33,638	45,615	(9,246)	36,369	2
Land	948	948	-	948	
Buildings	803	2,117	(1,349)	768	
Machinery & equipment	25	91	(56)	35	
Other property, plant and equipment	2,042	8,780	(6,489)	2,291	
Property, plant and equipment	3,818	11,936	(7,894)	4,042	
Investments	11,894,903	12,074,832	(124,915)	11,949,917	3
Loans and advances to subsidiaries and associates	222,484	157,511	-	157,511	3 and 4
Loans	21	20	-	20	3 and 4
Guarantee deposits	1,440	2,227	-	2,227	3 and 4
Treasury shares	-	2,928	-	2,928	3
Financial assets	12,118,848	12,237,518	(124,915)	12,112,603	3
TOTAL FIXED ASSETS	**12,156,304**	**12,295,069**	**(142,055)**	**12,153,014**	
Advances and supplier prepayments	124	418	-	418	
Trade receivables	37,907	28,573	-	28,573	
Other receivables	3,486	4,848	-	4,849	
Operating receivables	41,393	33,421	-	33,422	
Other receivables	1,908,286	1,656,158	(2,665)	1,653,493	
Marketable securities	95,780	136,255	(905)	135,350	5
Cash	116,495	8,046	-	8,046	
TOTAL CURRENT ASSETS	**2,162,078**	**1,834,299**	**(3,570)**	**1,830,729**	
Prepaid expenses	29,825	32,449	-	32,449	6
Bond redemption premiums	5,472	14,514	-	14,514	6
Currency translation adjustment – Assets	463,962	34,524	-	34,524	6
TOTAL PREPAID EXPENSES AND DEFERRED CHARGES	**499,259**	**81,487**	**-**	**81,487**	
TOTAL ASSETS	14,817,641	14,210,855	(145,625)	14,065,230	

Liabilities and shareholders' equity

In euro thousand	30.06.2010	30.06.2011	Notes
Share capital	**409,560**	**410,319**	**7**
Additional paid-in capital	**3,008,924**	**3,021,041**	
Legal reserves	**40,090**	**40,956**	
Regulated reserves	**179,559**	**179,559**	
Other reserves	**195,013**	**195,013**	
Retained earnings	**1,327,012**	**1,063,309**	
Profit for the financial year	**89,125**	**238,559**	
Interim dividends	**(161,182)**	**(177,364)**	
TOTAL SHAREHOLDERS' EQUITY	**5,088,101**	**4,971,392**	**8**
Provision for contingencies and charges	**149,887**	**301,939**	**9**
Bonds	2,907,088	4,461,877	4 and 13
Bank debt	4,295,238	2,571,278	4 and 14
Other debt	3,928	16,338	4
Debt	**7,206,254**	**7,049,493**	
Trade payables	34,600	40,104	
Taxes and Social security	20,905	25,596	
Trade and other accounts payable	**55,505**	**65,700**	**4**
Other liabilities	**1,743,897**	**1,460,233**	**4**
TOTAL LIABILITIES	**9,005,656**	**8,575,426**	
Deferred income	**52,091**	**57,284**	**4 and 11**
Currency translation adjustment – Liabilities	**521,906**	**159,189**	**11**
TOTAL PREPAID EXPENSES AND DEFERRED CHARGES	**573,997**	**216,473**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,817,641**	**14,065,230**	

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Pernod Ricard SA cash flow statement

For the financial years ending 30 June 2010 and 30 June 2011

In euro thousand	30.06.2010	30.06.2011
Operating activities		
Net profit	89,125	238,559
Net depreciation, amortisation and provision charges	6,923	(15,905)
Changes in provisions	(34,537)	148,236
Net (gain)/loss on disposal of assets and other items	12,943	(2,556)
Self-financing capacity	**74,454**	**368,334**
Decrease/(increase) in working capital needs	878,274	176,687
Net debt from operating activities	**952,728**	**545,021**
Investing activities		
Capital expenditure	(1,106)	(3,475)
Purchases of financial assets net of disposals	(651,582)	26,633
Net debt from investment activities	**(652,688)**	**23,158**
Financing activities		
Long-term and medium-term bond issue	897,734	1,821,927
Loans and medium-term and long-term debt	(1,570,888)	(844,931)
Other changes in shareholders' equity	10,890	12,875
Dividends paid	(128,679)	(351,961)
Net debt from financing activities	**(790,943)**	**637,910**
Short-term net debt	**(490,903)**	**1,206,089**
Short-term net debt at the beginning of the year	(1,949,863)	(2,440,766)
Short-term net debt at the end of the year	(2,440,766)	(1,234,677)

Note: presentation of cash flow statement

Changes in net debt comprise changes in both debt and cash and cash equivalents.

Net debt breaks down as follows:

In euro thousand	30.06.2010	30.06.2011
Loans and long-term debts	(886,361)	(19,739)
Bonds	(357,088)	(80,908)
Net balance on current account with Pernod Ricard Finance	(1,411,270)	(1,278,331)
Marketable securities	97,458	136,255
Cash	116,495	8,046
SHORT-TERM NET DEBT AT THE END OF THE YEAR	**(2,440,766)**	**(1,234,677)**
Bonds	(2,544,528)	(4,380,969)
Loans and long-term debts	(1,926,596)	(874,397)
Pernod Ricard Finance loan	(1,486,210)	(1,693,480)
MEDIUM-TERM AND LONG-TERM NET DEBT AT THE END OF THE YEAR	**(5,957,334)**	**(6,948,846)**
TOTAL NET DEBT AT THE END OF THE YEAR	**(8,398,100)**	**(8,183,523)**

Analysis of Pernod Ricard SA results

Relations between the Parent Company and its subsidiaries

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in the areas of strategy, financial control of subsidiaries, external growth, marketing, development, research, Human Resources and communication. Pernod Ricard SA's financial relations with its subsidiaries mainly involve billing of royalties for the operation of brands owned by Pernod Ricard SA, rebilling for product relating to research and innovation services, and receipt of dividends.

Highlights of the financial year

1. Asset disposals

As part of the rationalisation of the organisation of the Pernod Ricard group's Czech subsidiaries, on 27 June 2011, Pernod Ricard SA sold its 20.23% stake in the company SALB to Pernod Ricard Europe, which already had a direct and indirect stake of 79.77%. The proceeds of the sale were €37.4 million.

In addition, the Group carried out the following asset disposals:

- on 21 July 2010, the Spanish wine brands Marqués de Arienzo™ and Viña Eguía™, the *Bodega* and 358 hectares of vineyards and associated land, to the Spanish consortium of buyers composed of Vinos de los Herederos del Marqués de Riscal SA and Gangutia S.L. (Bodegas Muriel) for €28 million;
- on 31 August 2010, its shares in the company Ambrosio Velasco, to Diego Zamora for €32.4 million;
- on 3 December 2010, the Renault cognac brand and certain inventories of finished products, to Altia for €10.0 million;
- on 22 December 2010, Lindauer™ and several wine brands from the Gisborne and Hawke's Bay regions in New Zealand, along with related inventories and production assets for €48 million, to a consortium of buyers composed of Lion Nathan New Zealand and Indevin;
- on 4 April 2011, its minority stake in Suntory Holdings Limited, to Suntory Holdings Limited for €40 million;
- on 29 June 2011, its stake in Georgian Wine and Spirits LLC, to JSC Marussia (Georgia).

2. Bond issues

Pernod Ricard has issued:

- on 15 March 2011, a €1 billion bond, with the following characteristics: remaining period to maturity of five years and nine months (maturity date: 15 March 2017) and bearing fixed-rate interest of 5%;
- on 7 April 2011, a USD 1 billion bond, with the following characteristics: remaining period to maturity of nine years and nine months (maturity date: 7 April 2021) and bearing fixed-rate interest of 5.75%.

These two transactions enabled the Group to diversify its sources of financing and to extend the maturity of the debt.

3. Dissolution of the company Établissements Vinicoles Champenois (EVC) by Pernod Ricard SA

On 20 October 2010, the Board of Directors decided to proceed with the dissolution, without liquidation, of EVC, leading to the transfer of all its assets and liabilities to Pernod Ricard SA, in accordance with the provisions of article L. 1844-5 of the French Civil Code.

The transfer of the assets and liabilities of EVC was effective, for legal purposes, as of midnight on 10 June 2011, the deadline for creditors to oppose the dissolution pursuant to article 8, paragraph 2, of decree 78-704 of 3 July 1978. The dissolution without liquidation allows the Group's legal structures to be simplified following the sale by EVC to ANCO (Austin Nichols) of its main asset, i.e. 14.26% of Pernod Ricard USA.

In accordance with CRC (French Accounting Regulatory Committee) regulation 2004-01 the losses arising from the transfer of assets/liabilities in relation to the dissolution without liquidation of EVC, corresponding to the difference between the value of EVC's net assets and the value of the EVC shares held by Pernod Ricard SA resulting from currency translation adjustments was reported in Pernod Ricard SA's financial statements under financial income, in the sum of €(81) million. The losses arising from the transfer of assets/liabilities in relation to the dissolution without liquidation of EVC are not tax deductible as they are classed as long-term capital losses.

4. Sale and repurchase agreements for Pernod Ricard shares

In relation to sale and repurchase agreements, Pernod Ricard resold 832,352 treasury shares purchased to cover the 2007 stock option plan. For this transaction, the shares held to cover the 2007 stock option plan were transferred to Société Générale, although Pernod Ricard reserved the right through a repurchase clause to buy up these shares during exercises of options. These transactions are viewed legally as sales carried out under dissolving conditions (exercise of the repurchase option); when the option is exercised, the initial sale is considered as never having taken place, and it is deemed that the shares involved were the property of the assignor from the outset. Thus the Group meets its legal obligation to cover purchase options with shares, at the latest on the date on which the options may be exercised.

Post-balance sheet event

On 20 July 2011, the Group announced that it had signed a joint venture agreement with Tequila Avión. This agreement covers the production and promotion of the ultra-premium 'Avión™' tequila brand. The Pernod Ricard group holds a minority interest in this joint venture and is the exclusive worldwide distributor of the brand.

Income statement and balance sheet at 30 June 2011

Analysis of the 2010/2011 income statement

Operating income (royalties, rebilling and other income) was €75.6 million, broadly flat compared with 30 June 2010.

Operating expenses were €(160.7) million at 30 June 2011, compared with €(138.8) million at 30 June 2010. The €(21.9) million increase in operating expenses was mainly due to:

- a €(7.4) million increase in personnel expenses;
- a €(1.2) million increase in amortisation and pension provisions;
- external services and other expenses of €(13.3) million: an increase in marketing and advertising expenses in relation and the Agility project.

An operating loss of €(85.1) million was recorded at 30 June 2011, representing a fall of €22.1 million compared to June 2010 as a result of a rise in personnel expenses and the cost of external services.

Interest income was €100.4 million at 30 June 2011, compared with €137.4 million at 30 June 2010. The decrease was mainly attributable to:

- the increase in financial expenses on bonds issued of €(61.0) million, losses arising from the transfer of assets/liabilities in relation to the dissolution without liquidation of EVC of €(81.0) million and other movements in relation to stock options and free share transactions of €(66.8) million;
- an increase in net currency translation expenses of €(20.6) million (due to fluctuations in the dollar);
- an increase in dividends received from subsidiaries, mainly with reference to Pernod Ricard Europe, Comrie, Pernod Ricard Asia, Ricard and Peri Mauritius, of €192.4 million.

Operating result before tax amounted to €15.3 million, compared with €74.4 million at 30 June 2010.

At 30 June 2011, exceptional items represented income of €70.0 million, mainly arising from the reversal of provisions for risks attached to the allocation of free shares and stock options, the capital gain from the sale of the stake in the company SALB and the expenses relating to bond issues.

Finally, income tax generated a gain of €153.3 million due to the effects of tax consolidation.

As a result, net profit for financial year 2010/2011 was €238.6 million.

Analysis of the 2010/2011 balance sheet

Assets

Total net fixed assets stood at €12,153.0 million, compared with €12,156.0 million the previous financial year. The decrease of €3 million was attributable to the transfer of the assets/liabilities of EVC, the increase in equity investments, (mainly ANCO), the sale of SALB shares and the liquidation of companies consolidated by Seagram.

Current assets fell by €331.3 million during the year.

The main movements include:

- a decrease in trade receivables, including the item Group customers amounting to €7.6 million;
- a decrease in other Group receivables, amounting to €254.7 million;
- an increase in marketable securities worth €39.6 million following the purchase of Pernod Ricard shares for the allocation of stock options under the June 2011 plan;
- a decrease in the Cash item generated by cash instruments (currency derivatives) for €108.5 million.

Prepaid expenses and deferred charges, amounting to €81.5 million, mainly comprise Translation adjustment, which decreased due to the effects of the revaluation of the exchange rate for receivables and payables denominated mainly in US dollars.

Liabilities and shareholders' equity

Shareholders' equity stood at €4,971.4 million, compared with €5,088.1 million at 30 June 2010. The main movements for the period were:

- an increase relating to the profit for the year of €238.6 million, with the exercise of stock options having an impact of €12.9 million on the share capital and share premium account;

- a decrease relating to the payment of the balance of the dividend for 2009/2010, amounting to €190.8 million, and an interim dividend of €0.67 per share in respect of 2010/2011, equivalent to a total dividend payment of €177.4 million. The interim dividend was paid on 6 July 2011.

Provision for contingencies and charges increased by €152 million, mainly due to:

- recognition in provisions for contingencies and charges of the tax savings made thanks to the tax loss carryforwards relating to the tax consolidation of subsidiaries (€133.1 million);
- the implementation of the stock option and free share plan of 15 June 2011;
- the increase in provisions for pensions and medical expenses.

During the period, the reduction in debt of €430.2 million was mainly attributable to:

- a reduction in financial liabilities of €(156.7) million following the net change in bond payments of €1,531 million, a decrease in the syndicated loan amount of €(2,082.3) million, and an increase in loans from Pernod Ricard Finance and other accrued bank interest totalling €394.6 million;
- a substantial reduction in other liabilities of €(283.7) million due to a decrease in the Pernod Ricard Finance loan account and current tax accounts (transferred in the form of provisions for contingencies), and the difference between the June 2010 and June 2011 interim dividends.

Prepaid expenses and deferred charges, amounting to €216.5 million, mainly comprise Translation adjustment, which decreased considerably due to the effects of the revaluation of the exchange rate for receivables and payables denominated mainly in US dollars.

Notes to the Pernod Ricard SA financial statements

Pernod Ricard SA is a French public limited company (*Société Anonyme*), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 12 place des États-Unis, 75016 Paris, and is listed on the Paris Stock Market.

The balance sheet total for the financial year ended 30 June 2011 was €14,065,229,654.89. The income statement records a profit for the year of €238,559,274.54. The financial year covered the 12-month period from 1 July 2010 to 30 June 2011.

Note 1 Accounting policies

The annual financial statements for 2010/2011 were prepared in accordance with the provisions of CRC regulation 99.03 of 29 April 1999 relating to the revised French General Accounting Standards and the new accounting rules CRC 2002-10 on assets, as amended by CRC regulations 2003-07 and 2004-06. General accounting principles were applied, in accordance with the prudence principle, using certain assumptions whose objective is to provide a true and fair view of the company. These assumptions are:

- going concern;
- consistency of accounting policies from one financial year to the next;
- accruals basis of accounting.

Balance sheet assets and liabilities are measured, depending on the specific items, at their historical cost, contribution cost or market value.

1. Intangible assets

The brands acquired from the merger of Pernod and Ricard in 1975 and from subsequent mergers are the Company's main intangible assets.

Intangible assets are valued at acquisition cost.

2. Property, plant and equipment

Property, plant and equipment is recognised at acquisition cost (purchase price plus ancillary costs but not including acquisition fees). Depreciation is calculated using the straight-line or reducing balance methods, on the basis of the estimated useful lives of the assets:

- buildings: between 20 and 50 years (straight-line);
- fixtures and fittings: ten years (straight-line);
- machinery and equipment: five years (straight-line);
- office furniture and equipment: ten years (straight-line) or four years (reducing balance).

3. Financial assets

The gross value of investments is composed of their acquisition cost, excluding ancillary costs, increased by the impact of legal revaluations where applicable.

If the value in use of the investments is lower than their net carrying amount, a provision for impairment is recognised for the difference.

Value in use is determined based on multi-criteria analysis, taking into account the share of the subsidiary shareholders' equity that the investment represents, the value based on dividend yield and the financial and economic potential of the subsidiary, with particular reference being made to the market value of its net assets.

The treasury shares item includes own shares held by Pernod Ricard SA which are available to be awarded to employees.

4. Trade receivables

Receivables are recognised at their nominal value. A provision is recognised in the event that their value at the balance sheet date falls below net carrying amount.

5. Marketable securities

This item includes treasury shares acquired for the allocation of stock option plans from the time of acquisition.

A liability is recognised when it becomes probable that the rights to receive the securities concerned under the plans will be exercised. For other marketable securities, an impairment provision is taken when the cost price is higher than the market price.

6. Provisions for contingencies and charges

Provisions for contingencies and charges are recognised in accordance with French accounting regulation 2000-06 on liabilities, issued on 7 December 2000 by the French Accounting Regulatory Committee (CRC).

This accounting regulation provides that a liability is recognised when an entity has an obligation towards a third party and that it is probable or certain that this obligation will cause an outflow of resources to the third party without equivalent consideration being received. A present obligation must exist at the balance sheet date for a provision to be recognised.

7. Translation of foreign currency denominated items

Payables, receivables and cash balances denominated in foreign currencies are translated into euro as follows:

- translation of all payables, receivables and cash balances denominated in foreign currencies at year-end rates;
- recognition of differences compared to the amounts at which these items were initially recognised as translation adjustment assets or liabilities in the balance sheet;
- recognition of a provision for any unrealised currency losses, after taking into account the effect of any offsetting foreign exchange hedge transactions.

8. Derivative financial instruments

Differences arising from changes in the value of financial instruments used as hedges are recognised in profit and loss in a manner symmetrical to the manner in which income and expenses relating to the hedged item are recognised.

9. Corporate income tax

Pernod Ricard SA is subject to the French tax consolidation system defined by the law of 31 December 1987. Under certain conditions, this system allows income taxes payable by profitable companies to be offset against tax losses of other companies. The scheme is governed by articles 223 A *et seq.* of the French tax code.

Each company in the tax group calculates and accounts for its tax expense as if it were taxed as a standalone entity.

The effects of tax consolidation are recognised in the Pernod Ricard SA financial statements.

Note 2 Intangible assets

1. Gross value

In euro thousand	At 01.07.2010	Contribution	Acquisitions	Disposals	At 30.06.2011
Brands	32,560	-	-	-	32,560
Software	9,034	-	2,654	-	11,688
Advances and down-payments on intangible assets	131	-	4,173	(2,937)	1,367
TOTAL	**41,725**	**-**	**6,827**	**(2,937)**	**45,615**

2. Amortisation

In euro thousand	At 01.07.2010	Contribution	Allowances	Reversals	At 30.06.2011
Brands	-	-	-	-	-
Software	(8,087)	-	(1,159)	-	(9,246)
TOTAL	**(8,087)**	-	**(1,159)**	-	**(9,246)**

Note 3 Financial assets

1. Gross value

In euro thousand	At 01.07.2010	Contribution	Acquisitions	Capital transaction	Disposals	EVC shares	At 30.06.2011
Investments in consolidated entities	11,993,760	180,199	-	208,090	(20,302)	(308,230)	12,053,517
Investments in non-consolidated entities	12,581	-	-	45	-	-	12,626
Other investments	30,988	-	-	924	(23,223)	-	8,689
Advance on investment	321	-	-		(321)	-	-
Investments	**12,037,650**	**180,199**	**-**	**209,059**	**(43,846)**	**(308,230)**	**12,074,832**
Loans and advances to subsidiaries and associates	222,484	-	158,043	-	(223,016)	-	157,511
Loans	22	-	-	-	(2)	-	20
Guarantee deposits	1,441	-	872	-	(86)	-	2,227
Treasury shares	-	-	3,369	-	(441)	-	2,928
TOTAL	**12,261,597**	**180,199**	**162,284**	**209,059**	**(267,391)**	**(308,230)**	**12,237,518**

- Investments in consolidated entities: effect of the transfer of EVC's assets/liabilities, the increase in ANCO shares and the sale of SALB shares.
- Treasury shares: shares arising from the cancellation of existing stock option plans.

In accordance with article L. 225-210 of the French Commercial Code, Pernod Ricard holds reserves under liabilities on its balance sheet, in addition to the legal reserve, of an amount at least equal to the value of the all the shares it owns.

2. Provisions

In euro thousand	At 01.07.2010	Contribution	Allowances	Reversals	At 30.06.2011
Investments in consolidated entities	(108,692)	-	(83,454)	79,935	(112,211)
Investments in non-consolidated entities	(5,030)	-	(5,290)	4,970	(5,350)
Other investments	(28,704)	-	-	21,350	(7,354)
Advance on investment	(321)	-	-	321	-
Investments	**(142,747)**	-	**(88,744)**	**106,576**	**(124,915)**
Treasury shares	-	-	-	-	-
TOTAL	**(142,747)**	**-**	**(88,744)**	**106,576**	**(124,915)**

Note 4 Maturity of receivables and payables

1. Trade receivables

In euro thousand	Gross amount	Due in one year or less	Due in more than one year
Loans and advances to subsidiaries and associates	157,511	115,568	41,943
Loans	20	-	20
Other financial assets	5,155	2,928	2,227
Receivables and other financial assets	**162,685**	**118,495**	**44,190**
Current assets other than marketable securities and cash	1,689,997	91,713	1,598,284
Prepaid expenses	32,449	32,449	-
TOTAL	**1,885,131**	**242,657**	**1,642,474**

2. Liabilities

In euro thousand	Gross amount	Due in one year or less	Due in one to five years	Due in more than five years
Bonds	4,461,877	80,908	1,489,071	2,891,897
Bank debt	874,441	43	724,397	150,000
PR Finance borrowings	1,696,837	3,357	1,693,480	-
Other debt	16,338	16,338	-	-
Trade and other accounts payable	65,700	65,700	-	-
Other liabilities	1,460,233	179,383	1,280,850	-
Deferred income	57,284	56,874	177	233
TOTAL	**8,632,711**	**402,604**	**5,187,976**	**3,042,130**

Note 5 Marketable securities

In euro thousand or in quantities	At 01.07.2010		Reclassification (1)		Capital transaction		Acquisitions		Exercises/Disposals		At 30.06.2011	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
Pernod Ricard shares												
■ Gross value	1,531,090	97,459	(43,618)	(2,928)	-	-	851,897	57,585	278,667	15,860	2,060,702	136,255
■ Impairment	-	(1,678)	-	-	-	-	-	-	-	(773)	-	(905)
NET VALUE	**1,531,090**	**95,780**	**(43,618)**	**(2,928)**	**-**	**-**	**851,897**	**57,585**	**278,667**	**15,087**	**2,060,702**	**135,350**

(1) Treasury shares: shares arising from the cancellation of existing stock option plans

At 30 June 2011, the Pernod Ricard share price was €67.97, which gave rise to an unrealised loss of €905,053.

In accordance with article L. 225-210 of the French Commercial Code, Pernod Ricard holds reserves under liabilities on its balance sheet, in addition to the legal reserve, of an amount at least equal to the value of the all the shares it owns.

Note 6 Prepaid expenses and deferred charges

In euro thousand	At 01.07.2010	Contribution	Increases	Decreases	At 30.06.2011
Prepaid expenses [(1)]	29,825	-	19,102	(16,478)	32,449
Bond redemption premiums [(2)]	5,472	-	10,597	(1,555)	14,514
Currency translation adjustment – Asset [(3)]	463,962	-	34,524	(463,962)	34,524
TOTAL	**499,259**	-	**64,224**	**(481,995)**	**81,488**

(1) The rise in Prepaid expenses is due to movements during the period, mainly through the implementation of a new repurchase agreement on 29 September 2010.

(2) The increase in Bond redemption premiums is linked to the bond issues of €1 billion and USD 1 billion. Bond redemption premiums are amortised over the life of the bonds concerned.

(3) The €34 million asset arising from translation adjustments at 30 June 2011 is mainly due to the restatement of assets and liabilities at the closing euro/American dollar exchange rate on 30 June 2011.

Note 7 Composition of share capital

At 30 June 2011, the share capital comprised 264,721,803 shares with a par value of €1.55 per share. Total share capital thus amounted to €410,318,794.65.

Note 8 Shareholders' equity

In euro thousand	At 01.07.2010	Appropriation of profit	Change in share capital/Other	Contribution	Distribution of dividends	2011 profit	At 30.06.2011
Capital [(1)]	409,560	-	759	-	-	-	410,319
Share premiums	3,008,925	-	12,116	-	-	-	3,021,041
Legal reserve	40,089	867	-	-	-	-	40,956
Regulated reserves	179,559	-	-	-	-	-	179,559
Other reserves	195,013	-	-	-	-	-	195,013
Retained earnings	1,327,012	88,258	-	-	(351,961)	-	1,063,309
Profit for the financial year	89,125	(89,125)	-	-		238,559	238,559
Interim dividends to be paid [(2)]	-	-	-	-	(177,364)	-	(177,364)
Interim dividends for financial year N-1	(161,182)	-	-	-	161,182	-	-
TOTAL	**5,088,101**	**-**	**12,875**	-	**(368,143)**	**238,559**	**4,971,392**

(1) The increase in Capital relates to the exercise of stock options.

(2) At its meeting of 15 June 2011 the Board decided to pay an interim dividend of €0.67 per share in respect of 2010/2011, a payment amounting to €177,364,000. The interim dividend was paid on 6 July 2011.

Note 9 Provisions

In euro thousand	At 01.07.2010	Contribution	Increases in the year	Reversals on use	Reversals of unused provisions	At 30.06.2011
Provision for contingencies and charges						
Provision for currency losses	1,455	-	3,966	(1,455)	-	3,966
Other provisions for risks and contingencies	109,427	-	233,525	(36,361)	(51,088)	255,503
Provisions for pensions and other long-term employee benefits	39,005	-	9,018	(5,553)	-	42,470
TOTAL 1	**149,887**	-	**246,509**	**(43,369)**	**(51,088)**	**301,939**
Provisions for depreciation and amortisation						
On intangible assets	-	-	-	-	-	-
On financial assets	142,747	-	88,744	(21,670)	(84,906)	124,915
On trade receivables	-	-	-	-	-	-
On other receivables	5,707	-	128	(2,684)	(486)	2,665
On marketable securities	1,678	-	905	-	(1,678)	905
TOTAL 2	**150,132**	-	**89,777**	**(24,354)**	**(87,070)**	**128,485**
OVERALL TOTAL	**300,020**	-	**336,286**	**(67,723)**	**(138,158)**	**430,424**

Provision for contingencies and charges

The €4.0 million provision for currency losses at 30 June 2011 mainly consists of the unrealised currency loss for unhedged American dollar receivables.

Other provisions for risks and contingencies correspond to:

- provisions against risks generated by stock options (€34.2 million) relating to the Plans of June 2008, 2010 and 2011 (maturing in 2012, 2014 and 2015 respectively) and the free shares (€78.6 million) relating to the Plans of June 2008, 2010 and 2011 (maturing in June 2012, 2014 and 2015 respectively);
- other provisions (€9.6 million);
- provisions for contingencies and charges relating to tax consolidation (€133.1 million).

Provisions for pensions and other long-term employee benefits are presented below:

Description and recognition of employee benefit obligations

Pernod Ricard SA's employee benefit obligations comprise:

- long-term post employment benefits (retirement bonuses, medical expenses, etc.);
- long-term benefits payable during the period of employment.

The liability arising as a result of the Company's net employee benefit obligation is recognised in provisions for contingencies and charges on the balance sheet.

Calculation of the provision in respect of the net benefit obligation

The provision recognised by Pernod Ricard SA is equal to the difference, for each benefit plan, between the present value of the employee benefit obligation and the value of plan assets paid to specialised entities in order to fund the obligation.

The present value of employee benefit obligations is calculated using the prospective method involving calculating a projected salary at date of retirement (projected unit credit method). The measurement is made at each balance sheet date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate, discount rate, expected return on plan assets) and assumptions concerning employees (mainly: average salary increase, rate of employee turnover, life expectancy).

At 30 June 2011, the total amount of benefit obligations was €69.0 million. Provisions of €42.5 million have been recognised in respect of these benefit obligations.

In this respect, the inflation rate used for measurement of the benefit obligations at 30 June 2011 was 2% and the discount rate used was 5.0% for supplementary pensions, retirement bonuses and medical expenses.

Plan assets are measured at their market value at each balance sheet date.

Accounting for actuarial gains and losses

Actuarial gains and losses mainly arise where estimates differ from actual outcomes (for example between the expected value of plan assets and their actual value at the balance sheet date) or when changes are made to long-term actuarial assumptions (for example: discount rate, rate of increase of salaries, etc.).

Actuarial gains and losses are only recognised when, for a given plan, they represent more than 10% of the greater of the present value of the benefit obligation and the fair value of plan assets (termed the 'corridor' method). Recognition of the provision is on a straight-line basis over the average number of remaining years' service of the employees in the plan in question.

Components of the expense recognised for the financial year

The expense recognised in respect of the benefit obligations described above incorporates:

- expenses corresponding to the acquisition of an additional year's rights;
- interest expense arising on the unwinding of discount applied to vested rights at the start of the year (as a result of the passage of time);
- income corresponding to the expected return on plan assets;
- income or expense corresponding to the amortisation of actuarial gains and losses;
- income or expense related to changes to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

Note 10 Transactions and balances with subsidiaries and associates and other invested entities

In euro thousand	Amount concerning			
Item	Subsidiaries and associates 30.06.2010	Other invested entities 30.06.2010	Subsidiaries and associates 30.06.2011	Other invested entities 30.06.2011
Investments	**11,996,925**	**40,725**	**12,056,727**	**18,105**
Loans and advances to subsidiaries and associates	**222,483**	-	**157,511**	-
Due in one year or less	200,024	-	115,567	-
Due in more than one year	22,459	-	41,944	-
Trade receivables	**37,907**	-	**28,573**	-
Due in one year or less	37,907	-	28,573	-
Due in more than one year	-	-	-	-
Other receivables	**1,855,539**	-	**1,609,517**	-
Due in one year or less	3,008	-	32,075	-
Due in more than one year	1,852,531	-	1,577,442	-
Other debt	**1,488,388**	-	**1,696,837**	-
Due in one year or less	2,178	-	3,357	-
Due in more than one year and less than five years	1,486,210	-	1,693,480	-
Trade payables	**5,208**	-	**5,252**	-
Due in one year or less	5,208	-	5,252	-
Due in more than one year and less than five years	-	-	-	-
Other payables	**1,578,517**	-	**1,278,331**	-
Due in one year or less	1,567	-	611	-
Due in more than one year and less than five years	1,576,950	-	1,277,720	-
Expenses from recurring operations	**14,243**	-	**25,414**	-
Group seconded personnel	13,747	-	13,904	-
Other Group management expenses	496	-	11,510	-
Operating income	**67,185**	-	**69,049**	-
Group royalties	36,404	-	36,517	-
Group management income	605	-	675	-
Transfer of Group expenses	30,176	-	31,857	-
Financial expenses	**178,935**	-	**194,379**	-
Financial income	**572,624**	**571**	**781,090**	**510**
Exceptional items	**18,697**	-	**36,893**	-

No significant transactions took place with related parties that were not carried out under normal market conditions.

Note 11 Deferred income and adjustment accounts

In euro thousand	At 01.07.2010	Contribution	Increases	Decreases	At 30.06.2011
Deferred income [1]	52,091	-	11,661	(6,468)	57,284
Currency translation adjustment – Liabilities [2]	521,906	-	159,189	(521,906)	159,189
TOTAL	**573,997**	**-**	**170,850**	**(528,374)**	**216,473**

(1) The rise in Deferred income is due to movements during the period, mainly through the implementation of a new repurchase agreement on 29 September 2010.

(2) The €159.2 million liability arising from translation adjustments at 30 June 2011 is mainly due to the restatement of assets and liabilities at the closing euro/American dollar exchange rate on 30 June 2011.

Note 12 Accrued income and expenses

Accrued income

In euro thousand	Amount
Amount of accrued income in the following balance sheet items	
Loans and advances to subsidiaries and associates	118,677
Trade receivables	406
Other receivables	3,381
Cash	7,202
TOTAL	**129,666**

Accrued expenses

In euro thousand	Amount
Amount of accrued expenses in the following balance sheet items	
Bank debt	100,626
Trade and other accounts payable	44,916
Other payables	611
TOTAL	**146,153**

Note 13 Bonds

In euro thousand	Amount in thousands of US dollars	Amount in thousands of euros	Maturity Date	Accrued interest	Rate	Total
Bond of 06.12.2006 – tranche 2	-	550,000	06.12.2013	14,426	Fixed	564,426
Bond of 15.06.2009	-	800,000	15.01.2015	25,622	Fixed	825,622
Bond of 18.03.2010	-	1,200,000	18.03.2016	16,783	Fixed	1,216,783
Bond of 15.03.2011	-	1,000,000	15.03.2017	14,754	Fixed	1,014,754
USD bond of 07.04.2011	1,000,000	691,898	07.04.2021	9,239	Fixed	701,137
Bond of 21.12.2010	201,000	139,071	21.12.2015	84	Variable	139,155
TOTAL	-	**4,380,969**	-	**80,908**	-	**4,461,877**

On 6 December 2006, Pernod Ricard SA issued bonds of total amount of €850 million, in two tranches with the following characteristics:

- tranche 1 - €300 million: redeemed on 6 June 2011;
- tranche 2: fixed rate.

Tranche 2 is composed of €550.0 million of notes with a remaining period to maturity of two years and six months (maturity date: 6 December 2013) which bear interest at a fixed rate of 4.625%.

On 15 June 2009, Pernod Ricard SA issued €800.0 million of bonds with the following characteristics: remaining period to maturity of three years and six months as of 30 June 2011 (maturity date: 15 January 2015) and bearing fixed-rate interest of 7%.

On 18 March 2010, Pernod Ricard SA issued €1,200.0 million of bonds with the following characteristics: remaining period to maturity of four years and nine months as of 30 June 2011 (maturity date: 18 March 2016) and bearing fixed-rate interest of 4.875%.

On 21 December 2010, Pernod Ricard SA carried out a USD 201 million bond issue. This bond issue has the following characteristics: remaining period to maturity of four years and six months as of 30 June 2011 (maturity date: 21 December 2015) and bearing variable-rate interest.

On 15 March 2011, Pernod Ricard SA issued €1 billion of bonds with the following characteristics: remaining period to maturity five years and nine months as of 30 June 2011 (maturity date: 15 March 2017) and bearing fixed-rate interest of 5%.

On 7 April 2011, Pernod Ricard SA carried out a USD 1 billion bond issue. This bond issue has the following characteristics: remaining period to maturity nine years and nine months as of 30 June 2011 (maturity date: 7 April 2021) and bearing fixed-rate interest of 5.75%.

Note 14 Bank debt

Syndicated loan

On 23 July 2008, Pernod Ricard used part of the facilities granted by the multilinked-currency syndicated loan agreement signed on 27 March 2008, for €4,988.0 million (including €2,020.0 million in multicurrencies) and USD 10,138.0 million. At 30 June 2011, it had drawn down from this credit facility €300.0 million and US$613.0 million, a total equivalent to €724.0 million. The credit facilities, whether revolving or fixed maturity, denominated in euro, American dollars or multicurrencies, incur interest at the applicable LIBOR (or, for euro denominated borrowing, EURIBOR), plus a pre-determined spread and mandatory costs. These facilities have maturities in July 2013. This borrowing enabled the Group to repay the amounts due under the syndicated loan facility agreed in August 2005, to finance the Allied Domecq acquisition price and to refinance certain debt owed by the Group.

The debt recognised in the financial statements of Pernod Ricard SA relating to the syndicated loan amounts to €724.4 million (including accrued interest of €0.03 million). In addition, loans totalling €1,696.8 million (including €3.4 million of accrued interest), contracted in May 2008, June 2010 and January 2011, are due to Pernod Ricard Finance.

Note 15 Breakdown of income tax

In euro thousand	Total	Profit before tax and exceptional items	Exceptional items
Net profit/loss before income tax	85,280	15,315	69,965
Income tax prior to consolidation	-	-	-
Net impact of tax consolidation	153,279	-	-
NET PROFIT/LOSS	**238,559**	**15,315**	**69,965**

Within the framework of the tax consolidation, the tax loss carryforwards of the Pernod Ricard tax group amount to €(932,337,000), an increase of €30,820,000 over the financial year.

Note 16 Increases and decreases in future tax liabilities

Type of temporary differences

In euro thousand	Amount of tax
INCREASES	**NONE**
Provisions not tax deductible in year of accounting recognition	41
‘Organic’ local tax and other	87
Other provisions for risks and contingencies	11,011
Provisions for pensions and other long-term employee benefits	14,622
DECREASES IN FUTURE TAX LIABILITIES	**25,761**

The tax rate used is the rate in force in 2011, i.e. 34.43%.

Note 17 Remuneration

Remuneration paid to members of the Executive Directors and members of the Board of Directors amounted to €3,824,871.

Note 18 Income

Operating income was €75,583,000 compared to €75,852,000 in 2010, and mainly comprised royalties, rebilling of overheads to the Group's subsidiaries and other income. There was no transfer of Group expenses for the year.

Note 19 Financial income and expenses

In euro thousand	Amount at 30.06.2011
Income from investments	632,417
Income from other fixed asset securities and receivables	-
Other interest and related income	208,053
Reversals of financial provisions and expense transfers	10,424
Translation gains	260,119
Net gains on sale of marketable securities	-
TOTAL FINANCIAL INCOME	**1,111,013**

In euro thousand	Amount at 30.06.2011
Depreciation, amortisation and provision charges	(90,935)
Interest and related expenses (1)	(582,956)
Translation losses	(336,680)
Net expenses on marketable security disposals	-
TOTAL FINANCIAL EXPENSES	**(1,010,571)**

(1) Including losses of €(81,006,000) arising from the transfer of the assets/liabilities of EVC

Note 20 Exceptional items

In euro thousand	Amount
Net profit on management operations	-
Net profit on capital operations	108,308
Charges and reversals of financial provisions and expense transfers	(38,343)
EXCEPTIONAL ITEMS	**69,965**

Exceptional items of €69,965,000, mainly arising from the reversal of provisions for risks attached to the allocation of free shares, the capital gain from the sale of the stake in the company SALB and the expenses relating to bond issues.

The expense transfers item relates to the rebilling of Group fees and non-current expenses of €17,967,000.

Note 21 Off-balance sheet commitments

Guarantees granted

Commitments granted

In euro thousand	Amount
Guarantees on behalf of subsidiaries	3,674,614
Guarantees granted to holders of Allied Domecq Financial Services Ltd bonds	276,993
Rent	29,532
TOTAL	**3,981,139**

Commitments granted include guarantees, in particular those related to:

- the syndicated loan. Borrowings drawn by subsidiaries of the Pernod Ricard group that had not been repaid at 30 June 2011 amounted to €3,556 million;
- bonds and commercial paper.

Derivative instruments

Hedging for Pernod Ricard SA	Nominal value in thousands of USD	Fair value at 30 June 2011 in thousands of euros	Nominal value in thousands of euros	Fair value at 30 June 2011 in thousands of euros
Collars	-	-	750,000	(30,546)
Interest rate swaps	2,300,000	(53,625)	1,100,000	(26,642)
Currency swaps	1,286,097	(12,951)	-	-
TOTAL	**3,586,097**	**(66,576)**	**1,850,000**	**(57,188)**

Interest rate swaps hedge Pernod Ricard SA's external or internal debts that bear floating rate interest. At 30 June 2011 these broke down as follows:

USD interest rate hedge	Maturity	Net base in thousands of US dollars
Interest rate swap	May 2013	1,510,000
Interest rate swap	May 2014	350,000
Interest rate swap	May 2018	350,000
Interest rate swap	May 2013	90,000

The fair value of financial instruments hedging US dollars denominated floating rate debt at 30 June 2011 was €(53,625,000).

EUR interest rate hedge	Maturity	Net base in thousands of US dollars
Collar	June 2013	250,000
Collar	June 2013	250,000
Collar	June 2013	250,000
Interest rate swap	June 2013	(250,000)
Interest rate swap	June 2014	(250,000)
Interest rate swap	June 2013	250,000
Interest rate swap	June 2014	250,000
Interest rate swap	June 2013	500,000
Interest rate swap	March 2016	600,000

The fair value of financial instruments hedging euro denominated floating-rate debt at 30 June 2011 was €(57,188,000).

Currency hedge	Base in thousands of US dollars
Currency swap	1,000,000
Currency swap	(38,904)
Currency swap	325,000
Financial assets	2,317,604
Financial liabilities	(3,645,503)
TOTAL	**(41,803)**

Payables and receivables denominated in foreign currencies are hedged by currency swaps. The Company had a residual US dollar position of US$(41,803,000) at 30 June 2011.

The fair value of currency swaps at year end was €(12,951,000).

Other

Pernod Ricard SA guaranteed the contributions owed by Allied Domecq Holdings Ltd and its subsidiaries to the Allied Domecq pension funds.

Pernod Ricard SA, pursuant to Section 17 of the Companies (Amendment) Act, 1986 (Republic of Ireland), irrevocably guaranteed the liabilities of the following subsidiaries for the 2010/2011 financial year: Irish Distillers Group Ltd, Irish Distillers Ltd, The West Coast Cooler Co Ltd, Watercourse Distillery Ltd, Fitzgerald & Co Ltd, Ermine Ltd, Gallwey Liqueurs Ltd, Smithfield Holdings Ltd, Irish Distillers Holdings Ltd.

In June 2009, Pernod Ricard gave a guarantee on a loan of GBP 962.0 million in two equal tranches between two companies: Allied Domecq Shelf Limited and Allied Domecq Overseas Holdings Limited. This guarantee was renewed in June 2011 for the first tranche which had reached maturity.

In July 2009, Pernod Ricard gave a guarantee on a loan of USD 735.0 million between two companies: Allied Domecq Shelf Limited and Goal Acquisitions Holding Limited.

Pernod Ricard gave the directors of Goal Acquisitions (Holding) Limited a comfort letter in which the Group undertook to provide financial support to enable Goal Acquisitions (Holding) Limited to honour its short-term intra-group liabilities.

Within the framework of the right to individual training in France, the aggregate number of training hours corresponding to acquired rights for the 2010 calendar year is 6,266 hours, including 5,424 hours for which no request had been made.

Note 22 Average headcount at 30 June 2011

	Employees	Temporary employees (for all reasons)
Managers	118	-
Supervisors and technicians	39	-
Employees	8	2
AVERAGE HEADCOUNT	**164**	**2**
Apprentice contracts	4	-

Note 23 Subsidiaries and associates at 30 June 2011

In euro thousand	Share capital	Shareholders' equity before appropriation of results for year	Interest in entity's share capital (%)	Carrying amount of investment		Loans	Guarantees	Sales (excluding taxes and duties)	Net profit	Dividends received
				Gross	Net					
Investments whose carrying amount exceeds 1% of Pernod Ricard SA's share capital										
Ricard 4 and 6, rue Berthelot 13014 Marseille, France	54,000	162,119	100.00	67,227	67,227	-	-	532,719	72,255	59,745
Pernod 120, avenue du Maréchal-Foch 94015 Créteil, France	40,000	142,353	100.00	94,941	94,941	-	-	435,266	20,829	19,866
Austin Nichols 100 Manhattanville Road Purchase, NY 10577 (USA)	4,470,805	4,977,439	57.90	2,983,670	2,983,670	-	600,000	1,202,888	2,933,370	-
Compagnie Financière des Produits Orangina 12, place des États-Unis – 75116 Paris, France	10,000	10,980	100.00	39,601	10,958	-	-	-	22	-
Pernod Ricard Europe 2, rue de Solférino 75340 Paris cedex 07, France	40,000	662,854	100.00	36,406	36,406	-	-	99,931	247,727	299,999
Campbell [1] 111/113 Renfrew Road Paisley, PA3 4DY (Scotland)	8,273	28,031	100.00	40,538	40,538	-	-	-	11,316	-
Pernod Ricard Finance 12, place des États-Unis 75116 Paris, France	77,000	118,910	100.00	89,220	89,220	-	3,196,657	-	30,169	10,317
Pernod Ricard Pacific Holdings 33 Exeter Terrace Devon Park SA 5008 (Australia)	148,339	158,857	100.00	151,789	151,789	-	-	-	-	-
Comrie Temple Chambers 3 Burlington Road, Dublin 4 (Ireland)	3,775,655	4,184,552	100.00	3,775,658	3,775,658	-	-	-	74,644	74,310
Yerevan Brandy Company 2, Admiral Isakov Avenue Yerevan 375092 (Republic of Armenia)	19,757	104,381	100.00	27,856	27,856	-	-	29,962	4,844	-
SAS Lina 3 12, place des États-Unis 75116 Paris, France	838,810	2,762,356	100.00	3,881,834	3,881,834	-	-	-	395,890	-
SAS Lina 5 12, place des États-Unis 75116 Paris, France	30,640	33,609	100.00	30,631	30,631	-	-	-	(70)	-
Pernod Ricard Cesam 2, rue de Solférino 75007 Paris, France	52,198	66,366	100.00	131,040	131,040	-	-	-	(4,004)	-
SAS Lina 6 12, place des États-Unis 75116 Paris, France	298,000	229,723	100.00	305,027	235,027	-	-	-	5,247	-
SAS Lina 11 12, place des États-Unis 75116 Paris, France	50,000	94,671	100.00	96,600	96,600	-	-	-	10	-
Pernod Ricard North America 2, rue de Solférino 75007 Paris, France	39,398	29,508	100.00	126,735	114,835	-	-	-	(12,254)	-

In euro thousand	Share capital	Shareholders' equity before appropriation of results for year	Interest in entity's share capital (%)	Carrying amount of investment		Loans	Guarantees	Sales (excluding taxes and duties)	Net profit	Dividends received
				Gross	Net					
Pernod Ricard Asia 2, rue de Solférino 75007 Paris, France	4,512	137,102	100.00	42,457	42,457	-	-	-	90,787	65,000
AGROS Ul. Chalubinskiego 8 00-613 Warsaw (Poland)	5,513	90,478	62.95	73,189	73,189	-	-	-	(195)	-
Sankaty Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,050	100.00	15,568	15,568	-	-	-	(4)	-
Populous Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,053	100.00	15,568	15,568	-	-	-	(2)	-
Polairen Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,050	100.00	15,568	15,568	-	-	-	(4)	-
Geo G Sandeman Sons & Co Ltd (2) 400 Capability Green Luton Beds LU1 3AE (England)	2	234	30.00	9,180	6,010	-	-	1,543	232	70
TOTAL 1	-	-	-	**12,050,303**	**11,936,590**					**529,307**
Subsidiaries:										
French	-	-	-	4,924	1,399	-	-	-	-	0
Foreign	-	-	-	10,682	10,379	2,490	-	-	-	102,669
Associates:										
French	-	-	-	215	214	-	-	-	-	30
Foreign	-	-	-	8,709	1,336	-	-	-	-	411
TOTAL 2	-	-	-	**24,530**	**13,328**	-	-	-	-	**103,110**
TOTAL 1 + 2	-	-	-	**12,074,832**	**11,949,917**	-	-	-	-	**632,417**

(1) Information from Campbell's financial statements at 30 June 2010
(2) Information from Geo Sandeman's financial statements at 31 December 2010

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Earnings over the last five financial years

In euro	30.06.2007	30.06.2008	30.06.2009	30.06.2010	30.06.2011
Financial position at year end					
Share capital	339,796,825	340,508,610	400,892,831	409,560,085	410,318,795
Number of shares outstanding	109,611,879	219,682,974	258,640,536	264,232,313	264,721,803
Number of convertible bonds in issue	-	-	-	-	-
Number of bonus shares granted on 16 January 2007 (dividend rights from 1 July 2006)	18,216,022	-	-	-	-
Number of shares created by the capital increase of 14 May 2009	-	-	38,786,220	-	-
Number of free shares granted on 18 November 2009 (dividend rights from 1 July 2009)	-	-	-	5,174,153	-
Operating results					
Sales (excluding taxes and duties)	-	-	-	-	911,320
Profit before tax, amortisation, depreciation and allowances to provisions	535,110,760	604,105,487	246,964,704	(13,227,907)	91,817,755
Corporate income tax	56,025,892	(16,011)	121,507,245	74,090,535	153,278,897
Profit after taxes, amortisation, depreciation and allowances to provisions	597,492,981	925,580,853	306,554,754	89,124,864	238,559,275
Dividends distributed (1)	276,221,935	289,981,526	129,320,268	354,071,299	-
Earnings per share					
Profit after taxes, but before amortisation, depreciation and allowances to provisions	5.39	2.75	1.42	0.23	0.93
Profit after taxes, amortisation, depreciation and allowances to provisions	5.45	4.21	1.19	0.34	0.90
Dividend paid per share (1)	2.52	1.32	0.50	1.34	-
Personnel					
Number of employees	144	144	152	147	164
Total payroll	19,846,894	21,087,707	19,641,524	22,172,089	26,922,176
Employee related benefits paid during the year	10,658,374	12,449,559	14,091,743	14,765,751	17,444,761

(1) The amount of dividends for 2011 will be known with certainty after the vote to be held at the Shareholders' Meeting of 15 November 2011. (Dividends relating to the financial year from 1 July 2010 to 30 June 2011.)

Dividends distributed over the last five years

In euro Year	Payment date	Amount	Total dividend for the year
2006/2007	04.07.2007	1.26	-
	14.11.2007	1.26	2.52
2007/2008	03.07.2008	0.63	-
	18.11.2008	0.69	1.32
2008/2009	08.07.2009	0.50	0.50
2009/2010	07.07.2010	0.61	-
	17.11.2010	0.73	1.34
2010/2011	06.07.2011 [1]	0.67	-

(1) An interim dividend in respect of 2010/2011 was paid on 6 July 2011. The balance of the dividend will be decided by shareholders at the Shareholders' Meeting of 15 November 2011 called to approve the financial statements for the year ended 30 June 2011.

Inventory of marketable securities at 30 June 2011

IN EUROS

French investments with a net carrying amount in excess of €100,000	Number of shares held	Net carrying amount
Compagnie Financière des Produits Orangina	11,910	10,957,976
Lina 3	55,920,652	3,881,834,308
Lina 5	306,400	30,630,500
Lina 6	400	235,027,008
Lina 7	401	342,550
Lina 11	400	96,599,538
Pernod	2,580,000	94,940,630
Pernod Ricard Asia	2,785,000	42,457,051
Pernod Ricard Cesam	386,650	131,040,000
Pernod Ricard Europe	999,994	36,405,982
Pernod Ricard Finance	10,317,439	89,220,499
Pernod Ricard North America	4,377,500	114,834,557
Ricard	1,750,000	67,227,093
SUB-TOTAL	**79,436,746**	**4,831,517,692**
Other shareholdings in French companies	310,943	3,232
Investments in unlisted foreign companies	-	7,118,395,639
TOTAL MARKETABLE SECURITIES AT 30.06.2011	**79,747,689**	**11,949,916,563**

Statutory Auditors' report on the annual financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the financial year ended 30 June 2011, on:

- the audit of the accompanying annual financial statements of Pernod Ricard;
- the basis of our assessments;
- the specific verifications and disclosures required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 June 2011, and of the results of its operations for the financial year then ended in accordance with French accounting principles.

II - Basis of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial code *(Code de commerce)* relating to the basis of our assessments, we hereby inform you that our assessments covered the appropriateness of the accounting principles adopted and the reasonableness of the significant estimates made, particularly:

- Investments were measured in accordance with the accounting policies described in Note 1.3 to the financial statements 'Accounting principles – Financial assets'. As part of our work, we reviewed the appropriateness of these accounting policies and looked at the assumptions made by the Company as well as the resulting measurements.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we expressed in the first part of this report.

III - Specific verifications and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial code relating to remunerations and benefits received by the Members of the Board and any other commitments made in their favour, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	**Mazars**
Marc de Villartay	Isabelle Sapet Loïc Wallaert

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory Auditors' special report on regulated agreements and commitments

Shareholders' meeting held to approve the financial statements for the financial year ended 30 June 2011

To the Shareholders,

As your Company's Statutory Auditors, we hereby present our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to article 225-31 of the French Commercial code *(Code de Commerce)*, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

1. Agreements and commitments submitted to the approval of the Shareholders' Meeting

Agreements and commitments authorised during the financial year

Pursuant to article L. 225-40 of the French Commercial code, we have been advised of the following agreements and commitments previously authorised by your Board of Directors.

1.1 Transfer of the legal ownership of the Malibu and Kahlua brands

On 20 October 2010, the Board of Directors granted its overall authorisation for an internal reorganisation in order to transfer the ownership of the Malibu and Kahlua brands from one Group entity to another. One of the reorganisational stages involved the signing of two loans granted by Pernod Ricard Finance to Pernod Ricard for the maximum amount of €240 million (for the euro-denominated portion) and US$ 40 million (for the US dollar-denominated portion).

However, it should be noted that the Board of Directors' approval had been granted subject to the signing, within a certain timeframe, of an agreement prior to the implementation of the proposed reorganisation process. As this agreement was not concluded within the allotted timeframe, the loans were not issued by virtue of this authorisation.

Company officers involved:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Pernod Ricard Finance Board of Directors.

1.2 Authorisation of a loan by Pernod Ricard to Havana Club Holding (HCH) in connection with HCH's restructuring

In connection with the financial restructuring of HCH, on 20 October 2010 the Board of Directors authorised Pernod Ricard to grant HCH a loan for a maximum amount of US$ 60 million. A loan of the same amount would also be granted by Cuban partners to HCH.

The final loan amount was US$ 53,839,374. At 30 June 2011, the financial income recorded in respect of the loan totalled US$ 1,144,086 or €791,591.16.

Company officer involved:

- Mr. Pierre Pringuet, also a Director of Havana Club Holding.

1.3 Recapitalisation of Etablissements Vinicoles Champenois (EVC) by Pernod Ricard

On 19 January 2011, the Board of Directors authorised the signing of a loan granted by Pernod Ricard Finance for a maximum amount of €240 million to enable Pernod Ricard to recapitalise its EVC subsidiary by the same amount. The final loan amount was €207,270,000.

The financial expenses incurred by Pernod Ricard in respect of the loan over the financial year ended 30 June 2011 totalled €2,503,396.

Company officers involved:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Pernod Ricard Finance Board of Directors.

1.4 Euro-denominated bond issue

In connection with the 15 March 2011 euro-denominated bond issue on the Luxembourg Stock Exchange, on 16 February 2011, the Board of Directors authorised the signing of a Letter of Subscription Engagement, a Subscription Agreement and an Agency Agreement in case Crédit Agricole CIB would be designated as the lead arranger or agent.

Accordingly, Crédit Agricole CIB signed a Letter of Subscription Engagement and a Subscription Agreement.

Company officer involved:

- Lord Douro, Advisor to Crédit Agricole CIB.

1.5 US dollar-denominated bond issue

In connection with the 7 April 2011 US dollar-denominated bond issue, in the form of a private placement with institutional investors and subject to the laws of the State of New York (United States), on 16 February 2011, the Board of Directors authorised the signing of a Subscription Agreement, an Expenses Side Letter and a Fiscal Agency Agreement in case Deutsche Bank would be designated as the lead arranger or agent.

Accordingly, Deutsche Bank signed a Fiscal Agency Agreement.

Company officer involved:

- Mr. Wolfgang Colberg, member of the Deutsche Bank AG Regional Board.

1.6 Authorisation of a loan granted by Pernod Ricard Finance to Pernod Ricard

To recapitalise Pernod Ricard's French sub-holdings, on 4 May 2011, the Board of Directors authorised the renewal of a loan granted by Pernod Ricard Finance to Pernod Ricard in the amount of €895,350,000.

The financial expenses incurred by Pernod Ricard in respect of the loan over the financial year ended 30 June 2011 totalled €17,078,878.

Company officers involved:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Pernod Ricard Finance Board of Directors.

1.7 Simplification of the Group's legal structure in the Czech Republic

To simplify the Group's legal structure in the Czech Republic, on 15 June 2011, the Board of Directors authorised the sale by Pernod Ricard to Pernod Ricard Europe of its 20.23% interest in SALB in the amount of €37.4 million.

Company officers involved:

- Mr. Patrick Ricard, also a Director (permanent representative of Pernod Ricard) of Pernod Ricard Europe;
- Mr. Pierre Pringuet, also a Director of Pernod Ricard Europe.

2. Agreements and commitments previously approved by the Shareholders' Meeting

Agreements and commitments that remained in force during the financial year

Pursuant to article 225-30 of the French Commercial code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

2.1. Foreign exchange derivatives between Pernod Ricard and Pernod Ricard Finance

2.1.1. Austin Nichols & Co debt reduction plan

In connection with the Austin Nichols & Co debt reduction plan, Pernod Ricard assigned to Pernod Ricard Finance a receivable held with AD Shelf in the amount of US$ 735.7 million in order to repay a debt owing to Pernod Ricard Finance in the amount of €518.4 million. This repayment included the set-up of foreign exchange derivatives in order to maintain Pernod Ricard's balanced statutory foreign exchange position.

2.1.2. Derivatives between Pernod Ricard and Pernod Ricard Finance

In connection with the repayment of the Allied Domecq bonds issued by the UK company Allied Domecq Financial Services Ltd and the latter's refinancing, Pernod Ricard Finance contracted a debt of US$ 706 million with three Pernod Ricard Group companies. To enable Pernod Ricard Finance to repay its debt with these three companies, Pernod Ricard repaid a portion of its debt with Pernod Ricard Finance, with the set-up of foreign exchange derivatives between Pernod Ricard and Pernod Ricard Finance in the amount of US$ 700 million in order to maintain Pernod Ricard's balanced statutory foreign exchange position.

At 30 June 2011, the nominal amount of the foreign exchange derivative was US$ 325 million.

2.2. Authorisation of a loan granted by Pernod Ricard Finance to Pernod Ricard

In connection with the recapitalisation of its Lina 3 subsidiary, Pernod Ricard borrowed €590.9 million from Pernod Ricard Finance.

The financial expenses incurred by Pernod Ricard in respect of the borrowing over the financial year ended 30 June 2011 totalled €16,291,711.

2.3. Rebilling of acquisition costs

2.3.1. Allied Domecq acquisition costs

Following the acquisition of Allied Domecq, Pernod Ricard was required to pay restructuring and integration costs.

Under tax and legal regulations in France, Pernod Ricard was only liable for those expenses incurred in its own interest. Therefore, it was agreed that Pernod Ricard should rebill the remaining costs incurred to the entities benefiting from the corresponding services, in accordance with the breakdown provided by various advisors identifying the nature and the purpose of the service rendered.

The expenses rebilled for the financial year ended 30 June 2011 amounted to €74,348.

2.3.2. V&S Vin&Sprit Aktiebolag acquisition costs

In connection with the acquisition of V&S Vin&Sprit Aktiebolag and the additional work on subsequent restructuring, Pernod Ricard was required to pay both acquisition and financing costs.

Under tax and legal regulations in France, Pernod Ricard was only liable for those expenses incurred in its own interest and rebilled the remaining costs incurred to the entities benefiting from the corresponding services.

For the financial year ended 30 June 2011, Pernod Ricard rebilled expenses of €2,672,675 to its subsidiaries.

2.4. Multicurrency Facilities Agreement in connection with the financing of the V&S Vin&Sprit Aktiebolag acquisition

In connection with the acquisition of V&S Vin&Sprit Aktiebolag by the Group and the refinancing of a portion of the debt of said company and of the Group, Pernod Ricard and some of its subsidiaries signed a Multicurrency Facilities Agreement. At 30 June 2011, drawdowns under the Multicurrency Facilities Agreement totalled approximately €4.3 billion.

Under the Multicurrency Facilities Agreement, Pernod Ricard also agreed to jointly and severally guarantee any payment obligations incurred by the other borrowers under the agreement, as they are renewed or extended.

The financial expenses incurred by Pernod Ricard under the Multicurrency Facilities Agreement over the financial year ended 30 June 2011 amounted to €31,428,352.

2.5. Remuneration of the guarantee granted by Pernod Ricard to Pernod Ricard Finance under the Multicurrency Facilities Agreement

Under the guarantee provided by Pernod Ricard to certain of its subsidiaries with respect to the 'Multicurrency Facilities Agreement' syndicated loan, Pernod Ricard charges the companies exercising their drawdown rights a market-terms guarantee fee. The companies involved are Pernod Ricard Finance and Etablissements Vinicoles Champenois ('EVC').

For the financial year ended 30 June 2011, Pernod Ricard billed €6,553,891 to Pernod Ricard Finance and EVC.

2.6. Swap agreement between Pernod Ricard and Pernod Ricard Finance

With a view to managing foreign exchange risks, a foreign exchange swap agreement was set up between Pernod Ricard and Pernod Ricard Finance under which Pernod Ricard initially sells US dollars and buys euros at the spot rate from Pernod Ricard Finance. At maturity, Pernod Ricard will buy US dollars and sell euros to Pernod Ricard Finance. The nominal amount of this swap has changed to reflect the financing requirements of the two entities.

At 30 June 2011, the nominal amount of this swap stood at US$ 38,903,559 for an exchange value of €26,917,290.

2.7. Assignment of trade receivables

Under the trade receivables assignment programme involving various Pernod Ricard subsidiaries, Pernod Ricard signed a letter of direction with Crédit Agricole CIB (formerly Calyon) in order to entrust Crédit Agricole CIB with the arrangement of this transaction.

2.8. Remuneration and benefits package for Mr. Pierre Pringuet, CEO

As part of the review, in accordance with AFEP-MEDEF corporate governance recommendations, of the remuneration package enjoyed by Mr Pierre Pringuet, CEO, the decision was made to authorise, in the event of the termination of his office, the introduction of a two-year non-compete clause accompanied by an indemnity of one year's gross remuneration (fixed and variable earned over the twelve months preceding the termination of the corporate office).

Moreover, Mr Pierre Pringuet's continued membership in the supplementary defined-benefit pension scheme on the same terms as those applying to the members of the Group's Management, as set up within Pernod Ricard since 1990, was also authorised.

This supplementary defined-benefit pension scheme is granted to members of the Group's Management satisfying a certain number of conditions mainly connected with length of service and remuneration levels who finish their career at Pernod Ricard.

This scheme provides, under certain circumstances, for the payment of a life annuity to the retired beneficiary and payment of a reversionary annuity to the spouse and/or ex-spouse in the event of the beneficiary's death, calculated on the basis of the following factors:

(i) the beneficiary must have a minimum length of service of 10 years in the Group;

(ii) the basis for calculating the annuity is the average of the beneficiary's final 3 years' remuneration (gross + variable);

(iii) annuities paid are proportional to the length of service, capped at 20 years;

(iv) the amount of the supplementary annuity is calculated by applying the following coefficients to the above calculation basis (see (ii) above):

- for the portion of the remuneration between 8 and 12 times the French social security cap, a coefficient of 2% per year of service is applied (capped at 20 years, i.e. 40%),
- for the portion of the remuneration between 12 and 16 times the French social security cap, 1.5% per year of service (capped at 20 years, i.e. 30%), and finally,
- 1% per year of service (capped at 20 years, i.e. 20%) for the portion of the remuneration exceeding 16 times the French social security cap;

(v) the annuity paid under this plan, added to those of other pensions, cannot exceed two thirds of the basic gross annual remuneration of the beneficiary.

In addition to these conditions, it should be recalled that the CEO must be working in the Group on the day he retires. By regulation, redundancy after the age of 55, without a resumption of paid work, is deemed equivalent to finishing a career. To the extent that the Board of Directors has a common policy as regards additional elements of remuneration and benefits of Executives, particularly with regard to supplementary pensions, treating them as members of Management of Pernod Ricard and granting them the same benefits as the latter, it was specified that the forced dismissal of an Executive falls into the same category as redundancy, subject to satisfaction of the aforementioned conditions as regards age and non-resumption of professional activities.

2.9. Joint and several guarantee commitments

2.9.1. Agreements with Pernod Ricard Finance

Pernod Ricard has granted an irrevocable and unconditional guarantee to holders of Pernod Ricard Finance commercial paper, for which it charges a fee. The sum guaranteed, at 30 June 2011, averaged €153,479,000.

Pernod Ricard billed Pernod Ricard Finance €153,479 in fees for the financial year ended 30 June 2011.

2.9.2. Agreements with Comrie

Pernod Ricard has provided a guarantee to Société Générale for loan notes in respect of Comrie totalling €54,184 at 30 June 2011.

2.10. Brand agreements

2.10.1. Brand licensing agreements

(i) Brand licences granted to Ricard

Pernod Ricard grants Ricard a number of brand licences. Pernod Ricard billed Ricard SA €25,468,951 in royalties for these licences over the financial year ended 30 June 2011. These royalties are calculated as a percentage of net sales.

(ii) Brand licences granted to Pernod

Pernod Ricard grants Pernod a number of brand licences. Pernod Ricard billed Pernod €10,426,640 in royalties for these licences over the financial year ended 30 June 2011. These royalties are calculated as a percentage of net sales.

(iii) Brand licences granted to Cusenier

Pernod Ricard grants Cusenier a number of brand licences. Pernod Ricard billed Cusenier €571,526 in royalties for these licences over the financial year ended 30 June 2011.

2.10.2. Operating concession arrangement

Pernod Ricard entered into a concession arrangement with Ricard with respect to the international operating rights relating to the Dorville brand in return for the payment of royalties. Royalties paid under this arrangement for the financial year ended 30 June 2011 amounted to €49.

2.11. Advances, loans and borrowings

2.11.1. Agreements with Pernod Ricard Finance

Pernod Ricard signed a treasury agreement with Pernod Ricard Finance designed to bring under a single agreement all the pre-existing bilateral treasury agreements between Pernod Ricard Finance and Pernod Ricard group companies that are not integrated into the automated cash pooling system, to standardise them, and to update and specify the terms and conditions relating to interest charges on loans and borrowings under the cash pooling mechanism.

An interest expense of €30,661,172 payable to Pernod Ricard Finance was recognised in respect of this agreement for the financial year ended 30 June 2011 along with a treasury management fee of €3,000.

2.11.2. Netting agreement with Pernod Ricard Finance

Pernod Ricard entered into an agreement governing the monthly netting of interco payments, called 'Pernod Ricard Netting', with Pernod Ricard Finance. Under this agreement, Pernod Ricard Finance is responsible for managing the relevant treasury activities (foreign exchange transactions and banking flows) on behalf of the companies signing the agreement. All transactions relating to 'Pernod Ricard Netting' are carried out at market terms.

Pernod Ricard was billed a €5,000 netting management fee under this agreement for the financial year ended 30 June 2011.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	Mazars
Marc de Villartay	Isabelle Sapet Loïc Wallaert

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7

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING

Agenda of the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011

Items on the agenda presented to the Ordinary Shareholders' Meeting

1. Approval of the Parent Company financial statements for the financial year ended 30 June 2011;
2. Approval of the consolidated financial statements for the financial year ended 30 June 2011;
3. Allocation of the net result for the financial year ended 30 June 2011 and setting of the dividend;
4. Approval of related-party agreements and commitments referred to in article L. 225-38 *et seq.* of the French Commercial Code;
5. Ratification of Mr Laurent Burelle's appointment as Director;
6. Renewal of the Directorship of Ms Nicole Bouton;
7. Renewal of the term of office of a principal Statutory Auditor;
8. Renewal of the term of office of a deputy Statutory Auditor;
9. Setting of the annual amount of Directors' fees allocated to members of the Board of Directors;
10. Authorisation to be granted to the Board of Directors to trade in the Company's shares.

Items on the agenda presented to the Extraordinary Shareholders' Meeting

11. Authorisation to be granted to the Board of Directors for the purpose of reducing the share capital by cancelling shares re-purchased previously;
12. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the preferential subscription right;
13. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of the preferential subscription right, as part of a public offer;
14. Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without preferential subscription right in accordance with the 12th and 13th resolutions;
15. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration of contributions in kind granted to the Company within the limit of 10% of the share capital;
16. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital in the event of a public offer initiated by the Company;
17. Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities;
18. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase by capitalisation of premiums, reserves, profits or other items;
19. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase through the issue of shares or securities granting access to the share capital, reserved for members of savings plans with cancellation of preferential subscription right in favour of the members of such savings plans;
20. Delegation of authority to be granted to the Board of Directors to issue share warrants in the event of a public offer on the Company's shares;
21. Amendment of the Company bylaws relating to the term of office of Directors;
22. Powers to carry out the required legal formalities.

Presentation of the resolutions

The presentation set out below contains a summary of the resolutions.
For a presentation of their full content, please refer to the draft resolutions and the report of the Board of Directors.

Resolutions presented to the Ordinary Shareholders' Meeting

Approval of the annual financial statements and allocation of the results

The purpose of the **1st resolution** is to approve the Pernod Ricard financial statements for the 2010/2011 financial year, which show a net profit of €238,559,274.54.

The purpose of the **2nd resolution** is to approve the consolidated financial statements of Pernod Ricard for the 2010/2011 financial year.

The purpose of the **3rd resolution** is to allocate the results. It is suggested that you set the dividend for the 2010/2011 financial year at €1.44 per share. An interim dividend payment of €0.67 per share having been paid on 6 July 2011, the coupon would be detached on 17 November 2011 and the balance amounting to €0.77 per share would be distributed on 22 November 2011.

Approval of related-party agreements

It is proposed that, by voting on the **4th resolution**, you approve the related-party agreements and commitments concluded or pursued during the 2010/2011 financial year, as described in the Statutory Auditors' special report.

Ratification of Mr Laurent Burelle's appointment as Director/renewal of the term of office of a Director

It is proposed that, by voting on the **5th resolution**, you ratify the appointment of Mr Laurent Burelle as Director; Mr Burelle was temporarily appointed by the Board of Directors on 4 May 2011 following Lord Douro's resignation from his functions as Director. Mr Laurent Burelle would be appointed for the remainder of Lord Douro's directorship, namely until the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the previous financial year.

Information on Mr Laurent Burelle appears in section 2 'Corporate Governance and Internal Control' herein.

It is proposed that, by voting on the **6th resolution**, you renew the Directorship of Ms Nicole Bouton as Director for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the financial statements for the previous financial year.

Renewal of the terms of office of a principal Statutory Auditor and of a deputy Statutory Auditor

It is proposed that, by voting on the **7th and 8th resolutions**, you renew the term of office of **Deloitte & Associés** as principal Statutory Auditor, as well as the term of office of **BEAS** as deputy Statutory Auditor, for six financial years expiring at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Deloitte & Associés would be represented by Mr Marc de Villartay.

Directors' fees

The purpose of the **9th resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors. It is proposed that the Board of Directors' compensation for the 2011/2012 financial year be set to €875,000, a 4.2% increase on the prior year. This aggregate amount covers the possible appointment of a censor that could be decided by the Board of Directors.

Repurchase of shares

As the authorisation granted to the Board of Directors by the Shareholders' Meeting of 10 November 2010 to trade in the Company's shares is due to expire on 10 May 2012, we propose, in the **10th resolution**, that you renew for a period of 18 months, the authorisation for the Board of Directors to trade in the Company's shares **at a maximum purchase price set at €110 per share**, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing up to **10% of the Company's share capital**, with a view to:

- allocating or transfering them to employees and/or corporate officers (including the allocation of call options and performance-related shares);
- using them within the scope of external growth transactions (for up to 5% of the number of shares comprising the share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

It should be noted that **during a public offer period, repurchasing transactions would only be possible on the condition that the AMF's General Regulation are strictly complied with and only in order for the Company to comply with its prior commitments.**

Resolutions presented to the Extraordinary Shareholders' Meeting

Should they be adopted, the delegations of authority put to your vote at this Shareholders' Meeting would cancel and replace, from the date of this Shareholders' Meeting, those granted previously and having the same subject.

Reduction of the share capital by cancelling treasury shares

One of the aims of the share repurchase programme (10th resolution) is the cancellation of the purchased shares. For this purpose, we ask, that by voting in favour of the **11th resolution**, you authorise the Board of Directors, for a period of 26 months, **to cancel all or some of the Company shares purchased through a share repurchase programme**, for up to 10% of the shares comprising the Company's share capital per 24-month period.

Delegations of authority to issue ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the preferential subscription right (12th resolution), or with cancellation of the preferential subscription right (13th resolution)

12th resolution (issue of shares with preferential subscription right)

In order to pursue its growth strategy and to have means in line with the Group's development, your Board of Directors puts forward resolutions the purpose of which is to grant the Board of Directors delegations of authority allowing it to issue securities in compliance with the current regulations.

The **12th resolution** covers the issues, with **maintenance of your preferential subscription right**, of your Company's shares or of securities granting access to the share capital (e.g. convertible bonds, share warrants).

The share capital increases likely to be conducted by virtue of this authorisation would not exceed a maximal nominal amount set at **€205 million**.

It also forms the **maximum overall limit** from which the share issues **determined by virtue of the 13th** (issue of securities with cancellation of the preferential subscription right), **14th** (increase in the number of securities issued), **15th** (remuneration of contributions in kind), **16th** (public offer of exchange initiated by the Company), **18th** (capitalisation of reserves) and **19th** (share capital increases reserved for employees) **resolutions** would be deducted.

The **maximum nominal amount of securities representing debts** (granting access to the capital) on the Company, which can be issued by virtue of this authorisation, would be limited to **€5 billion**, it being specified that the nominal amount of securities representing debts to be issued in accordance with the 13th resolution would be deducted from this maximum nominal amount of securities representing debts.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

13th resolution (issue of shares without preferential subscription right)

In the interest of your Company and of its shareholders and in order to take up opportunities offered by the financial markets under certain circumstances, your Board of Directors may need to carry out share issues, both on the international market and on French and foreign markets, through a public offer without the shareholders' preferential subscription right being exercised.

Your Board of Directors requests, that by voting on the **13th resolution**, you delegate your authority so as to allow it to issue shares and securities granting access to the share capital, with cancellation of the shareholders' preferential subscription right, up to a maximal nominal amount of **€61 million**, it being specified that this maximal nominal amount would be **deducted from the maximum overall limit** set in the **12th resolution**.

This amount is common to the 14th (increase of the number of securities issued with cancellation of preferential subscription rights), **15th** (remuneration of contributions in kind), **16th** (public offer of exchange initiated by the Company) and **19th** (share capital increases reserved for employees) **resolutions** and would be **deducted from the maximum overall limit (12th resolution)** for the same **26-month period**.

The **maximum nominal amount of securities representing debts** (granting subsequent access to the share capital) on the Company that can be issued by virtue of this authorisation would be limited to **€4 billion** and would be **deducted from the €5 billion maximum limit** set by the **12th resolution**.

Increase in the number of shares to be issued in the event of a share capital increase with or without preferential subscription right

By voting on the **14th resolution** we request that you delegate the authority of the Shareholders' Meeting to the Board of Directors to decide, if it records a surplus demand during a share capital increase with or without preferential subscription right, **to increase the number of shares to be issued** at the same price as that chosen for the initial issue, within the time periods and limits prescribed by law and regulations.

This option enables the Board, as part of a share issue, to carry out, within 30 days after the subscription period ends, an additional share issue of a **maximum of 15% of the initial issue** (this is called the 'overallocation option'), subject to the limit set in the resolution by virtue of which the increase is decided as well as to the **maximum overall limit** set in the **12th resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to increase the share capital by way of remunerating contributions in kind within the limit of 10% of the share capital

By voting on the **15th resolution**, we request that you authorise the Board of Directors to issue shares and securities, with a view to remunerating purchases of companies' shares.

This option, which could be offered to the Board of Directors for **26 months** from this Shareholders' Meeting, would be limited to **10% of the Company's share capital**, it being specified that this limit would be **deducted from the maximum overall limit** set in the **12th resolution** as well as from the share capital increase limit set in the **13th resolution**.

Delegation of authority to increase the share capital in the event of a public offer of exchange initiated by the Company

In the same way, by voting on the **16th resolution**, we request that you authorise the Board of Directors to issue shares and securities, with a view to carrying out a public offer of exchange or a similar transaction on securities of another company.

This option would be offered to the Board of Directors for **26 months** from the date of this Shareholders' Meeting and would be limited to **15% of the Company's share capital at the time of the issue**, it being specified that this limit would be **deducted from the maximum overall limit** set in the **12th resolution** as well as from the share capital increase limit set in the **13th resolution**.

Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities

The purpose of the **17th resolution** subject to your vote is to delegate to the Board of Directors the authority to issue securities representing debts granting the right to the allocation of debt securities, such as convertible or redeemable bonds in another bond-type security.

The total nominal amount of the share issues carried out by virtue of this delegation could not exceed **a maximum limit of €5 billion** fixed independently of any other limit relating to issues of debt securities authorised by this Shareholders' Meeting and issues of bonds authorised or decided by the Board of Directors.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to increase the share capital by the capitalisation of premiums, reserves and profits

We request that, by voting on the **18th resolution**, you authorise the Board of Directors to increase the share capital by the capitalisation of premiums, reserves, profits or other items. As this transaction does not necessarily involve issuing new shares, this delegation must be voted by the Extraordinary Shareholders' Meeting under the conditions of quorum and majority of the Ordinary Shareholders' Meetings.

This delegation would enable your Board of Directors to increase the share capital up to a **maximum amount of €205 million** to be **deducted from the maximum overall limit** set in the **12th resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to be granted to the Board of Directors to decide on an increase in the share capital through the issue of shares or securities granting access to the share capital reserved for members of saving plans

By voting on the **19th resolution,** we ask you to delegate authority to the Board of Directors to decide on an increase of the share capital of a **maximum nominal amount corresponding to 2% of the share capital** at the end of this Shareholders' Meeting, by way of an issue of shares or securities granting access to the share capital, reserved for the members of one or more employee savings plans established within the Company or the Group. This maximum nominal amount would be **deducted from the maximum overall limit** set in the **12th resolution** as well from the share capital increase limit set in the **13th resolution**.

The issue price for the new shares or securities granting access to the share capital could not be more than 20% lower than the average of the listed prices of the Pernod Ricard share on the Paris Euronext's NYSE market during the 20 trading sessions prior to the date of the decision setting the opening date for the subscription period, nor could the issue price exceed this average.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to issue share warrants in the event of an unsolicited purchase offer on the Company's shares

By voting on the **20th resolution**, we ask you to renew the authorisation granted last year to your Board of Directors to issue free share warrants to the shareholders, in the event of an unsolicited purchase offer on the Company's shares, enabling the shareholders to subscribe to the Company's shares under preferential conditions.

This resolution aims at authorising the Board of Directors to use these warrants if faced with a purchase offer from a company with defensive means that our Company does not have at its disposal (reciprocity exception).

Should this authorisation be implemented, based on a report prepared by a bank of international reputation whose appointment will have been approved by a majority of the independent Directors of the Company, the Board of Directors shall report, at the time of the issue, on:

- the circumstances and reasons why it considers that the offer is not in the interest of the Company and of its shareholders and that justify the issue of such warrants;
- the criteria and methods based on which the exercise price conditions of the warrants are determined.

These warrants would cease to be valid as soon as the offer or any other possible competing offer was to fail, become null and void or be withdrawn.

The **maximum nominal amount of the shares** that may be issued through exercising these warrants may not exceed a limit of **€102 million, representing approximately 25% of the current share capital.**

This authorisation would be valid for a period of **18 months** from the date of this Shareholders' Meeting.

Term of office of Directors – amendment of article 18 of the Company bylaws

It is proposed that by voting on the **21st resolution** you amend article 18 of the Company bylaws relating to the term of office of Directors, so as to enable the staggered renewal of the Directors' terms of office.

The term of office of each Director, as currently defined by the bylaws (article 18), is four years.

The purpose of the proposed amendment is to allow, **on an exceptional basis, the Shareholders' Meeting to appoint Directors or renew their term of office for a period of two years**, so as to enable a **staggered renewal** of the Board of Directors

Powers to carry out the required legal formalities

By voting on the **22nd resolution**, the Shareholders' Meeting is asked to authorise the Board of Directors to carry out the required legal formalities, where applicable.

Draft resolutions

Resolutions presented to the Ordinary Shareholders' Meeting

First resolution

(Approval of the Parent Company financial statements for the financial year ended 30 June 2011)

Having reviewed the Parent Company financial statements for the financial year ended 30 June 2011, the Management Report of the Board of Directors and the report of the Statutory Auditors on the annual financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the financial statements for the financial year ended 30 June 2011 as well as all transactions recorded in the financial statements or summarised in these reports, which show a net profit of €238,559,274.54 for the aforementioned financial year.

The Shareholders' Meeting takes note of the report of the Chairman of the Board of Directors on the conditions governing the preparation and organisation of the work performed by the Board of Directors and internal control procedures implemented by the Company, as well as of the report of the Statutory Auditors on such report.

Pursuant to article 223 quater of the French Tax Code, the Shareholders' Meeting also takes note of the fact that the total amount of the costs and expenses referred to in paragraph 4 of article 39 of the French Tax Code amounted to €166,622 for the past financial year, and that the future tax payable with regard to these costs and expenses amounts to €57,368.

Second resolution

(Approval of the consolidated financial statements for the financial year ended 30 June 2011)

Having reviewed the report of the Board of Directors on the management of the Group included in the Management Report in accordance with article L. 233-26 of the French Commercial Code, and the report of the Statutory Auditors on the consolidated financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the consolidated financial statements for the financial year ended 30 June 2011 as presented to it as well as the transactions recorded in the financial statements or summarised in the report on the management of the Group.

Third resolution

(Allocation of the net result for the financial year ended 30 June 2011 and setting of the dividend)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the balance sheet for the financial year ended 30 June 2011 shows a net profit of €238,559,274.54.

It decides, on the proposal of the Board of Directors, to allocate and divide this profit as follows:

Profit	€238,559,274.54
Appropriation to the legal reserve	€75,870.95
Balance	€238,483,403.59
Previous retained earnings	€1,063,309,236.92
Distributable profit	€1,301,792,640.51
Dividend distributed	€381,199,396.32
Balance allocated to retained earnings	€920,593,244.19

It should be noted that in the event of a change between the number of shares giving right to a dividend as compared with the 264,721,803 shares making up the share capital as of 30 June 2011, the total amount of the dividend shall be adjusted accordingly and the amount allocated to the retained earnings account shall be determined based on dividends actually paid.

A dividend of €1.44 per share will be distributed for each of the Company's shares.

An interim dividend payment of €0.67 per share having been paid on 6 July 2011, the balance amounting to €0.77 per share will be detached on 17 November 2011 and paid on 22 November 2011.

The Shareholders' Meeting decides that the amount of the dividend accruing to treasury shares held by the Company or shares that have been cancelled at the time of payment, will be allocated to 'Retained earnings'.

The amount to be distributed of €1.44 per share will grant entitlement to the 40% tax deduction applicable to individual shareholders who are French tax residents, as provided for in article 158 3 2° of the French Tax Code.

Shareholders' equity totals €4,767,556,105.51 after allocation of the net result for the financial year.

Dividends distributed over the past three financial years were as follows:

	2007/2008	2008/2009	2009/2010
Number of shares	219,682,974	258,640,536	264,232,313
Dividend per share *(in euro)*	1.32 (1)	0.50 (1)	1.34 (1)

(1) Amounts eligible for the 40% tax deduction for individual (non-corporate) shareholders who are French tax residents, as provided for in article 158 3 2° of the French Tax Code.

Fourth resolution

(Approval of related-party agreements and commitments referred to in article L. 225-38 et seq. of the French Commercial Code)

Having reviewed the special report of the Statutory Auditors on the related-party agreements and commitments referred to in article L. 225-38 *et seq.* of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes the conclusions of said report and approves the agreements and commitments referred to therein.

Fifth resolution

(Ratification of the appointment of Mr Laurent Burelle as a Director)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to ratify the temporary appointment by the Board of Directors of Mr Laurent Burelle as a Director on 4 May 2011, following the resignation of Lord Douro from his functions as Director.

This term of office is granted for the remainder of Lord Douro's directorship, namely until the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the previous financial year.

Sixth resolution

(Renewal of the directorship of Ms Nicole Bouton)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Ms Nicole Bouton.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2015 to approve the financial statements for the previous financial year.

Seventh resolution

(Renewal of the term of office of a principal Statutory Auditor)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having established that the term of office of Deloitte & Associés, with head offices at 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, as principal Statutory Auditor, is due to expire at the close of this Shareholders' Meeting, resolves to renew their term of office as principal Statutory Auditor for six financial years, ending at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Eighth resolution

(Renewal of the term of office of a deputy Statutory Auditor)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having established that the term of office of BEAS, with head offices at 7-9 Villa Houssay, 92524 Neuilly-sur-Seine, as deputy Statutory Auditor, is due to expire at the close of this Shareholders' Meeting, resolves to renew their term of office as deputy Statutory Auditor for six financial years, ending at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Ninth resolution

(Setting of the annual amount of Directors' fees allocated to members of the Board of Directors)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, upon proposal of the Board of Directors, decides to set the aggregate annual amount of the Directors' fees in respect of the current financial year at €875,000.

Tenth resolution

(Authorisation to be granted to the Board of Directors to trade in the Company's shares)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, with the possibility for it to in turn delegate these powers, in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code and of European Commission Regulation no. 2273/2003 of 22 December 2003, authorises the Board of Directors to purchase shares in the Company in order to:

(i) allocate shares or transfer them to employees and/or corporate officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit sharing plans; or

(ii) cover its commitments pursuant to options with cash payments concerning rises in the stock market price of the Company's share, granted to employees and/or corporate officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or

(iii) make free allocations of shares to employees of the Company and/or employees and corporate officers of its current or future affiliates under the terms and conditions of articles L. 225-197-1 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to an employee savings plan in accordance with the provisions of article L. 3332-14 of the French Employment Code; or

(iv) retain them and subsequently tender them (in exchange, as payment or otherwise) within the scope of external growth transactions, for up to 5% of the number of shares comprising the share capital; or

(v) deliver shares upon the exercise of rights attached to securities granting access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or in any other manner; or

(vi) cancel all or some of the shares repurchased in this manner, under the conditions provided for in article L. 225-209 paragraph 2 of the French Commercial Code, subject to the authorisation to reduce the share capital proposed to the Shareholders' Meeting, in the 11th resolution below; or

(vii) allow an investment services provider to act on the secondary market or to ensure liquidity of the Company's share by means of liquidity agreements in compliance with the terms of a code of conduct approved by the French Financial Markets Authority (AMF).

This programme would also be intended for the Company to operate for any other authorised purpose or that would come to be authorised by law or regulations in force. In such a case, the Company would notify its shareholders by a press release.

The Company will be able to purchase a number of shares such that:

- the Company does not purchase more than 10% of the shares comprising its share capital at any time during the term of the share repurchase programme; this percentage will apply to the share capital adjusted based on capital transactions carried out after this Shareholders' Meeting; in accordance with the provisions of article L. 225-209 of the French Commercial Code, the number of shares taken into account for calculating the 10% limit equates to the number of shares purchased, minus the number of shares sold during the authorisation period when the shares are repurchased to favour liquidity under the conditions set out by the AMF's General Regulation; and that
- the number of shares held by the Company at any time does not exceed 10% of the number of shares comprising its share capital.

These shares may be purchased, sold, transferred or exchanged, on one or more occasions, by any authorised means pursuant to the regulations in force. These means include, in particular, private transactions, sales of blocks of shares, sale and repurchase agreements and the use of any financial derivatives, traded on a regulated market or over-the-counter market, or setting up option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions involving blocks of shares may account for the entire share repurchase programme.

These transactions may be carried out during periods considered appropriate by the Board of Directors; however, during a purchase offer period, these transactions may only be carried out in strict compliance with the provisions of article 232-15 of the General Regulations of the AMF, in order to enable the Company to comply with its prior commitments, and solely:

- if, firstly, the purchase offer concerning the Pernod Ricard shares is paid in full in cash; and
- if, secondly, the repurchase transactions (a) are undertaken within the scope of the pursuit of a programme that was already in progress, (b) fall within the scope of the objectives referred to in points (i) to (v) above and (c) are not likely to cause the offer to fail.

The Shareholders' Meeting decides that the maximum purchase price per share shall be equal to €110, excluding the acquisition costs.

Under article R. 225-151 of the French Commercial Code, the Shareholders' Meeting sets at €2,911,939,800 the total maximum amount allocated to the above authorised share repurchase programme, corresponding to a maximum number of 26,472,180 shares purchased under a maximum unit price of €110.

The Shareholders' Meeting delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, in the event of transactions with regard to the Company's share capital, in particular a change in the par value of the share, an increase in share capital via the capitalisation of reserves, a granting of bonus shares, stock split or reverse stock split, to adjust the above-mentioned maximum purchase price in order to take into account the impact of such transactions on the share value.

The Shareholders' Meeting grants the Board of Directors full powers, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide and implement this authorisation, to specify, if necessary, its terms and decide on its conditions with the possibility to delegate, under the conditions provided for by law, implementation of the share purchase programme, and in particular to place all stock exchange orders, enter into any agreement, in particular repurchase or derivate, with a view to keeping registers of share purchases and sales, make all declarations to the AMF and to any other authority which may take over from it, complete all formalities and, in general, do whatever may be necessary.

This authorisation will be valid for a period of 18 months from the date of this Shareholders' Meeting. A positive vote thereon cancels and supersedes, as from this date, the authorisation granted to the Board of Directors to trade in the Company's shares by the Ordinary Shareholders' Meeting of 10 November 2010 in its 10th resolution.

Resolutions presented to the Extraordinary Shareholders' Meeting

Eleventh resolution

(Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares repurchased previously)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with articles L. 225-209 *et seq.* of the French Commercial Code:

1. authorises the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or part of the treasury shares held by it or acquired by it pursuant to the share repurchase programmes authorised by the Shareholders' Meeting, in particular in accordance with the 10th resolution above, for up to 10% of the share capital per 24-month period, it being specified that the 10% limit applies to the Company's capital amount which will be, where applicable, adjusted to take account of capital transactions;
2. decides that the excess amount of the purchase price of the shares cancelled as compared to their par value shall be allocated to the 'Share premiums' account or to any available reserve accounts, including the legal reserve, for up to 10% of the reduction in capital carried out; and
3. grants the Board of Directors full powers, with the possibility for it to delegate these powers in turn within the limits set by the bylaws and by law, to cancel, on its own decision, the shares thus acquired, to reduce the share capital accordingly, to allocate the excess amount as provided for above, as well as to make the corresponding amendments to the bylaws and complete all formalities.

This authorisation will be valid for a period of 26 months from the date of this Shareholders' Meeting. It cancels and supersedes, as from such date, the authorisation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 in its 15th resolution.

Twelfth resolution

(Delegation of authority to be granted to the Board of Directors to decide on an increase in the share capital through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the preferential subscription right)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide on an increase in the share capital, on one or more occasions, in France, abroad or on the international market, in the proportion and at the times it considers appropriate, either in euro, or in any other currency or monetary unit drawn up in reference to several currencies, with maintenance of the shareholders' preferential subscription right, by the issue of (i) ordinary shares of the Company or (ii) securities issued against payment or free of charge, governed by articles L. 228-91 *et seq.* of the French Commercial Code, granting access to the Company's share capital, it being specified that the subscription of shares and other securities can be carried out either in cash, or by offsetting receivables;
2. decides to fix as follows the limits of the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
   - the maximum nominal amount of the share capital increases likely to be realised by virtue of this delegation is fixed at €205 million, it being specified that (i) to this limit will be added, when applicable, the nominal amount of any shares to be issued in addition, in the event of further adjustments, in order to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free shares, and that (ii) this limit forms the maximum overall nominal limit for share capital increases likely to be carried out by virtue of this delegation and of that conferred by virtue of the 13th, 14th, 15th, 16th, 18th and 19th resolutions, and that the total nominal amount of the share capital increases carried out under these resolutions will be deducted from this overall limit,
   - the maximum nominal amount of securities representing debts granting access to the Company's share capital shall not exceed the €5 billion limit or the exchange value of this amount, it being specified that from this amount will be deducted the nominal amount of the debt securities that will be issued by virtue of the 13th resolution of this Shareholders' Meeting. This limit is autonomous and distinct from the amount of the securities representing debts granting the right to the allocation of debt securities that could be issued under the 17th resolution submitted to this Shareholders' Meeting, as well as from the amount of the debt securities the issue of which would be determined or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;
3. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 16th resolution;
4. in the event of use of this delegation by the Board of Directors:
   - decides that the share issue(s) will preferably be reserved for shareholders who can subscribe with an irreducible right in proportion to the number of shares then held by them, and records that the Board of Directors can institute a subscription with a reducible right,
   - decides that, if the subscriptions with an irreducible right and, where applicable, with a reducible right, do not absorb the entirety of an issue of shares or securities as set out above, the Board of Directors can use the different options provided for by law, in the order that it will determine, including to offer to the public all or part of the shares or, in the case of securities granting access to the share capital, of the said securities not subscribed, on the French and/or foreign and/or international market,
   - decides that the issues of Company share warrants can be carried out through the subscription offer under the aforementioned conditions, but also by the free allocation to the owners of old shares,
   - decides that in the event of a free allocation of independent bonds, the Board of Directors will have the option to decide that the fractional allocation rights will not be marketable and that the corresponding securities will be sold,
   - acknowledges by virtue of this delegation that the shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription right to the shares to which the securities will grant entitlement;
5. decides that the Board of Directors shall have full powers, with the possibility for it to delegate these powers in turn within the limits set by law, to implement this delegation of authority, including to set the share issue, subscription and payment conditions, record the completion of the share capital increases that result from it and consequently amend the bylaws and notably to:
   - determine, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital, to determine the terms for exercising the rights, where applicable, particularly to conversion, exchange, reimbursement, including by delivering the Company's assets such as securities already issued by the Company,
   - decide, in the event of the issue of debt securities, of their subordinated or unsubordinated type (and, where applicable, their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), to fix their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other terms of issue (including granting them guarantees or sureties)

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and depreciation (including reimbursement by delivering Company assets); decide on the securities that may be bought back on the stock exchange or the subject of a takeover bid or public exchange offer by the Company; to fix the conditions under which these securities will grant access to the Company's share capital; to amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities,

- on its own initiative, offset the costs of the share capital increases against the amount of the related share premiums and deduct from this amount the sums required to raise the legal reserve to one tenth of the new share capital resulting from such increases in the share capital,
- fix and carry out all adjustments required to take into account the impact of the transactions on the Company's share capital, particularly in the event of the amendment of the nominal value of the share, increase of the share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or of all other assets, depreciation of the share capital, or any other transaction concerning shareholders' equity, and fix the terms under which, where applicable, the preservation of the rights of holders of securities granting access to the capital will be assured, and
- generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

Thirteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of the preferential subscription right, as part of a public offer)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide on an increase in the share capital, on one or more occasions, in France, abroad or on the international market, in the proportion and at the times it considers appropriate, by a public issue, either in euro, or in any other currency or monetary unit drawn up in reference to several currencies, with cancellation of the shareholders' preferential subscription right, by the issue of ordinary shares of the Company or securities against payment or free of charge, governed by articles L. 225-149 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, granting access to the Company's capital (whether new or existing Company shares), it being specified that the subscription of shares and of other securities can be carried out either in cash, or by offsetting receivables;
2. decides to fix as follows the limits of the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
   - the maximum nominal amount of the share capital increases likely to be realised by virtue of this delegation is fixed at €61 million, with this amount being deducted from the limit set in the 12th resolution, it being specified (i) that to this limit will be added, when applicable, the nominal amount of any shares to be issued, in the event of further adjustments, in order to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital as well as of recipients of stock options or free shares, and (ii) that this limit is common to the 14th,15th, 16th and 19th resolutions and that the total nominal amount of the share capital increases carried out under these resolutions will be deducted from this limit,
   - the maximum nominal amount of securities representing debts granting access to the Company's share capital cannot exceed the limit of €4 billion or the exchange value of this amount, it being specified that this amount will be deducted from the limit fixed for securities representing debt securities, by virtue of the 12th resolution of this Shareholders' Meeting. This limit is autonomous and distinct from the amount of the securities representing debts granting the right to the allocation of debt securities that could be issued under the 17th resolution subject to this Shareholders' Meeting, and from the amount of the debt securities, the issue of which would be decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;
3. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 17th resolution;
4. decides to cancel the shareholders' preferential subscription right to the securities that are the subject of this resolution, by granting however to the Board of Directors in accordance with article L. 225-135, paragraph 2 of the French Commercial Code, the option to confer on the shareholders, during a period and according to the terms that it will set in compliance with the applicable legal and regulatory provisions and for all or part of the issue made, a priority subscription period not creating marketable rights and which must be exercised in proportion to the number of shares held by each shareholder and which can possibly be supplemented by a subscription with a reducible right, it being specified that the securities not subscribed will be subject to a public offer in France and/or abroad and/or on the international market;
5. acknowledges, by virtue of this delegation, that the shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription right to the shares to which the securities will grant entitlement;
6. decides that, pursuant to article L. 225-136 of the French Commercial Code:
   - the issue price of the shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force at the time of the use of this delegation,

- the issue price of the securities granting access to the capital, will be such that the sum immediately received by the Company, increased, where applicable, by that likely to be received subsequently by the Company, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set out in the previous paragraph;

7. decides that if the subscriptions of the shareholders and the public have not absorbed the entire issue of securities, the Board of Directors can use, in the order that it will determine, one and/or the other of the options below:
   - limit the issue to the amount of the subscriptions under the conditions stipulated by the law in force at the time of the use of this delegation,
   - freely distribute all or part of the securities not subscribed between the persons of its choice;
8. decides that the Board of Directors shall have full powers, with the possibility for it to delegate these powers in turn within the limits set by law, to implement this delegation of authority, including set the issue, subscription and payment conditions, record the completion of the share capital increases that result from it and consequently amend the bylaws and notably:
   - determine, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital or debt securities to be issued, to determine the terms for exercising the rights, where applicable, particularly to conversion, exchange, reimbursement, including by delivering the Company's assets such as securities already issued by the Company,
   - decide, in the event of the issue of debt securities, of their subordinated or unsubordinated type (and, where applicable, their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), to fix their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other terms of issue (including granting them guarantees or sureties) and depreciation (including reimbursement by delivering Company assets); to decide on the securities that may be bought back on the stock exchange or the subject of a takeover bid or public exchange offer by the Company; to fix the conditions under which these securities will grant access to the Company's capital and/or allocation of debt securities; to amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities,
   - on its own initiative, offset the costs of the share capital increases against the amount of the related share premiums and deduct from this amount the sums required to raise the legal reserve to one tenth of the new share capital resulting from such increases in the share capital,
   - fix and carry out all adjustments required to take into account the impact of the transactions on the Company's share capital, particularly in the event of the amendment of the nominal amount of the share, increase in share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or of all other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and fix the terms under which, where applicable, the preservation of the rights of holders of securities granting access to the capital will be assured, and
   - generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

Fourteenth resolution

(Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without a preferential subscription right in accordance with the 12th and 13th resolutions)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of article L. 225-135-1 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on an increase in the number of shares or securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription right, at the same price as that retained for the initial issue, within the time periods and limits stipulated by the regulations in force on the day of the issue (i.e., to date, within 30 days of the end of the subscription and within the limit of 15% of the initial issue) and subject to the limit provided for in the resolution in virtue of which the issue is decided as well as the overall limit fixed by the 12th resolution;
2. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 18th resolution.

Fifteenth resolution

(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration of contributions in kind granted to the Company within the limit of 10% of the share capital)

Having reviewed the report of the Board of Directors under article L. 225-147 paragraph 6 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on the issue of shares or diverse securities granting access to the Company's share capital, within the limit of 10% of the share capital at the time of the issue, with a view to remunerating the contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital of other companies, when the provisions of article L. 225-148 of the French Commercial Code are not applicable. In accordance with law, the Board of Directors will rule on the Auditors' special report on the contributions, stated in article L. 225-147 of the said Code, on the assessment of the contributions and the granting of particular benefits.

The Shareholders' Meeting decides that the nominal amount of the Company's share capital increase resulting from the issue of securities set out in the above paragraph, will be deducted from the overall limit set in the 12th resolution as well as from the maximum amount of share capital increase fixed in the 13th resolution, it being specified that this maximum amount is fixed not taking into account the consequences on the share capital from the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free shares.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to determine the type and number of securities to be created, their characteristics and the terms of their issue, to approve the assessment of the contributions and, concerning the said contributions, record their realisation, deduct all fees, charges and duties from the premium, with the balance receiving any allocation decided by the Board of Directors, or by the Ordinary Shareholders' Meeting, to increase the share capital, carry out the subsequent amendments to the bylaws and, generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 19th resolution.

Sixteenth resolution

(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital in the event of a public offer initiated by the Company)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129 to L. 225-129-6, L. 225-148 and L. 228-92 of the French Commercial Code:

- delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide to issue ordinary shares or diverse securities granting access to the Company's share capital, immediately and/or in the future, within the limit of 15% of the share capital at the time of the issue, with a view to remunerating securities contributed to (i) a public offer of exchange in France or abroad, under local regulations, by the Company on the shares of another company trading on one of the regulated markets set out in the aforementioned article L. 225-148, or (ii) to any other transaction having the same effect as a public offer of exchange initiated by the Company on the securities of another company whose securities are traded on another regulated market coming under a foreign law (e.g. as part of a reverse merger or a scheme of arrangement);
- decides, as required, to cancel in favour of the holders of these securities, objects from the public offer, the shareholders' preferential subscription right to the ordinary shares and securities thus issued;
- acknowledges, by virtue of this delegation, that the shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription right to the shares to which the securities will grant entitlement.

The Shareholders' Meeting decides that the nominal amount of the Company's share capital increase resulting from the issue of shares set out in the above paragraph, will be deducted from the overall limit set in the 12th resolution as well as from the maximum amount of share capital increase fixed in the 13th resolution, it being specified that this maximum amount is fixed not taking into account the consequences on the share capital from the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free shares.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to implement the public offers covered by this resolution and particularly:

- to set the exchange parity as well as, where applicable, the amount of the compensation in cash to be paid;
- to record the number of securities contributed to the exchange;
- to determine the dates, issue conditions, particularly the price and date of vesting, of the new ordinary shares, or, where applicable, of the securities granting access immediately and/or in the future to the Company's ordinary shares;
- to enter on the balance sheet liabilities under 'Contribution premium', on which the rights of all the shareholders will be shown, the difference between the issue price of the new ordinary shares and their par value;
- to deduct, if applicable, from the said 'Contribution premium' all the fees and duties incurred during the authorised transaction;
- to record the completion of the share capital increase(s) resulting from it and to make any subsequent amendments to the bylaws and, generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 20th resolution.

Seventeenth resolution

(Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on the issue on one or more occasions, and in the proportions and at the times it considers appropriate, both in France and abroad, in euro or in foreign currency, securities representing debts granting the right to the allocation of debt securities such as bonds, similar securities, subordinated debt with a fixed-term or not, or any other securities granting, under the same issue, the same right to a claim on the Company.

   Securities granting entitlement to the allocation of debt securities can be in the form of subordinated debt or not, fixed-term or not, and be issued either in euro, or in a foreign currency;

2. decides that the maximum nominal amount of the issues (i) of securities representing debts granting entitlement to the allocation of debt securities, and (ii) debt securities to which these securities grant a right, realised under this delegation, cannot exceed a maximum limit of €5 billion (or the exchange value of this amount in the event of an issue in a foreign currency or in an account unit fixed in reference to several currencies), it being specified that this limit is fixed independently of the limits relating to the issues of debt securities authorised by this Shareholders' Meeting under the 12th and 13th resolutions and of the bond issues that could be decided on or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code.

   For calculating the maximum limit stated in the previous paragraph, the exchange rate value in euro of the par value of the securities representing debts granting entitlement to the allocation of debt securities and of the debt securities to which the securities grant entitlement, issued in foreign currencies, will be assessed on the date of the decision of the issue:

3. decides that the Board of Directors shall have full powers to implement this resolution and particularly to:
   - carry out the said issues within the limit set out above, by determining the date, type, amounts and the issue currency;
   - finalise the characteristics of the securities to be issued as well as the debt securities to which the securities could grant an entitlement to allocation, and particularly their par value and their vesting date, their issue price, with premium where applicable, their interest rate, fixed and/or variable, and the payment date, or in the case of variable-rate securities, the terms for determining their interest rate, or the conditions for capitalising the interest;
   - fix, according to market conditions, the depreciation and/or early reimbursement terms of the securities to be issued as well as the debt securities to which the securities could grant entitlement to allocation, with, when applicable, a fixed or variable premium, or even the terms of repurchase by the Company;
   - if applicable, decide to confer a guarantee or sureties to the securities to be issued, as well as to the debt securities to which the securities could grant entitlement to allocation, and to finalise their type and characteristics; and
   - more generally, do whatever is required;

4. The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 21st resolution.

Eighteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase by capitalisation of premiums, reserves, profits or other items)

Having reviewed the report of the Board of Directors, the Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum and majority provided for in article L. 225-98 of the French Commercial Code, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. delegates to the Board of Directors its authority to decide to increase the share capital, on one or more occasions, and in the proportions and at the times it considers appropriate, by the capitalisation of premiums, reserves, profits or other, the capitalisation of which will be possible under the law and the bylaws, and under the form of the allocation of free shares or raising of the par value of the existing shares or by combining these two possibilities;

2. decides to set the maximum nominal amount of share capital increases that may be carried out in this respect at €205 million, it being specified that this limit:
   - is fixed without taking into account the nominal amount of the Company's ordinary shares that may be issued with respect to the adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free shares; and
   - will also be deducted from the maximum amount of the share capital increase determined in the 12th resolution;

3. in the event of the use by the Board of Directors of this delegation of authority, delegates to the latter full powers, with the possibility for it to delegate these powers in turn under the conditions provided for by law, in order to implement this delegation of authority, and set the issue conditions, record the completion of the subsequent share capital increases and consequently amend the bylaws and notably:

- fix the amount and type of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the par value of the existing shares comprising the share capital will be increased, finalise the date, even retroactive, from which the new shares can be vested or that on which the increase in the par value will become effective;
- decide, in the event of distributions of free shares:

(i) that the fractional shares are not marketable and that the corresponding shares will be sold; the sums resulting from the sale will be allocated to the holders of the rights under the conditions stipulated by the law and regulations,

(ii) to carry out all adjustments required to take into account the impact of transactions on the Company's share capital, particularly in the event of the amendment of the par value of the share, increase in share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or all other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and fix the terms under which, where applicable, the preservation of the rights of holders of securities granting access to the capital will be assured; and

- generally, to enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

4. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 2 November 2009 in its 22nd resolution.

Nineteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase through the issue of shares or securities granting access to the share capital, reserved for members of savings plans with cancellation of preferential subscription right in favour of the members of such savings plans)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 *et seq.* of the French Employment Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on an increase in the share capital, on one or more occasions, through issues of shares or securities granting access to the share capital reserved for the members of one or more employee savings plans (or any other plan whereby it would be possible to carry out an increase in the share capital reserved for such plan's members pursuant to article L. 3332-18 of the French Employment Code) that would be put in place within the Group consisting of the Company and the French or foreign entities falling within the scope of consolidation of the Company's consolidated financial statements pursuant to article L. 3344-1 of the French Employment Code;
2. decides to set the maximum nominal amount of the capital increases that may be carried out in this respect at 2% of the Company's share capital at the close of this Shareholders' Meeting, it being specified that:
   - this maximum limit is set without taking into account the par value of the Company's ordinary shares that may be issued with respect to adjustments made to protect, in accordance with law and regulations and, when applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free shares;
   - the nominal amount of the share capital increase made pursuant to this delegation of authority will be deducted from the overall limit set in the 12th resolution as well as from the maximum amount of share capital increase fixed in the 13th resolution;
3. decides that the issue price of the new shares or of the securities granting access to the share capital will be determined under the conditions provided for in article L. 3332-19 of the French Employment Code and may not be more than 20% lower than the average of the listed prices of the Pernod Ricard share on the Euronext Paris market during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription period for the increase in share capital reserved for the members of an employee savings plan (the 'Reference Price'), nor exceed such average; however the Shareholders' Meeting expressly authorises the Board of Directors, if it deems it appropriate, to reduce or cancel the aforementioned discount, within legal and regulatory limits, in order to take into account, in particular, the legal, accounting, tax and social security treatments that apply locally;
4. authorises the Board of Directors to grant, free of charge, to the aforementioned beneficiaries, in addition to the shares or securities granting access to the capital to be subscribed to in cash, shares or securities granting access to the capital to be issued or already issued, to substitute for all or part of the discount as compared with the Reference Price and/or special contribution, it being specified that the benefit resulting from this allocation may not exceed the limits provided for by law or regulations pursuant to articles L. 3332-1 and L. 3332-19 of the French Employment Code;
5. decides to cancel, in favour of the aforementioned beneficiaries, the shareholders' preferential subscription right to the shares that are the subject of this authorisation; the aforementioned shareholders furthermore waiving all right to the free shares or securities granting access to the share capital which would be issued pursuant to this resolution;
6. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 10 November 2010 in its 13th resolution;

7. decides that the Board of Directors shall have full powers to implement this delegation with the possibility for it to delegate these powers in turn under the conditions provided for by law, within the limits and under the conditions specified above in order, in particular:
   - to decide, under the conditions provided for by law, on the list of companies in which employees who have subscribed to the employee savings plan may subscribe to shares or securities granting access to the capital issued in this way, and benefit, if applicable, from free shares or securities granting access to the capital,
   - to decide that the subscriptions may be carried out directly or via the intermediary of company mutual funds or other structures or entities permitted by the provisions of the applicable law or regulations,
   - to determine the conditions, in particular in respect of length of service, to be met by the beneficiaries of the share capital increases,
   - to set the beginning and end dates of the subscription periods,
   - to set the amounts of the issues of shares or securities that will be made pursuant to this authorisation and decide on, in particular, the issue prices, dates, time periods, terms and conditions of subscription, paying-in, delivery and vesting (even retroactive) in respect of the shares or securities as well as the other terms and conditions of the issues of shares or securities, within the limits set by law or the regulations in force,
   - in the event of a free allocation of shares or of securities granting access to the share capital, set the number of shares or securities granting access to the capital to be issued, the number to be granted to each beneficiary, and decide on the dates, time periods, terms and conditions of allocation of such shares or securities granting access to the share capital within the limits provided for by applicable law and regulations and, in particular, choose either to substitute, in full or in part, the allocation of such shares or securities granting access to the capital for the discounts as compared with the Reference Price as provided for above, or to deduct the equivalent value of these shares from the total amount of the special contribution made by the Company to add to the members' own contribution, or to use a combination of these two possibilities,
   - to record the completion of the increases in the share capital for the amount of the shares subscribed (after a potential reduction in the event of over-subscription),
   - where applicable, to offset the costs of the share capital increases against the amount of the related share premiums and deduct from the amount of such share premiums the sums required to raise the legal reserve to one tenth of the new share capital resulting from such increases in the share capital,
   - to enter into all agreements, carry out directly or indirectly, via a duly authorised agent, all transactions including completing the formalities following the increases in the share capital and the corresponding amendments to the bylaws and in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the increases in share capital carried out.

Twentieth resolution

(Delegation of authority to be granted to the Board of Directors to issue share warrants in the event of a public offer on the Company's shares)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, and deliberating in accordance with articles L. 233-32 II and L. 233-33 of the French Commercial Code:

1. delegates authority to the Board of Directors to decide, in the event of a public offer on the Company's shares, on the issue, on one or more occasions and in the proportions and at the times it considers appropriate, of warrants making it possible to subscribe, under preferential conditions, to one or more of the Company's shares, and on the free allocation of such warrants to all the Company's shareholders with the status of shareholder prior to the expiry of the public offer period, as well as to set the conditions for exercise and other features of such share warrants;
2. decides that the maximum nominal amount of the ordinary shares that may be issued via the exercise of such warrants may not exceed a limit of €102 million, it being specified that this limit has been set independently of any other limit relating to issues of equity securities or securities granting access to the Company's share capital authorised by the Shareholders' Meeting, and that the maximum number of warrants that may be issued may not exceed the number of shares comprising the share capital at the time of issue of the warrants;
3. decides that should this delegation be implemented, based on a report prepared by a bank of international reputation whose appointment will have been approved by a majority of the independent directors of the Company, the Board of Directors shall report, at the time of the issue, on:
   - the circumstances and reasons why it considers that the offer is not in the interest of the Company and of its shareholders, and that justify the issue of such warrants;
   - the criteria and methods on which the determination of the exercise price conditions of the warrants are based.
4. decides that the Board of Directors shall have full powers, with the possibility for it to delegate these powers in turn within the limits set by the bylaws and the law, to implement this delegation of authority under the conditions provided for by law.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 18 months as from the date of this Shareholders' Meeting. If approved, this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 10 November 2010 in its 12th resolution.

Twenty-first resolution

(Amendment to the Company bylaws relating to the term of office of Directors)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, decides to amend the existing first paragraph of article 18 of the bylaws so as to enable the staggered renewal of the directorships of the Board of Directors' members.

The first paragraph of article 18 is therefore amended as follows (the added parts being shown in bold):

'The term of office of each Director shall be four (4) years. ***However, on an exceptional basis, the Shareholders' Meeting may, on the Board of Directors' proposal, appoint Directors or renew their term of office for a period of two (2) years so as to enable a staggered renewal of the Board of Directors.*** *The term of office is calculated by reference to the periods between two successive annual Ordinary Shareholders' Meetings.'*

The remainder of the article remains unchanged.

Twenty-second resolution

(Powers to carry out the necessary legal formalities)

The Shareholders' Meeting grants full powers to the bearer of a copy or an extract of the minutes of this meeting to carry out, everywhere they may be required, any legal formalities for the purposes of registration or for legal publication or otherwise, as required.

Statutory Auditors' report on the reduction of share capital by cancellation of treasury shares

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011
11th resolution

To the Shareholders,

As Statutory Auditors of Pernod Ricard and as part of our responsibilities set out in article L. 225-209 of the French Commercial Code *(Code de commerce)* concerning capital reductions by cancellation of shares owned by Pernod Ricard, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed capital reduction.

The Board of Directors asks, on the basis of its report, that you empower it, for a period of twenty-six months and with an option for it to delegate, to cancel, up to a maximum of 10% of its share capital by 24-month periods, the shares purchased by the Company pursuant to the authorisation to purchase its own shares as part of the provisions of the aforementioned article.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. Our procedures consisted, in particular, in verifying the fairness of the reasons for and the terms and conditions of the proposed reduction in share capital, and ensuring that it does not interfere with the equal treatment of shareholders.

We have no comments on the reasons for and the terms and conditions of the proposed reduction in share capital.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	**Mazars**
Marc de Villartay	Isabelle Sapet Loïc Wallaert

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Statutory Auditors' report on the issue of ordinary shares and/or various securities with maintenance or cancellation of the preferential subscription right

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011
12th, 13th, 14th, 15th and 16th resolutions

To the Shareholders,

As Statutory Auditors of Pernod Ricard and as part of our responsibilities set out in articles L. 225-135, L. 225-136 and L. 228-92 of the French Commercial code *(Code de Commerce)*, we hereby present our report on the proposed delegations of authority to the Board of Directors to issue shares and/or securities granting access to the Company's share capital, with maintenance or cancellation of the preferential subscription right, transactions that you are being asked to approve.

The Board of Directors asks, on the basis of its report:

- that you empower it, for a period of twenty-six months and with an option for it to delegate, to carry out the following transactions, set the definitive issue terms and conditions and, wherever necessary, waive your preferential subscription rights:
  - issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of the preferential subscription right (12th resolution),
  - issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of the preferential subscription right, as part of a public offer (13th resolution),
  - issue of ordinary shares and/or securities granting access to the Company's share capital in the event of a public offer initiated by the Company (16th resolution);
- that you empower it, for a period of twenty-six months and with an option for it to delegate, to set the terms and conditions for the issue of shares and/or securities granting access to the Company's share capital, with a view to remunerating the contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital of other companies (15th resolution), within the limit of 10% of the share capital.

The maximum overall nominal amount of the share capital increases likely to be realised, immediately or in the future, may not exceed:

- €205 million by virtue of the 12th resolution (it being specified that this limit also forms the maximum overall nominal limit for share capital increases likely to be carried out by virtue of the 12th, 13th, 14th, 15th, 16th, 18th and 19th resolutions),
- €61 million by virtue of the 13th, 14th, 15th, 16th and 19th resolutions (it being specified that this amount will be deducted from the aforementioned overall limit).

The maximum overall nominal amount of debt securities that could be issued may not exceed:

- €5 billion by virtue of the 12th resolution (it being specified that this limit also forms the maximum overall nominal limit for issues of debt securities likely to be carried out by virtue of the 12th and 13th resolutions),
- €4 billion by virtue of the 13th resolution (it being specified that this amount will be deducted from the aforementioned overall limit).

These limits take into account the additional number of securities to be created by virtue of the delegations set forth in the 12th and 13th resolutions, under the terms and conditions stipulated in article L. 225-135-1 of the French Commercial Code, should you adopt the 14th resolution.

The Board of Directors is required to prepare a report in accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial code. Our role is to report to you on the fairness of the financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning these transactions, set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. This work consisted of checking the content of the report prepared by the Board of Directors on these transactions and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues of shares or securities granting access to the share capital that may be decided upon, we have no matters to report on the process for determining the issue price of the future securities, set out in the report of the Board of Directors by virtue of the 13th resolution.

In addition, as this report does not specify the methods of determining the issue price of the future securities by virtue of the 12th, 15th and 16th resolutions, we cannot express our opinion on the elements used to calculate the issue price of the future securities.

As the issue price of the future securities has not been set, we do not express any opinion on the definitive terms and conditions of the issues that would be carried out and, accordingly, on the proposal put to you to waive your preferential subscription right in the 13th resolution.

Pursuant to article R. 225-116 of the French Commercial code, we will prepare an additional report, as required, at such time as the Board of Directors makes use of this authorisation in the event of issues of shares with cancellation of the preferential subscription right or issues of securities granting access to share capital.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

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Statutory Auditors' report on the issue of securities representing debts granting entitlement to the allocation of debt securities

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011

17th resolution

To the Shareholders,

As Statutory Auditors of Pernod Ricard and as part of our responsibilities set out in article L. 228-92 of the French Commercial code *(Code de commerce)*, we hereby report to you on the proposed delegation of powers to the Board of Directors to decide on the issue of securities representing debts granting entitlement to the allocation of debt securities, a transaction which you are being asked to approve.

The total maximum nominal amount of issues of securities representing debts granting entitlement to the allocation of debt securities realised under this delegation, cannot exceed a maximum limit of €5 billion; it being specified that this limit is fixed independently of the limits relating to the issues of debt securities authorised by this Meeting under the 12th and 13th resolutions and bond issues that could be decided on or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial code.

The Board of Directors asks, on the basis of its report, that you empower it, for a period of twenty-six months and with an option for it to delegate, to decide on this transaction. When necessary, the Board of Directors will set the final terms and conditions of the debt securities issue.

The Board of Directors is required to prepare a report in accordance with articles R. 225-113, R. 225-114, and R. 225-117 of the French Commercial code. Our role is to report to you on the fairness of the financial information extracted from the financial statements and on certain other information concerning this issue, set out in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to this engagement. This work consisted of checking the content of the report prepared by the Board of Directors on this transaction.

As the final terms and conditions of this issue have not been set, we do not express an opinion on the final terms and conditions under which the issue will be performed.

Pursuant to article R. 225-116 of the French Commercial code, we will prepare an additional report, as required, at such time as the Board of Directors makes use of this authorisation.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	**Mazars**
Marc de Villartay	Isabelle Sapet Loïc Wallaert

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Statutory Auditors' report on the issue of shares or securities granting access to the share capital, with cancellation of preferential subscription rights, reserved for members of employee savings plans

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011
19th Resolution

To the Shareholders

As Statutory Auditors of Pernod Ricard and as part of our responsibilities set out in articles L. 225-135 *et seq.* and L. 228-92 of the French Commercial code *(Code de Commerce)*, we hereby present our report on the proposed delegation to your Board of Directors of the authority to decide an increase in the share capital, on one or more occasions, through issues of shares or securities granting access to the share capital, with cancellation of preferential subscription rights, reserved for members of employee savings plans, a transaction that you are being asked to approve.

This transaction may lead to a share capital increase up to a maximum nominal amount of 2% of the share capital at the close of this Shareholders' Meeting, it being specified that this amount is deductible from the overall limits set in the 12th and 13th resolutions.

This share capital increase is subject to your approval in accordance with the provisions of article L. 225-129-6 of the French Commercial code and articles L. 3332-18 to L. 3332-24 of the French Employment code *(Code du travail)*.

The Board of Directors asks, on the basis of its report, that you empower it, for a period of twenty-six months and with an option for it to delegate, to decide one or more issues of shares or securities granting access to the share capital, with cancellation of your preferential subscription rights to the shares to be issued. Where appropriate, it will set the definitive issue conditions of this transaction.

The Board of Directors is required to prepare a report in accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial code. Our role is to report to you on the fairness of the financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning this issue, set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. This work consisted of checking the content of the report prepared by the Board of Directors on this transaction and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues of shares or securities granting access to the share capital that may be decided upon, we have no matters to report on the process for determining the issue price of the future securities, set out in the report of the Board of Directors.

As the definitive terms and conditions of the share capital increase have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide.

Pursuant to article R. 225-116 of the French Commercial code, we will prepare an additional report, as required, at such time as the Board of Directors makes use of this authorisation.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés	Mazars
Marc de Villartay	Isabelle Sapet Loïc Wallaert

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Statutory Auditors' report on the issue of share warrants in the event of a public offer on the Company's shares

Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011

20th resolution

To the Shareholders

As Statutory Auditors of Pernod Ricard and as part of our responsibilities set out in article L. 228-92 of the French Commercial code *(Code de Commerce)*, we hereby present our report on the proposed free issue of share warrants in the event of a public offer on the Company, a transaction that you are being asked to approve.

The Board of Directors asks, on the basis of its report, that you empower it, for a period of eighteen months and with an option for it to delegate, pursuant to article L. 233-32 II of the French Commercial code, to:

- decide the issue, on one or more occasions, of warrants governed by the regime set out in article L. 233-32 II of the French Commercial code, making it possible to subscribe, under preferential conditions, to one or more shares in the Company, and on the free allocation of such warrants to all the Company's shareholders with the status of shareholder prior to the expiry of the public offer period
- set the conditions for exercise and other features of such share warrants.

The maximum nominal amount of ordinary shares that may be issued via the exercise of such warrants may not exceed a limit of €102 million. Furthermore, the maximum number of warrants that may be issued may not exceed the number of shares comprising the share capital at the time of issue of the warrants.

The Board of Directors is required to prepare a report in accordance with articles R. 225-113, R. 225-114, R. 225-115 and R. 225-117 of the French Commercial code. Our role is to report to you on the fairness of the financial information extracted from the financial statements and on certain other information concerning this issue, set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. This work consisted of checking the content of the report prepared by the Board of Directors on this transaction.

We have no comments on the information presented in the Board of Directors' report concerning the proposed issue of share warrants in the event of a public offer on the Company's shares.

We will prepare an additional report, as required, with a view to the confirmation by Shareholders' Meeting provided for in article L. 223-32 III of the French Commercial code and in accordance with article R. 225-116 of the French Commercial code, at such time as the Board of Directors makes use of this authorisation.

Neuilly-sur-Seine and Courbevoie, 16 September 2011

The Statutory Auditors

Deloitte & Associés

Marc de Villartay

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ABOUT THE COMPANY AND ITS SHARE CAPITAL

Information about Pernod Ricard

Company name and trading name

Pernod Ricard.

Head office

12 place des États-Unis, 75116 Paris, France

Tel: + 33 (1) 41 00 41 00

Legal form

Pernod Ricard is a French public limited company (*Société Anonyme* – SA) governed by a Board of Directors.

Applicable law

Pernod Ricard is a company subject to French law, governed by the French Commercial Code.

Date of constitution and duration

The Company was formed on 13 July 1939 for a period of 99 years.

Corporate purpose

The corporate purpose, as provided for in article 2 of the Company's bylaws, is set forth below in its entirety:

'The Company's purpose is directly or indirectly:

- the manufacture, purchase and sale of all wines, spirits and liqueurs, of alcohol and food products, the use, conversion and trading in all forms of finished or semi-finished products, by-products and substitutes generated by the main operations carried out in the distilleries or other industrial establishments of the same type. The above operations may be carried out on a wholesale, semi-wholesale or retail basis and in all locations, in France or outside France. Storage, purchases and sales falling within the above list;
- the representation of any French or foreign entities, producing, manufacturing or selling products of the same type;
- investments in any businesses or operations whatsoever, which may be related to the production and the trading of similar products in any form whatsoever, and the creation of new companies, contributions, subscriptions, purchases of securities or ownership rights under any form, etc.;
- any transactions connected with the hotel industry and the leisure industry in general, notably the investment by the Company in any companies, existing or to be created, businesses or operations whatsoever, that may be related to the hotel or leisure industries in general, it being specified that the Company may conduct all these transactions on its own account or on behalf of third parties, either acting alone or through equity investment, partnerships or through companies with any third parties or other companies, and carry them out in any form whatsoever: contributions, mergers, subscriptions or the purchase of securities or ownership rights, etc.;
- investments in any industrial, commercial, agricultural, real estate, financial or other companies, whether existing or to be formed, and whether French or foreign;
- the acquisition, disposal, exchange and any transactions involving shares, equity interests or partnership holdings, investment certificates, convertible or exchangeable bonds, equity warrants, bonds with equity warrants and generally, any securities and property rights whatsoever;
- any agricultural, farming, arboriculture, breeding, wine-growing operations, etc., as well as any connected or derivative agricultural or industrial operations relating thereto;
- and generally, all industrial, commercial, financial, movable or real property or securities operations related directly or indirectly to the above purposes or being capable of favouring their development.'

RCS registration number and APE business activity code

The Company is registered in the Paris Trade and Companies Register (RCS) under number 582 041 943.

Pernod Ricard's business activity (APE) code is 741J. This corresponds to business administration activities.

Financial year

From 1 July to 30 June of each year.

Entitlement to dividends – Entitlement to share in the issuer's earnings

Net earnings are comprised of the Company's income as derived from the income statement after deduction of overheads and any other social contributions, depreciation of assets, and all provisions for commercial or industrial contingencies, if any.

From the net earnings, reduced when necessary by prior losses, at least 5% is withheld for transfer to the legal reserve. The deduction is no longer mandatory when the legal reserve reaches an amount equal to one tenth of the share capital. It once again becomes mandatory in the event where, for any reason whatsoever, this reserve falls below one tenth.

From the distributable earnings, as determined by law, the amount required to pay an initial dividend of 6% of the fully paid-up, unredeemed value of the shares is deducted, subject to the possibility that the Board of Directors authorise shareholders who request to do so to pay up their shares in advance, where the payments made cannot give rise to entitlement to the aforementioned initial dividend.

This initial dividend is not cumulative, i.e. if earnings for the financial year are not sufficient to make this payment or are only sufficient to make the payment in part, the shareholders cannot claim this on earnings for the following financial year.

From the available surplus, the Ordinary Shareholders' Meeting may decide to deduct all amounts it considers appropriate, either to be carried forward to the following financial year or to be transferred to extraordinary or special reserves, with or without special allocations.

The balance is distributed among shareholders as an additional dividend.

The Ordinary Shareholders' Meeting is authorised to deduct from non-statutory reserves set up in prior years any amounts that it considers should be:

- either distributed to the shareholders or allocated to total or partial depreciation of the shares;
- capitalised or used for the repurchase and cancellation of shares.

Wholly depreciated shares are replaced by dividend right certificates granting the same rights as the existing shares, with the exception of entitlement to the initial statutory dividend and capital repayment.

Dividend payment terms and conditions are fixed by the Ordinary Shareholder's Meeting or by default by the Board of Directors within the maximum period set by law.

In deliberating on the financial statements for the financial year, the Ordinary Shareholders' Meeting has the option to grant each shareholder the choice between a cash or stock dividend, for all or part of a dividend or interim dividend payment.

Dividends must be paid within a maximum of nine months following year end. This period may be extended by court ruling. Dividends will be transferred to the French State within the legal period, i.e. five years.

Changes in the share capital and the rights attached to shares

Any changes in the share capital or the voting rights attached to the shares making up the share capital shall be governed by the standard legal provisions as the bylaws do not contain any specific provisions in this respect.

Shareholders' Meetings

The shareholders meet every year at an Ordinary Shareholders' Meeting.

Notice to attend Meetings

Both Ordinary and Extraordinary Shareholders' Meetings are called, held and vote in accordance with the conditions provided for by law. They are held at the Company's head office or in any other place stated in the notice of the Meeting.

Decisions by the shareholders are taken at Ordinary, Extraordinary or Combined (Ordinary and Extraordinary) Shareholders' Meetings depending on the nature of the resolutions they are being asked to adopt.

Participation in Shareholders' Meetings

All shareholders have the right to attend the Company's Shareholders' Meetings and to participate in the deliberations, either personally or through a proxy, regardless of the number of shares they hold. In order for a shareholder to have the right to participate in Ordinary or Extraordinary Shareholders' Meetings, the shares must be entered in the name of the shareholder or in the name of the financial intermediary acting on the shareholder's behalf at midnight (Paris time) three business days prior to the Shareholders' Meeting either in the registered share accounts kept by the Company, or in the bearer share accounts kept by the authorised financial intermediary.

The entry or recording of the shares in bearer share accounts kept by the authorised financial intermediary shall be acknowledged via a certificate of participation issued by the financial intermediary attached as an appendix to a postal voting form or proxy form or to the application for an admission card made out in the name of the shareholder or on behalf of the shareholder represented by the registered financial intermediary. A shareholder wishing to attend the Shareholders' Meeting in person who has not received his admission card by midnight (Paris time) three business days before the Shareholders' Meeting may also ask for such a certificate to be drawn up.

If a shareholder does not attend the Shareholders' Meeting in person, he may choose one of three possible options:

- grant a proxy in writing to a person of his choosing within the conditions defined in articles L. 225-106 *et seq.* of the French Commercial Code;
- cast a postal vote;
- send a proxy form to the Company without giving details of the proxy, under the conditions provided for by the laws and regulations in force.

Where a shareholder has already cast a postal vote, sent in a proxy form or applied for an admission card or a certificate of participation, he/she may not thereafter choose another method of participating in the Shareholders' Meeting.

A shareholder who has already cast a postal vote, sent in a proxy form or applied for an admission card or a certificate of participation may sell all or some of his shares at any time. However, if the sale takes place before midnight (Paris time) on the third business day prior to the Shareholders' Meeting, the Company shall invalidate or modify accordingly, as appropriate, the postal vote cast, proxy form, admission card or the certificate of participation. For this purpose, the authorised financial intermediary in charge of the shareholder's account shall inform the Company or its duly authorised agent of the sale and shall provide it with the necessary information.

No sale or other form of transaction carried out after midnight (Paris time) on the third business day prior to the Shareholders' Meeting, regardless of the means used, shall be notified by the authorised financial intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

Voting conditions

The voting right attached to the shares is proportional to the share capital they represent. Each share grants the right to one vote (article L. 225-122 of the French Commercial Code).

Restrictions on voting rights

However, each member of the Shareholders' Meeting shall have as many votes as shares he/she possesses and represents, up to 30% of the total voting rights.

Multiple voting rights

A voting right double that granted to other shares, in light of the fraction of the authorised share capital they represent, is granted to all fully paid-up shares that can be shown to have been registered for at least 10 years in the name of the same shareholder and commencing on 12 May 1986 inclusive (article L. 225-123 of the French Commercial Code).

In the event of a share capital increase through the capitalisation of reserves, earnings or share premiums, registered shares allocated as bonus shares to a shareholder, on the basis of existing shares for which he/she benefits from this right, shall also have double voting rights as from their issuance (article L. 225-123 of the French Commercial Code).

Any share loses the double voting right if converted into bearer form or if its ownership is transferred. Nevertheless, transfer following succession or the liquidation of assets between spouses and inter vivo donation to a spouse or relation close enough to inherit will not result in the loss of the acquired right and will not interrupt the aforementioned 10-year period.

Declaration of statutory thresholds

Any individual or corporate body acquiring a shareholding greater than 0.5% of the share capital must inform the Company of the total number of shares held by registered letter, with return receipt requested, within a period of 15 days from the date on which this threshold is exceeded. This notification must be repeated, under the same conditions, each time the threshold is exceeded by an additional 0.5%, up to 4.5% inclusive.

In the event of non-compliance with the obligation mentioned in the previous paragraph, shares in excess of the non-declared amount shall be deprived of voting rights, at the request, as set forth in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the share capital, for any Shareholders' Meeting held until the expiry of the period stipulated in article L. 233-14 of the French Commercial Code following the date when the notification is made.

Modification of shareholders' rights

The Extraordinary Meeting of Shareholders has the power to modify shareholders' rights, under the conditions defined by law.

Items likely to have an impact in the event of a public offer

Pursuant to article L. 225-100-3 of the French Commercial Code, the items that may have an impact in the event of public offer are as follows.

The Company's share capital structure

The Company's share capital structure is indicated in the table below, 'Allocation of share capital and voting rights at 31 August 2011', within 'Information about share capital'.

The crossings of thresholds declared during the 2010/2011 financial year are also indicated in the table 'Allocation of share capital and voting rights at 31 August 2011' within 'Information about share capital' below.

Statutory restrictions on the exercise of voting rights and double voting rights

The Company's bylaws provide for a limit on voting rights. This system is described under 'Voting conditions' above.

Furthermore, certain Company shares have a double voting right as described under 'Voting conditions' above.

Agreements between shareholders of which the Company has knowledge

The Company's Shareholders' Agreement between shareholders of the Company (agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard, (the Ricard family Holding Company) is described under 'Shareholders' agreements' within 'Information about share capital' and is also included on the AMF website (www.amf-france.org).

Powers of the Board of Directors

Under the terms of the 12th resolution of the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010, the Board of Directors has a delegation of authority for 18 months for the issue of share warrants free of charge in the case of a public offer on the Company's shares. The nominal amount of the capital increase as a result of exercising these warrants cannot exceed €102 million, i.e. about 25% of the share capital.

Attention is drawn to the draft resolutions submitted by the Board of Directors to the vote of the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 15 November 2011 deliberating on the renewal of the above-mentioned delegation of authority to the Board. This delegation would allow the latter to proceed with the issue of share warrants free of charge in the case of a public offer concerning the Company (see 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' of this Registration Document).

Agreements entered into by the Company which were modified or become void as a result of a change of control in the Company

Note that the clauses for the change in control of the Company's main financing contracts, presented under 'Significant contracts' in Section 4 'Management Report' of this document (these clauses are described below), provide for the possibility of early repayment of these loans and bonds under certain conditions.

2008 Credit Agreement

The Credit Agreement also provides for voluntary or compulsory early repayment obligations, depending on circumstances, standard practice in this kind of credit agreement (e.g., compliance with commitments, change of control, cross default). The Credit Agreement contains a clause under which the taking of control of the Company by any person or group of persons acting together (other than the Société Paul Ricard or any group of persons acting together with the Société Paul Ricard) is likely to constitute grounds for compulsory early repayment.

2010 Credit Agreement

The Credit Agreement also provides for voluntary or compulsory early repayment obligations, depending on circumstances, standard practice in this kind of credit agreement (e.g., compliance with commitments, change of control, cross default). The Credit Agreement contains a clause under which the taking of control of the Company by any person or group of persons acting together (other than the Société Paul Ricard or any group of persons acting together with the Société Paul Ricard) is likely to constitute grounds for compulsory early repayment.

Bond issue of December 2006

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bond holder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Bond issue of June 2009

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Bond issue of March 2010

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Bond issue of December 2010

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Bond issue of March 2011

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Bond issue of April 2011

This bond includes a clause regarding change of control, which could lead to the compulsory early repayment of bonds upon request of each bondholder in the event of a change of control in the Company (benefiting a person or a group of persons acting together) and leading to deterioration in the Company's financial rating.

Securitisation (Master Receivables Assignment Agreement)

This programme includes a change of control clause that applies to each subsidiary participating in the programme as a seller. The change of control of a seller constitutes an early amortization event in respect of such seller. For the purposes of the agreement, a 'change of control' occurs when Pernod Ricard ceases to hold, directly or indirectly, at least 80% of the share capital or voting rights of a seller, unless Pernod Ricard (i) continues to hold, directly or indirectly, 50% of the share capital or voting rights of such seller and (ii) at the request of Crédit Agricole CIB, has issued a guarantee in terms reasonably satisfactory to Crédit Agricole CIB for the purpose of securing the obligations of such seller under the securitisation transaction documents.

Other items

The Company's bylaws are modified in accordance with the applicable legal and regulatory provisions in France.

There is no specific agreement providing for indemnities in the event of the termination of the position of a member of the Board of Directors.

Rules applicable to the appointment and replacement of members of the Company's Board of Directors

The legal and statutory rules established in articles 16 *et seq.* of the bylaws govern the appointment and dismissal of members of the Board of Directors. These are described in the 'General rules concerning the composition of the Board and the appointment of Directors' paragraph in Section 2 'Corporate Governance and internal control' of this Registration Document.

The Statutory Auditors

Principal Statutory Auditors

Deloitte & Associés, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles* (Versailles regional auditors association), represented by Mr Marc de Villartay, whose head office is at: 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, whose term of office was renewed at the Shareholders' Meeting of 10 November 2005 for a period of six years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2010/2011 financial year.

The renewal of the term of office of Deloitte & Associés for a new period of six years will be put to a vote by the Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

Société Mazars, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles* (Versailles regional auditors association), represented by Mr Loïc Wallaert and Ms Isabelle Sapet, whose head office is at Exaltis, 61 rue Henri Regnault, 92075 Paris-La Défense, whose term of office was renewed at the Shareholders' Meeting of 10 November 2010 for a period of six years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2015/2016 financial year.

Substitute Statutory Auditors

BEAS, whose head office is at 7-9 Villa Houssay, 92524 Neuilly-sur-Seine, substitute for Deloitte & Associés, and whose term of office was renewed at the Shareholders' Meeting of 10 November 2005 for a period of six financial years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2010/2011 financial year.

The renewal of the term of office of Société BEAS for a new period of six years will be put to a vote by the Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

Mr Patrick de Cambourg, whose address is Exaltis, 61 rue Henri Regnault, 92075 Paris-La Défense, substitute for Mazars, was appointed at the Shareholders' Meeting of 10 November 2010 for a period of six years. His term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the 2015/2016 financial year.

Fees of Statutory Auditors and members of their networks for the 12-month financial year[a]

	MAZARS				Deloitte & Associés				Other				Total			
	Amount (Excluding tax)		%		Amount (Excluding tax)		%		Amount (Excluding tax)		%				%	
In euro million	N	N – 1	N	N – 1	N	N-1	N	N – 1	N	N – 1	N	N – 1	N	N – 1	N	N – 1
Audit																
Statutory Auditors, certification, review of individual and consolidated accounts [b]																
Company [1]	540	576	14.9%	15.3%	572	572	14.2%	15.1%					1,112	1,148	13.9%	14.2%
Fully consolidated subsidiaries	2,766	3,048	76.5%	81.0%	3,024	2,976	74.9%	78.6%	62	94	16.9%	18.1%	5,852	6,118	73.0%	75.9%
Other procedures and services directly linked to the duties of the Statutory Auditors [c]																
Company [1]	147	85	4.1%	2.3%	146	85	3.6%	2.2%					293	170	3.6%	2.1%
Fully consolidated subsidiaries	69	0	1.9%	0.0%	236	71	5.8%	1.9%	17	24	4.6%	4.6%	322	95	4.0%	1.2%
AUDIT SUB-TOTAL	**3,522**	**3,709**	**97.4%**	**98.6%**	**3,978**	**3,704**	**98.5%**	**97.8%**	**79**	**118**		**22.8%**	**7,579**	**7,531**	**94.5%**	**93.4%**
Other services provided by the networks to the fully consolidated subsidiaries [d]																
Legal, tax, corporate	55	18	1.5%	0.5%	54	78	1.3%	2.1%	281	397	76.6%	76.6%	390	493	4.9%	6.1%
Other (to be specified if > 10% of audit fees)	40	34	1.1%	0.9%	5	4	0.1%	0.1%	7	3	1.9%	0.6%	52	41	0.6%	0.5%
OTHER SERVICES SUB-TOTAL	**95**	**52**	**2.6%**	**1.4%**	**59**	**82**	**1.5%**	**2.2%**	**288**	**400**	**78.5%**	**77.2%**	**442**	**534**	**5.5%**	**6.6%**
TOTAL	**3,617**	**3,761**	**100.0%**	**100.0%**	**4,037**	**3,786**	**100.0%**	**100.0%**	**367**	**518**	**100.0%**	**100.0%**	**8,021**	**8,065**	**100.0%**	**100.0%**

(a) With regard to the period under consideration, this refers to services provided and recognised in the income statement during a financial year.

(b) Including independent experts' fees or members of the Statutory Auditors' network, to which they have recourse within the scope of the certification of accounts.

(c) This section includes the procedures and services provided directly in relation to audit of the Company's accounts or those of its subsidiaries:

- *by the Statutory Auditor in accordance with article 10 of the Code of Conduct;*
- *by a member of the network in accordance with articles 23 and 24 of the Code of Conduct.*

(d) Includes non-Audit services provided in accordance with article 24 of the Code of Conduct, by a member of the network to the Company's subsidiaries whose accounts are certified.

(1) The Company is understood to be the Parent Company.

Information about its share capital

The conditions under which the bylaws submit changes to the share capital and the rights attached thereto are compliant in every aspect with legal stipulations in France. The bylaws do not provide for any overriding provisions and do not impose any special contingencies.

Amount of paid-up capital as at 30 June 2011

On 2 November 2009, by virtue of the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on the same day, the Chief Executive Officer recorded that the share capital had increased by a nominal amount of €97,150.90 following the exercise, since 1 July 2009, of 62,678 stock options granting entitlement to the same number of Pernod Ricard shares.

On 12 November 2009, by virtue of the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, the Chief Executive Officer recorded that the share capital had increased by a nominal amount of €6,944 following the exercise, since 2 November 2009, of 4,480 stock options granting entitlement to the same number of Pernod Ricard shares.

On 18 November 2009, pursuant to the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, and by virtue of the authorisation granted to the Chief Executive Officer, the Chief Executive Officer set at 5,174,153 the number of new shares resulting from the distribution of bonus shares via the capitalisation of premiums, at the rate of 1 new share for every 50 existing shares. The increase in the share capital resulting from this distribution totalled €8,019,937.15.

On 21 July 2010, the Board of Directors recorded that, on 30 June 2010, the share capital had increased by a nominal amount of €543,222.30 following the exercise, since 12 November 2009, of 350,466 stock options granting entitlement to the same number of Pernod Ricard shares.

On 20 July 2011, the Board of Directors recorded that, on 30 June 2011, the share capital had increased by an amount of €758,709.50 following the exercise, since 1 July 2010, of 489,490 stock options granting entitlement to the same number of Pernod Ricard shares.

As a result, Pernod Ricard's subscribed and fully paid up share capital amounted to €410,318,794.65 as of 30 June 2011, divided into 264,721,803 shares with a nominal value of €1.55.

Shares not representing capital

There are no shares that do not represent the Company's share capital.

Pernod Ricard shares held by Le Delos Invest I, Le Delos Invest II and Lirix (companies controlled by Société Paul Ricard, as defined in article L. 233-3 of the French Commercial Code) are pledged for third parties.

Pernod Ricard shares held by Le Delos Invest III (a company controlled by Société Paul Ricard, as defined in article L. 233-3 of the French Commercial Code) were transferred as collateral for the full performance of its obligations under the terms of a prepaid forward transaction entered into on 10 April 2009.

Financial authorisations

All current delegations and financial authorisations granted to the Board of Directors by the Shareholders' Meetings of 2 November 2009 and 10 November 2010 and the uses thereof during financial year 2010/2011 are summarised in the following tables.

General authorisations

The Combined (Ordinary and Extraordinary) Shareholders' Meetings of 2 November 2009 and 10 November 2010 granted the Board of Directors a number of financial authorisations of which the main terms are outlined below.

Securities representing capital

(i) Issues of shares or securities with preferential subscription rights

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 authorised the Board of Directors to:

- perform one or more capital increases, via the issue of ordinary shares and/or securities granting access to the share capital, with preferential subscription rights;
- perform one or more capital increases, via the capitalisation of premiums, reserves, earnings or others.

The maximum nominal amount of capital increases that may be performed under the aforementioned authorisations was set at €200 million: this is an overall limit applied to all issues performed under any of the aforementioned authorisations, as well as any issue performed with cancellation of preferential rights (it being specified that the maximum nominal amount of the latter is limited to €80 million).

If necessary, a supplementary amount will be added to this limit for shares to be issued, in accordance with the law, to preserve the rights of holders of securities or rights granting access to share capital.

The maximum nominal amount of debt securities representing receivables giving access to the share capital of the Company that may be issued within the scope of the first authorisation above was set at €5 billion (this amount is deducted from the nominal amount of debt securities representing receivables giving access to the share capital of the Company that will be issued by public offer by virtue of authorisation with cancellation of preferential subscription rights);

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 authorised the Board of Directors to increase the number of shares or securities issued in the event of a share capital increase with or without preferential subscription rights by public offer at the same price as the initial issue, within the regulatory periods and limits applicable at the issue date (i.e. currently within 30 days of the closing of the subscription period and limited to 15% of the initial issue) and subject to the overall limit described above.

Since this authorisation expires on 2 January 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

(ii) Issues of shares or securities with cancellation of preferential subscription right

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 authorised the Board of Directors to:

- carry out one or more capital increases, via the issue of ordinary shares and/or securities granting access to share capital with cancellation of preferential subscription rights, via public offer, within the limits of a maximum nominal amount of €80 million (the Board of Directors is bound by legal and regulatory constraints in terms of the issue price). This amount will be deducted from the limit of €200 million set for issues carried out with preferential subscription right. Furthermore, this amount is shared with other issues with cancellation of preferential subscription right, namely: remuneration of contributions in kind, exchange offers initiated by the Company and capital increases reserved for employees.

  The Board of Directors may establish, in favour of shareholders, a priority subscription period that may or may not be reduced under the conditions outlined by the regulations.

  The maximum nominal amount of debt securities representing receivables giving access to the share capital of the Company that may be issued within this framework was set at €4 billion (this amount is deducted from the €5 billion nominal maximum amount that may be issued by virtue of authorisations with preferential subscription right);
- carry out one or more capital increases, within the limit of 10% of the share capital, in consideration, except in a public exchange, of contributions in kind granted to the Company and comprising capital shares or securities granting access to the share capital of other companies;
- carry out one or more capital increases, for remuneration of securities contributed to a public offer launched by the Company relating to the securities of another company, within the limit of 20% of the Company's share capital at the time of the issue.

Since this authorisation expires on 2 January 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

(iii) Issue of share warrants

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 delegated authority to the Board of Directors for a period of 18 months to decide upon the issue of share warrants in the event of an unsolicited public offer involving Company shares. These warrants facilitate the subscription, under preferential conditions, of one or more Company shares, it being specified that the maximum nominal amount of ordinary shares that may be issued on exercise of these warrants may not exceed €102 million. These would be freely allocated to all Company shareholders who held the status of shareholder prior to the expiry of the public offer period.

These warrants would cease to be valid as soon as the offer or any other possible competing offer was to fail, become null and void or be withdrawn.

Since this authorisation expires on 10 May 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

Other securities

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 authorised the Board of Directors, for a period of 26 months, to issue debt securities granting entitlement to the allocation of debt securities (such as bonds, related securities, perpetual or non-perpetual subordinated notes or any other securities granting, in the same issue, entitlement to recover debt against the Company) within the limit of the ceiling of €5 billion (this limit having been established independently of any other limit relating to the issue of debt securities authorised by the Shareholders' Meeting and the issue of bonds authorised or decided by the Board of Directors).

Since this authorisation expires on 2 January 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

Specific authorisations in favour of employees and Directors

Stock options and performance shares

- The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 authorised the Board of Directors, for a duration of 38 months, to grant stock options in favour of employees and Directors of the Company and/or the Group's companies, within the limit of 5% of the Company's share capital at the time of the issue.
- The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 authorised the Board of Directors, for a duration of 26 months, to allocate performance shares free of charge in favour of employees and Directors of the Company and/or the Group's companies, within the limit of 0.67% of the Company's share capital on the day the decision to allocate them is taken by the Board of Directors.

Share capital increases reserved for employees of the Group

The Company's Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 delegated its authority to the Board of Directors to issue ordinary shares and/or securities granting access to share capital, reserved for members of employee savings plans, within the limit of 2% of the Company's share capital. This delegation was granted for a duration of 26 months.

The forthcoming Shareholders' Meeting, being called upon to approve the delegations of authority to carry out capital increases with subscription in cash must therefore, pursuant to the provisions of article L. 225-129-6 of the French Commercial Code, also be called upon to approve the renewal of the authority to carry out a share capital increase reserved for employees of the Group under the conditions provided for in articles L. 3332-18 *et seq.* of the French Employment Code.

The terms of renewal of this authority are outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

Authorisation to repurchase shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 renewed, in favour of the Board of Directors, the authorisation previously granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 allowing the Company to repurchase its own shares, in accordance with articles L. 225-209 *et seq.* of the French Commercial Code, within the limit of 10% of the total number of shares comprising the share capital. The same Meeting also set the maximum purchase price at €100 per share. The details of transactions carried out within the scope of the share repurchase programme in force during the previous financial year are presented under 'Share repurchase programme' below.

Since the authorisation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 expires on 10 May 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' of this Registration Document.

Cancellation of Company shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 granted the Board of Directors authorisation, for a duration of 26 months, to cancel the Company's shares held under share repurchase programmes authorised by the shareholders, within the limit of 10% of the share capital, for a period of 24 months, and to reduce the share capital accordingly.

Since this authorisation expires on 2 January 2012, its renewal will be put to the vote at the next Shareholders' Meeting of 15 November 2011 according to the terms outlined under 'Presentation of the resolutions' in Section 7 'Combined (Ordinary and Extraordinary) Shareholders' Meeting' in this Registration Document.

General financial authorisations

Type of securities	Authorisation date (resolution)	Duration	Expiry of authorisation	Maximum nominal amount of the issue of debt securities (1)	Maximum nominal amount of the capital increase resulting immediately or in the future following the issue (excluding adjustments)	Use of existing authorisations during the financial year ended 30 June 2011 and up to 31 August 2011	Features/Terms
SECURITIES REPRESENTING CAPITAL: ISSUES OF SHARES OR SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS							
Ordinary shares and/or securities granting access to the share capital	SM of 2 November 2009 (16th)	26 months	2 January 2012	€5 billion (1)	€200 million	-	All of the issues of shares and debt securities made pursuant to the 17th, 18th, 19th, 20th and 22nd resolutions of the SM of 2 November 2009 and to the 13th resolution of the SM of 10 November 2010 are deducted from the limits defined in this 16th resolution These amounts may be increased by a maximum of 15%, in the event of additional requests during a capital increase (18th resolution – SM of 2 November 2009)
Additional paid-in capital, reserves, earnings and other	SM of 2 November 2009 (22nd)	26 months	2 January 2012	N.A.	€200 million	A total of €8,019,937.15 of the amount set in this resolution was used for the distribution of one free share for 50 existing shares, carried out on 18 November 2009	Will be deducted from the limit provided for in the 16th resolution – SM of 2 November 2009
SECURITIES REPRESENTING CAPITAL: ISSUES OF SHARES OR SECURITIES WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS							
Ordinary shares and/or securities granting access to the share capital by public offer	SM of 2 November 2009 (17th)	26 months	2 January 2012	€4 billion (1)	€80 million	-	Shares and debt securities giving access to the share capital will be deducted from the limits provided for in the 16th resolution – SM of 2 November 2009 All of the issues of shares and debt securities made pursuant to the 18th, 19th and 20th resolutions of the SM of 2 November 2009 and to the 13th resolution of the SM of 10 November 2010 will be deducted from the limits defined in this 17th resolution These amounts may be increased by a maximum of 15%, in the event of additional requests (18th resolution – Shareholders' Meeting of 2 November 2009)

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Type of securities	Authorisation date (resolution)	Duration	Expiry of authorisation	Maximum nominal amount of the issue of debt securities (1)	Maximum nominal amount of the capital increase resulting immediately or in the future following the issue (excluding adjustments)	Use of existing authorisations during the financial year ended 30 June 2011 and up to 31 August 2011	Features/Terms
Shares and securities granting access to the share capital in consideration for contributions in kind granted to the Company	SM of 2 November 2009 (19th)	26 months	2 January 2012	N.A.	10% of the share capital at the time of issue	-	Will be deducted from the limit provided for in the 16th and 17th resolutions - Shareholders' Meeting of 2 November 2009
Securities granting access, immediately or in the future, to the Company's share capital in the event of a public offer launched by the Company	SM of 2 November 2009 (20th)	26 months	2 January 2012	N.A.	20% of the share capital at the time of issue	-	Will be deducted from the limit provided for in the 16th and 17th resolutions - Shareholders' Meeting of 2 November 2009
Share warrants in the event of a public offer on the Company's shares	SM of 10 November 2010 (12th)	18 months	10 May 2012	N.A.	€102 million	-	Independent limit
OTHER SECURITIES							
Debt instruments that grant entitlement to the allocation of debt securities	SM of 2 November 2009 (21st)	26 months	2 January 2012	€5 billion	N.A.	-	Independent limit

(1) Maximum nominal amount of Company debt instruments granting access to ordinary shares.

Specific authorisations in favour of employees and Directors

Type of securities	Authorisation date (resolution)	Duration	Expiry of authorisation	Maximum amount authorised	Use of existing authorisations during the financial year ended 30 June 2011 and up to 31 August 2011	Features/Terms
Stock options for employees and Directors	SM of 2 November 2009 (23rd)	38 months	2 January 2013	5% of share capital as of 2 November 2009	0.39%	Independent limit
Performance shares	SM of 10 November 2010 (11th)	26 months	10 January 2013	0.67% of share capital on the date of Board of Directors' decision to allocate	0.22%	Independent limit
Shares or securities granting access to share capital, reserved for members of employee savings plans	SM of 10 November 2010 (13th)	26 months	10 January 2013	2% of share capital (after the SM of 10 November 2010)	-	Will be deducted from the limit provided for in the 16th and 17th resolutions of the Shareholders' Meeting of 2 November 2009

Share repurchase programme

Type of securities	Authorisation date (resolution)	Duration	Expiry of authorisation	Maximum amount authorised	Use of existing authorisations during the financial year ended 30 June 2011 and up to 31 August 2011	Features/Terms
Repurchase of shares	SM of 2 November 2009 (14th)	18 months	2 May 2011	10% of the share capital	0.04%	Maximum purchase price: €90
Repurchase of shares	SM of 10 November 2010 (10th)	18 months	10 May 2012	10% of the share capital	0.47%	Maximum purchase price: €100
Cancellation of treasury shares	SM of 2 November 2009 (15th)	26 months	2 January 2012	10% of the share capital	-	-

Contingent share capital

Stock options

Refer to the paragraph 'Stock options exercised over the year' under 'Human Resources' in Section 4 'Management Report'.

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Changes in the share capital over the last five years

Changes in the share capital over the last five years

Amount of share capital prior to transaction	Number of shares prior to transaction	Year	Type of transaction	Ratio	Effective date	Shares issued/ cancelled	Issue/conversion premium	Number of shares after the transaction	Amount of share capital after transaction
€290,383,913.00	93,672,230	2006	Exercise of options (4)	N.A. (1)	26.07.2006	389,209	€58.50/€62.10	94,061,439	€291,590,460.90
€291,590,460.90	94,061,439	2006	Exercise of options (4)	N.A. (1)	07.11.2006	66,669	€58.50/€62.10	94,128,108	€291,797,134.80
€291,797,134.80	94,128,108	2006	Capital reduction (2)	N.A. (1)	07.11.2006	3,209,032	€143.98	90,919,076	€281,849,135.60
€281,849,135.60	90,919,076	2007	Exercise of options (4)	N.A. (1)	08.01.2007	161,037	€58.50/€62.10	91,080,113	€282,348,350.30
€282,348,350.30	91,080,113	2007	Bonus shares (3)	1 for 5	16.01.2007	18,216,022	€3.10	109,296,135	€338,818,018.50
€338,818,018.50	109,296,135	2007	Exercise of options (4)	N.A. (1)	25.07.2007	315,744	€48.23/€51.23/ €58.33	109,611,879	€339,796,824.90
€339,796,824.90	109,611,879	2008	Exercise of options (4)	N.A. (1)	10.01.2008 (6)	128,483	€48.23/€58.33	109,740,362	€340,195,122.20
€340,195,122.20	109,740,362	2008	Split in the nominal value (5)	2 for 1	15.01.2008	109,740,362	N.A. (1)	219,480,724	€340,195,122.20
€340,195,122.20	219,480,724	2008	Exercise of options (4)	N.A. (1)	23.07.2008	202,250	€25.67/€27.17/ €30.72	219,682,974	€340,508,609.70
€340,508,609.70	219,682,974	2009	Exercise of options (6)	N.A. (1)	07.04.2009	105,609	€24.12/€25.62/ €29.17	219,788,583	€340,672,303.65
€340,672,303.65	219,788,583	2009	Capital increase	3 for 17	14.05.2009	38,786,220	€25.15	258,574,803	€400,790,944.65
€400,790,944.65	258,574,803	2009	Exercise of options (4)	N.A. (1)	22.07.2009	65,733	€22.68/€27.44	258,640,536	€400,892,830.80
€400,892,830.80	258,640,536	2009	Exercise of options (7)	N.A. (1)	02.11.2009	62,678	€22.68/€24.09/ €27.44	258,703,214	€400,989,981.70
€400,989,981.70	258,703,214	2009	Exercise of options (7)	N.A. (1)	12.11.2009	4,480	€22.68/€27.44	258,707,694	€400,996,925.70
€400,996,925.70	258,707,694	2009	Bonus shares (8)	1 for 50	18.11.2009	5,174,153	€1.55	263,881,847	€409,016,862.85
€409,016,862.85	263,881,847	2010	Exercise of options (4)	N.A. (1)	21.07.2010	350,466	€22.20/€23.59/ €26.87	264,232,313	€409,560,085.15
€409,560,085.15	264,232,313	2011	Exercise of options (4)	N.A. (1)	20.07.2011	489,490	€22.20/€23.59/ €26.87	264,721,803	€410,318,794.65

(1) N.A. = not applicable.

(2) On 20 September 2006, the Board of Directors decided to dissolve without liquidating Santa Lina (which held 3,209,032 Pernod Ricard shares), leading to the transfer of all the assets and liabilities of Santa Lina to the Company, with effect from 7 November 2006. The Shareholders' Meeting of 7 November 2006 decided to cancel all the treasury shares held by the Company following this transaction and the corresponding reduction in the share capital for an amount of €9,947,999.20.

(3) Pursuant to the authorisation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2005, the Board of Directors decided on 7 November 2006 to increase the Company's share capital via the capitalisation of reserves and a distribution of bonus shares on the basis of one new share for five existing shares. The newly issued bonus shares were allocated to shareholders as from 16 January 2007 and granted entitlement to dividends in respect of the financial year beginning on 1 July 2006. The allocation rights were not tradable and the price to compensate for fractional shares amounted to €319,704,157. These amounts were credited to the shareholders as from 5 February 2007. Pursuant to this transaction, the Company's share capital was increased to €338,818,018.50, divided into 109,296,135 shares.

(4) The shares resulting from the exercise of stock options were created as and when the stock options were exercised. The dates mentioned are the dates on which the Board of Directors placed on record the corresponding increases in the share capital.

(5) The Board of Directors of 23 January 2008 decided to implement as of 15 January 2008, a one-for-two split, exchanging one €3.10 share for two new €1.55 shares.

(6) Recognition date for the exercise of options by the Chairman and CEO authorised by the Board of Directors, itself authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007.

(7) Recorded by the Chief Executive Officer pursuant to the authorisation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009.

(8) Pursuant to the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, and by virtue of the authorisation granted to the Chief Executive Officer, the Chief Executive Officer set the amount of the increase in the share capital via the capitalisation of primes and the distribution of bonus shares.

Changes in voting rights over the last five years

Changes in voting rights over the last five years

Years[1]	Number of voting rights[2]
Situation at 19.09.07	120,955,418
Situation at 17.09.08	242,576,072
Situation at 02.09.09	282,752,847
Situation at 01.09.10	289,084,636
Situation at 31.08.11	289,607,231

(1) The data provided is from the date of the breakdown of share capital and voting rights.
(2) The information concerns the total number of voting rights of the Company including suspended voting rights.

Allocation of share capital and voting rights at 31 August 2011

Shareholders	Situation at 31.08.2011			Situation at 01.09.2010			Situation at 02.09.2009		
	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*	Number of shares	% of share capital	% of voting rights*
Société Paul Ricard[1]	37,840,834	14.29%	19.93%	37,752,201	14.29%	19.92%	36,932,324	14.28%	19.84%
Directors and Management of Pernod Ricard	3,484,483	1.32%	1.80%	3,567,501	1.35%	1.84%	3,475,871	1.34%	1.84%
Shares held by Pernod Ricard employees	3,498,640	1.32%	1.85%	3,454,063	1.31%	1.84%	3,642,671	1.41%	1.94%
Groupe Bruxelles Lambert[2]	26,092,870	9.85%	9.01%	26,042,870	9.86%	9.01%	22,955,884	8.88%	8.12%
Capital Research and Management Company (US)[3]	14,179,782	5.36%	4.90%	26,240,878	9.93%	9.08%	12,291,493	4.75%	4.35%
Morgan Stanley (US)	-	-	-	10,823,654	4.10%	3.74%	10,823,654	4.18%	3.83%
Franklin Resources, Inc and subsidiaries[4]	9,859,252	3.72%	3.40%	9,246,272	3.50%	3.20%	8,889,885	3.44%	3.14%
MFS Investment Management (US)[5]	6,674,776	2.52%	2.30%	5,875,930	2.22%	2.03%	5,564,018	2.15%	1.97%
Crédit Agricole Asset Management[6]	5,615,014	2.12%	1.94%	5,615,014	2.12%	1.94%	5,616,616	2.17%	1.99%
Amundi Asset Management[7]	5,386,876	2.03%	1.86%	5,775,137	2.19%	2.00%	-	-	-
Norges Bank Investment Management [8]	5,310,761	2.01%	1.83%	-	-	-	-	-	-
La Caisse des Dépôts et Consignation (CDC Ixis)[9]	5,270,298	1.99%	1.82%	5,270,298	1.99%	1.82%	4,803,759	1.86%	1.70%
Natixis Asset Management[10]	3,888,310	1.47%	1.34%	3,980,203	1.51%	1.38%	5,670,812	2.19%	2.01%
CNP Assurances[11]	3,873,790	1.46%	1.34%	3,873,790	1.47%	1.34%	3,941,459	1.52%	1.39%
Artisan Partners (US)[12]	3,710,368	1.40%	1.28%	4,413,543	1.67%	1.53%	4,413,543	1.71%	1.56%
UBS AG (UK)[13]	2,217,596	0.84%	0.77%	2,217,596	0.84%	0.77%	3,117,488	1.21%	1.10%
CM-CIC Asset Management[14]	1,349,010	0.51%	0.47%	-	-	-	-	-	-
Crédit Suisse (UK)[15]	-	-	-	2,877,159	1.09%	1.00%	4,175,807	1.61%	1.48%
Platinium Asset Management (Australia)[16]	-	-	-	-	-	-	2,332,084	0.90%	0.82%
Cantillon Capital Management (US)[17]	-	-	-	-	-	-	2,036,981	0.79%	0.72%
Marsico Capital Management[18]	-	-	-	1,382,190	0.52%	0.48%	-	-	-
Mousseluxe SARL[19]	-	-	-	-	-	-	1,122,500	0.43%	0.40%
Treasury shares									
■ Shares held by subsidiaries	-	-	-	-	-	-	-	-	-
■ Treasury shares	2,085,680	0.79%	0.00%	1,566,548	0.59%	0.00%	1,245,296	0.48%	0.00%
Others and public	124,433,864	47.00%	44.16%	104,267,970	39.46%	37.09%	115,604,458	44.69%	41.80%
TOTAL	**264,772,204**	**100.00%**	**100.00%**	**264,242,817**	**100.00%**	**100.00%**	**258,656,603**	**100.00%**	**100.00%**

Pursuant to the statutory provisions, declarations only include stakes greater than 0.5% of the capital. For any one respondent, only the most recent declaration is reported. Declarations dating back more than two years which have not been updated are no longer taken into account.

* *Although there is only one class of share, shares held for 10 years in registered form are entitled to double voting rights.*

(1) *Société Paul Ricard is wholly owned by the Ricard family. The declaration covers a total of 2,281,093 shares held by Lirix; 169,868 shares held by SNC Le Garlaban; 1,352,650 shares held by Le Delos Invest 1; 3,346,658 actions held by Le Delos Invest II and 8,392,096 shares held by Le Delos Invest III. These five companies are controlled by Paul Ricard, as defined in article L. 233-3 of the French Commercial Code.*

(2) *Declaration of 20 September 2010.*

(3) *In a letter received on 26 August 2011, the Capital Research and Management Company (CRMC) declared that it had crossed the threshold to below 5% of the voting rights on 25 August 2011, holding 14,179,782 shares, i.e. 5.36% of the share capital and 4.90% of the voting rights.*

(4) *Declaration of 6 June 2011.*

(5) *Declaration of 22 February 2011.*

(6) *Declaration of 21 September 2009.*

(7) *Declaration of 16 August 2011.*

(8) *Declaration of 11 July 2011.*

(9) *Declaration of 2 February 2010.*

(10) *Declaration of 4 October 2010.*

(11) *Declaration of 20 November 2009.*

(12) *Declaration of 8 April 2011.*

(13) *Declaration of 14 May 2010.*

(14) *Declaration of 19 January 2011.*

(15) *Declaration of 14 July 2010.*

(16) *Declaration of 4 October 2007.*

(17) *Declaration of 15 February 2008.*

(18) *Declaration of 6 July 2010.*

(19) *Declaration of 9 July 2008.*

Certain Company shares have a double voting right as described in the 'Voting conditions' paragraph in paragraph 'About the Company'. Of the 264,772,204 shares making up the Company capital as of 31 August 2011, 24,835,027 shares had a double voting right.

On the same date, employees held 3,498,640 shares representing 1.32% of the share capital and 1.85% of the voting rights.

The shareholder agreement between shareholders of the Company, agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard SA (Ricard family Holding Company), is described below and is also included on the AMF website (www.amf-france.org).

Crossing of thresholds

In a letter received on 23 July 2010, the Capital Research and Management Company (CRMC), (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, United States), declared that it had crossed the threshold to below 10% of the share capital on 21 July 2010, holding 26,240,878 shares, i.e. 9.93% of the Company's share capital and 9.08% of the voting rights.

In a letter received on 27 August 2011, the Capital Research and Management Company (CRMC) declared that it had crossed the threshold to below 5% of the voting rights of the Company, holding 14,179,782 shares, i.e. 5.36% of the share capital and 4.90% of the voting rights.

Shareholders' agreements

Pernod Ricard was notified on 8 February 2006 of the signing of a shareholders' agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard. Pursuant to this agreement, Mr Rafaël Gonzalez-Gallarza undertakes to consult Société Paul Ricard prior to any Pernod Ricard Shareholders' Meeting in order for them to vote the same way. Furthermore, Mr Rafaël Gonzalez-Gallarza undertook to notify Société Paul Ricard of any additional purchase of Pernod Ricard shares and/or voting rights, and also undertook not to purchase any Pernod Ricard shares if such a transaction would force Société Paul Ricard and the parties acting in concert to launch a public offer for Pernod Ricard. Finally, Société Paul Ricard has a pre-emption right with regard to any Pernod Ricard shares that Mr Rafaël Gonzalez-Gallarza may wish to dispose of.

Additional information on the shareholders

According to the survey on identifiable bearer shares carried out on 30 June 2011, the number of Pernod Ricard bearer shareholders may be estimated at approximately 122,000. Furthermore, 12,300 shareholders have registered securities.

Breakdown of share capital *(nominative data from the Company's survey on identifiable bearer shares carried out at 30 June 2011)*	(in %)
Société Paul Ricard	14.3
Board + Management + Employees + Treasury shares	3.4
Groupe Bruxelles Lambert	9.9
American institutional investors	28.4
British institutional investors	6.6
Other foreign institutional investors	12.1
French institutional investors	16.6
Individual shareholders	8.7

To Pernod Ricard's knowledge, no shareholder directly or indirectly holds more than 5% of the share capital or voting rights that is not included in the table on the 'Breakdown of share capital and voting rights at 31 August 2011' above.

There is no individual or corporate body that exercises, directly or indirectly, on its own or jointly, or in concert, control over Pernod Ricard's share capital.

To the Company's knowledge, there have not been any significant changes in the breakdown of the Company's share capital during the last three financial years, other than those shown in the table 'Allocation of share capital and voting rights at 31 August 2011'.

Pernod Ricard is the only company in the Group listed on the Stock Market (NYSE-Euronext Paris).

However, further to the integration of Allied Domecq, the Pernod Ricard group now controls Corby Distilleries Limited, of which it holds 46% of the share capital and 52% of the voting rights, which is listed on the Toronto (Canada) Stock Market.

Equity investments and stock options

Directors' equity investments in the issuer's share capital

Detailed information is provided under 'Human Resources' in Section 4 'Management Report' of this document.

Transactions involving Pernod Ricard shares made by Directors in the financial year

Detailed information is provided under 'Human Resources' in Section 4 'Management Report' of this document.

Stock options exercised by Directors during the 2010/2011 financial year

Detailed information is provided in 'Summary table of stock options exercised by the Executive Directors in 2009/2010' under 'Human Resources' in Section 4 'Management Report' of this document.

Stock options granted to the top ten employees in the Group other than Directors and options exercised by the top ten employees of the issuer during the 2010/2011 financial year

Detailed information is provided in 'Stock options granted to the top ten employees in the Group other than Directors and options exercised by the top ten employees of the issuer during the 2010/2011 financial year' under 'Human Resources' in Section 4 'Management Report' of this document.

Stock market information on Pernod Ricard shares

Pernod Ricard shares (ISIN: FR 0000 120693) are traded on the NYSE Euronext regulated market in Paris (Compartment A) (Deferred Settlement Service).

Stock market information on Pernod Ricard shares (source NYSE Euronext Paris) over 18 months

Date	Volumes *(in thousand)*	Capital *(in euro million)*	Average price *(in euro)*	Highest *(in euro)*	Lowest *(in euro)*	Price at end of month *(in euro)*
January 2010	13,022	771	59.18	60.85	56.51	58.31
February 2010	17,175	973	56.68	59.50	54.89	55.33
March 2010	15,754	946	60.02	63.39	55.40	62.87
April 2010	18,271	1,188	65.03	67.51	62.75	63.95
May 2010	22,800	1,412	61.94	64.89	58.53	61.82
June 2010	18,093	1,164	64.34	68.64	59.95	63.98
July 2010	19,549	1,237	63.28	66.66	60.06	60.06
August 2010	14,354	876	61.02	62.92	59.30	61.69
September 2010	23,590	1,416	60.01	62.88	58.32	61.25
October 2010	19,080	1,204	63.10	66.44	60.10	63.71
November 2010	24,241	1,538	63.43	65.45	61.52	62.79
December 2010	14,369	991	68.99	72.50	62.57	70.36
January 2011	13,894	978	70.41	72.78	68.13	69.63
February 2011	19,141	1,319	68.93	71.94	65.17	66.81
March 2011	19,294	1,260	65.29	68.29	61.81	65.90
April 2011	14,494	954	65.84	68.10	62.88	67.86
May 2011	15,215	1,046	68.74	70.15	66.84	70.15
June 2011	12,860	868	67.49	70.49	65.53	67.97

Share repurchase programme

These following paragraphs include the information required in the Board of Directors' report pursuant to article L. 225-211 of the French Commercial Code and that relating to the description of the share repurchase programme in accordance with article 241-2 of the French Financial Markets Authority (AMF) General Regulations.

Transactions performed by the Company on its own shares during the 2010/2011 financial year

Authorisations granted to the Board of Directors

During the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, the Company's shareholders authorised the Board of Directors to buy or sell the Company's shares during a period of 18 months in the scope of the implementation of a share repurchase programme. The maximum purchase price was set at €90 per share and the number of shares the Company purchases may not exceed 10% of the shares making up the Company's capital; additionnally the number of shares that the Company holds at any moment may not exceed 10% of the shares making up the Company's capital.

Furthermore, the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 authorised the Board of Directors to trade in the Company's shares, for a period of 18 months, under the same conditions and at a maximum purchase price set at €100 per share. This authorisation cancelled with effect from 10 November 2010, up to the portion which remains unused, the authorisation granted by the Shareholders' Meeting on 2 November 2009.

The authorisation granted by the Shareholders' Meeting of 10 November 2010, in force on the date this Registration Document was filed, will expire on 10 May 2012. The Shareholders' Meeting of 15 November 2011 will be called upon to authorise the Board of Directors to trade in the Company's shares in the framework of a new programme described under 'Details of the new programme to the submitted for authorisation to the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011'.

Summary of transactions performed by the Company on its own shares during the 2010/2011 financial year

	Purchases	Sales/transfers
Number of shares	851,896 shares 500,000 calls (American calls)	Sales: None Transfer: 278,667 shares
Average maximum term	N.A.	N.A.
Average transaction price	€67.60 (average share purchase price) €14.60 (average American call purchase price)	€57.80
Average strike price	€68.18	N.A.
Amounts	€64,884,688	€16,107,020

On 29 September 2010 the Company carried out a share purchase and resale transaction with repurchase agreements on these shares. The transaction involved 832,352 shares purchased at €60.72 and resold via repurchase agreements at €51.78. This sale, carried out under a dissolving condition, entitles Pernod Ricard to recall all or any part of these transactions to its balance sheet until 21 June 2015 at the price of €74.73. The amounts which may be recalled are included in the long position as of 31 August 2011 (see 'Current share repurchase programme').

N.A.: not applicable.

The total amount of trading fees incurred during the 2010/2011 financial year for authorised programmes was €86,500.

The shares held by the Company have not been reallocated for other purposes since the last authorisation granted by the Shareholders' Meeting.

Summary table subsequent to the 2010/2011 financial year

Situation at 30 June 2011	
Percentage of direct and indirect treasury shares	0.79%
Number of shares cancelled in the last 24 months	None
Number of shares held in portfolio	2,104,319
Portfolio carrying amount	€139,183,670
Market value of the portfolio*	€143,030,562.40

* *Based on the closing price as of 30 June 2011, i.e. €67.97.*

Current share repurchase programme

Results of current programme

The following table details the transactions performed by the Company on treasury shares within the scope of the programme authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010 (period from 10 November 2010 to 31 August 2011).

	Total gross flows from 10.11.2010 to 31.08.2011		Open positions as of 31.08.2011			
			Long positions		Short positions	
	Purchases	Sales/transfers	Call options purchased*	Forward purchases	Call options sold	Forward sales
Number of shares	746,000 shares 500,000 calls (American calls)	Sales: None Transfer: 271,877 (a)	7,620,168	None	None	None
Average maximum term	N.A.	N.A.	15.06.2015 (b)	-	-	-
Average transaction price	€68.55 (average share purchase price) €14.60 (average American call purchase price)	€59.10	N.A.	-	-	-
Average strike price	€68.54	N.A.	€57.10	-	-	-
Amounts	€58,439,843	€16,068,468	-	-	-	-

N.A.: not applicable.

* *And termination clauses attached to sale and repurchase agreements.*

(a) *The Company transferred a total of 77,896 shares following the exercise of call options granted to employees under the stock options plans set up by the Company. Moreover, 193,981 shares were definitively granted to French tax residents on 22 June 2011 at the end of the initial 4-year vesting period as part of the 21 June 2007 free share allocation plan.*

(b) *Spread between 11 June 2012 and 15 June 2015.*

Summary of transactions carried out in accordance with the purposes and aims of the current share repurchase programme

Under the share repurchase programme approved by the Shareholders' Meeting of 10 November 2010 and implemented by the Board of Directors' meeting of the same date, 746,000 shares were purchased on the market between 19 May 2011 and 14 June 2011 at an average weighted price of €68.55 per share. Furthermore, a total of 500,000 option hedges were acquired via the purchase of the same number of four-year American call options.

Pursuant to authorisations granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009 and the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10 November 2010, the Board of Directors of 15 June 2011 set out a new Pernod Ricard stock option allocation plan and a performance share allocation plan.

The 746,000 shares acquired on the market were allocated to cover the part of the stock options subject to performance conditions and to a reserve set aside for the performance share plan. The 500,000 American call options, allowing the purchase of the same number of Pernod Ricard shares, were allocated to a reserve set aside to cover the part of the stock option plan not subject to performance conditions.

Treasury shares constitute reserves covering the various stock option and performance share plans still in force. Movements (transfers) were made within these reserves of treasury shares:

- 77,896 shares to ensure the entitlement of stock option holders who exercised options during the period;
- 193,981 shares allocated to non-French tax residents benefiting from the allocation of bonus shares of 21 June 2007 (following the expiry of the vesting period).

Option hedges linked to call options (American call options) or to termination clauses attached to shares sold under sale and repurchase agreements were transferred as rights were exercised. During the period, 736,362 shares were repurchased via the exercise of the termination clauses attached to shares sold under sale and repurchase agreements at an average price of €46.06. No shares were repurchased using American call options.

Distribution of treasury stock at 31 August 2011

Treasury stocks are all allocated as reserves for different stock option and performance share allocation plans.

Details of the new programme to be submitted for authorisation to the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011

As the authorisation granted by the Shareholders' Meeting on 10 November 2010, allowing the Board of Directors to trade in the Company's shares, is due to expire on 10 May 2012, a resolution will be proposed to the Shareholders' Meeting on 15 November 2011 to grant a further authorisation to the Board to trade in the Company's shares at a maximum purchase price of €110 per share, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing up to a maximum of 10% of the Company's share capital. In accordance with law, the Company may not hold a number of shares representing more than 10% of its share capital at any time.

As the Company may not hold more than 10% of its share capital, and given that it held 2,085,680 shares as at 31 August 2011 (i.e. 0.79% of share capital), the maximum number of shares that can be bought will be 24,391,540 shares (i.e. 9.21% of share capital), unless it sells or cancels shares already held.

The purpose of the share repurchases and the uses that may be made of the shares repurchased in this manner are described in detail in the 10th resolution to be put to the vote of the shareholders on 15 November 2011. The share repurchase programme would enable the Company to purchase the Company's shares or have them purchased for the purpose of:

- allocating them to employees and/or Directors (allocation of stock options and bonus shares, coverage of its commitments pursuant to options with cash payments);
- using them within the scope of external growth transactions (for up to 5% of the number of shares comprising the share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

Purchases, sales, transfers or exchanges of shares may be made, on one or more occasions, by any means authorised pursuant to the regulations in force. These means include, in particular, private transactions, sales of blocks of shares, sale and repurchase agreements and the use of any financial derivative instruments traded on a regulated market or over-the-counter market or setting up option strategies.

Transactions involving blocks of shares may account for the entire share repurchase programme.

The total amount allocated to the share repurchase programme would be €2,911,939,800, corresponding to a maximum number of 26,472,180 shares purchased on the basis of a maximum unit price of €110, excluding acquisition costs.

This authorisation would cancel, as from the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011, up to, the portion not yet used, any authorisation given to the Board of Directors by the Shareholders' Meeting of 10 November 2010 for the purpose of dealing in the Company's shares. It would be given for a period of 18 months as from the aforementioned Shareholders' Meeting.

Other legal information

Annual information document

Pursuant to the provisions of article 222-7 of the AMF's General Regulations, the annual information document set out below refers to all the information published by the Company or made public during the last 12 months, in one or more States that are parties to the agreement on the European Economic Area or in one or more non-member States, in order to satisfy its legislative or regulatory obligations with regard to financial instruments, and markets in financial instruments, issuers of financial securities and financial securities markets.

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
Press releases	**www.amf-france.org and/ or www.pernod-ricard.com**
Filing of Pernod Ricard's 2009/10 reference document (05.10.2010)	
Availability of preparatory documents for the Combined General Meeting (Ordinary and Extraordinary sessions) of 10 November 2010 (06.10.2010)	
Pernod Ricard sells cognac Renault brand for a cash consideration of €10 million (14.10.2010)	
Pernod Ricard Group sells Lindauer™ together with the related inventories and assets for a cash consideration of NZD 88 million (circa €47 million) (18.10.2010)	
First quarter sales 2010/11: € 1,879 million (+14%) (21.10.2010)	
Pernod Ricard : Marcos Lopez and his 'Latino Pop' for the first annual report published in iPad version (09.11.2010)	
Combined General Meeting of 10 November 2010 (10.11.2010)	
Jameson sets the pace with 3 million cases sold worldwide (14.12.2010)	
Completion of the sale of Lindauer™ together with the related inventories and assets (22.12.2010)	
Ricard's daring metamorphosis (25.01.2011)	
Launch of the new Ricard bottle (26.01.2011)	
Spanish Supreme Court confirms the ownership of Havana Club trademark by Pernod Ricard joint venture (03.02.2011)	
2010/2011 Half-Year results (17.02.2011)	
Successful completion of Pernod Ricard's € 1 billion 6-year bond issue (08.03.2011)	
Spanish Supreme Court confirms ownership of Havana Club trademark by Havana Club joint venture (15.03.2011)	
Pernod Ricard donates ¥ 60 million (inc. €525,000) to the Red Cross Japan Earthquake and Tsunami Relief Effort (29.03.2011)	
Havana Club International encouraged by dissenting opinion of Judge Silberman will seek rehearing by full Court of Appeals (29.03.2011)	
Pernod Ricard sells its minority shareholding in Suntory Holdings Limited for a cash consideration of 4.66 billion Yen (04.04.2011)	
Pernod Ricard places US $ 1 billion of Notes (05.04.2011)	
Co-option of Laurent Burelle (04.05.2011)	
Good 3rd quarter 2010/11 in line with the 1st half of the financial year. Confirmation of guidance for organic growth in profit from recurring operations close to +7% of the 2010/11 financial year (05.05.2011)	
'Responsib' ALL Day' 24 hours of action worldwide: Pernod Ricard's 18,000 employees taking part in Don't Drink and Drive initiatives (23.05.2011)	
Payment of interim cash dividend of €0.67 per share on 6 July 2011 (15.06.2011)	
Pernod Ricard Financial Calendar (23.06.2011)	
Pernod Ricard Group sells its shares in Georgian Wine and Spirits LLC (29.06.2011)	
Appointments (11.07.2011)	
Pernod Ricard signs a joint venture agreement with Tequila Avión (20.07.2011)	
Appointments of Jérôme Cottin-Bizonne, Victor Jerez, Guillaume Girard-Reydet, Sébastien Mouquet and Antonio Lillo (26.07.2011)	
Pernod Ricard USA to continue to fight against misuse of 'Havana Club' name in the US (04.08.2011)	
2010/11 Annual Results : Very strong performance, above initial targets / final dividend, exercice 2010/2011 (01.09.2011)	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
Documents published in the French Official Bulletin of Legal Notices (BALO)	**www.journal-officiel.gouv.fr**
Notice of meeting (06.10.2010)	
Notice to attend (20.10.2010)	
Approval of Pernod Ricard's annual financial statements by the Shareholders' Meeting of 10 November 2010 (29.11.2010)	
Documents filed at the court registry	**www.infogreffe.fr**
Excerpt from the minutes of the Board of Directors' meeting of 1st September 2010 relating to the resignation of a Director (01.09.2010)	
Excerpt from the minutes of the Pernod Ricard Shareholders' meeting of 10th November 2010 relating to the appointment of a new Director (10.11.2010)	
Excerpt from the minutes of the Pernod Ricard Shareholders' meeting of 10th November 2010 relating to the renewal of the terms of office of the Statutory Auditors (10.11.2010)	
Excerpt from the minutes of the Pernod Ricard Shareholders' meeting of 10th November 2010 relating to the renewal of the directorship of two Directors (10.11.2010)	
Excerpt from the minutes of the Pernod Ricard Shareholders' meeting of 10th November 2010 relating to amendments to the bylaws (10.11.2010)	
Bylaws as at 10th November 2010	
Excerpt from the minutes of the Board of Directors' meeting of 4th May 2011 relating to the resignation of a Director and the co-opting of a Director (04.05.2011)	
Excerpt from the minutes of the Board of Directors' meeting of 20th July 2011 recognising the capital increase following the exercise of stock options (20.07.2011)	
Bylaws as at 20th July 2011	
Documents made available to the shareholders	**Head office, 12, place des États-Unis – 75116 Paris**
For the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 10th November 2010:	
Copy of the BALO dated 6th October 2010: Notice of meeting	
Notice of meeting published in 'Les Echos' dated 6th October 2010	
Copy of the BALO dated 20th October 2010: Notice to attend	
Copy of 'Petites Affiches', a legal announcement paper, dated 20th October 2010: Notice of meeting	
Copy of the notice file sent to shareholders, as well as all information documentation provided to them (articles R. 225-83 et R. 225-89 of the French Commercial Code)	
Copies and return receipts of registered letters sent to the Statutory Auditors	
Powers of attorney of shareholders who were represented by proxies	
Postal vote forms	
Financial statements prepared as of 30 June 2010	
Annual report and reference document, year ended 30 June 2010	
Statutory Auditors' Reports	
Draft resolutions	
Copy of bylaws	
Trading in the Pernod Ricard share	**www.amf-france.org and/ or www.pernod-ricard.com**
Declarations of transactions carried out by Directors and related parties with regard to Pernod Ricard shares	
11.11.2010 François Gérard	
11.11.2010 François Gérard	
12.11.2010 François Gérard	
12.11.2010 François Gérard	
12.11.2010 François Gérard	
12.11.2010 François Gérard	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
15.11.2010 François Gérard	
17.11.2010 François Gérard	
18.11.2010 Nicole Bouton	
29.11.2010 Alexandre Ricard	
29.11.2010 Pierre Pringuet	
29.11.2010 Pierre Pringuet	
17.02.2011 Wolfgang Colberg	
18.02.2011 Alexandre Ricard	
18.02.2011 SNC Le Garlaban	
06.05.2011 Patrick Ricard	
06.05.2011 Pierre Pringuet	
22.06.2011 Laurent Burelle	
19.07.2011 Wolfgang Colberg	
06.09.2011 Patrick Ricard	
06.09.2011 Patrick Ricard	
Declarations of the Company's trading in its own shares	
From 30.08.2010 to 03.09.2010	
From 06.09.2010 to 10.09.2010	
From 20.09.2010 to 24.09.2010	
From 27.09.2010 to 01.10.2010	
From 04.10.2010 to 08.10.2010	
From 11.10.2010 to 15.10.2010	
From 18.10.2010 to 22.10.2010	
From 25.10.2010 to 29.10.2010	
From 01.11.2010 to 05.11.2010	
From 08.11.2010 to 12.11.2010	
From 15.11.2010 to 19.11.2010	
From 22.11.2010 to 26.11.2010	
From 29.11.2010 to 03.12.2010	
From 06.12.2010 to 10.12.2010	
From 13.12.2010 to 17.12.2010	
From 20.12.2010 to 24.12.2010	
From 27.12.2010 to 31.12.2010	
From 03.01.2011 to 07.01.2011	
From 10.01.2011 to 14.01.2011	
From 17.01.2011 to 21.01.2011	
From 24.01.2011 to 28.01.2011	
From 31.01.2011 to 04.02.2011	
From 07.02.2011 to 11.02.2011	
From 14.02.2011 to 18.02.2011	
From 21.02.2011 to 25.02.2011	
From 28.02.2011 to 04.03.2011	
From 07.03.2011 to 11.03.2011	
From 14.03.2011 to 18.03.2011	
From 21.03.2011 to 25.03.2011	
From 28.03.2011 to 01.04.2011	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
From 04.04.2011 to 08.04.2011	
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From 02.05.2011 to 06.05.2011	
From 09.05.2011 to 13.05.2011	
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From 23.05.2011 to 27.05.2011	
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From 13.06.2011 to 17.06.2011	
From 20.06.2011 to 24.06.2011	
From 27.06.2011 au 01.07.2011	
From 04.07.2011 to 08.07.2011	
From 18.07.2011 to 22.07.2011	
From 25.07.2011 to 29.07.2011	
From 01.08.2011 to 05.08.2011	
From 29.08.2011 to 02.09.2011	
From 12.09.2011 to 16.09.2011	

Related-party transaction

Transactions with related parties are described in Note 24 – *Related parties of the notes to the Consolidated Financial Statements* as well as in Note 10 – *Transactions and balances with subsidiaries and associates and other invested entities* in the notes to the Parent Company financial statements.

9

ADDITIONAL INFORMATION TO THE REGISTRATION DOCUMENT

Persons responsible

Names and positions

Person responsible for the registration document:

Mr Pierre Pringuet

CEO

Persons responsible for the information:

Mr Denis Fiévet

Financial Reporting and Investor Relations

Tel: + 33 (0)1 41 00 42 02

Declaration by the person responsible for the registration document and the annual financial report

I certify that, after having taken all reasonable measures to ensure that this is the case, the information contained in this document is, to the best of my knowledge, in conformity with Pernod Ricard's actual situation and that there is no omission which could adversely affect the fairness of the presentation.

I have obtained an engagement completion letter from the Statutory Auditors in which they state that they have verified the information relating to the financial position and the financial statements set out in this document and have read the document in its entirety.

The historical financial statements presented in this document are covered by the reports of the Statutory Auditors, set out on pages 157 and 184.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair presentation of the assets and liabilities, financial position and financial results of the Company and all the other companies included in the scope of consolidation, and that the enclosed management report gives an accurate picture of developments in the business, financial results and financial position of the Company and all the other companies included within the scope of consolidation, together with a description of the main risks and uncertainties facing them.

Pierre Pringuet

CEO

Documents available to the public

Corporate documents (financial statements, minutes of Shareholders Meetings, Shareholders Meeting attendance registers, list of Directors, Statutory Auditors' reports, bylaws, etc.) relating to the last three financial years may be consulted at Pernod Ricard's registered office, located at 12, place des États-Unis, 75116 Paris.

The 'Regulatory information' section of the Company's website is available at the following URL:

http://www.pernod-ricard.com/en/pages/427/pernod/Finance/Regulatory-information.html.

This website contains all the regulatory information provided by Pernod Ricard pursuant to the provisions of articles 221-1 *et seq.* of the French Financial Markets Authority (AMF) General Regulation.

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This registration document contains all elements of the management report as required by articles L. 225-100 *et seq.*, L. 232-1, II and R. 225-102 *et seq.* of the French Commercial Code.

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This registration document includes all elements of the financial report as set forth in articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation.

Environmental and corporate information

Articles R. 225-104 and R. 225-105 of the French Commercial Code *(Code de Commerce)*, and draft implementing decree of law no. 2010-788 of 12 July 2010 (known as 'Grenelle 2')

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Management reports, Parent Company financial statements, consolidated Group financial statements and Statutory Auditors' reports for the years ended 30 June 2010, 30 June 2009 and 30 June 2008

The following information is incorporated by reference into this registration document:

- Group management report, the Parent Company financial statements, Group consolidated financial statements and Statutory Auditors' report on the consolidated financial statements for the period ended 30 June 2010 as presented on pages 47 to 163 of the registration document filed with the French Financial Markets Authority on 29 September 2010 under number D.10-0747;
- Group management report, the Parent Company financial statements, Group consolidated financial statements and Statutory Auditors' report on the consolidated financial statements for the period ended 30 June 2009 as presented on pages 36 to 153 of the registration document filed with the French Financial Markets Authority on 24 September 2009 under number D.09-0656 ;
- Group management report, Parent Company financial statements, Group consolidated financial statements and Statutory Auditors' report on the consolidated financial statements for the period ended 30 June 2008 as presented on pages 46-67 and pages 69-120 filed on 2 October 2008 under No. D-08-0656;

The information included in these three registration documents, other than that listed above, if necessary, has been replaced and/or updated as relevant by the information included in this registration document.

Financial Communication & Investor Relations
Pernod Ricard – 12, place des États-Unis – 75116 Paris – France

Pernod Ricard

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