Reference Document

2008/2009

Pernod Ricard

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AUTORITÉ DES MARCHÉS FINANCIERS

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1 PRESENTATION OF THE PERNOD RICARD GROUP

History and organisation

More than 30 years of continued 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 link-up of two aniseed drinks specialists, Pernod SA and Ricard SA, long-time competitors on the French market. The Group, they formed was able to take advantage of new resources to develop its Distribution Networks 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 one product, whisky, the most consumed spirit in the world, and one country, the United States, the world's biggest market for the whisky sector. This led to the acquisition by the new Group of 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 an extensive dense Distribution 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, Zoco liqueur 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.

The Group took over Irish Distillers, the main Irish whiskey producer and owner of the prestigious Jameson, Bushmills, Paddy and Powers brands, in 1988. Jameson provided the Group with a high-potential brand to develop. Between the acquisition in 1988 and 2009, the brand has delivered average annual growth in sales volumes of nearly 10%, rising from 0.4 million cases to 2.7 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 now 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 the country 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 Zoco Pacharan.

Following all these acquisitions, the Group embarked on a reorganisation, aimed primarily at decentralising its activities. First of all, Pernod Ricard implemented regionalisation by giving each of its 4 direct subsidiaries responsibility for one continent. The Group's structure was then reorganised around Distribution Subsidiaries (with their own sales teams in local markets) and "Brand Owners" subsidiaries, (charged with overseeing production and global brand strategy). These Brand Owners only distribute via the Group's subsidiaries and do not generally have their own sales force. In this way, Pernod Ricard was able to ensure global coherence of its brands, 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 providing Wyborowa with a platform for international development.

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 $3.15 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 high-quality whisky brands, 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 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, as well as 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 non-alcoholic drinks businesses 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 then marked by the complete success of Allied Domecq's integration, and the continued strong growth of 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.

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 across all regions, 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 successful 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.

Highlights of the financial year 2008/2009

2008

July

- 23 July: acquisition of the Swedish company, Vin&Sprit and its vodka, ABSOLUT.

August

- Agreement with Fortune Brands for the early transfer of the Future Brands distribution contract (for V&S brands) in the United States as of 1 October 2008.
- Sale of Cruzan rum to Fortune Brands announced.

September

- Agreement with the partners of Maxxium for the early transfer of the distribution contract for Vin&Sprit brands throughout the world (excluding the United States) as of 1 October 2008.
- Pernod Ricard topped the IWSR[1] "Elite Brands List 2007", which included six of its brands: ABSOLUT, Chivas Regal, Malibu, Havana Club, Jameson and Martell.

November

- G.H. Mumm and Perrier-Jouët received plaunids in Tom Stevenson's Wine Report 2009. The Cuvée R. Lalou 1998 took top ranking in the "Best Vintage Champagne", and *Belle Epoque Rosé 2002* scored third place.

December

- Launch of *L'Or de Jean Martell* for the Asian press at the Grand Trianon, Château de Versailles.

2009

January

- Disposal of Lubuski Gin and Serkova Vodka.

  Due to its acquisition of Vin&Sprit finalised on 23 July 2008, Pernod Ricard was required by the European Commission Competition Authority to divest a certain number of brands.

March

- Disposal of Bisquit cognac and its inventories for €33 million.
- Pernod Ricard received the "Grand Prix" for European Businesses. The Group attained the best score for each of the three criteria: particularly rapid growth in recent years, strong foothold in European countries; a number of successful acquisitions.
- Pernod Ricard received the *Prix d'Honneur* for owner-managed and family businesses (*Entreprise patrimoniale et familiale*).

April

- Disposal of Grönstedts Cognac to Altia and Star Gin, Red Port and Dry Anis to Arcus Gruppen AS, following Pernod Ricard's commitment to the European Commission as part of the acquisition of V&S in July 2008.
- €1 billion capital increase maintaining preferential subscription rights. The operation met with success, being 2.3 times oversubscribed.

May

- Disposal of Wild Turkey Bourbon and its inventories for $581 million[2].
- €800 million bond issue, significantly oversubscribed at a very favourable margin.

June

- Environmental assessment: 21 new sites became ISO 14001 certified in 2008/2009, bringing the portion of volumes produced in the Group's production sites with a certified environmental management system to 93%.

(1) *IWSR's annual Elite Brands List recognises spirits brands that enjoy high, steady growth in volumes across a wide range of markets.*

(2) *Subject to a price adjustment that is underway.*

Significant events post balance sheet 2009

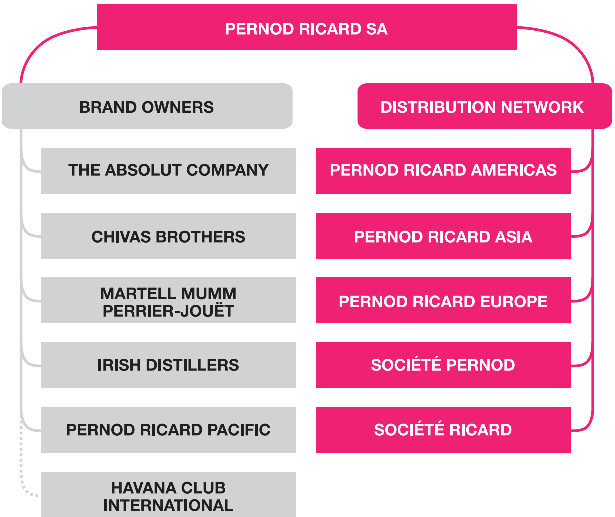
July

- Disposal of Tia Maria coffee liqueur for €125 million.

A decentralised business model

Organisation chart

Brief description of the Group



The general organisation of the Group is based around Pernod Ricard SA (hereinafter the "Holding Company") which holds companies referred to as "Brand Owners" and, either directly or indirectly through holding companies (hereinafter the "Regions"), companies referred to as "Distributors". Some companies combine both Brand Owners and Distributors roles.

Following the acquisition of Vin&Sprit in July 2008, Pernod Ricard set up two new operational structures based in Sweden: The Absolut Company, Brand Owner notably responsible for the ABSOLUT brand throughout the world (including production), and Pernod Ricard Nordic, 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 will strengthen their resources in terms of strategic planning, consumer research and the development of global platforms.

Pernod Ricard now has six Brand Owners.

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

It exclusively 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;
- defining remuneration policies, management of international executives and development of skills and competencies;
- approval of new advertising campaigns for all brands prior to launch;
- approval of key features of strategic brands;
- corporate communications and investor, analyst and shareholder relations;
- sharing of resources, for example by combining purchasing volumes through the Purchasing Division;
- major applied research programmes.

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 research and innovation services, and receipt of dividends.

The **Holding Company** also 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.

Since 5 November 2008, the **Managing Director** performs Group **General Management**, assisted by:

- four **Deputy Managing Directors**, respectively:
  - DMD – Finances,
  - DMD – Brands,
  - DMD – Distribution Network,
  - DMD – Human Resources.

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, 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 geographic region (Asia, North and South America, Europe and Pacific).

Brand Owners 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.

Distributors 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.

List of significant subsidiaries

The list of significant subsidiaries is presented in Note 23 – *Subsidiaries and associates at 30 June 2009* of the Notes to the Parent Company financial statements.

Operation and strategy

Main businesses (15 strategic brands)

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 growth and external growth. The acquisition of part of Seagram (2001), Allied Domecq (2005) and recently V&S (2008) have pushed the Group to the rank of global co-leader in Wines & Spirits.

Pernod Ricard owns one of the industry's most prestigious brand portfolios which include: 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 Montana wines.

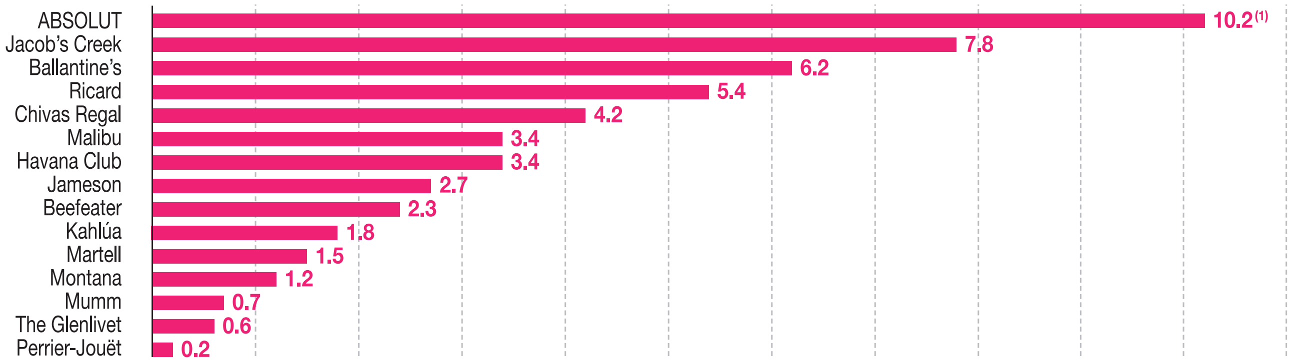
Pernod Ricard relies on a decentralised organisation composed of "Brand Owners" subsidiaries and "Distribution Subsidiaries". The organisation employs 18,975 people in 70 countries (including V&S).

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

- investing first and foremost in world class strategic brands;
- add Premium brands to the portfolio by targeting at luxury names and accelerating growth and profitability;
- expand in emerging markets which offer the strongest growth outlook;
- continue external growth, after restoring financial capacity, in order to remain a dynamic player in the consolidation of the Wines & Spirits sector.

Lastly, the Group is a strong advocate of sustainable development and accordingly encourages responsible consumption of its products.

STRATEGIC BRANDS (2008/2009 volumes in millions of 9-litre cases)



TOTAL "TOP 15": 51.5 million cases

(1) 12-month volumes reconstituted (from 1 July 2008 to 30 June 2009).

Key markets (4 large geographical areas)

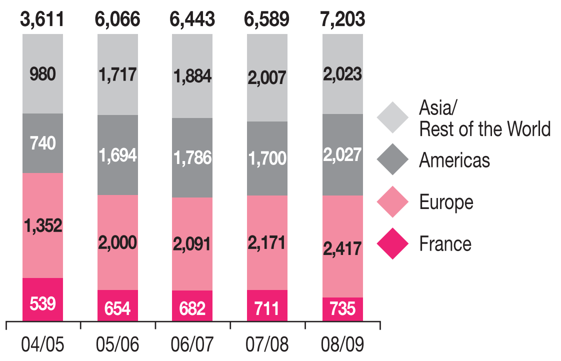
The outlines of the Group's large market presence and development regions reflect its historical roots and growth strategy based on acquisition.

It all began in France, with the two major aniseed brands, Ricard and Pastis 51 (Pernod), which gave their name to the Group. The Group then grew through a series of acquisitions, first in Europe which became the second strategic area and which currently represents the largest region in terms of sales.

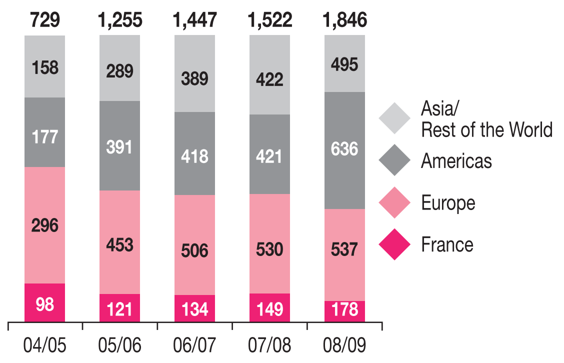
Pernod Ricard used the strength provided by these solid roots as a springboard to conquer North and South America, Asia and the Rest of the World, the regions that have driven the strongest growth in the past years.

It is interesting to note that the emerging markets of Europe, North and South America and Asia and the Rest of the World have increasingly fuelled a substantial percentage of the Group's growth.

NET SALES BY REGION
(in euro million)



PROFIT FROM RECURRING OPERATIONS BY REGION
(in euro million)



Competition

Markets and competition

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 (Fortune Brands), 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, U.B. in India, CEDC in Poland).

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

Since Pernod Ricard's acquisition of V&S, owner of ABSOLUT vodka, in 2008:

- the acquisition makes Pernod Ricard the world's second-largest spirits company in volume and co-leader alongside Diageo, ahead of Bacardi-Martini and Beam Global (Fortune Brands) and Brown-Forman(1);
- Pernod Ricard also ranks number one in the Premium spirits segment, surpassing Diageo and Brown-Forman(2).

The issuer'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, plants and equipment

Existing main property, plants and equipment

Active in 25 countries throughout the world, Pernod Ricard has industrial facilities comprising 113 production sites as at 30 June 2009. These sites include 65 bottling and 33 distillation facilities, while the others cover ageing, vinification and vatting operations.

(1) *Source: IWSR 2008.*

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

Four sites were sold in 2008/2009: Lawrenceburg (Kentucky), the Cruzan site in the US Virgin Islands, Alanis in Spain and Glendronach in Scotland. Five sites were integrated into the environmental reporting scope, which now covers the Group's entire industrial scope.

In addition to these production sites, the Group also owns office buildings and farmlands, including nearly 8,000 hectares of vineyards, located primarily in Australia, New Zealand, Spain, Argentina and France.

As of 30 June 2009, the net book value of these industrial assets totalled €1,757 million.

The Group's industrial sites produced a total of 1,229 million litres over 2008/2009, up on the previous year (1,166 million litres) mainly due to the integration of the V&S businesses.

Countries	Number of industrial sites at 30.06.2009	Main sites	Main activities	Distilling	Vinification	Vatting and bottling	Ageing
France	13	Cognac	Cognac			x	
		Rouillac	Cognac	x	x	x	x
		Chanteloup	Cognac				x
		Gallienne	Cognac	x	x		x
		Bessan	Aniseed products			x	
		Lormont	Aniseed products			x	
		Vendeville	Aniseed products			x	
		Cubzac	Sparkling wines			x	
		Thuir	Wine-based aperitifs			x	
		Marseille	Aniseed products			x	
		Reims	Champagne		x	x	x
		Épernay	Champagne		x	x	x
Sweden	3	Ahus	Vodka			x	
		Nöbbelov	Vodka	x			
		Satellite	Vodka			x	
Denmark	2	Aalborg	Distilled spirits/spirits	x			
		Svendborg	Wines, spirits			x	
Finland	1	Turku	Distilled spirits/spirits			x	
Germany	1	Buxtehude	Distilled spirits/spirits	x		x	
Scotland	24	Balgray	Whisky				x
		Braeval	Whisky				x
		Dalmuir	Whisky				x
		Dumbuck	Whisky				x
		Newbridge	Whisky			x	
		Paisley	Whisky			x	
		Strathclyde	Whisky	x			
		Kilmalid	Whisky			x	
		Keith Bond	Whisky				x
		Mulben	Whisky				x
		Miltonduff	Whisky	x			
		Glenlivet	Whisky	x			
England	2	Plymouth	Gin	x			
		Kennington	Gin	x			
Ireland	2	Midleton	Whiskey	x			x
		Fox and Geese	Whiskey			x	
Spain	16	Manzanares	Rum, liqueurs			x	
		Ambrosio	Wines, liqueurs		x	x	
		Ruavieja	Distilled spirits/spirits			x	
		Age	Wines		x	x	
		Arienzo	Wines		x	x	
		Logrono	Wines		x	x	

Countries	Number of industrial sites at 30.06.2009	Main sites	Main activities	Distilling	Vinification	Vatting and bottling	Ageing
Italy	1	Canelli	Sparkling (wines, bitters)			x	
Portugal	1	Bombarral	Whisky, spirits			x	
Greece	2	Mithylene	Ouzo			x	
Poland	3	Poznan 1	Vodka	x			
		Poznan 2	Vodka			x	
		Z. Gora	Vodka			x	
Czech Republic	2	Karlovy Vary	Bitters				x
		Bohatice	Bitters			x	
Georgia	1	Telavi	Wines		x	x	
Armenia	4	Yerevan	Brandy			x	x
		Armavir	Brandy	x	x		x
		Aygavan	Brandy	x	x		x
USA	2	Fort Smith	Spirits, liqueurs			x	
		Napa	Sparkling wines		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		
		Sonora	Brandy	x	x		
Brazil	3	Suape	Distilled spirits/spirits			x	
		Resende	Distilled spirits/spirits	x		x	x
		Livramento	Wines		x	x	
Argentina	5	Bella Vista	Distilled spirits/spirits			x	
		Cafayate	Wines		x	x	
		San Juan	Wines		x	x	
Cuba	1	San Jose	Rum	x		x	x
Australia	6	Rowland Flat	Wines		x	x	
		Richmond Grove	Wines		x		
		Wickham Hill	Wines		x		
New Zealand	5	Brancott	Wines		x		
		Corbans	Wines		x		
		Tamaki	Wines			x	
India	6	Daurala	Whisky			x	
		Nashik	Distilled spirits/spirits	x		x	
		Rocky Punjab	Wines			x	
Korea	1	Echon	Whisky			x	
TOTAL	**113**						

Investments

In 2008/2009, the Group continued to make significant investments in its industrial sites, totalling €241 million, or 3.4% of consolidated sales. The main projects completed by the Group include:

- construction of new ageing warehouses: in Willowyard, Scotland for Chivas Brothers, in Lignières (Charente), France for Martell, in Midleton, Ireland for Irish Distillers, and in Age, Spain (La Rioja) for Domecq Bodegas;
- extension of The Glenlivet whisky distillery in Scotland;
- improvement in the energy performance of distilleries: implementation of a mechanical steam compression system in Midleton, Ireland, a new system for cooking grains in Walkerville, Canada, and a system for the treatment of gases from drying by-products in Strathclyde, Scotland.

Environmental management

The Group's environmental policy

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 main pillars of the 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 notifying subsidiaries of best practices;
- the four-fold certification policy: in addition to the HACCP methodology extensively applied across the Group, in 2009 it decided to add the ISO 22000 standard on food safety to the three standards already applied, namely ISO 9001 (Quality), ISO 14001 (Environmental Management) and OHSAS 18001 (Health and Safety). As of 30 June 2009, 93% of the volumes produced by the Group came from ISO 14001 certified sites.

Standard	ISO 9001	ISO 14001	OHSAS 18001	ISO 22000
Area	Quality	Environmental Management	Health & Safety	Food Safety
Number of sites (%)	88	81	70	13
Volume produced (%)	97	93	78	10

- the Group's Environment Action Plan: it is focused on four fundamental points and aims to achieve specific targets.

Area	2012 targets
Promote sustainable farming	(local initiatives depending on environment)
Save water resources	**(10)%** (m^3 per litre of finished product)
Reducing energy consumption	**(10)%** (kWh per litre of pure alcohol)
Minimise the impact of waste and effluents	85% Recycled waste

The sections that follow provide further details on the measures taken in the various areas.

Promoting sustainable farming

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 2008/2009, direct purchases of agricultural products represented 878,000 tonnes, mostly in the form of grain for distillation (505,000 tonnes) and grapes (360,000 tonnes).

Including transformed products (alcohol, wines, sugar, aromatic plants and herbs, etc.), the Group buys about 2.5 million tonnes of agricultural products, representing the equivalent of around 160,000 hectares of farmland.

Pernod Ricard is committed to promoting sustainable farming, both in its own agricultural activities and the products it buys.

As such, the Group follows stringent local standards:

- in New Zealand, all the vineyards run by Montana are "Sustainable Wine Growing New Zealand" certified;
- in Australia, Orlando Wines has undertaken to provide its major suppliers with training on the "Freshcare Environmental" standards and have them certified;
- in France, the Martell and Mumm Perrier-Jouët vineyards are operated in compliance with the Guidelines on Best Practices (*Guides de Bonnes Pratiques*) drawn up by cognac and champagne associations;
- in Sweden, the Absolut Company is supplied exclusively with wheat produced locally, in line with stringent sustainable agriculture standards.

Saving water resources

A fragile element, specific 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 grain-based eaux-de-vie, cooling of distillery facilities and adjustment of the degree of alcohol in whiskies, vodkas, brandies and rums.

The pressure on this natural resource, unevenly distributed throughout the world and often under threat by human pollution, heightens every year. Pernod Ricard has therefore marked water management as one of its four strategic focuses in its environmental policy: the Group is targeting a 10% reduction in its water consumption per unit produced by 2012.

To do so, each subsidiary must:

- measure its consumption;
- check that the water it uses does not endanger resources;
- take measures to save water;
- ensure efficient treatment of waste water prior to release into the environment.

These measures become even more necessary if the subsidiary is located in a geographical region where water is scarce. This is the case, for instance, in Australia and in Mexico.

Careful monitoring of consumption

This year, total water consumption of Pernod Ricard's production sites amounted to 8.5 million m^3 versus 6.7 million m^3 in the last financial year. This primarily concerns distilleries, which represent 74% of total consumption. This increase is due to the integration of the V&S businesses and the enhanced understanding of the volumes of water actually used. Broken down per litre of distilled alcohol, consumption stands at 40.1 litres as against 38.4 litres in 2007/2008. The volume of waste water released into the environment remained stable, at 29 litres per litre of distilled alcohol.

Reducing energy consumption

Over 2008/2009, the total energy consumption of the Group's production sites came out at 1,668,747 MWh, with distilleries alone accounting for 81% of total consumption.

Most of this consumption (62%) involves natural gas, the preferred combustible for distilling due to its flexibility, energy output and low pollution compared with coal or fuel.

In 2008/2009, the Group's total energy consumption per litre of pure distilled alcohol stood at 7.84 kWh/l, versus 8.87 kWh/l in 2007/2008, in part stemming from the integration of the ABSOLUT vodka production facilities. These facilities actually consume little energy thanks to highly optimised processes. Other Group distilleries turned in energy performances comparable to that in 2007/2008, with notable progress made by Chivas Brothers (down 2%) and Irish Distillers (down 4%).

In 2008, the Group set a target to reduce its water consumption per unit produced by 10% between now and 2012 and has taken the following measures to reach it:

In-depth energy site assessments

- In Fort Smith, United States, this assessment was used to identify potential savings representing 2,500 MWh, of which 850 MWh immediately.
- In Midleton, Ireland, short-term gains were made thanks to the optimisation of the production process and energy management.
- In Rowland Flat, Australia, the energy consumption of workshops is closely monitored in real time via a website.

These energy assessments have been used to secure short-term gains and devise plans to make improvements in the years to come. They will be extended to other Group sites in 2009/2010.

Implementing Energy Management Systems

- In Sweden, a certified Energy Management System has been implemented at the Nöbbelov distillery, which guarantees optimised energy consumption.
- A monitoring system using detailed indicators was put in place in 2008/2009 in the Group's 10 main distilleries. It tracks and compares performance and identifies the best practices in order to put them into general use.

Implementing projects to reduce energy consumption

Each site sets its own targets and provides the resources necessary to meet them:

- in Ireland, the Midleton distillery invested €4 million in a mechanical steam compression system, for annual savings of nearly 37,000 MWh;
- in Scotland, a heat recovery system was installed at the Allt à Bhainne distillery, reducing its energy consumption by 10%;
- in Italy, the Ramazzotti bottling facility was refurbished (optimised insulation and lighting), resulting in a 25% reduction in energy consumption.

Reducing the impact of waste and packaging

Three types of waste are generated in the lifecycle of our products:

- environmentally hazardous waste;
- organic waste from the conversion of farm raw materials;
- solid waste from packaging: glass, paper, cardboard and plastics.

Limiting and controlling hazardous waste

A total of 515 tonnes of hazardous waste, including 30 tonnes of asbestos waste, was sent to special treatment facilities in 2008/2009.

Preventing organic waste

The transformation of our raw materials produces by-products used in animal feed (brewer's grains, syrup concentrates, spent and dried grains, etc.) or in farming (grape marc compost and bagasse). As regards liquid effluents, the methanisation process is used to produce biogas, an entirely renewable source of energy. This process is used at the sites in Walkerville, Canada, in Behror, India and in Thuir, France. As a result, only 0.7% of the organic waste ends up in landfills or incinerators.

Recycling packaging and promoting ecodesign

In 2008/2009, 78% of the packaging waste from production sites was recycled. The Group has set itself the target of achieving 85% by 2012.

In China, Pernod Ricard supports glass recycling by financing the collection of its whisky and cognac bottles. As such, ten million bottles were recycled by local glass manufacturers in 2009.

In 2008/2009, the rollout of the ecodesign programme continued with the training of Marketing and Purchasing teams in France, Mexico and Brazil. Plans for a number of new, more environmentally-friendly products have been developed, notably in terms of the lower weight of glass and cardboard used in packaging. In France, Pernod

Ricard cemented this commitment by signing an agreement with the Ministry of Ecology and Sustainable Development and Land Planning, whereby the Group is set to reduce the quantity of glass sold by 3,000 tonnes in five years.

Measuring and reducing the carbon footprint of businesses

In 2008/2009, direct emissions from Pernod Ricard's production sites totalled 299,810 T of CO_2. Glass purchases account for approximately 586,000 T of CO_2, and paper/cardboard purchases approximately 123,000 T (2007/2008 estimates).

Pernod Ricard will continue to measure its footprint in order to limit its environmental impact. The Group also intends to work on reducing it by improving energy efficiency, optimising packaging and logistics and promoting sustainable farming.

In an effort to better understand its impact on the environment, Pernod Ricard is gradually extending greenhouse gas emission assessments to all geographical regions and businesses, helping raise the awareness of employees and management. In 2009, a model was developed that can be used in all of the Group's production sites throughout the world to assess its carbon footprint. It will be tested in six countries then proposed to the entire Group.

The research carried out in 2008 on the two main products that represent the Group's businesses (Scotch whiskies and Australian wines) helped identify and list the impact of these products in terms of greenhouse gas emissions. They highlighted the major role of packaging (primarily glass bottles) and to a lesser extent the distilling process (spirits), transport and farming. In 2008/2009, additional studies on measuring the carbon footprint were run by Pernod Ricard New Zealand, Ricard and Pernod. They confirmed that the proportion of the direct impact of Group businesses is relatively low compared with the indirect impact linked to the purchase of products and services.

A number of measures have been taken to reduce the carbon footprint of businesses, which include logistics, favouring ship or rail transport over road transport. As a result, 200,000 km of road transport were avoided in the United Kingdom in 2008. Other measures involving packaging and energy consumption have been outlined above.

2008/2009 environmental reporting assessment

Methodology

Pernod Ricard's environmental reporting is based on the financial year (July to June) and concerns all of its industrial production sites around the world: 113 sites included at 30 June 2009, in addition to the Lawrenceburg facility in the United States, which was sold in May 2009 and excluding the San José plant in Cuba. It focuses on the use of natural resources (water, energy, etc.), waste production (liquids, solids, gases) and initiatives concerning environmental control and preservation. Only industrial sites are taken into account (farmlands, head offices and logistics sites are not included).

For the first time in 2008/2009, reporting includes the 9 sites resulting from the acquisition of V&S. This change in scope is the reason for certain significant changes in indicators, in particular due to the increase in volumes distilled.

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), guidelines and principles while remaining adapted to the Group's specific activity where necessary.

			Total Pernod Ricard				a) Ratio for 1,000 litres of pure alcohol b) Ratio for 1,000 litres of finished products						G3 GRI
Subject	Definition	Unit	2006	2007	2008	2009	Unit		2006	2007	2008	2009	Index
Production volume	**Total production a) distilled alcohol**	**kL**	**195,952**	**220,662**	**174,729**	**212,746**	-	-	-	-	-	-	-
	b) finished product		**1,145,225**	**1,185,449**	**1,166,177**	**1,228,829**			-	-	-	-	-
Water	**Total volume used**	**m³**	**7,182,064**	**7,605,066**	**6,710,552**	**8,540,794**	**m³/kL**	**a)**	**36.65**	**34.46**	**38.41**	**40.15**	**EN8**
								b)	**6.27**	**6.42**	**5.75**	**6.95**	
Energy	Total energy consumed	MWh	2,029,538	2,049,267	1,550,242	1,668,747	MWh/kL	a)	10.36	9.29	8.87	7.84	EN3 EN4
								b)	1.77	1.73	1.33	1.36	
	Including: Electricity	MWh	237,968	246,290	218,929	272,880	MWh/kL	b)	0.21	0.21	0.19	0.22	
CO_2 emissions	**Direct emissions**	**CO_2 teq**	**455,222**	**463,310**	**300,013**	**299,810**	**CO_2 teq/kL**	**a)**	**2.32**	**2.10**	**1.72**	**1.41**	**EN16**
								b)	**0.40**	**0.39**	**0.26**	**0.24**	
Fluorinated refrigerant gases	Quantity of fluorinated gases installed	kg	14,394	20,480	20,249	20,499	-	-	-	-	-	-	EN19
	% of HFC in fluorinated gases installed	%	23.6	19.9	23.7	27.2	-	-	-	-	-	-	
	Quantity of fluorinated gases released into the atmosphere	kg	NA	2,330	2,297	2,940	-	-	-	-	-	-	
	% of fluorinated gases released into the atmosphere	%	NA	11.38	11.34	14.34	-	-	-	-	-	-	

Subject	Definition	Unit	Total Pernod Ricard 2006	2007	2008	2009	Unit	a) Ratio for 1,000 litres of pure alcohol b) Ratio for 1,000 litres of finished products	2006	2007	2008	2009	G3 GRI Index
Waste water	**Total volume of waste water released**	**m^3**	**5,460,197**	**5,831,760**	**5,063,494**	**6,153,681**	**m^3/kL**	**a)**	**27.86**	**26.43**	**28.98**	**28.93**	**EN21**
								b)	**4.77**	**4.92**	**4.34**	**5.01**	
Organic waste	Quantity of organic waste dumped or treated	T	66,015	18,359	11,631	7,106	kg/kL	a)	336.89	83.20	66.57	33.40	EN22
								b)	57.64	15.49	9.97	5.78	
Solid waste	**Total quantity of solid waste**	**T**	**36,198**	**40,652**	**32,202**	**32,879**	**kg/kL**	**b)**	**31.61**	**34.29**	**27.61**	**26.76**	**EN22**
	Quantity of solid waste dumped or treated	**T**	**8,646**	**10,197**	**7,400**	**7,228**	**kg/kL**	**b)**	**7.55**	**8.60**	**6.35**	**5.88**	
	% of solid waste recycled or recovered	**%**	**76**	**75**	**77**	**78**	**-**	**-**	**-**	**-**	**-**	**-**	
Hazardous waste	Quantity of hazardous waste treated externally	T	363.5	432.2	349.8	515	kg/kL	b)	0.32	0.36	0.30	0.42	EN24
Dismantling waste	**Quantity of asbestos waste treated externally**	**T**	**336.0**	**205.0**	**265.0**	**30**	**-**	**-**	**-**	**-**	**-**	**-**	**EN24**
ISO 14001 Certification	Number of certified sites	%	44	59	70	81	-	-	-	-	-	-	-
	Proportion of certified sites in total production	%	63	74	86	93	-	-	-	-	-	-	
Investments	**Amount of investment for environmental protection**	**€M**	13.04	9.25	5.60	**5.85**	**-**	**-**	-	-	-	**-**	
Compliance of activities	**Fines or penalties related to the environment**	**Number**	**0**	**0**	**0**	**4***	**-**	**-**	**-**	**-**	**-**	**-**	**EN28**

* *Total amount of approximately €16,000 for administrative delays in declaring waste water effluents in the United States and odour pollution (compost and lagooning) in Mexico.*

Research and Development

The Group is equipped with a specialised central research structure named the Pernod Ricard Research Centre (CRPR).

The CRPR has three main missions:

- it participates in protecting strategic brands by ensuring the quality and continuity of their organoleptic profiles;
- it encourages the sharing of scientific and technical knowledge through various events, publications, training programmes and communications;
- it proposes, facilitates and participates in various research projects based on key strategic issues for brand development. Three strategic vectors were defined in 2007:
  - expertise and control of the organoleptic profiles of our products such as, for example, the characterisation of oak wood, understanding the formation of the key aromas of Sauvignon Blanc or modelling the distilling process,
  - support for product innovation: a number of projects by subsidiaries rely on CRPR's expertise in various areas such as formulation or manufacturing processes,
  - understanding product/consumer interactions. The CRPR is currently studying the parameters that define the quality of wines as perceived by the consumer.

In 2009, the Group added the fight against counterfeiting and sustainable development to its programme.

Each subsidiary is responsible for and manages its development and product/process optimisation. The CRPR offers technical and analytical support to subsidiaries that request it.

2 CORPORATE GOVERNANCE AND INTERNAL CONTROL

This chapter includes the sections "Corporate Governance" and "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 2008/2009 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, and 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 the section "Information on the Company and its share capital", under the paragraph "Items that may have an impact in the event of a public offer".

This report was approved by the Board of Directors on 2 September 2009.

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 on the date of registration of this reference document.

Member'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 30.06.2009	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 Paul Ricard (unlisted Company, Shareholder in Pernod Ricard SA) – Director of the Association Nationale des Industries Alimentaires	– Chairman of the Fédération des Exportateurs de Vins & Spiritueux – Director of Paul Ricard et Fils – Director of Provimi SA – Director of Altadis SA (Spain) – Director of Société Générale
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	2009/2010	– None	– Director of Strike International (Morocco)
Mr. Rafaël Gonzalez-Gallarza	05.05.1998	2011/2012	– Chairman of the Board of Directors of Prensa Malagueña SA (Spain)	– Director of Endesa
Ms. Danièle Ricard	16.06.1969	2008/2009	– Chairman of the Management Board of Société Paul Ricard SA – Manager of SNC Le Garlaban – Chairman of the Board of Directors of Bendor SA – Chairman of the Board of Directors of Les Embiez SAS – Non-associate Directof of SNC Le Tabac des Iles de Bendor et des Emblez	– Chairman and CEO of the Société d'Aménagement des Hôtels de Bendor et des Embiez
Société Paul Ricard SA represented by Ms. Béatrice Baudinet	09.06.1983	2008/2009	– Chairman of Le Delos Invest III SA (Paul Ricard company) – Chairman of the Supervisory Board of Société Paul Ricard SA (Ms. Béatrice Baudinet)	– None
Mr. César Giron	05.11.2008	2011/2012	– Member of the Management Board of Société Paul Ricard SA (unlisted company, shareholder of Pernod Ricard SA) – Director of LIRIX SA – Director of Le Delos Invest I SA – Director of Le Delos Invest II SA – Director of Bendor SA	– None

(1) The term of office expires at the close of the Annual Shareholders Meeting approving the financial statements for the financial year mentioned.
(2) Date of appointment as Chairman and Chief Executive Officer.

Member'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 30.06.2009	Offices held outside the Group that have expired during the last 5 years
Independent Directors				
Mr. Jean-Dominique Comolli	06.05.1997	2008/2009	– 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 Calyon Bank (United Kingdom) – Director of Casino – Vice-Chairman of Imperial Tobacco, member of the Board of Directors	– Co-Chairman of Altadis SA (Spain) – Director of Aldeasa (Spain) – Director of Logista (Spain)
Lord Douro	07.05.2003	2008/2009	– Chairman of 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 Calyon Bank (United Kingdom) – Chairman of King's College London (United Kingdom)	– Chairman of Framlington Group (United Kingdom) – Commissioner of English Heritage
Ms. Nicole Bouton	07.11.2007	2010/2011	– Chairman of the Financière Centuria Group (GFC) – Chairman of Financière Accréditée (subsidiary of GFC) – Chairman of Centuria Luxembourg (subsidiary of GFC) – Chairman of Financière Centuria Asset Management (subsidiary of GFC)	– None
Mr. Didier Pineau-Valencienne	07.05.2003	2008/2009	– Honorary Chairman of Schneider Electric SA and Square D – Member of the Supervisory Board of Lagardère SA – Member of the Audit Committee of Lagardère SA – Director of Fleury Michon SA – Director of BIPE Association – Director of Swiss Helvetia Fund (USA) – Member of the Advisory Board of Booz Allen & Hamilton – Chairman of the International Consultative Committee of the Audencia School of Management Nantes (formerly ESC Nantes Atlantique) – Chairman of the Investment Committee of Sagard – Lecturer at HEC – Advisor of the Centre d'enseignement supérieur de la Marine – Member of the Board of Overseers of Tuck School of Business Administration – Dartmouth College (USA) – Member of Trustees of the American University of Paris	– Member of the Supervisory Board of Aventis – Director of AON – Director of Vivarte – Director of INSEAD – Director of the Fondation de France – Director of Wendel Investissement SA – Director of AFEP – Director of AXA – Member of Trustees of IASC (USA) – Director of Axa Financial (USA) – Senior Advisor to Crédit Suisse First Boston (United Kingdom)

(1) The term of office expires at the close of the Annual Shareholders Meeting approving the financial statements for the financial year mentioned.
(2) Date of appointment as Chairman and Chief Executive Officer.

Member'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 30.06.2009	Offices held outside the Group that have expired during the last 5 years
Mr. Gérard Théry	04.05.1999	2008/2009	– Director of ERAP – Manager of GTA	– Chairman of the Génération Numérique unit trust – Chairman of the Board of Directors of the Fondation Mécénat Musical (Société Générale) – Chairman of the Association Albert Costa de Beauregard – Chairman of Société de Véhicules Électriques (SVE), in the Marcel Dassault Group – Chairman of the Norbert Segard foundation – Director of TM4 (Canada) – Director of PVI
Mr. William H. Webb	07.05.2003	2008/2009	– Director of Elie Wiesel Foundation for Humanity – Member of the Advisory Council of the American Australian Association – Director of Macquarie Infrastructure Company (USA – listed on the New York Stock Exchange) – Director of the International Tennis Hall of Fame	– Director of the Foreign Policy Association
Mr. Wolfgang Colberg	05.11.2008	2011/2012	– Roto Frank AG, Stuttgart, Member of the Supervisory Board; – Deutsche Bank AG, Member of the Regional Board.	– None

(1) The term of office expires at the close of the Annual Shareholders Meeting approving the financial statements for the financial year mentioned.
(2) Date of appointment as Chairman and Chief Executive Officer.

The directors do not hold any other positions in the Company.

Other offices held in the Group at 30 June 2009

Mr. Patrick Ricard Chairman of the Board of Directors	French companies	Director	– Martell & Co SA – Pernod Ricard Finance SA
		Permanent representative of Pernod Ricard SA on the Board of Directors	– Pernod SA – Pernod Ricard Europe SA – Ricard SA
		Member of the Management Board	– Pernod Ricard Asia SAS – Pernod Ricard North America SAS
	Non-French companies	Director	– Chivas Brothers Pernod Ricard Ltd – Irish Distillers Group Ltd – Pernod Ricard Acquisition II Corp – Suntory Allied Limited

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 SAS – Lina 6 SAS – Lina 7 SAS – Lina 8 SAS
		Director	– Pernod Ricard Europe SA – Pernod SA – Ricard SA – Martell & Co SA – G.H. Mumm & Cie SA – Champagne Perrier-Jouët
		Permanent representative of Pernod Ricard SA on the Board of Directors	– Compagnie Financière des Produits Orangina SA (CFPO) – Établissements Vinicoles Champenois SA
		Member of the Management Board	– Pernod Ricard Asia SAS – Pernod Ricard North America SAS
	Non-French companies	Director	– Comrie Ltd – Irish Distillers Group Ltd – Portugal Venture Ltd – Pernod Ricard Pacific Holding Pty Ltd – Chivas Brothers Pernod Ricard Ltd – Suntory Allied Ltd – Havana Club Holding SA – Vin&Sprit AB
		Manager	– Havana Club Know-How
Mr. François Gérard Director	French companies	Director	– Pernod SA – Martell & Co SA – G.H. Mumm & Cie SA – Champagne Perrier-Jouët
Mr. César Giron Director	French companies	Chairman and CEO	– Pernod SA
		Director	– Cusenier SAS
	Non-French companies	Director	– Agros Holdings SA – Wyborowa – Ballantine's Polska sp.

Personal information concerning the Directors

Information as of 30 June 2009

Mr. Patrick Ricard

64 years old, French citizen.
Business address: Pernod Ricard – 12, place des États-Unis – 75116 Paris – France.

Mr. Patrick Ricard held 1,532,840 Pernod Ricard shares at 30 June 2009.

It was in 1967 that Mr. Patrick Ricard joined the Ricard company, founded by his father Paul in 1932. He held successive positions in the company's main departments, becoming Managing Director in 1972. With the creation of Pernod Ricard 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. The strategy proved a resounding success, sales outside France now accounting for 90% of sales as against 17% when the Group was formed. Despite such exceptional growth, the Group's guiding operational principle – decentralisation – has remained unchanged. Maintaining this management style throughout its acquisitions has helped new employees integrate quickly and empowered managers. Since its formation, Pernod Ricard 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 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.

In addition to the offices described above, Mr. Patrick Ricard was also Chairman of the Club d'Observation Sociale de l'Institut de l'Entreprise in 1987, Director of Eridania Beghin-Say and Chairman of the Fédération des Exportateurs de Vins & Spiritueux de France (FEVS) between 12 March 2002 and 24 March 2005, Director of Provimi until April 2007, Director of Altadis until February 2008 and Director of Société Générale until May 2009.

Mr. Patrick Ricard is the son of Mr. Paul Ricard, the founder of Ricard SA, and the brother of Ms. Béatrice Baudinet and Ms. Danièle Ricard, who are also Directors of Pernod Ricard.

Mr. Pierre Pringuet

59 years old, French citizen.
Business address: Pernod Ricard – 12, place des États-Unis – 75116 Paris – France.

Mr. Pierre Pringuet held 146,960 Pernod Ricard shares at 30 June 2009.

A graduate of the Ecole Polytechnique and the Ecole des Mines, Mr. Pierre Pringuet started his career in the French civil service. He became an advisor to the 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 Patrick Ricard at the Holding company, together with Richard Burrows, as one of Pernod Ricard's two joint CEOs. Mr. Pierre Pringuet led the successful acquisition of Allied Domecq in 2005, and then the 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. A board member of Pernod Ricard since 2004, Mr. Pierre Pringuet also chairs the Comité Sully, which promotes the French food-processing industry and has been board member of Iliad from 25 July 2007 and Director of Cap Gemini since 30 April 2009. He holds the rank of Knight of the National Order of Merit, and of Officier du Mérite Agricole.

Mr. François Gérard

69 years old, French citizen.
Business address: Pernod Ricard – 12, place des États-Unis – 75116 Paris – France.

Mr. François Gérard held 121,782 Pernod Ricard shares at 30 June 2009.

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 SA. 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

74 years old, Spanish citizen.
Business address: Pernod Ricard España, C/Manuel Marañon 8, 28043 Madrid – Spain.

Mr. Rafaël Gonzalez-Gallarza held 1,448,632 Pernod Ricard shares at 30 June 2009.

After third-level legal studies in Madrid, he obtained 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 Secretary General, 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.

Among the various offices described above, Mr. Rafaël Gonzalez-Gallarza is Chairman of the Board of Directors of Prensa Malagueña SA, which has published the Diario SUR of Malaga since 1997.

Ms. Danièle Ricard

70 years old, French citizen.
Business address: Société Paul Ricard SA – Île des Embiez, Le Brusc, 83140 Six-Fours-les-Plages – France.

Ms. Danièle Ricard held 216,218 Pernod Ricard shares at 30 June 2009.

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 SA, and the sister of Mr. Patrick Ricard, Chairman of the Board of Directors of Pernod Ricard and Ms. Béatrice Baudinet, Director. She is the mother of César Giron, who is also a Director.

Ms. Béatrice Baudinet, for Société Paul Ricard SA

68 years old, French citizen.
Business address: Société Paul Ricard SA – Île des Embiez, Le Brusc, 83140 Six-Fours-les-Plages – France.

Ms. Béatrice Baudinet held 3,219 Pernod Ricard shares at 30 June 2009.

Société Paul Ricard SA held 21,861,245 Pernod Ricard shares at 30 June 2009.

Following in the family tradition, Ms. Béatrice Baudinet, née Ricard, chose to devote her time in particular to raising awareness about the maritime environment and its preservation through Société Paul Ricard SA, where she was the CEO before being appointed Chairman of the Supervisory Board. In addition, when she was the Chairman of Domaine de Barbossi, a vineyard in the Alpes-Maritimes department, she contributed to the success of the Santo Estello hotel and residential centre, which receives holidaymakers and hosts company seminars in the Provence region of France.

Ms. Béatrice Baudinet is the daughter of Mr. Paul Ricard, the founder of Ricard SA, and the sister of Mr. Patrick Ricard, Chairman the Board of Directors of Pernod Ricard, and of Ms. Danièle Ricard, Director, and the aunt of Mr. César Giron, also a Director.

Mr. Jean-Dominique Comolli

61 years old, French citizen.
Business address: Altadis SA – 143, boulevard Romain Rolland, 75685 Paris Cedex 14 – France.

Mr. Jean-Dominique Comolli held 177 Pernod Ricard shares at 30 June 2009.

A graduate of the Institut d'Études Politiques in Paris, with a Master 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 the Budget from 1977 to 1981. A technical advisor to Laurent Fabius, while he was Secretary of State for the Budget between 1981 and 1983, he then went on to be an official representative and then technical advisor to Pierre Mauroy and Laurent Fabius while they were Prime Ministers until 1986. He was then appointed assistant manager of the Budget department until 1988, where he was successively assistant principal private secretary to the Minister of Economy and then principal private secretary of the Secretary of State for the Budget. 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.

Lord Douro

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

Lord Douro held 810 Pernod Ricard shares at 30 June 2009.

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.

Ms. Nicole Bouton

62 years old, French citizen.
Business address: Groupe Financière Centuria – 10, avenue de Friedland, 75008 Paris – France.

Ms. Nicole Bouton held 242 Pernod Ricard shares at 30 June 2009.

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 Assistant 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 the Vice-Chairman responsible for Institutional and Bank Clients before being appointed as a 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 moreover 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 has chaired since that date. 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.

Mr. Didier Pineau-Valencienne

78 years old, French citizen.
Business address: Sagard – 24, rue Jean Goujon, 75008 Paris – France.

Mr. Didier Pineau-Valencienne held 3,302 Pernod Ricard shares at 30 June 2009.

A graduate of HEC, with a degree from Dartmouth University and an MBA from Harvard Business School, Mr. Didier Pineau-Valencienne joined the Banque Parisienne pour l'Industrie as a Member of the Management team in 1958, then became Secretary to the General Management and finally Vice-Chairman until 1967. He joined Société Carbonisation et Charbons Actifs (Ceca SA) in 1968 and became its Chairman in 1972. From 1974 to 1980, he was Director of Management Control and Strategy and Planning of Rhône-Poulenc SA, CEO of the Polymers and Petrochemicals division and member of the Executive Committee of Rhône-Poulenc. In 1981, he assumed management duties with Schneider, as Chairman and Chief Executive Officer until 1999.

Among other offices held, he was Chairman of the Association Française des Entreprises Privées (1999-2001) and Director of a number of companies, including Axa Financial Inc. (1993-2003), Wendel Investissement, Swiss Helvetia Fund, Aventis, AON and Vivarte. Mr. Didier Pineau-Valencienne has also been Director of Insead and the Fondation de France.

His qualities as a Manager and senior management Executive have led him to receive a number of distinctions. The *Nouvel Économiste* voted him Manager of the Year in 1991, while the Franco-American Chamber of Commerce voted him Man of the Year in 1993. Mr. Didier Pineau-Valencienne was also elected Chairman of the Social Commission of the CNPF (now the MEDEF) in 1997.

Mr. Gérard Théry

76 years old, French citizen.
Business address: GTA – 15, rue Raynouard, 75016 Paris – France.

Mr. Gérard Théry held 633 Pernod Ricard shares at 30 June 2009.

A graduate of the École polytechnique and former student of the École nationale supérieure des Télécoms in Paris, Mr. Gérard Théry was appointed CEO of French Télécoms from 1974 to 1987. Advisor to the Société Générale CEO from 1984 to 1989, he was then appointed Director of Management of Renault from 1989 to 1992. In 1995, he was appointed as Chairman of the Cité des Sciences et de l'Industrie, a position he held until 1998. He also chaired the Conseil de la SICAV "Génération numérique" until 2004. He was also Chairman of Société de Véhicules Électriques (Marcel Dassault Group) until 11 March 2008.

In addition to the various offices described above, Mr. Gérard Théry was appointed Chairman of the Fondation Mécénat Musical Société Générale and of the Association Albert Costa de Beauregard. He is Chairman of the Fondation Norbert Segard.

Mr. William H. Webb

70 years old, Australian citizen.
Business addresses: Riverina Enterprises – One East Putman Avenue, Greenwich, Connecticut 06830, USA and "Mandalay", 1 Wentworth Place, Point Piper, NSW 2027, Australia.

Mr. William H. Webb held 846 Pernod Ricard shares at 30 June 2009.

A graduate of the University of Melbourne (1959) and holder of an MBA from Columbia University, Mr. William H. Webb joined Philip Morris in 1966 where he was given the responsibility for the group's development in Asia, Australia and Canada. Appointed Vice President of Philip Morris Asia/Pacific Inc. in 1974, then Vice President of Philip Morris International in 1975, he became President of Benson & Hedges (Canada) Inc. in 1978.

In 1984, he was appointed Chief Executive Officer for the Australia/New Zealand region before being appointed in 1987 as Executive Vice-President of Philip Morris International in New York. From 1990 to 1993, he was President of Philip Morris Asia/Pacific in Hong Kong and in 1993 he was appointed President of Philip Morris International. In 1997, he assumed the position of Chief Operating Officer of

Philip Morris Companies Inc. until 2001. He was then appointed Vice-Chairman of the Board of Philip Morris Companies Inc. until August 2002.

A former Director of Kraft Foods Inc. (March 2001 to August 2002), he is a member of a number of Boards of Directors, as described in the Membership of the Board of Directors table.

Mr. César Giron

47 years old, French citizen.
Business address: Pernod SA, 120 avenue du Maréchal Foch, 94015 Créteil Cedex – France.

Mr. César Giron held 3,354 Pernod Ricard shares at 30 June 2009.

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, Mr. César Giron was appointed Chairman and CEO of Pernod SA, a French subsidiary of Pernod Ricard.

Mr. Cesar Giron is a member of the Management Board of Société Paul Ricard SA.

Mr. César Giron is the son of Ms. Danièle Ricard, also a Director of Pernod Ricard.

Mr. Wolfgang Colberg

50 years old, German citizen.
Business address: EVONIK Industries AG – Rellinghauser Str. 1-11,45128 Essen – Germany.

Mr. Wolfgang Colberg held 75 Pernod Ricard shares at 30 June 2009.

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 a member of the Board of Management. Since 2009, Mr. Wolfgang Colberg has been Chief Financial Officer of Evonik Industries AG and a member of the Board of Management.

Renewal of four terms of office of Directors and appointment of three new Directors

Seven terms of office of Directors reach expiry following this Shareholders' Meeting.

Mr. Didier Pineau-Valencienne, Mr. Gérard Théry and Mr. William H. Webb have decided not to solicit the renewal of their term of office.

Based on the advice of the Appointments Committee, the Board of Directors decided to propose the following points at the Shareholders' Meeting of 2 November 2009:

- the renewal for a term of four years of the Directorship of Ms. Danièle Ricard and of the company Paul Ricard, who will be represented by Mr. Alexandre Ricard starting from 2 November 2009, Mr. Jean-Dominique Comolli and Lord Douro;
- the appointment of Mr. Gérald Frère, of Mr. Michel Chambaud and of Mr. Anders Narvinger as Directors, for a term of four years.

The presentation notes for Mr. Alexandre Ricard, Mr. Gérald Frère, Mr. Michel Chambaud and Mr. Anders Narvinger are provided below.

Mr. Alexandre Ricard

37 years old, French citizen.
Business address: Irish Distillers Limited, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

Mr. Alexandre Ricard is a graduate of ESCP, 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 where he worked in the Audit and Development department at the Holding company. At the end of 2004, he was appointed Administrative and Financial Director of Irish Distillers and then in September 2006, CEO of Pernod Ricard Asia Duty Free. Mr. Alexandre Ricard has been Chief Executive Officer of Irish Distillers since July 2008 and member of Pernod Ricard's Executive Committee. Before joining Pernod Ricard he worked for seven years outside the Group in Management and Consulting for Accenture and in Mergers and Acquisitions Consulting for Morgan Stanley.

Mr. Alexandre Ricard is a grandson of Paul Ricard.

Current terms of office and duties:

Member of the Management Board of Société Paul Ricard SA.

Chairman and Chief Executive Officer of Irish Distillers Group.

Mr. Gérald Frère

58 years old, Belgian citizen.
Business address: 12, rue de la Blanche Borne, 6280 Loverval, Belgium.

Mr. Gérald Frère has been Managing Director of Groupe Bruxelles Lambert since 1993. In 1972, he joined the family business, the Frère-Bourgeois Group (Belgium).

He has been on the Board of Directors of Groupe Bruxelles Lambert since 1982 and chaired the Permanent Committee since 1993.

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

Current terms of office and duties:

Chairman of the Board of Directors: Compagnie Nationale à Portefeuille SA (CNP) (Belgium), Filux SA (Luxembourg), Gesecalux SA (Luxembourg), Stichting Administratie Kantoor Bierlaire (Netherlands), RTL Belgium (Belgium).

Vice-Chairman of the Board of Directors: Pargesa Holding SA (Switzerland).

Chairman of the Board of Directors and Managing Director: Haras de la Bierlaire SA (Belgium).

Chairman of the Permanent Committee and Managing Director: Groupe Bruxelles Lambert SA (Belgium).

Chairman of the Appointments and Remuneration Committee: Compagnie Nationale à Portefeuille SA (CNP) (Belgium).

Chairman of the Remuneration Commission: Banque Nationale de Belgique SA (Belgium).

Managing Director: Financière de la Sambre SA (Belgium), Frère-Bourgeois SA (Belgium).

Director: Power Financial Corporation (Canada), ERBE SA (Belgium), Fingen SA (Belgium), Fonds Charles-Albert Frère ASBL (Belgium), Stichting Administratie Kantoor Frère-Bourgeois (Netherlands), Suez-Tractebel SA (Belgium), Lafarge SA (France).

Commissioner: Agesca Nederland N.V. (Netherlands), Frère-Bourgeois Holding B.V. (Netherlands), Parjointco N.V. (Netherlands).

Regent of the Banque Nationale de Belgique SA (Belgium).

Member of the Budget Commission of the Banque Nationale de Belgique SA (Belgium).

Member of the Remuneration Committee: Power Financial Corporation (Canada).

Member of the Related Party and Conduct Review Committee: Power Financial Corporation (Canada).

Member of the Supervisory Board: Financial Services Authority (*Autorité des Services Financiers*) (Belgium).

Member of the Corporate Governance and Appointments Committee: Lafarge SA (France).

Honorary Consul of France.

Manager: Agriger SPRL (Belgium), GBL Energy Sàrl (Luxembourg), GBL Verwaltung Sàrl (Luxembourg).

Mr. Gérald Frère has also held the following offices in the past five years: Director of GBL Finance SA (Luxembourg), Chairman of Diane SA (Switzerland), Director of RTL Group SA (Luxembourg), Commissioner of N.F. Associated B.V. (Netherlands), Member of the Remuneration Commission, Member of the Strategic Committee and Member of the Supervisory Board of Taittinger Group SA (France), Director of Cobepa SA (Belgium) and Member of the Board of Trustees of Guberna.

Mr. Michel Chambaud

57 years old, French citizen.
Business address: Groupe Bruxelles Lambert (GBL) – Avenue Marnix, 24 – 1000 Bruxelles, Belgium.

A graduate of the École des Hautes Études Commerciales (1973) and 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 Bank under contract with the World Bank, concurrently founding Surf System (small 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 the subsidiaries of Parfinance (holding company listed in France, subsidiary of Pargesa), from 1996 to 2003, he was a member of the Management Board of Imerys, in charge of finance and strategy. Today he is responsible for monitoring the subsidiaries of Groupe Bruxelles Lambert (GBL).

Current terms of office and duties:

Managing Director of GBL TC (Belgium).

Member of the Supervisory Board of Filhet Allard (France).

Director of Steel Partners (Belgium).

Over the past five years, Mr. Michel Chambaud has also been a Manager at Nyala Finance Paris.

Mr. Anders Narvinger

61 years old, Swedish citizen.
Business address: The Association of Swedish Engineering Industries – P.O. Box 5510 – SE-114 85 Stockholm, Sweden.

Mr. Anders Narvinger, former Chairman and CEO of ABB Sweden, is CEO of the Association of Swedish Engineering Industries. He is also Chairman of the Board of Directors of Trelleborg AB (polymer technology), Alfa Laval AB (Swedish engineering company) and Coor Service Management Group AB (installation management services). Anders Narvinger holds degrees in engineering and economics and is a member of the Board of Directors of Volvo Car Corporation and JM AB (building and construction) and a board member of the International Chamber of Commerce (ICC) in Sweden.

Current terms of office and duties:

Managing Director of the Association of Swedish Engineering Industries (Sweden).

Chairman of the Board of Directors of Alfa Laval AB (Sweden).

Chairman of the Board of Directors of Trelleborg AB (Sweden).

Chairman of Coor Service Management Group AB (Sweden).

Chairman of V&S AB (Sweden).

Board member of Volvo Car Corporation.

Director of JM AB.

Director of the International Chamber of Commerce in Sweden.

Mr. Anders Narvinger has also held the following offices in the past five years: Chairman of the Economic Council of Sweden, Invest in Sweden Agency, the Lund Institute of Technology and Ireco Holding AB and V&S AB. Mr. Anders Narvinger will resign from his position as Chairman of V&S AB prior to the Pernod Ricard Shareholders' Meeting of 2 November 2009.

Convictions, bankruptcies, conflicts of interest and other information

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

To 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); 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 to intervene in the management or conduct of the business of a company.

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 Section, no restriction has been accepted by the members of the Board or General Management concerning the disposal of their stake in the share capital (article 14-2 of Appendix 1 to European Commission Regulation 809/2004).

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 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 in full.

This report was approved by the Board of Directors on 2 September 2009 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 "Limitations 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 transactions that fall outside the ordinary course of business before engaging the Company in any undertakings and, in particular, before:

- 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;
- selling investments with an enterprise value in excess of €50 million. Above this amount he must obtain the agreement of the Board of Directors.

Moreover, in accordance with Article 2 of the Internal Regulations, the CEO must ensure that the Board of Directors agrees to any significant transaction that is not in line with the strategy announced by the Company.

On 5 November 2008, 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 3 members at least 18 years of age, unless otherwise authorised by legal provisions. Each Director must own at least 50 registered 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 registration of this reference document, the Board of Directors had 14 members. 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.

Independence of Directors

The Company applies criteria of independence as expressed in the AFEP-MEDEF Corporate Governance Code for listed companies published in December 2008, which encompasses the October 2003 recommendations in addition to recommendations concerning remuneration issued in January 2007 and October 2008. A Director is considered to be independent when he/she does not maintain any relationship of any kind with the Company or Group or its management that could compromise the exercise of his/her independent judgment (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 twelve 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.

However, the AFEP-MEDEF recommendations expressly indicate that the Board may rule that a given criterion is irrelevant or that it requires interpretation that is specific to the Company. On this basis, despite the AFEP-MEDEF Code recommendation that a Director should lose his/her quality of independence at the end of the term in progress when his/her total length of service exceeds 12 years, this criterion was not applied for one Director of the Company due to his experience and authority, which confirm said Director's independence.

In compliance with these criteria, the Board of Directors is comprised of 14 members, including 7 independent Directors.

On 2 September 2009, the Board of Directors, following the advice of the Appointments Committee, decided to propose the appointment of three new Directors at the Shareholders' Meeting on 2 November 2009: Mr. Gérald Frère, Mr. Michel Chambaud and Mr. Anders Narvinger.

The Appointments Committee reviewed these three candidates and determined that Messrs Gérald Frère, Michel Chambaud and Anders Narvinger meet the independence criteria applied by the Company.

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.

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, 23 July 2008 and 22 July 2009. 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.

Assessment of the Board of Directors

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.

In application of the Corporate Governance recommendations and its Internal Regulations, the Board of Directors began a new in-depth analysis of the terms of its membership, its structure and its operation in 2009. The last formal review was performed in 2006. The purpose of the 2009 review was to assess the improvements made and define those that could be implemented to enhance efficiency.

The review was in the form of a self-assessment coordinated by the secretary of the Board with the assistance of an external consultant who was available to the Directors for any questions or further information.

Overall, the assessment was satisfactory in terms of the Board's operation, and the Board believes that the concrete measures taken since the previous review have improved efficiency.

As part of its constructive approach, which is critical by definition, the Directors expressed a number of recommendations:

- given the more challenging economic and market climate, they requested more detailed and more up-to-date information on the assessment of the main research companies as regards value and sector;
- while it considers that it has a good understanding of the Company's main risks, they requested a more formal approach in identifying, mapping and prioritising risks;
- at Board meetings, more focus should be given to examining the work of the Committees, as Directors who are not members of Committees expressed a desire for greater involvement.

Board 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 convene a Shareholders Meeting for the purpose of approving the financial statements.

(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.

Board meetings are called by the Chairman. The notice of the Board meeting sent to the Directors at least 8 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.

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 8 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. The Board is regularly informed of the state of business in the sector, its developments, competition and the main operational managers periodically present their businesses and business outlook to it.

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 fifteen days prior to publication of the annual results and net sales.

Responsibilities of the Board of Directors and activity in 2008/2009

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 outcomes 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 2009, the Board of Directors met 10 times with an attendance rate of 90%. Meetings lasted 3 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 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. It verified the conditions of integration of Vin&Sprit throughout the entire financial year.

In managing debt, it monitored the progress of the projected asset disposal programm, authorised a capital increase maintaining preferential subscription rights, initiated a programme to sell trade receivables and decided to proceed with a bond issue.

The Board decided to modify the operation of the General Management by separating the functions of Chairman of the Board and CEO, establishing the remuneration of Mr. Patrick Ricard and Mr. Pierre Pringuet in line with AFEP-MEDEF recommendations. It also carried out a formal appraisal of its work.

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 the section "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.

The 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 convened on 5 occasions during the 2008/2009 financial year. Committee members were present at all of these meetings. Its mission essentially consists in preparing the strategic policies submitted for approval to the Board of Directors.

Audit Committee

The Audit Committee is made up of:

Chairman:

Mr. Didier Pineau-Valencienne
(Independent Director)

Members:

Mr. François Gérard

Mr. Gérard Théry
(Independent Director)

Mr. Wolfgang Colberg
(Independent Director appointed at the Shareholders' Meeting of 5 November 2008)

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 2008/2009 financial year, the Audit Committee met 5 times, with an attendance rate of 94%.

Main roles of the Audit Committee

The main functions 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 for the appropriate treatment of material transactions at Group level;
- monitoring the preparation of financial information;
- analysing the options available when preparing the financial statements;
- 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;
- examining material risks and off-balance sheet commitments;
- supervising the procedure for selecting Statutory Auditors;
- giving the Board of Directors its opinion 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 and the amount of their fees and ensuring the compliance of the rules guaranteeing their independence;
- 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 2008/2009 financial year

In accordance with its internal regulations and in liaison with the Statutory Auditors, the Finance and Internal Audit departments, 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 audit and Corporate Governance matters;
- review of the interim financial statements at 31 December 2008 during the meeting of 11 February 2009;
- review of the consolidated financial statements at 30 June 2009 (these financial statements were reviewed at the Audit Committee meeting on 1 September 2009): 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;
- monitoring the Group's cash flow and debt;
- approval of the Group Internal Audit plan for 2009/2010 at the meeting of 15 June 2009. Every year, this Audit plan is set out and approved following a systematic risk analysis;
- risk management: the Group sent its main subsidiaries a self-assessment questionnaire making it possible to evaluate whether their internal controls were adequate and effective. In 2008/2009, this questionnaire was sent for the first time to new Group subsidiaries as a result of the acquisition of V&S in July 2008. Based on the Group's internal control principles and in compliance with the French Financial Markets Authority (AMF) Reference framework for Internal Control ("Cadre de référence de l'AMF sur le dispositif de contrôle interne") and its Application Guide, 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 1 September 2009;
- examination of the Internal Audit reports: despite the integration of V&S, 18 internal audits were performed during the 2008/2009 financial year. Each audit was the subject of a complete report that described the types of risks identified and how they are managed. 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 2009/2010

2009/2010 will be devoted to reviewing the main risks identified at Group level and validating the risk management procedures implemented by the different entities. All risks are taken into account: operational, financial, strategic and compliance risks.

The risks related to managing the working capital requirement and risks related to the adequacy of IT systems in relation to business requirements will be given special attention.

Appointments Committee

The Appointments Committee is made up of:

Chairman:

Mr. Jean-Dominique Comolli
(Independent Director)

Members:

Lord Douro
(Independent Director)

Ms. Danièle Ricard

Mr. Patrick Ricard, Chairman and CEO then Chairman of the Board of Directors as of 5 November 2008, attends the meetings of this committee, in particular those dealing with appointments.

During the 2008/2009 financial year, the Committee met 4 times with a 100% attendance rate.

The Committee covered the following issues:

- preparation of the renewal of five Directors at the Shareholders' Meeting on 5 November 2008. It also proposed the renewal of the terms of Messrs Patrick Ricard, Pierre Pringuet and Rafaël Gonzalez-Gallarza. These proposals were accepted. As Ms. Françoise Hémard and Mr. Richard Burrows did not request the renewal of their terms, the Appointments Committee proposed the appointment of Mr. Wolfgang Colberg and Mr. César Giron. These candidates were accepted at the Shareholders' Meeting in November 2008;
- review and recommendation to the Board of the terms and roles concerning the Chairman of the Board of Directors and the CEO, with regard to the separation of these functions;
- research and preparation of proposals to renew the terms of Directors for the Shareholders' Meeting on 2 November 2009. The proposals concern Lord Douro, Ms. Danièle Ricard, Mr. Jean-Dominique Comolli and the Paul Ricard company. Messrs Gérard Théry, Didier Pineau-Valencienne and William H. Webb did not request the renewal of their terms. The Committee reviewed a number of candidates and decided, with the consent of the Board, to propose Messrs Anders Narvinger, Gérald Frère and Michel Chambaud;
- for each candidate, the Committee reviewed the independence criterion in consideration of the duties conferred upon him/her and in line with AFEP-MEDEF recommendations.

At its meeting on 22 July 2009, the Appointments Committee adapted its Internal Regulations in line with AFEP-MEDEF recommendations. Duties were therefore adjusted and now 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.

Remuneration Committee

The Remuneration Committee is made up of:

Chairman:

Mr. Jean-Dominique Comolli
(Independent Director)

Members:

Lord Douro
(Independent Director)

Mr. William H. Webb
(Independent Director)

During the 2008/2009 financial year, the Remuneration Committee met 3 times. The Chairman and Lord Douro were present at each of these meetings. Mr. William H. Webb was absent due to health issues but was able to dialogue occasionally with Committee members.

Report on the work carried out during the 2008/2009 financial year

The Remuneration Committee carried out a detailed review of the compliance of the remuneration policy of Pernod Ricard Executive Directors with the AFEP-MEDEF recommendations of October and December 2008.

Further details of all of this work are provided in the section "Remuneration of Directors" in the Management Report. The following points are covered in this section:

1. the remuneration policy for members of the Board of Directors;
2. the remuneration policy for Executive Directors:
   a. Individual remuneration,
   b. Stock option policy,
   c. Obligation to retain shares,
   d. Impact of AFEP-MEDEF recommendations,
   e. Additional pension schemes;
3. the other items in the remuneration policy:
   a. Remuneration of members of the Executive Committee,
   b. Stock option and bonus share plans,
   c. Employee profit-sharing.

At its meeting on 22 July 2009, the Remuneration Committee adapted its Internal Regulations in order to better take AFEP-MEDEF recommendations into account:

- 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;
- proposing rules, 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 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.

Management structure

General Management

- As of 5 November 2008, Group General Management is provided by the Chief Executive Officer, Mr. Pierre Pringuet, who is supported by four Managing Directors. 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:
  - **Emmanuel Babeau,** Managing Director, Finance[1],
  - **Thierry Billot,** Managing Director, Brands,
  - **Michel Bord,** Managing Director, Distribution Network,
  - **Bruno Rain**, Managing Director, Human Resources;
- **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 Owners and Distribution Subsidiaries). 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 market plan;
- gives its opinion regarding the establishment of objectives (income statement, debt and qualitative objectives);
- periodically reviews the brands' strategies;
- analyses the performance of the network of the Group's Distribution Subsidiaries and Brand Owners 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 citizenship, etc.).

It meets 6 to 8 times a year.

The Executive Committee is made up of:

Brand Owner Subsidiaries

- Chivas Brothers, Christian Porta, Chairman and CEO.
- Martell Mumm Perrier-Jouët, Lionel Breton, Chairman and CEO.
- Pernod Ricard Pacific, Jean-Christophe Coutures, Chairman and CEO.
- Irish Distillers, Alexandre Ricard, Chairman and CEO.
- The Absolut Company, Ketil Eriksen, Chairman and CEO[2].

Distribution Network Subsidiaries

- Pernod Ricard Americas, Alain Barbet, Chairman and CEO[3].
- Pernod Ricard Asia, Philippe Dréano, Chairman and CEO[4].
- Pernod Ricard Europe, Laurent Lacassagne, Chairman and CEO.
- Pernod, Pierre Coppéré, Chairman and CEO[5].
- Ricard, Philippe Savinel, Chairman and CEO.

(1) Until 30 June 2009. As of 1 July 2009, Gilles Bogaert is Managing Director in charge of Finance.
(2) Until 30 June 2009. As of 1 July 2009, Philippe Guettat is Chairman and CEO of The Absolut Company.
(3) Until 31 December 2008, Alain Barbet. As of 1 July 2009, Philippe Dréano is Chairman and CEO of Pernod Ricard Americas.
(4) Until 30 June 2009. As of 1 July 2009, Pierre Coppéré is Chairman and CEO of Pernod Ricard Asia.
(5) Until 30 June 2009. As of 1 July 2009, César Giron is Chairman and CEO of Pernod.

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

The Group's Internal Control principles and procedures follow Corporate Governance guidelines which are compliant with the AMF Reference Framework for internal control and its application guide (AMF French Financial Markets Authority, 17, place de la Bourse, 75082 Paris Cedex 02).

Definition of internal control

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

- firstly 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, applicable law and regulations, and with Group values, standards and internal rules;
- secondly to ensure that the accounting, financial and management information provided to the bodies responsible for Corporate Governance in the Group fairly reflects the performance and the financial position of the companies in the Group.

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

Internal control bodies

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

At Group level

The **Group Executive Committee** is comprised of Group General Management, the Managing Directors (in charge of Brands, Finance, the Distribution Network and Human Resources), the General Counsel of the Holding Company and the Chairmen and CEOs of Brand Owner and Distribution subsidiaries. In addition to the review of the Group's commercial and financial performance, it addresses all general matters regarding the Group and its subsidiaries. The Committee met eight times in the 2008/2009 financial year.

The **Regional Executive Committees**, put in place as from January 2006, are the equivalent of the Group Executive Committee at the level of each Region. Group General Management regularly participates in these meetings which take place twice a year.

The Group's **Internal Audit** department is attached to the Holding Company's Finance Department and reports to Group General Management and the Audit Committee. It comprises teams located both in the Holding Company and in the Regions. The Audit plan is determined following an analysis of risks and is validated by Group General Management and the Audit Committee. It provides the details of the audit missions foreseen as well as the main themes that will be dealt with.

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

Risk identification and management

The 2008/2009 financial year was devoted to:

- continuing the analysis of the control of the Group's operational and financial risks through audit missions and in preparing the 2009/2010 Audit plan;
- the implementation of the self-assessment questionnaire on internal control and risk management. This questionnaire was modified in 2007/2008 to comply with the Reference Framework for internal control and its Application Guide published by the AMF in January 2007;

- audit missions: 18 internal audits were performed in 2008/2009, despite the various teams' high involvement in the integration of V&S. The objectives of these audits were notably to ensure that the Group's internal control principles were correctly applied within its subsidiaries. They were also used to assess efficiency in managing the working capital requirement and the main industrial and IT projects.

The key areas for improvement identified were addressed in specific action plans, 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** 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, the Managing Directors in charge of Brands, the Distribution Network, Human Resources and Finance and the General Counsel of the Holding Company.

The **Internal Audit Charter** is for all collaborators who have a management and audit position. It defines the standards, the missions, the responsibilities, the organisation and the operating mode of the Group Internal Audit 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 internal control cycles identified, enable the subsidiaries to concentrate on the internal control procedures related to the Group's main risks.

Updated in 2007/2008 to comply with the AMF Reference Framework for internal control, the **self-assessment questionnaire** is based on the Group's internal control policies. In particular, it covers Corporate Governance practices, operational matters and IT support and risk analysis.

Submitted to the Group's main subsidiaries, it enables them to assess the adequacy and the effectiveness of their internal control. 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 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 **Environment and Quality Charter** sets out the rules to be complied with in these areas. The Industrial Operations department of the Holding Company is in charge of ensuring that they are followed. An annual report is presented by this department to the Group Executive Committee.

Budgetary control is organised around three key areas: the annual budget (revised during the year), monthly reporting to monitor performance and the three-year strategic plan. Budgetary control is exercised by the management control teams attached to the finance departments of the Holding Company and the Regions. 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 Holding Company;
- 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 Group Executive Committee and at meetings of the Board of Directors and the Audit Committee;
- a three-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 input all its accounting and financial data directly.

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

Legal and operational control of the Holding Company over its subsidiaries

Subsidiaries are mostly wholly-owned, either directly or indirectly.

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 "General Organisation of the Group" paragraph of this report, 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 team of the Holding Company'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 team, 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 in the consolidation package completed by each subsidiary;
- use of a single software package by Group subsidiaries. The maintenance of this software package and user training are carried out by the Holding Company'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 engages 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 SA Parent Company financial statements

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

Paris, 3 September 2009

Patrick Ricard

Chairman of the Board of Directors

Statutory Auditors' Report

Report of the Statutory Auditors drawn up in application of Article L. 225-235 of the French Commercial Code regarding 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 SA, and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we present our report on the report prepared by the Chairman of your Company's Board of Directors in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ended 30 June 2009.

It is the responsibility of the Chairman to draw up and submit for approval of the Board of Directors a report on the internal control and risk management procedures set up in the Company that provides the other information required by Article L. 225-37 on Corporate Governance systems.

It is our responsibility to:

- report to you our observations on the information set out in the Chairman's report concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- attest that this report includes the other information required by Article L. 225-37 of the French Commercial Code, with the understanding that it is not our role to verify the fairness of this other information.

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

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we carry out procedures in order to assess the fairness of the information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. In particular, these procedures consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information used in drawing up the Chairman's report as well as the existing documentation;
- obtaining an understanding of the work that has allowed the preparation of this information and of the existing documentation;
- determining whether the major deficiencies in internal control or risk management procedures relating to the preparation and processing of financial and accounting information that we have observed in performing our audit are reported adequately in the Chairman's report.

On the basis of the procedures we have performed, we have no matters to report in connection with the information concerning the Company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the report of the Chairman of the Board of Directors, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We attest that the report of the Chairman of the Board of Directors includes the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	**Mazars**
Alain Penanguer	Loïc Wallaert

3 MANAGEMENT REPORT

Key figures from the consolidated financial statements for the year ended 30 June 2009

The tables below give the key figures for the last three years.

Key income statement figures

In euro million	30.06.2007	30.06.2008	30.06.2009
Net Sales	6,443	6,589	7,203
Profit from recurring operations	1,447	1,522	1,846
Operating profit	1,467	1,441	1,757
GROUP NET PROFIT	**831**	**840**	**945**
Group net profit per share – diluted *(in euro)*(1)	3.65	3.65	3.99
GROUP NET PROFIT FROM RECURRING OPERATIONS	**833**	**897**	**1,010**
Group net profit from recurring operations per share – diluted *(in euro)*(1)	3.65	3.89	4.27

(1) Earnings per share for the years ended 30 June 2008 and 2007 have been restated to take into account the exercise of preferential subscription rights at the time of the 14 May 2009 capital increase. Earnings per share at June 30, 2007 have also been adjusted following the splitting of the nominal amount of the share in two on 15 January 2008.

Key balance sheet figures

In euro million	30.06.2007	30.06.2008	30.06.2009
Assets			
Non-current assets	14,010	12,885	19,250
Current assets	5,462	5,546	5,446
Assets held for sale	-	-	178
TOTAL ASSETS	**19,472**	**18,431**	**24,875**
Liabilities and shareholders' equity			
Consolidated shareholders' equity	6,458	6,597	7,615
Non-current liabilities	10,155	8,687	14,425
Current liabilities	2,859	3,147	2,774
Liabilities held for sale	-	-	60
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19,472**	**18,431**	**24,875**

Key cash flow statement figures

In euro million	30.06.2007	30.06.2008	30.06.2009
Net change in cash flow from operating activities	69	268	1,126
Net change in cash flow from investing activities	(173)	(229)	(5,113)
Net change in cash flow from financing activities	(9)	42	4,121
Cash flow from discontinued operations	-	-	8
Cash and cash equivalents at beginning of period	447	383	421
Cash and cash equivalents at end of period	383	421	520

Analysis of business activity and results

Presentation of results

Despite a major global economic and financial crisis in 2008/2009, Pernod Ricard was able to demonstrate the effectiveness of its growth model, which is based on:

- a business that has shown its resilience during slowdowns in the economy;
- a diversified geographic footprint, with leadership positions in emerging markets that have demonstrated their capacity to maintain satisfactory growth in a depressed global environment;
- a portfolio of prestigious brands covering all segments of the Wine and Spirits market;
- a decentralised and therefore highly responsive organisation, capable of adjusting its expenses swiftly whenever necessary to preserve its earnings and its capacity to generate cash.

Aside from the marketing and financial performances, 2008/2009 saw the successful integration of the Vin&Sprit group, the owner of premium vodka ABSOLUT, which Pernod Ricard acquired on 23 July 2008. The transfer of the ABSOLUT brand distribution to the Pernod Ricard Network on 1 October, with the early termination of distribution contracts with Future Brands in the United States and Maxxium in most of the other non-Scandinavian markets, and the fact that this year the Group has already achieved €110 million of the targeted €150 million in target acquisition synergies provide clear illustrations of this success.

Growth in the Group's operating profit was also bolstered by favourable trends in foreign exchange rates across the board, allowing the consolidated operating margin to reach 25.6% of sales in 2008/2009, up from 23.1% in 2007/2008, i.e. a noteworthy 250-basis-point increase.

All regions benefited, in differing degrees, from the combination of resilient sales, the integration of Vin&Sprit and favourable foreign exchange rate trends, recording growth in their operating profits. Growth was particularly strong in France, the Americas and Asia.

The comparative results are shown below:

In euro million	30.06.2008	30.06.2009
Sales	6,589	7,203
Gross margin after logistics costs	3,766	4,208
Contribution after advertising & promotion expenses	2,588	2,971
Profit from recurring operations	1,522	1,846
Operating margin	*+23.1%*	*+25.6%*
Group net profit from recurring operations(1)	897	1,010
Group net profit	840	945
Group net profit per share from recurring operations – diluted(2) (in euro)	3.89	4.27
GROUP NET PROFIT PER SHARE – DILUTED(2) (IN EURO)	**3.65**	**3.99**

(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 discontinued operations.*
(2) *Earnings per share for the year ended 30 June 2008 have been restated to take into account the exercise of preferential subscription rights at the time of the 14 May 2009 capital increase.*

Annual consolidated sales were €7,203 million in 2008/2009, an increase of 9.3%.

This growth stemmed from:

- the resilience of the Group's business despite the current challenging economic environment and significant inventory reductions;
- the highly favourable impact from the acquisition of the Vin&Sprit group on 23 July 2008.

The contribution after advertising & promotion expenses was €2,971 million at 30 June 2009, an increase of 14.8%, with organic growth coming to 2.1%.

Profit from recurring operations increased by 21.3%, or organic growth of 3.6%, thanks to the improvement in the operating margin on the back of savings on advertising & promotion expenses in part attributable to falling media prices and an extremely tight rein on overheads.

GROUP NET PROFIT FROM RECURRING OPERATIONS PER SHARE – DILUTED

In euro million	30.06.2008	30.06.2009
Profit from recurring operations	1,522	1,846
Interest (expense) income from recurring operations	(333)	(619)
Corporate income tax on recurring operations	(263)	(204)
Minority interests, profit from discontinued operations and share of net income from associates	(29)	(13)
Group net profit from recurring operations	897	1,010
Number of shares in circulation – diluted(1)	230,321,233	236,490,745
In euro		
Group net profit per share from recurring operations – diluted	4.13	-
Group net profit per share from recurring operations – diluted(1)	3.89	4.27

(1) After taking into account the exercise of Preferential Subscription Rights at the time of the 14 May 2009 capital increase.

Group net profit from recurring operations was €1,010 million at 30 June 2009, an increase of 12.6%. The Group net profit from recurring operations per diluted share was €4.27; an increase of 9.7% compared with 30 June 2008, after taking into account the exercise of Preferential Subscription Rights on 14 May 2009.

Business activity by geographic area is set out in the tables below:

FRANCE

In euro million	30.06.2008	30.06.2009	Organic growth	
Net Sales	711	735	17	+2.4%
Gross margin after logistics costs	496	518	8	+1.7%
Contribution after advertising & promotion expenses	325	348	13	+3.9%
Profit from recurring operations	149	178	18	+11.8%

EUROPE

In euro million	30.06.2008	30.06.2009	Organic growth	
Net Sales	2,171	2,417	(61)	(2.9)%
Gross margin after logistics costs	1,269	1,302	(60)	(4.8)%
Contribution after advertising & promotion expenses	929	963	(15)	(1.6)%
Profit from recurring operations	530	537	7	+1.4%

AMERICAS

In euro million	30.06.2008	30.06.2009	Organic growth	
Net Sales	1,700	2,027	(17)	(1.1)%
Gross margin after logistics costs	961	1,253	(14)	(1.6)%
Contribution after advertising & promotion expenses	678	907	(3)	(0.5)%
Profit from recurring operations	421	636	0	0.0%

ASIA AND REST OF THE WORLD

In euro million	30.06.2008	30.06.2009	Organic growth	
Net Sales	2,007	2,023	34	+1.7%
Gross margin after logistics costs	1,040	1,136	39	+3.7%
Contribution after advertising & promotion expenses	657	753	59	+9.0%
Profit from recurring operations	422	495	28	+6.6%

TOTAL

In euro million	30.06.2008	30.06.2009	Organic growth	
Sales	6,589	7,203	(26)	(0.4)%
Gross margin after logistics costs	3,766	4,208	(27)	(0.7)%
Contribution after advertising & promotion expenses	2,588	2,971	53	+2.1%
Profit from recurring operations	1,522	1,846	53	+3.6%

Sales and volumes

Pernod Ricard's sales grew by 9.3% in 2008/2009, breaking down as a contraction of 0.4% in organic terms, a negative currency effect of 1.8% and an extremely positive impact of 11.5% from change in the scope of consolidation. Growth was attributable to:

- the overall resilience of spirit consumption in all Western markets and the persistence of sustained growth in emerging markets;
- Pernod Ricard's focus on its 15 strategic brands, which accounted for more than 55% of Group sales, but nearly 75% of total advertising & promotion expenses;
- the quality and variety of the portfolio, which enable Pernod Ricard to adapt its range on all markets, presenting world leader brands in each of the most dynamic categories on each market;
- the premium positioning of Pernod Ricard's portfolio of 15 strategic brands (Whiskies, Cognac, Champagne), as well as 30 leading brands in local markets, where they offer an attractive alternative to consumers in countries where access to imported brands has been restricted by currency devaluations or by a reduction in purchasing power sparked by the prevailing crisis;
- the strength of Pernod Ricard's sales network and, in particular, its leading position in emerging markets..

The significant contribution from the acquisition of the Vin&Sprit group allowed Spirit sales to increase by 10% over the year. The Wine business enjoyed growth of 8%, thereby confirming its recovery and its strong growth potential.

In 2008/2009, despite a major global economic downturn and by significant inventory reductions, especially in the third quarter, 5 of the Group's 14 strategic brands (excluding ABSOLUT) recorded further organic growth in value: Martell (+12%), Jameson (+8%), The Glenlivet (+7%), Mumm (+3%) and Havana Club (+3%). By contrast, the Perrier-Jouët brand (-11%) was badly hurt by its presence in the United States, where the champagne market has encountered severe difficulties. Similarly, Montana (-13%) suffered in an intensely competitive environment. Sales of Montana (-13%) reflect significant inventory reductions, while consumption continued to grow in its main markets.

	Volumes	Volumes	Net organic sales growth
In millions of 9-litre cases	30.06.2008	30.06.2009(1)	30.06.2009(1)
ABSOLUT	-	10.2(2)	-
Chivas Regal	4.5	4.2	(2)%
Ballantine's	6.4	6.2	(5)%
Ricard	5.6	5.4	(2)%
Martell	1.6	1.5	+12%
Malibu	3.7	3.4	(7)%
Kahlúa	2.1	1.8	(15)%
Jameson	2.6	2.7	+8%
Beefeater	2.4	2.3	(1)%
Havana Club	3.2	3.4	+3%
The Glenlivet	0.6	0.6	+7%
Jacob's Creek	8.0	7.8	0%
Mumm	0.7	0.7	+3%
Perrier-Jouët	0.2	0.2	(11)%
Montana	1.4	1.2	(13)%
15 STRATEGIC BRANDS	**42.9**	**51.5**	**0%**

(1) Growth in volumes and sales calculated on the 14 strategic brands (excluding ABSOLUT).
(2) Reconstituted 12-month volumes (from 1 July 2008 to 30 June 2009).

Noteworthy successes were also notched up by several local brands whose volumes experienced strong growth: Royal Stag in India (+22%), Something Special in Latin America (+18%), Wyborowa in Poland (+17%) and Clan Campbell in France (+8%).

Finally, in 2008/2009, as in the two previous years, all four of the Group's regions (France, Europe excluding France, the Americas and Asia/Rest of the World) contributed to growth in consolidated sales.

Contribution after advertising & promotion expenses

The contribution after advertising & promotion expenses was up 14.8%, with organic growth coming to 2.1% and favourable impact from change in the scope of consolidation. The geographic breakdown was as follows:

- Asia/Rest of the World recorded growth of 14.5% (organic growth of 9.0%), with a significant increase in the gross margin on the back of price increases, a mix/quality improvement for Martell and a highly favourable currency impact across the board stemming from the revaluation of the Chinese yuan, the Japanese yen, and the devaluation of the pound sterling;
- the Americas recorded growth of 33.9% (organic contraction of 0.5%), thanks to the consolidation of ABSOLUT, which triggered a substantial increase in sales and the contribution to the margin;
- Europe recorded growth of 3.7% in its contribution after advertising & promotion expenses (organic contraction of 1.6%), with contrasting situations in Western Europe and a robust performance in Eastern Europe. The consolidation of Vin&Sprit's local brands explains the drop in contribution after A&P expenses to sales ratio of the portfolio in Europe;
- France recorded growth of 7.2% (organic growth of 3.9%), buoyed by the strength of the Mumm, Ballantine's and Clan Campbell brands, as well as by a favourable currency impact attributable to the decline of sterling.

Profit from recurring operations

Profit from recurring operations increased by 21.3%, an increase of 3.6% in organic terms.

This remarkable performance stemmed from:

- the resilience of the Group's operations, with organic sales edging down by only (0.4)%;
- a big improvement in the operating margin, which gained 90 basis points at constant exchange rates and scope of consolidation;
- a highly favourable impact from the acquisition of Vin&Sprit.

All in all, the 2008/2009 operating margin came to 25.6%.

Interest (expense) income

Interest (expense) income from recurring operations was €(619) million, a deterioration of €286 million compared with 2007/2008.

Net interest expense, following the 23 July 2008 signing of a new syndicated loan within the framework of the Vin&Sprit acquisition, increased by €(265) million to €(581) million.

Other financial profit and expenses from recurring operations were €(38) million, compared with €(17) million in 2007/2008. They were impacted chiefly by investment and structuring fees totalling €(15) million, the impact of return on assets and the discounting of pension provisions totalling €(19) million.

Net interest income (expense) was €(71) million, breaking down as follows:

- currency translation adjustments totalling €(22) million;
- the accelerated amortisation of investment and structuring fees on syndicated loans in 2005 and 2008, and other banking fees and commissions totalling €(29) million;
- the impact of the time value variation (€(14) million) on financial instruments issued in May 2008 to cover debt taken out in July 2008 for the purchase of Vin&Sprit.

Other operating income and expenses

Other operating income and expenses were €(89) million, consisting of restructuring and consolidation expenses totalling €(117) million, a net gain of €225 million from capital gains or losses on the disposal of assets (mainly the Wild Turkey brand, sold for $581 million[1]), €(146) million covering the impairment of intangible and tangible assets, and other income and expenses totalling €(51) million, including costs relating to the early termination of V&S distribution contracts.

Group net profit

Group net profit was €945 million as of 30 June 2009, an increase of €105 million or 12.5% compared with 2007/2008.

(1) *Subject to a pending price adjustment.*

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 18 – *Financial instruments* in the Notes to the consolidated annual financial statements. The following table shows the change in net debt over the year:

In euro million	30.06.2008	30.06.2009
Profit from recurring operations	1,522	1,846
Other operating income and expenses	(166)	(205)
• Depreciation of fixed assets	166	157
• Net changes in provisions, excluding investments in the pension funds acquired from Allied Domecq	(120)	(81)
• Net change in impairment of goodwill and intangible assets	3	147
• Fair value adjustments on commercial derivatives and biological assets	(8)	(8)
• Net (gain)/loss on disposal of assets	(4)	(225)
• Share-based payment	36	38
• Non-cash impact from other operating income and expenses(1)	108	115
SUB-TOTAL DEPRECIATION OF FIXED ASSETS, CHANGE IN PROVISIONS AND OTHER	**181**	**141**
Self-financing capacity	1,537	1,782
Decrease/(increase) in net working capital requirements(1)	(533)	246
Net interest and tax payments(3)	(501)	(794)
Net acquisitions of non-financial assets and other(2)	(188)	(197)
Free cash flow	315	1,037
Net disposals of financial assets, investments in the pension funds acquired from Allied Domecq and others(2)(3)	(277)	367
Change in the scope of consolidation	0	(5,933)
• Capital increase and other change in shareholders' equity	13	1,001
• Dividends paid	(280)	(301)
• (Acquisition)/disposal of treasury shares	196	6
SUB-TOTAL DIVIDENDS, PURCHASE OF TREASURY SHARES AND OTHER	**(71)**	**707**
Decrease/(increase) in debt (before exchange-rate impacts)	(34)	(3,823)
Net effect of exchange rate changes	405	(922)
DECREASE/(INCREASE) IN DEBT (AFTER EXCHANGE-RATE IMPACTS)	**372**	**(4,746)**

(1) As of 30 June 2008, after restatement for the non-cash impact of the cancellation of the 30 million dollar advance historically granted to SPI Group.
(2) As of 30 June 2008, after the reclassification as acquisitions of financial assets of the payment made to SPI Group in March 2008, constituting an expense attributable directly to the acquisition of V&S.
(3) As of 30 June 2008, after the reclassification of a residual charge relating to the disposal of operations acquired from Allied Domecq with a view to being sold.

The setting up of various programmes involving the factoring or sale of receivables had the following impact as of 30 June 2009:

- a €351 million improvement in working capital requirements;
- a €(22) million increase in financial assets (security deposits paid to banks).

Outlook

Despite an immensely challenging environment, **the Group posted a very satisfactory performance in 2008/2009** thanks to:

- resilient sales, confirming the strength of Pernod Ricard's portfolio and distribution network;
- the swift and accretive integration of Vin&Sprit and ABSOLUT vodka;
- a remarkable increase in margins and earnings, even though advertising & promotion investment in strategic brand/market combinations remain strong;
- rapid and significant debt reduction.

This performance demonstrates the effectiveness and robustness of the Group's strategy, as well as the commitment and responsiveness of its global workforce.

For 2009/2010, Pernod Ricard expects the overall economic environment to remain challenging and the Wines & Spirits industry as a whole to stagnate, with contrasting situations in different countries and product categories. The comparison basis will be unfavourable in the first half-year, and especially so in the first quarter, due to the very strong performance recorded in the first half of 2008/2009. By contrast, the comparison basis in the second half of 2009/2010 will be favourable, the second half of 2008/09 having been adversely affected by the impact of the crisis and significant inventory reductions.

Broadly speaking, **the Group looks ahead into 2009/2010 with confidence and determination,** thanks to the **robustness of its strategy,** the planned **strengthening of investments on its 15 strategic brands and the numerous measures taken to cut costs.**

The Group's strategy is built on the **following strengths:**

- the coverage of the global market, with particularly strong presence in the emerging markets, which offer the most attractive prospects for growth;
- the quality of the portfolio, and particularly its 15 strategic brands;
- the marketing and commercial brand-building know-how;
- the excellence of the decentralised business model;
- the implication of employees linked together by a strong culture and sense of ethics;
- the Premiumisation strategy.

The strategic brands/markets will benefit from **increased advertising & promotion investment in 2009/2010,** with a range of marketing initiatives underway and/or planned, including:

- new marketing platforms: Mumm and Jacob's Creek;
- new packaging: Chivas 12 years, Havana Club 7 years;
- new campaigns: ABSOLUT 2.0, Malibu, Jameson, the 360° rollout of the "Chivalry" campaign;
- the development of digital communications for all strategic brands.

Numerous measures have also been taken to **cut costs, including:**

- limits to the increase of commodity prices;
- overhead restructuring;
- a rigorous wage policy;
- Vin&Sprit synergies;
- the reduction in the average cost of debt.

The Group's priorities for 2009/2010:

- **the reinforcement of investments on its strategic brands;**
- **to continue reducing the debt load** with the continuation of the €1 billion asset disposal plan and the generation of total free cash flow from recurring operations of roughly €3 billion in the three years from 2008/2009 to 2010/2011.

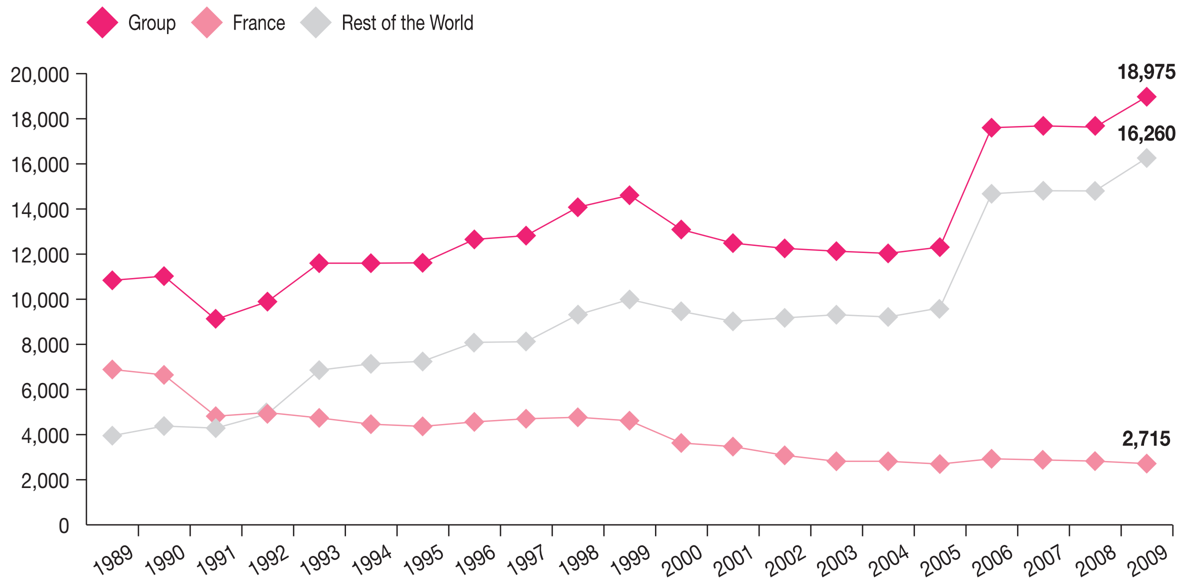
Human resources

Number of employees

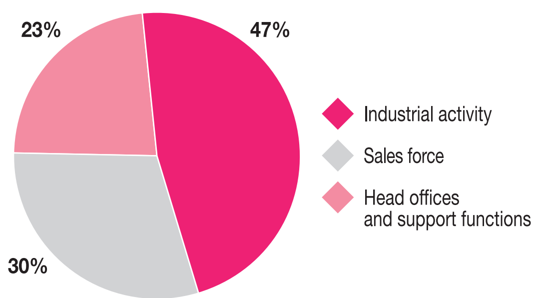
Growth in number of employees worldwide

As of 30 June 2009, Pernod Ricard had 18,975 employees worldwide. The growth in the headcount between June 2008 and June 2009 is due chiefly to the consolidation of Vin&Sprit's workforce.

The Group's headcount has grown by 35% due to major acquisitions made over the last ten years.

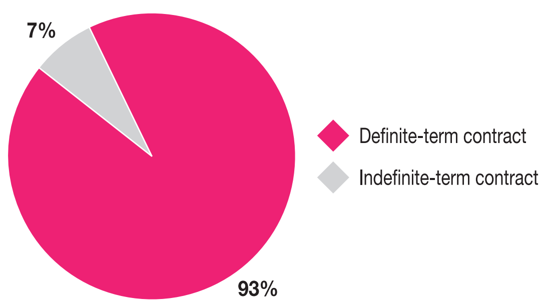


Breakdown of average workforce by sector of activity



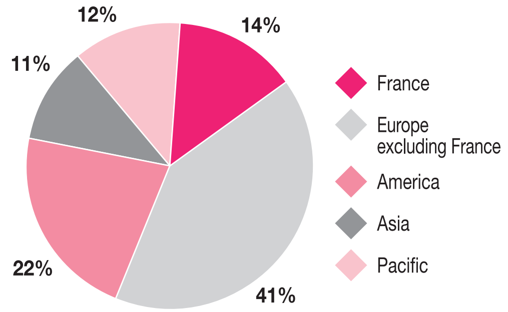
The industrial sector accounts for the lion's share of the main sectors of activity within the Group (47% of the workforce). Another 30% of the Group's employees work in sales.

Breakdown of average workforce by type of employment contract



The proportion of short-term contracts fell slightly (-2%) compared with 2007/2008, reinforcing the Group's commitment to its long-term future.

Breakdown of employees worldwide as of 30 June 2009



The integration of Vin&Sprit's employees strengthens the Group's international dimension, bringing the proportion of the workforce outside France to 86% (versus 84% last year).

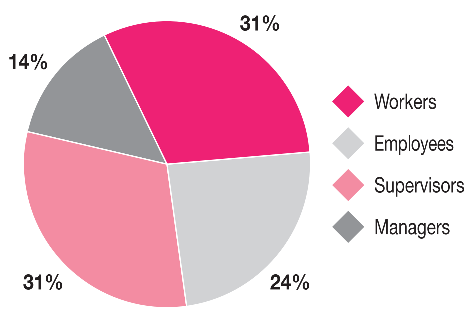
Staff by region

	2007	2008	2009
Pernod Ricard Group	**17,684**	**17,625**	**18,975**
France	2,876	2,825	2,715
Europe excluding France	6,062	6,229	7,688
America	4,265	4,181	4,167
Asia	1,849	1,968	2,040
Rest of the World	2,632	2,422	2,365

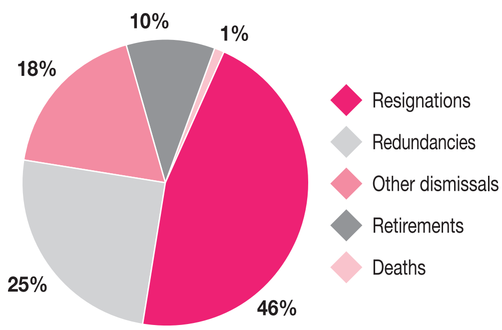
Staff turnover

	Resignations	Average annual headcount (indefinite contracts)	Turnover rate
Workers	155	5,117	3%
Employees	317	4,208	8%
Supervisors	352	5,749	6%
Managers	94	2,598	4%
TOTAL	**918**	**17,672**	**5%**

Breakdown of staff by category



Staff movements



Directors' compensation

Compensation policy for members of the Board of Directors

A total of €692,250 in Directors' fees was paid to members of the Board of Directors for the 2008/2009 financial year, out of the €750,000 allocated by the 5 November 2008 Shareholders' Meeting. Directors' compensation takes into account their effective attendance at Board meetings and their membership (or otherwise) of one or more committees. A committee-based hierarchy has been set up. In addition, fixed and variable parts have been introduced into Directors' compensations by meeting in order to take absenteeism into account. As from 20 September 2005, the Board of Directors supplemented these rules by granting non-resident Directors a travel bonus, which only relates to the variable portion of remuneration. In addition, during its meeting on 17 September 2008, the Board of Directors decided to grant an additional allocation to the Chairman of the Audit Committee. Messrs Ricard and Pringuet are not eligible for Directors' fees.

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

Directors	Amounts paid in N – 1 (2007/2008)	Amounts paid in N (2008/2009)
Ms. Nicole Bouton	28,675	42,800
Mr. Richard Burrows(1)	42,015	22,780
Mr. Jean-Dominique Comolli	69,575	68,000
Mr. Wolfgang Colberg(2)	N.A.	39,160
Lord Douro	76,575	76,800
Mr. François Gérard	71,525	72,500
Mr. César Giron(2)	N.A.	35,130
Mr. Rafaël Gonzalez-Gallarza	49,025	48,300
Ms. Françoise Hémard(2)	40,025	16,180
Mr. Didier Pineau-Valencienne	62,525	69,800
Ms. Danièle Ricard	55,800	57,600
Mr. Gérard Théry	62,525	64,800
Mr. William H. Webb	63,800	35,600
Société Paul Ricard SA	38,025	42,800
TOTAL	**660,090**	**692,250**

(1) Term expired in November 2008.
(2) Term begun in November 2008.

Compensation policy for the Executive Directors

The main task given by the Board of Directors to the Remuneration Committee is to define a compensation policy for the Executive Directors. Every year, Committee members are asked to review the various elements making up this compensation, namely the level and value of fixed and variable compensation, the amounts and volumes of stock options, and the retirement and Social security benefits enjoyed by Pernod Ricard's Executive Directors.

Committee members aim to recommend a competitive overall compensation package for the Executive Directors. The package is based on a constant and regular increase in the fixed portion every year, as well as a variable portion linked to the Group's economic performances. The variable portion is intended to provide a genuine incentive. Executive Directors, like most of the Group's managers and employees, generally devote a large part of their career to Pernod Ricard, and the Group's compensation policy takes this into account by offering regular rewards for medium- and long-term loyalty.

The fixed portion of the Executive Directors' compensation is reasonable in the light of the Group's organisation and the high level of responsibility incumbent on its Executives. The Committee and the Board of Directors aim to provide an incentive for managers to meet ambitious targets for the Group's growth, while at the same time ensuring that the fixed portion remains appropriate.

Committee members also take care to recommend simple and easily understandable measures, in terms of change in the compensation offered to the Executive Directors as well as the way in which they receive their compensation. To this end, the Committee has for some years advised against allowing the Executive Directors to collect directors' fees. Accordingly, their direct compensation is made up exclusively of a fixed annual compensation topped up by variable compensation.

In addition, again for a number of years, Pernod Ricard has been committed to transparency with respect to its Executive Directors' compensation, even before this became mandatory under French law.

The Board of Directors confirmed its commitment to transparency over the year, and information pertaining to the Executive Directors' compensation was posted on the Group's website as soon as the Board of Directors endorsed the AFEP/MEDEF recommendations in February 2009.

Variable compensation can amount to 110% of fixed compensation if targets are fully met, and up to a limit of 180% if financial targets are substantially exceeded. Variable compensation is set primarily on the basis of quantitative targets reviewed annually on the basis of the strategic priorities set by the Board of Directors. A qualitative assessment of the Executive Directors' performance is made on top of the assessment relating purely to financial targets.

On the basis of a proposal issued by the Remuneration Committee, the Board of Directors modified the debt-reduction criterion early in the 2008/2009 financial year. The goal was partly to base the assessment of executive performance on control of the Net debt/EBITDA ratio (in accordance with the terms of the syndicated bank loan), and partly to reinforce the relative weight of this criterion in setting the variable portion. The percentage of target variable compensation allocated on the basis of the debt criterion now stands at 30%.

Together, the quantitative criteria amount to 80% of variable compensation, when targets are fully met, and the qualitative criterion another 30% of the annual fixed compensation of each Executive Director.

In 2008/2009, a full review was made of the Executive Directors' compensation packages. The conclusions allowed the Group to ensure that the principles and procedures implemented in the past by the Board of Directors comply with the AFEP/MEDEF recommendations issued in December 2008.

Compensation of individual Executive Directors

Mr. Patrick Ricard, Chairman and CEO (up until November 2008)

The fixed compensation proposed by the Remuneration Committee for 2008/2009 was €1,140,000, an increase of roughly 3.5%.

The Remuneration Committee presented the degree to which quantitative and qualitative criteria for assessing variable compensation were met with respect to the 2007/2008 financial year to the Board of Directors at the meeting held on 17 September 2008. These criteria were growth in the net profit per share from recurring operations, the amount of profit from recurring operations, the level of debt as of 30 June 2008 and qualitative criteria.

On the basis of quantitative elements for 2007/2008 and a full score on the qualitative aspect relating to the work of each Executive Director in 2007/2008, the variable portion of Mr. Ricard's compensation was set at 119.45% of his fixed compensation, i.e. €1,313,956.

As Mr. Ricard stepped down from his executive position on 5 November 2008, his variable compensation relative to the period between July and November 2008 was paid early, at the time of his resignation. For his assessment, as his departure came so soon after the start of the year for which the variable compensation was due, it was impossible to determine to what level the objectives had been met. It was therefore decided to set the bonus at the same level as in 2007/2008, on a pro-rata basis. Mr. Ricard accordingly received a bonus of €380,000 in 2008/2009 for his work between July and November 2008.

Consequently, variable compensation received by Mr. Ricard in 2008/2009 totalled €1,693,956.

It should also be borne in mind that the Board of Directors, at a meeting in January 2008, gave its approval to the payment of a *special bonus*, subject to performance conditions in accordance with the provisions of the French TEPA Act. The *special bonus*, capped at €2 million, fell due when the Group's Managing Directors stopped working. In order to comply with the AFEP/MEDEF recommendations from the outset, Mr. Ricard waived his right to this bonus at the 5 November 2008 Shareholders' Meeting.

The following table summarises the compensation paid to Mr. Patrick Ricard in his capacity as Chairman and CEO (up until 5 November 2008):

	2007/2008		2008/2009	
In euro	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	1,100,000	1,100,000	396,139	396,139
Variable compensation	1,313,956	1,415,053	380,000	1,693,956
Special bonus	*No special bonus*			
Directors' fees	*No Directors' fees*			
Benefits in kind(1)	3,500	3,500	3,550	3,550
TOTAL	**2,417,456**	**2,518,553**	**779,689**	**2,093,645**

(1) Benefit in kind: company car.

The following table summarises the compensation, stock options and shares allocated to Mr. Patrick Ricard in his capacity as Chairman and CEO (up until 5 November 2008):

In euro	2007/2008	2008/2009
Compensation due for the year	2,417,456	779,689
Valuation of stock options attributed during the year	1,253,266	N.A.
Valuation of performance-based shares attributed during the year	N.A.	N.A.
TOTAL	**3,670,722**	**779,689**

Mr. Patrick Ricard, Chairman of the Board of Directors (as of 5 November 2008)

During the 5 November 2008 meeting of the Board of Directors at which Mr. Ricard was elected Chairman, the Directors took a close look at the specific role played by the Chairman of the Board of Directors.

The Chairman's specific functions were defined: the Chairman calls, organises and directs the work of the Board of Directors and gives an account of its work to the Shareholders' Meeting, which he chairs.

The Chairman shares with the other members of the Board of Directors the legal responsibilities incumbent on this body. As Chairman, Mr. Ricard is responsible for the smooth running of the Board of Directors and the special committees, and compliance with governance rules.

In addition, given the wealth of experience and recognition Mr. Ricard built up during the course of his career, he will continue to represent and promote the Group's values and image in his position as Chairman of the Board of Directors. While he will not have the power to commit the Group, as he no longer has an executive position, Mr. Ricard will contribute to its growth by means of the contacts and links he has forged with leading players in the economy. In particular, Mr. Ricard, who has sought to promote and develop responsible attitudes towards alcohol, is personally involved in the following organisations:

- Institut de Recherches Scientifiques sur les Boissons (IREB);
- Entreprise & Prévention;
- European Forum for Responsible Drinking (EFRD).

On the basis of these elements, the Board of Directors therefore decided to award its Chairman:

- fixed annual compensation of €850,000, in accordance with the importance of the position held, as described above;
- no Directors' fees;
- no variable compensation;
- no stock options or free shares.

The Board of Directors, in agreement with the Committee, felt that a Non-Executive Director should not be bound by any variable financial interest in the Group he chairs, in order to allow him to retain his full integrity and to carry out his role in a truly independent manner.

The following table summarises the compensation paid to Mr. Patrick Ricard in his capacity as Chairman of the Board of Directors (as of 5 November 2008):

	2007/2008		2008/2009	
In euro	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	*Not applicable in 2007/2008*		554,866	554,866
Variable compensation			No variable compensation or Directors' fees planned	
Special bonus				
Directors' fees				
Benefits in kind[1]			Benefits in kind (company car) kept	
TOTAL			**554,866**	**554,866**

(1) Benefit in kind: company car.

The following table summarises the compensation, stock options and shares allocated to Mr. Patrick Ricard in his capacity as Chairman of the Board of Directors (as of 5 November 2008):

In euro	2007/2008	2008/2009
Compensation due for the year	N.A.	554,866
Valuation of stock options attributed during the year		*None attributed*
Valuation of performance-based shares attributed during the year		*None attributed*
TOTAL	**N.A.**	**554,866**

Mr. Pierre Pringuet, Managing Director then Chief Executive Officer

On the basis of his role and responsibilities as Managing Director, the Board of Directors decided on 17 September 2008 to increase Mr. Pringuet's fixed compensation by 18.5%, bringing it to €970,000 in 2008/2009.

This sizeable increase in Mr. Pringuet's compensation was justified by the importance of the role and tasks given to the Managing Director in respect of the Group's management and expansion, especially ahead of the separation of executive functions announced earlier.

Accordingly, the Board of Directors confirmed the level of Mr. Pringuet's fixed compensation when he was appointed Chief Executive Officer on 5 November 2008.

His variable compensation based on the 2007/2008 performance amounted to 119.45% of his fixed remuneration, or €979 495, on the basis of the same criteria and the same assessment as were applied to Mr. Ricard.

For 2008/2009, Mr. Pringuet also benefits from variable compensation amounting to as much as 110% of fixed compensation if targets are fully met, and up to a limit of 180% if financial targets are substantially exceeded. Details of the structure of the variable compensation are set out in the "Compensation policy for Executive Directors".

In 2008/2009, the Remuneration Committee made a proposal to the Board of Directors, which approved it, to grant Mr. Pringuet variable compensation representing 85% of his on-target variable compensation, i.e. a gross amount of €910,279.

This evaluation partly consists in meeting the objective of net profit growth per share, which has increased by 9.77%, for reasons including the successful integration of V&S, and in part the improvement in the Net debt/EBITDA ratio in compliance with objectives set at the start of the year. The Board also ruled that Mr. Pringuet had fully met his targets in terms of his qualitative objectives. However, the criterion related to profit from recurring operations for this objective was not met this year.

Note that Mr. Pringuet, like Mr. Ricard, chose to comply with the AFEP/MEDEF recommendations from the outset. At the 5 November 2008 Shareholders' Meeting, he also waived his right to the *special bonus* that had been awarded by the Board of Directors in January 2008.

Mr. Pringuet does not receive any Directors' fees for his directorships of Pernod Ricard or any of its subsidiaries.

The following table summarises the compensation paid to Mr. Pierre Pringuet:

	2007/2008		2008/2009	
In euro	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	820,000	820,000	970,000	970,000
Variable compensation	979,495	959,017	910,279	979,495
Special bonus	*No special bonus*			
Directors' fees	*No Directors' fees*			
Benefits in kind(1)	3,500	3,500	3,550	3,550
TOTAL	**1,802,995**	**1,782,517**	**1,883,829**	**1,953,045**

(1) Benefit in kind: company car.

The following table summarises the compensation, options and shares allocated to Mr. Pierre Pringuet:

In euro	2007/2008	2008/2009
Compensation due for the year	1,802,995	1,883,829
Valuation of stock options attributed during the year	849,367	N.A.
Valuation of performance-based shares attributed during the year	N.A.	N.A.
TOTAL	**2,652,362**	**1,883,829**

Policy on stock options for Executive Directors

Pernod Ricard has for many years had an attractive, motivating and competitive policy of awarding stock options. This policy falls under the responsibility of the Remuneration Committee, which submits proposals to the Board of Directors, which gives its approval.

The Committee regularly makes recommendations to the Board of Directors on change in the scope of the allocation policy. Its goal is regularly to expand the number of beneficiaries among high-potential employees and those making an effective contribution to the improvement and expansion of the business, while at the same time providing an appropriate level of compensation for the Group's most senior managers.

As soon as French lawmakers had enshrined the notion of the distribution of free shares, the Committee recommended to the Board of Directors that this new component be included in the Group's compensation policy. Accordingly, as early as June 2007, stock-option plans became combined plans simultaneously covering stock options and free shares. The principles governing their distribution were at that time analysed and reviewed on the basis of the specific characteristics of each type of reward.

In particular, the Committee feels that free shares can be taken as a form of compensation, albeit deferred and subject to the beneficiary's continued presence within the Group, but nevertheless almost guaranteed. Stock options and free shares both require the share price to increase, thereby aligning the interests of their beneficiaries with those of shareholders.

In June 2007, the Committee decided to allocate stock options only to Executive Directors, who have never been given any free shares.

Due to the high level of uncertainty hanging over the global economy, and as a precautionary measure, Pernod Ricard decided not to implement its annual stock option and free share plan in 2008/2009.

Despite this, the Committee carried out a detailed analysis of the allocation policy with respect to Directors, in the light of the AFEP/MEDEF recommendations. It found that the majority of Pernod Ricard's practices comply with these recommendations.

Allocations to Executive Directors are:

- proportionate to their remuneration. The allocation procedure revised in June 2007 is based on a fixed percentage of the Directors' compensation, applied to a multiplier that may vary from 0.8 to 1.2 depending on the performance in the year for which the options are allocated. The multiplier is the same for all beneficiaries. The allocation represented roughly 50% of the economic value of each Director's total remuneration for the June 2007 and June 2008 plans. The annual amounts are therefore reasonable. The plans' strength accordingly lies in their regularity;
- subject to performance criteria. Since June 2007, the distribution of half of each Executive Director's entitlement is hinged on the share's performance against the CAC 40 index, measured at the end of the four-year lock-up period: if the share has outperformed the CAC 40, the options are attributed; if the share has underperformed, they are lost.

  In the aim of reinforcing the conditions governing the exercise of stock options, and in accordance with the recommendations of the AFEP/MEDEF code, the Remuneration Committee has committed itself to subjecting all options allocated to Executive Directors in the future to performance conditions.

  To be perfectly in tune with the Group's economic reality, the Committee has decided that conditions set to allow options to be exercised will be laid down on the basis of internal and/or external criteria suited to the Group's strategic priorities when each plan is approved. The Committee has also pledged to examine the possibility of exercising options over several successive years:
- proportionate, in value, to the combined plan as a whole, and capped. The Committee and the Board of Directors have consistently sought to maintain a balance between the plans' overall volumes and the portion allocated to Executive Directors. Options awarded to the Executive Directors under the June 2007 and June 2008 plans accounted for roughly 5% of the plans' total economic value, i.e. including the value of options as well as that of free shares;
- not covered by banking mechanisms. Since it started awarding options, Pernod Ricard has refused on principle to introduce schemes of this type, the purpose of which is contrary to the very idea of this means of rewarding performance;
- allocated on regular dates. For several years, options have been allocated at the end of the financial year;
- not discounted. The Board of Directors abandoned any idea of applying a discount in December 2002;
- subject to periods during which their exercise is strictly prohibited. Each plan includes periods during which options may not be exercised, in particular:
  - during the 15 calendar days prior to the release of financial statements (interim and full-year),
  - during the 15 calendar days prior to quarterly sales reports,
  - during the period between the date on which a beneficiary gains knowledge of a piece of information which, if it were made public, could have a significant impact on Pernod Ricard's share price, and the date on which the said information is made public.

The section in the "Policy for the allocation of stock options and free shares" paragraph sets out the terms applicable to all other employees, as recommended by the Remuneration Committee.

SUMMARY TABLE OF STOCK OPTIONS ALLOCATED TO THE EXECUTIVE DIRECTORS IN 2007/2008

Name of Executive Director	Date of plan	Nature of options (purchase or subscription)	Type of option	Valuation of the options using the method used for consolidated accounts	Number of options allocated during the financial year (recalculated)	Strike price (recalculated)	Period of exercise
Mr. Patrick Ricard	Plan June 2008	Purchase	Simple options	696,259	41,272	67.48	19 June 2012 to 18 June 2016
		Purchase	Conditional options	557,007	41,272	67.48	19 June 2012 to 18 June 2016
TOTAL VALUATION				**1,253,266**			
Mr. Pierre Pringuet	Plan June 2008	Purchase	Simple options	471,871	27,971	67.48	19 June 2012 to 18 June 2016
		Purchase	Conditional options	377,497	27,971	67.48	19 June 2012 to 18 June 2016
TOTAL VALUATION				**849,367**			

STOCK OPTIONS ALLOCATED IN 2008/2009

Name of Executive Director	Date of plan	Nature of options (purchase or subscription)	Valuation of the options using the method used for consolidated accounts	Number of options allocated during the financial year	Strike price	Period of exercise
Mr. Patrick Ricard			*No options were allocated in 2008/2009*			
Mr. Pierre Pringuet						

SUMMARY TABLE OF STOCK OPTIONS EXERCISED BY THE EXECUTIVE DIRECTORS IN 2008/2009

Options exercised by each Executive Director during the year	Number of options exercised	Strike price	Date of plan
Mr. Patrick Ricard	17,168	19.97	27.01.2000
	46,772	25.67	18.12.2001
Mr. Pierre Pringuet	5,000	25.67	18.12.2001

Obligation to retain shares

Since June 2007, the Board of Directors has required the Executive Directors to retain 25% of shares acquired through the exercise of unconditional options allocated under the June 2007 and June 2008 combined plans until their term of office expires.

It should also be noted that Pernod Ricard's Executive Directors own a large number of shares in the Group, registered under their names (see table "Directors' equity investments in the issuer's share capital (position as of 2 September 2009)"). This situation existed prior to change in the law making it mandatory for Executives to own and keep such shares.

The Committee will therefore continue to recommend that the Board of Directors require the Executive Directors to retain a set quantity of shares acquired pursuant to the exercise of options under each plan, in accordance with AFEP/MEDEF recommendations. The quantity to be conserved will now bear exclusively on conditional options.

In this way, the number of Pernod Ricard shares held by the Executive Directors in their own name should increase gradually over time.

The Committee and the Board of Directors reserve the possibility of also looking into the application of a rule requiring a percentage of compensation to be held in the form of Company shares.

Impact of the AFEP/MEDEF recommendations

During the year, the Directors carried out a detailed analysis of the new AFEP/MEDEF recommendations issued in December 2008. Generally speaking, the members of the Board of Directors found that the Group's practices with respect to the compensation of Executive Directors were already consistent with the new recommendations.

As has already been mentioned, on 5 November 2008, in order to comply with the AFEP/MEDEF recommendations from the outset, Mr. Patrick Ricard and Mr. Pierre Pringuet waived their right to *special bonuses* that had been approved by the Board of Directors on 23 January 2008.

Aside from the few adjustments made to the compensation policy, as described in the various parts of this chapter, the main impact from these recommendations was the termination of Mr. Pierre Pringuet's suspended work contract and the resulting consequences.

Given the short time between the date on which the new recommendations were issued (October 2008) and the date on which Mr. Pierre Pringuet's term was renewed (November 2008), the Directors took time to confirm the various elements comprising Mr. Pierre Pringuet's compensation and benefits as the Group's Chief Executive Officer.

On 10 February 2009, Mr. Pierre Pringuet resigned from his work contract which was suspended to comply with the recommendations. Consequently, he also waived his right to the various elements attached to the suspended contract, namely a no-competition clause and the promise of a payment in the event of his departure.

During the 12 February 2009 meeting that confirmed the elements comprising Mr. Pierre Pringuet's fixed and variable compensation, the Board of Directors also decided to allow the Managing Director to keep the benefits of the supplementary and conditional collective defined-benefit pension scheme and to guarantee him the same health insurance scheme as he enjoyed prior to the renewal of his term of office. The Board of Directors 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 and authorised by the Board of Directors in accordance with the procedures laid down by regulated agreements and commitments, will be put to a vote by shareholders on 2 November 2009 within the framework of the Statutory Auditors' special report on regulated agreements and commitments.

To ensure that proposals with respect to compensation are simple and easily understood, the Committee and the Board of Directors have decided not to maintain any particular advantage for Mr. Pierre Pringuet, even in the event of a forced departure or contingent on performance conditions in accordance with the recommendations.

Accordingly, Pernod Ricard's Executive Directors no longer benefit from a "golden parachute", whatever the conditions of their departure.

Following the 12 February 2009 Board of Directors meeting, the compensation packages of Mr. Ricard and Mr. Pringuet were posted on Pernod Ricard's website, in accordance with the aim of transparency inherent in the recommendations.

Supplementary pension scheme for the Executive Directors

Pernod Ricard set up a supplementary defined-benefit pension scheme for its senior managers in 1990. Beneficiaries must:

- meet a number of conditions relating primarily to their length of 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 after their 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.

Taking average compensation as a base, the amount of the supplementary pension is calculated by adding together the following amounts: 2% of the portion of compensation between 8 and 12 times France's annual Social security ceiling for each year of service (capped at 20 years, i.e. 40%); 1.5% of the portion of compensation between 12 and 16 times France's annual Social security ceiling; and 1% of the portion of compensation exceeding 16 times France's annual Social security ceiling.

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 whose contract is terminated and who do not take up another job are deemed to have retired.

The Board of Directors has consistently opted 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 to the termination of a work contract, subject to the same conditions regarding age and failure to take up another job.

Lastly, and in any event, pensions awarded under this scheme, when combined with other pensions, may not exceed two-thirds of the beneficiary's gross annual basic compensation.

These characteristics mean that the scheme complies with the AFEP/MEDEF issued in December 2008 with respect to Executive Directors compensation.

On 5 November 2008, Mr. Ricard stepped down from his executive functions. Consequently, his rights under the supplementary scheme were set. His rights under this scheme, as of the date he terminated his functions, amounted to 40% of his fixed compensation.

At its 12 February 2009 meeting, at the time of the renewal of his mandate and his appointment as Chief Executive Officer, the Board of Directors allowed Mr. Pringuet to continue to benefit, as in the past, from the top-up pension scheme, under the same conditions as the senior managers with whom he is assimilated. This authorisation is subject, in accordance with the provisions of article L. 225-42-1 of the French Commercial Code, to the approval of the Shareholders' Meeting scheduled for 2 November 2009. The convention is presented in the Statutory Auditor's Special Report.

Work contract/term of office

	Work contract		Defined-benefit pension scheme[2]		Indemnities or advantages due or liable to be due by virtue of the discontinuance or a change in their positions		Indemnities relative to a no-competition clause[3]	
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[1]		X	X			X	X	

(1) Mr. Pringuet: resignation on 10 February 2009 from his suspended work contract.
(2) Defined-benefit pension scheme: refer to details in the Directors' compensation section.
(3) No-competition clause: refer to details in the Compensation policy for members of the Board of Directors section.

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, the Chairmen of direct subsidiaries and the members of the Executive Committee.

As such, the members of the Remuneration Committee pay particular attention to the consistency of rules applicable to the Group's Executive Directors and those applicable to its senior management. Accordingly, in June 2007 and June 2008, on the advice of the Remuneration Committee, conditional stock options were awarded to some of the Group's senior managers. Similarly, the compensation of the Group's senior managers comprises a reasonable fixed portion that increases steadily over time, and a competitive variable portion determined on the basis of the same criteria as those applied to Executive Directors.

A total of €7 million in fixed compensation was paid to the 16 members of the Executive Committee (COMEX) in 2008/2009 (only compensation to Mr. Patrick Ricard, in his capacity as Chairman and Chief Executive is included in this amount). A further €6.3 million was paid in variable compensation.

The total expense relative to pension commitments for COMEX members amounted to €3.8 million in the accounts for the period ended 30 June 2009.

Policy governing the allocation of stock options and free shares

Pernod Ricard has for several years had a dynamic and regular policy involving the allocation of stock options. Since 2007, it has also awarded free shares.

This policy, endorsed by the Board of Directors on the proposal of the Remuneration Committee, is for all beneficiaries a form of acknowledgement aimed at promoting loyalty.

The Committee has a number of complementary objectives in applying this policy.

Firstly, the allocation of stock options and free shares encourages beneficiaries to remain within the Group for a number of years, on pain of losing the benefit. For several years, and as long as the share price was moving in a favourable direction, this has made it possible for the Group to attract and keep a great deal of talent.

Secondly, the policy aims to develop and encourage a feeling of belonging to a single Group, thereby fostering solidarity among employees scattered across the globe.

A factor of motivation and pride, this policy also aims to round out employees' compensation by awarding shares in the Group, thereby allowing individual employees' personal worth to increase in line with the value of the Pernod Ricard share.

The Committee also encourages beneficiaries to become and remain shareholders in the Group, thereby allowing their interests to be aligned with those of Pernod Ricard shareholders.

Pernod Ricard decided to defer its annual stock option and free share plan for the first time in 2008/2009, due to the high level of uncertainty hanging over the global economy.

For information purposes, we will nevertheless set out the rules endorsed for the previous plans:

- the plans are combined, meaning that they blend stock options and free shares;
- the overall volume of the combined plan depends on the Group's overall performance over the year, by means of a multiplier ranging from 0.8 to 1.2, confirmed by the Board of Directors;
- the number of options increases in line with the beneficiary's level in the hierarchy;
- Executive Committee members receive unconditional options, conditional options and free shares;
- high-potential young employees receive free shares;
- the same conditions are applied to options allocated to Executive Committee members as to those awarded to Executive Directors;
- each level of allocation is set on the basis of a percentage of the average fixed remuneration per category of beneficiary;
- free shares for all beneficiaries are subject to performance conditions: achievement of the target profit from recurring operations for the following financial year, and the beneficiary's presence within the Group;
- free shares only become available at the end of a four-year period.

HISTORY OF ALLOCATIONS OF STOCK OPTIONS – SITUATION AS AT 30 JUNE 2009

	Plan dated 28.01.1999	Plan dated 27.01.2000	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
Date of authorisation by Shareholders Meeting	05.05.1998	05.05.1998	05.05.1998	05.05.1998	03.05.2001	03.05.2001	03.05.2001
Date of the Board of Directors meeting	28.01.1999	27.01.2000	27.09.2000	19.12.2000	19.09.2001	18.12.2001	11.02.2002
Type of options	Purchase	Purchase	Purchase	Purchase	Purchase	Subscription	Subscription
Total number of options that can be subscribed or purchased	699,426	848,290	190,710	953,433	122,936	2,116,128	353,460
• of which by Directors of Pernod Ricard SA	62,590	82,069	190,710	95,711	0	265,335	0
• of which by Mr. Ricard	-	39,168	0	33,268	0	91,315	0
• of which by Mr. Pringuet	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Commencement date of options	29.01.2002	28.01.2003	28.09.2003	20.12.2003	20.09.2005	19.12.2005	12.02.2006
Subscription or purchase price	18.90	18.85	17.15	18.35	24.77	24.23	25.64
Number of shares subscribed or purchased as of 30.06.2009	663,676	700,793	190,710	770,727	61,930	1,504,945	254,072
Total number of stock options cancelled or lapsed	35,750	30,798	0	13,608	0	49,260	42,236
Stock options remaining at the end of the year	0	116,699	0	169,098	61,006	561,923	57,152

Except for the plan dated 28.01.1999, the data have been restated to take into account the capital increase via the issuance of new shares on 14 May 2009.

	Plan dated 17.12.2002	Plan dated 18.12.2003	Plan dated 02.11.2004	Plan dated 25.07.2005	Plan dated 14.06.2006	Plan dated 21.06.2007	Plan dated 18.06.2008
Date of authorisation by Shareholders Meeting	03.05.2001	03.05.2001	17.05.2001	17.05.2004	17.05.2004	07.11.2006	07.11.2006
Date of the Board of Directors meeting	17.12.2002	18.12.2003	02.11.2004	25.07.2005	14.06.2006	21.06.2007	18.06.2008
Type of options	Subscription	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Total number of options that can be subscribed or purchased	2,194,953	1,605,774	1,924,252	961,966	2,234,523	965,972	1,248,583
• Of which by Directors of Pernod Ricard SA	176,397	104,727	145,256	113,670	201,117	122,624	138,486
• Of which by Mr. Ricard	67,843	40,279	55,866	43,720	111,731	73,090	82,544
• Of which by Mr. Pringuet	54,277	32,224	44,695	34,975	89,386	49,534	55,942
Commencement date of options	18.12.2006	19.12.2007	18.11.2008	12.08.2009	15.06.2010	22.06.2011	19.06.2012
Subscription or purchase price	28.99	34.51	43.15	53.64	59.58	76.22	67.48
Number of shares subscribed or purchased as of 30.06.2009	1,172,953	499,677	83,831	1,020	2,189	0	0
Total number of stock options cancelled or lapsed	64,511	24,754	69,482	21,443	53,776	10,935	4,588
Stock options remaining at the end of the year	957,489	1,081,343	1,770,939	940,523	2,178,558	955,037	1,243,995

Except for the plan dated 28.01.1999, the data have been restated to take into account the capital increase via the issuance of new shares on 14 May 2009.

Stock options exercised over the year

Over the year, 105,609 of the Group's stock options were exercised pursuant to the various stock option plans set up in favour of employees of the Pernod Ricard Group for the period from 1 July 2008 to 1 April 2009 (date at which the exercise of the options was suspended prior to the capital increase via the issuance of new shares on 14 May 2009), and 65,733 since 18 April 2009. The Board of Directors recorded these increases in share capital at its 7 April and 22 July 2009 meetings. The number of Pernod Ricard shares that may still be created by exercising the stock options in force as of 30 June 2009 stands at 1,576,564.

The contingent share capital is exclusively made up of stock options.

HISTORY OF ALLOCATIONS OF FREE SHARES – SITUATION AS AT 30 JUNE 2009

	Plan dated 21.06.2007	Plan dated 18.06.2008
Date of the Board of Directors meeting	21.06.2007	18.06.2008
Free shares allocated(1)	155,205	380,898
Effect of the share split of 15 January 2008	155,205	-
Effect of the capital increase held on 14 May 2009	18,845	22,970
Free shares cancelled(4)	22,794	207,680
Free shares actually distributed	85,304(2)	N.A.(3)

(1) Free shares are subject to both a performance condition and a condition of presence in the Company. The performance condition is determined by the profit from recurring operations for the subsequent financial year in relation to the target amount. This is validated by the Board of Directors at the close of the subsequent financial year. These shares only become available at the end of a four-year period. The free shares allocated in June 2007 were all confirmed in October 2008. In accordance with the performance condition (2008/2009 profit from recurring operations in relation to the budgeted amount), the June 2008 allocation was confirmed at 50% of the initial amount.

(2) Definitive allocation to French tax residents at the end of the first two-year period (21 June 2009) after validation of the performance condition by the Board of Directors on 17 September 2008.

(3) Definitive allocation to French tax residents, subject to the performance condition and made after the two-year vesting period.

(4) After taking into account the capital increase held on 14 May 2009 and, for the 21 June 2007 plan, the splitting of the nominal amount of the share in two on 15 January 2008.

There was no free share plan in the year ended 30 June 2009.

TABLE SHOWING STOCK OPTIONS GRANTED TO THE TOP TEN EMPLOYEES IN THE GROUP OTHER THAN EXECUTIVE DIRECTORS AND OPTIONS EXERCISED DURING THE 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		*No options were allocated*	
Options held with regard to the Company's shares exercised during the financial year by the first ten employees of the Company and all companies within its Group granting options, purchasing or subscribing for the highest number of shares	156,485	26.69	28.01.1999/27.01.2000 19.12.2000/18.12.2001 17.12.2002/18.12.2003 02.11.2004

Pernod Ricard has not issued any other option instruments granting access to shares reserved for its Executive Directors or to its top ten employees.

PERFORMANCE SHARES ALLOCATED TO EACH EXECUTIVE DIRECTOR

Performance shares allocated by the Shareholders' Meeting to each Executive Director during the financial year	N° and date of plan	Number of shares allocated during the year	Valuation of the shares on the basis of the method used for the consolidated financial statements	Date of acquisition	Date of availability
Mr. Patrick Ricard	*N.A.: No performance shares were allocated in 2008/2009*				
Mr. Pierre Pringuet					

PERFORMANCE SHARES THAT BECAME AVAILABLE FOR EACH EXECUTIVE DIRECTOR DURING THE FINANCIAL YEAR

Performance shares that became available for each Executive Director	N° and date of plan	Number of shares becoming available during the financial year	Conditions of acquisition
Mr. Patrick Ricard	*N.A.: the Executive Directors have never been allocated performance shares*		
Mr. Pierre Pringuet			

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 booked or otherwise recognised by the Company for the payment of pensions are provided in Note 16 – *Provisions* in the notes to the consolidated financial statements.

Transactions involving Pernod Ricard shares made by Directors in 2008/2009 (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	Administered exercise of options	31.10.2008	25.67	240,733
		Other	Administered exercise of options	31.10.2008	19.97	342,845
		Other	Exercise of options	13.01.2009	25.67	959,904
		Shares	Transfer	13.01.2009	49.90	1,865,961
		Preferential subscription rights (PSR) 04.2009	Transfer	20.04.2009	2.44	3,471,292
		PSR 04.2009	Transfer	21.04.2009	2.78	339
		PSR 04.2009	Transfer	28.04.2009	2.77	44,156
		Shares	Subscription	14.05.2009	26.70	369,101
Mr. Pierre Pringuet	Chief Executive Officer	Shares	Transfer	28.07.2008	59.42	297,120
		Other	Administered exercise of options	16.12.2008	25.67	128,350
		PSR 04.2009	Transfer	16.04.2009	2.59	174,870
		Shares	Subscription	14.05.2009	26.70	318,157
Ms. Danièle Ricard	Director	Shares	Purchase	6.10.2008	54.24	922,129
		PSR 04.2009	Transfer	20.04.2009	2.45	224,059
		Shares	Subscription	14.05.2009	26.70	499,984
Mr. Rafaël Gonzalez-Gallarza	Director	PSR 04.2009	Transfer	21.04.2009	2.80	183,400
		PSR 04.2009	Transfer	22.04.2009	2.71	2,180,024
		Shares	Subscription	14.05.2009	26.70	2,322,900
Mr. François Gérard	Director	PSR 04.2009	Transfer	20.04.2009	2.44	281,348
		Shares	Purchase	23.04.2009	42.07	276,374
Mr. César Giron	Director	PSR 04.2009	Purchase	28.04.2009	2.86	17
		Shares	Subscription	14.05.2009	26.70	13,457
Mr. Wolfgang-Colberg	Director	Shares	Purchase	13.11.2008	46.12	3,459
		PSR 04.2009	Transfer	23.04.2009	2.70	202
Mr. William H. Webb	Director	PSR 04.2009	Transfer	29.04.2009	3.14	19
		Shares	Subscription	14.05.2009	26.70	3,364
Mr. Jean-Dominique Comolli	Director	PSR 04.2009	Purchase	23.04.2009	2.69	8
		Shares	Subscription	14.05.2009	26.70	721
Mr. Didier Pineau-Valencienne	Director	PSR 04.2009	Purchase	20.04.2009	2.43	44
		Shares	Subscription	14.05.2009	26.70	13,297
Mr. Gérard Théry	Director	Shares	Subscription	14.05.2009	26.70	2,483

First name, Surname, Company name	Function	Financial instrument	Type of transaction	Date	Price *in euro*	Amount of transaction *in euro*
Lord Douro	Director	Shares	Subscription	14.05.2009	26.70	4,005
Ms. Nicole Bouton	Director	Shares	Subscription	14.05.2009	26.70	1,121
Société Paul Ricard SA	Director	PSR 04.2009	Transfer	16.04.2009	2.71	6,025,927
		PSR 04.2009	Transfer	17.04.2009	2.46	13,911,792
		PSR 04.2009	Transfer	20.04.2009	2.44	13,648,847
		Shares	Subscription	14.05.2009	26.70	33,584,088
LIRIX (an entity related to Société Paul Ricard SA, Director, as defined in article L. 621-18-2 of the French Monetary and Financial Code)		PSR 04.2009	Transfer	16.04.2009	2.71	619,766
		PSR 04.2009	Transfer	17.04.2009	2.46	1,430,829
		PSR 04.2009	Transfer	20.04.2009	2.44	1,370,015
		PSR 04.2009	Transfer	21.04.2009	2.80	18,472
		Shares	Subscription	14.05.2009	26.70	3,434,928
Le Delos Invest I (an entity related to Société Paul Ricard SA, Director, as defined in article L. 621-18-2 of the French Monetary and Financial Code)		DPS 04.2009	Transfer	16.04.2009	2.71	589,900
		DPS 04.2009	Transfer	17.04.2009	2.46	1,361,873
		DPS 04.2009	Transfer	20.04.2009	2.44	1,353,053
Le Delos Invest II (an entity related to Société Paul Ricard SA, Director, as defined in article L. 621-18-2 of the French Monetary and Financial Code)		Other	Transfer	15.04.2009	-	(1)
		DPS 04.2009	Transfer	16.04.2009	2.71	231,478
		DPS 04.2009	Transfer	17.04.2009	2.46	534,406
		DPS 04.2009	Transfer	20.04.2009	2.44	537,613
Le Delos Invest III (an entity related to Société Paul Ricard SA, Director, as defined in article L. 621-18-2 of the French Monetary and Financial Code)(2)		Shares	Purchase	30.04.2009	40.95	336,938,084

(1) Transfer of 2,757,922 Preferential Subscription Rights within the framework of existing forward financial instruments bearing on Pernod Ricard shares.

(2) Le Delos Invest III ("LDI 3"), a company controlled, as defined in article L. 2 33-3 of the French Commercial Code, by Société Paul Ricard SA, Director, and Kirin Holdings Netherlands BV ("Kirin") signed a sale contract on 10 April 2009 under the terms of which LDI 3 purchased from Kirin, on 30 April 2009, a total of 8,227,544 shares representing 3.74% of Pernod Ricard's share capital and 3.37% of its voting rights (based on the total number of Pernod Ricard shares and voting rights as of 1 April 2009), i.e. Kirin's entire economic interest in Pernod Ricard. On 10 April 2009, LDI 3 signed a forward contract, which took effect on 30 April 2009, under the terms of which LDI 3 will, in five years, have the choice between delivering the 8,227,544 Pernod Ricard shares or paying the counterparty their future value. LDI 3 guaranteed the satisfactory execution of its forward obligations by pledging Pernod Ricard shares as a security.

Directors' equity investments in the issuer's share capital (position as of 2 September 2009)

Members of the Board of Directors	Number of shares at 02.09.2009	Percentage of share capital at 02.09.2009	Number of voting rights at 02.09.2009	Percentage of voting rights at 02.09.2009
Executive Directors				
Mr. Patrick Ricard (Chairman of the Board of Directors)	1,532,840	0.59%	3,035,830	1.07 %
Mr. Pierre Pringuet (Chief Executive Officer)	146,960	0.06%	146,960	0.05 %
Non-Executive Directors				
Mr. François Gérard	121,782	0.05%	165,282	0.06%
Mr. Rafaël Gonzalez-Gallarza	1,448,632	0.56%	1,448,632	0.51%
Mr. César Giron	3,354	N.M.	6,204	N.M.
Ms. Danièle Ricard	216,218	0.08%	396,710	0.14%
Société Paul Ricard SA represented by Ms. Béatrice Baudinet(1)	36,932,324	14.28%	56,065,328	19.83%
Independent Directors				
Ms. Nicole Bouton	242	N.M.	242	N.M.
Mr. Jean-Dominique Comolli	177	N.M.	177	N.M.
Lord Douro	810	N.M.	810	N.M.
Mr. Didier Pineau-Valencienne	3,302	N.M.	3,302	N.M.
Mr. Gérard Théry	633	N.M.	633	N.M.
Mr. William H. Webb	846	N.M.	846	N.M.
Mr. Wolfgang Colberg	75	N.M.	75	N.M.

N.M. = not meaningful.

(1) *This includes the shares held by Société Paul Ricard SA and by LIRIX, Le Delos Invest I and Le Delos Invest II (the latter having pledged 8,227,544 shares as a guarantee to the financial institution that financed its purchase of the said shares), related 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, via distribution subsidiaries or, in smaller markets, third-party distributors.

In most countries, the consumption of Wine and Spirits, closely linked to the broader economic environment tends to decline during periods of economic recession, falling revenues, higher cost of living and inflation. Wine and Spirits consumers also have the option of trading down to less costly product categories ("standard" as opposed to "Premium" products) when the economic environment is depressed.

While the Group's business has held up well during the current crisis, it is nonetheless exposed to the consequences of economic downturns and the possibility of more muted growth in consumption, particularly in North America and some European countries.

Despite the fact that the diversified geographical spread of the Group's activities can help smooth out difficulties encountered in specific markets, there is a risk that global recessions or severe contractions in our leading markets could have an adverse impact on our sales, sparking a deterioration in our earnings and outlook.

Risks relating to seasonal 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). This means that an event occurring during these periods could prompt a reduction in the Group's revenues and a deterioration in its full-year earnings.

Risks relating to competition

The Group is present in fiercely competitive markets, where brand recognition, corporate image, price, product quality, Distribution Network and services provided to consumers are differentiating factors.

While the Group aims constantly to strengthen the recognition of its brands, particularly its 15 strategic brands, via advertising campaigns and promotions, to enhance the quality of its products and to optimise 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 mature markets and the increasingly competitive nature of the emerging markets could oblige the Group to boost its investments and advertising expenditure, or even to cut its prices in order to defend its market share.

The Group is dependent on third parties for the distribution and, in some cases, for manufacturing of its products in a number of key markets

The Group has signed agreements with third parties covering the distribution and, in some cases, the manufacturing of its products in a number of key markets. It also distributes brands belonging to other groups via its global Wine and Spirits distribution network. These include Four Roses American whiskey, Sandeman ports and sherries, and Polish vodka Zubrowka, for which the Group has distribution rights covering more than 70 countries.

The terms of these agreements vary for each brand, but are generally signed for a specific number of years. The termination of some of these contractual relationships could block access for consumers to the relevant products, which could be prejudicial to the Group's short- and long-term performances.

The Group is not in a position to guarantee that it will be able, when such contracts expire or are terminated, to renegotiate distribution or manufacturing rights on favourable terms. The impact on the Group's sales and earnings, should it be unable to renegotiate distribution agreements on favourable terms when they expire, could be negative on its sales and earnings. The Group's sales could also be adversely affected by any conflicts arising with its third-party distributors or the makers of its products.

Further consolidation among spirits producers or merchants could hamper the distribution of the Group's products

The consolidation of distributors and merchants has not in the past had an adverse impact on the Group's Wine and Spirits activities.

However, further consolidation among foreign spirits producers and merchants in the Group's key markets could potentially hamper the distribution of its products due to (i) less attention and fewer resources for its brands, and (ii) the lesser importance of the Group's brands in the third party's sales and/or a change in the competitive environment. Change of this nature could have an adverse impact on the Group's reported results or outlook in these markets.

Risks relating to the Group's geographic footprint

The Group derives a considerable portion of its sales from emerging markets in Asia, Latin America, and Central and Eastern Europe (Brazil, Russia, India and China for instance). The Group's operations in these countries are exposed to political and economic risk, including risks relating to change in government policy.

The Group is accordingly subject to a number of risks stemming from exchange-rate controls, change in exchange rates, inflation, problems with the repatriation of foreign earnings, dividends and investment capital, as well as political instability in these countries.

Moreover, the Group may find itself unable to defend its rights appropriately before the courts of these countries, particularly within the framework of litigation with the state or with state-controlled entities.

The Group's operations could be adversely impacted by acts or threats of terrorism, war epidemics or any other unfavourable political event occurring in its key markets

The Group's activities in a number of countries are subject to other risks and uncertainties such as political, economic and social upheavals, change in tax regimes, the implementation of restrictions on imports, investments or foreign exchange, or industrial change with respect to innovation. Any such development could affect its capacity to trade in these markets.

Similarly, 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 such as influenza A (H1N1) could have a negative impact on consumers' propensity to make more expensive purchases in 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.

Furthermore, the Group is not in a position to guarantee the absence of strikes or other types of labour disputes. Any extended unrest of this kind could have an impact on the Group's sales in these markets.

Demand for the Group's products could be adversely affected by a change in consumer tastes and preferences

The Group's activities are dependent on its capacity to satisfy consumer expectations and desires. As change in consumer expectations and desires is difficult to anticipate, the Group could find itself unable to satisfy consumers, and its sales could fall as a result.

In addition, the increasing number of advertising campaigns aimed at discouraging the consumption of Wine and Spirits, as well as changes in lifestyle and approaches to health issues, could over time modify consumer habits and have an adverse impact on the Group's reputation, financial position, earnings and outlook.

Risks relating to integrating acquisitions

The Group has made major acquisitions in the past. It cannot guarantee its complete success in integrating them. Aside from 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 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, including a counterfeit product. Even though the Group has implemented protection and control systems, there can be no guarantee that problems, including those stemming from human error, will not compromise the Group's reputation and image on a global scale. Reputational damage could potentially have negative effects on the Group's financial position, reported results and outlook.

Risks relating to an inability to keep or replace key personnel

To develop, support and market its products, Pernod Ricard needs to hire qualified personnel with specific skills and foster loyalty among them. Problems hiring or keeping key personnel, or the unexpected loss of experienced employees, including among acquired companies, could slow the implementation of Pernod Ricard's strategic growth plans.

Risks relating to the breakdown of the Group's IT systems

Pernod Ricard uses IT systems for the processing, transmission and storage of electronic data. A large part of communications between Pernod Ricard's personnel, clients and suppliers relies on information technology. Pernod Ricard's IT systems could be exposed to interruptions for reasons beyond its control, including, but not only, natural disasters, terrorist attacks, telecommunications breakdowns, computer viruses, hackers or other security issues. Breakdowns of this nature or similar problems could disturb Pernod Ricard's operations and have a prejudicial impact on its business, operating income, cash flow and financial position.

Presentation of legal risks

Risks relating to intellectual property

The recognition of the Group's brands is a fundamental part of its competitiveness. The acquisition of ABSOLUT vodka, the world's biggest-selling Premium Vodka in volume, made the Group co-leader in the global Spirits market.

The protection and the defence of its brands and other owned intellectual property rights require very substantial investments both for their protection and defence.

The Group has taken very strict actions in this area. It has set out an intellectual property policy implemented by a team of nearly 25 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 its innovation policy). The team is in charge of coordinating litigation (counterfeits, unfair competition, forfeiture, opposition, etc.) and contracts (sale, licensing, coexistence) involving intellectual property issues and, more broadly, the defence and protection of such property. Accordingly, when one of the Group's products is imitated by a third party, in whatever market, sales forces are called on to work alongside the team of intellectual property lawyers and to transmit all information that could help put a stop to illicit acts.

However, the Group is not in a position to guarantee that such measures are sufficient to force third parties to respect its rights. In some non-European Union countries, especially in Asia (China, Thailand, Vietnam, etc.), even though satisfactory legal options generally exist, it can be difficult to persuade the courts and local authorities to apply dissuasive sanctions on counterfeiters that reproduce in full or in part the Group's most popular brands in these countries. This can lead to confusion among consumers, with unfavourable consequences on the image of the relevant products. In such cases, 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-function approach to bear on the problem. Such 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 the "Disputes relating to brands" paragraph in this document).

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.

As a distributor of international beverage brands, the Group is subject to many regulatory requirements concerning production, product responsibility, distribution, marketing, advertising, labelling and imports in the various countries in which it operates. More broadly, it is also subject to questions relating to competition and consolidation, marketing and pricing policies, retirement issues, labour law and environmental issues.

In addition, the Group's products are subject to import and indirect taxes in the various countries in which it operates. Regulatory decisions and changes in legal and regulatory requirements in these fields could have a negative impact on Pernod Ricard's business.

Aside from the fact that change in the laws and regulations applicable to Group entities in the countries in which they operate would in some cases be liable to restrict its 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.

Tax increases and changes to other fiscal and accounting regulations could have a negative impact on the Group' financial results

The Wine and Spirits business is very sensitive to fiscal reforms due to the specific tax regimes applicable to it. It is impossible to gauge precisely the negative impact on the Group's sales of potential tax increases, in whatever country. In addition, the Group's net profit is calculated on the basis of extended fiscal and accounting rules in each country. Changes in tax regulations (including the tax rate) or accounting rules and standards could have a significant impact on the Group's results.

Disputes relating to brands

Havana Club

The Havana Club brand is owned in most countries by a joint-venture company called Havana Club Holding S.A. (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 contested, 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 nationalized by the Castro regime. This law was condemned by the World Trade Organization (WTO) in 2002 but to date the United States has not amended its legislation to comply with the WTO decision.

1. The Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of 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 brand 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 Federal District Court for the District of Columbia, challenging OFAC's decision and the law and regulations applied by OFAC. On 30 March 2009, the Federal District Court for the District of Columbia ruled against Cubaexport. Cubaexport has lodged an appeal against the ruling. 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.
3. In August 2006, this competitor introduced a Havana Club rum in the United States which is manufactured in Puerto Rico. Pernod Ricard USA has instituted proceedings in the Federal 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. A decision could be rendered by the end of 2009.
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 have appealed before the Spanish Supreme Court, which should rule on the substance of the case before 2013 if the appeal is confirmed as being admissible.

Champomy

In 2001, the *Institut National des Appellations d'Origine* (INAO) and the *Comité Interprofessionnel des Vins de Champagne* (CIVC) summoned Pernod Ricard and its subsidiaries before the Paris Courts to request the cancellation of the Champomy brands and to prohibit their use on the grounds that they constitute a violation of the Champagne appellation of origin. Since then, these brands have been sold to the Cadbury Schweppes group. However, Pernod Ricard has guaranteed the validity of the Champomy brands to the purchaser and therefore would be contractually liable if the Champomy brands were cancelled. Pursuant to a court decision of 10 May 2006, the Paris Court of First Instance dismissed all the claims made by INAO and CIVC. INAO and CIVC appealed this decision, but most of their claims were also dismissed by the Paris Court of Appeals on 7 November 2007. CIVC and INAO filed an appeal with the French Supreme Court and presented their supplemental brief in June 2008. Pursuant to a decision of 7 July 2009, the Supreme Court dismissed the claims of INAO and CIVC, confirming the previous decisions favourable to Pernod Ricard. This case is now closed.

Stolichnaya Trademark

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 to block future sales of Stolichnaya products in the United States. In addition, the plaintiffs sought damages, including the disgorgement of all 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 have 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 S.P.I. entities). That appeal has been fully briefed but oral argument has not yet been heard. On 15 May, 2008, plaintiff Federal Treasury Enterprise Sojuzplodoimport ("FTE") moved (with the consent of all parties) to stay the appeal for one year to allow FTE and S.P.I. Spirits to negotiate the resolution of the appeal and other cases pending around the world between FTE and S.P.I. Spirits. On 19 May, 2008, the appellate court granted that motion and stayed the appeal for one year. The stay has since expired, without any settlement having been reached, and the Court has indicated that it may schedule oral argument in the appeal sometime later this year.

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. (f/k/a 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 circuits and by receiving payments from companies involved in money laundering. Pernod Ricard contests this claim.

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.

The Parties are now in discovery regarding the Plaintiffs' claims that were not dismissed. Pernod Ricard will continue to vigorously defend itself against the claims.

Excise duties in Turkey

Allied Domecq Istanbul Iç ve Dis Ticaret Ltd. Sti ("**Allied Domecq Istanbul**"), as well as some of its competitors, is involved in a customs dispute over the customs valuation of certain Turkish imports. The main issue is whether the duty free sales price can be used as the basis for declaring the customs value of Turkish imports. The customs authorities have taken legal action against Allied Domecq Istanbul in Turkey for non-compliance with customs regulations in respect of 249 imports. Allied Domecq Istanbul is actively defending its position.

Putative Class Actions in the United States

Origin of Stolichnaya

On 18 October 2006, Russian Standard Vodka (USA), Inc. and Roust Trading Limited brought an action against Allied Domecq Spirits & Wine USA, Inc. (**"ADSW USA"**) and Pernod Ricard USA, LLC (**"PR USA"**) in the United States District Court for the Southern District of New York. On 4 December 2006, the plaintiffs filed an amended complaint adding S.P.I. Group SA and S.P.I. Spirits (Cyprus) Limited (together, **"SPI"**) as defendants. The plaintiffs allege that the defendants are engaged, in false advertising under federal and New York State law, and also in unlawful trade practices and unfair competition, by advertising and promoting Stolichnaya vodka as "Russian vodka" and by making certain related claims on their website and in their advertising campaigns. The plaintiffs are also seeking a declaratory judgment by the Court that they have not engaged in false advertising by virtue of their public statements challenging the "Russian" character of Stolichnaya vodka, and are seeking damages, including the disgorgement of all related profits made by the Group.

Since the filing of this case, the parties have been engaged in motion practice and discovery. In February 2009, the defendants all moved for summary judgment. SPI argues principally that the plaintiffs lack standing.

PR USA and ADSW USA primarily argue that the plaintiffs are no longer entitled to seek relief against PR USA and ADSW USA, as they have ceased all involvement with the Stolichnaya brand in the United States. PR USA and ADSW USA also adopt SPI's arguments in their own motion.

Briefing on both summary judgment motions was completed in April 2009. The parties are now awaiting a ruling from the Court. In the meantime, discovery is ongoing.

Presentation of industrial and environmental risks

Major risks identified and specific risk prevention measures

Pernod Ricard's activities leave it exposed to two distinct types of environmental risk:

Risks created by the Group with respect to its environment

Fire hazard

As alcohol is inflammable, fire is the main risk inherent in the production and storage of spirits. The main risk concerns sites where oak casks for *eaux-de-vie* are kept in ageing warehouses, especially considering the large amounts stored in these facilities and the emptying and filling operations carried out there. Fire hazard is also present during distilling, blending and conditioning of *eaux-de-vie* and alcohols.

Of the 113 industrial sites operational as of 30 June 2009, 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).

Mixed with air, alcohol can, at some temperatures, emit explosive gases. Measures to prevent the risk of explosion are applied on all the sites and facilities where such a risk may arise: limitation of ignition sources, ventilation, removal of gases, etc. This is in accordance with the EU's ATEX directive, the principles of which are applied by the Group in all countries. In practice, an explosion would probably be sparked by a fire, there being no documented cases of explosions in ageing warehouses, except during fires.

No fires or explosions affected the Group's activities during the period covered by this report.

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 used to extinguish the fire. The risk of pollution is part of risk surveys and prevention measures at the Group's sites (drainage systems, retention on premises, drainage to storage basins).

Risk of depletion of natural resources

While the Group's production facilities all use natural resources to differing degrees, none of them represents a direct threat to the availability of the relevant resource, due to the small amounts used in relation to the amounts available. In particular, quantities of water extracted from water tables or rivers for use during the cooling, transformation or blending stages do not represent a threat to the supply of these resources.

Risks for consumers

The Group has noted the health risks involved in the consumption of alcoholic beverages and accordingly has a very strong ethical commitment to encouraging responsible drinking.

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. In 2009, the Group decided to go ahead with the gradual certification of all facilities open to risk in accordance with the ISO 22000 standard relative to food safety. It also included specific recommendations concerning glass fragments and the risk of contamination in its internal standards.

Risks for the Group caused by the environment

Natural disasters affecting the Group's facilities

Some facilities are located in areas known to be at significant risk of earthquake. This includes facilities located in Armenia, California, Mexico and New Zealand. The Group's wine production facility in Gisborne, New Zealand, was hit by an earthquake in 2007. This caused substantial damage to a number of vats and to piping, but repairs were made without major consequences for the activity.

Some facilities are also at risk of cyclones or hurricanes. The San José plant in Cuba has taken preventative measures to cover this contingency.

There is also a risk of flooding. However, it is not considered to be particularly high at any of the Group's facilities.

Climate risks for agriculture

The risks of climate events such as frost, hail or drought can affect agricultural supplies to the Group's subsidiaries. The portion of this risk borne by Pernod Ricard is negligible, since our subsidiaries' own production still represents much less than raw materials purchased, so the risk is borne mainly by farmers supplying the Group. Various measures help contain the inherent risk: insurance in some cases (e.g. hailstorms on vineyards), "climatic" reserve for champagne, inventories for cognac and the diversification of supply zones. In regions subject to the risk of drought, such as Australia, particularly rigorous water-management measures have been taken: drip irrigation systems, recycling of wastewater, monitoring and reduction of consumption.

General risk prevention and management policy

Pernod Ricard's industrial and environmental policy management is coordinated by the QSE Department (Quality, Security, Environment). It is based on internal standards inspired by systematic risk analysis, and by recommendations setting out best practice in each of the areas covered: product quality, security of personnel, environment, 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.

One of the key planks of Pernod Ricard's QSE policy is the certification of the management systems of its facilities in four areas. By the end of June 2009, the following proportions of the Group's global industrial facilities had been certified:

- for quality management (ISO 9001): 88% of facilities, or 97% of production;
- for environmental management (ISO 14001): 81% of facilities, or 93% of production;
- for security management (OHSAS 18001): 70% of facilities, or 78% of production;
- for food safety (ISO 22000): 13% of facilities, or 10% of production.

The QSE Department carries out full QSE audits of roughly 30% of the Group's installations every year, in order to endorse risk analysis done by subsidiaries and the measures taken to reduce these risks. These audits are systematically carried out with the help of one or several auditors from another subsidiary, which helps promote the spread of best practices, bolster the skills of internal experts, and improve internal references by constantly adding new Guidelines.

Lastly, the Technical Risk Manager at the Group's QSE Department is tasked with working with subsidiaries to help improve risk control. His work covers:

- preventative measures: design and maintenance of facilities, training, operating procedures;
- protection systems: automatic fire extinguishers, water retention systems.

To achieve this, he carries out regular site visits, with the help of experts from the insurer or insurance broker. Appraisals are made during these visits, with a score being attributed to each site, along with technical recommendations. Investments relating to these recommendations are then prioritised on the basis of the level of risk identified, including the installation of automatic fire extinguishing systems, improvements to existing systems, water retention facilities in areas where alcohol is unloaded, the replacement of pumps or electrical materials by ATEX materials. The Risk Manager is frequently 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.

Lastly, a programme devoted to developing and implementing Business Continuity Plans has been initiated 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.

Liquidity risk

At 30 June 2009, cash and cash equivalents totalled €520 million. An additional €1,532 billion of medium-term credit facilities with banks were 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, etc.), which provide adequate financial resources to ensure the continuity of its business. Net short-term financial debt was €383 million. While the Group has not identified any significant short-term cash requirements other than those pertaining to its recurring operations, 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 under satisfactory conditions, given the prevailing economic climate.

In addition, the Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. As of 30 June 2009, the Group was in compliance with the covenants (consolidated EBITDA/net financing cost and total net debt/consolidated EBITDA) under the terms of its syndicated loan.

Similarly, 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.

Market risks (currency and interest rates)

Currency risk

As the Group consolidates its financial statements in euros, 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 denominated in American dollars and Japanese yen.

Fluctuations against the euro (particularly by the American dollar) can have an impact on the nominal amount of debt and the amounts of interest expense reported in financial statements audited in euros, thereby deteriorating the Group's 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 of highly probable non-Group operating receivables and payables.

Interest-rate risk

When the syndicated loans for the acquisition of Seagram and Allied Domecq assets were put in place, the Group exceeded the hedging obligation required by the banks. The hedging portfolio includes swaps and interest-rate options in addition to fixed-rate debt.

Additional information on the above risks is provided in Notes 18 – *Financial instruments* and 19 – *Currency and interest rate 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	Cover and limits on the main insurance policies[1]
Property damage and business interruption losses	Cover: 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 €550 million for Midleton (Ireland) and Martell (France), €150 million for Spanish sites and the 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 cover (except for exclusions) for damage caused to third parties for up to €220 million per year of insurance.
Product contamination	Cover for recall outlay, loss of business and outlay on rebuilding Pernod Ricard's image following contamination of products delivered: €30 million for accidental contamination and €35 million for criminal contamination.
Directors' civil liability	Cover of up to €125 million per year of insurance.
Transport	Cover of up to €15 million per claim.
Credit	Guarantees covering mainly the Group's French subsidiaries, the subsidiaries of Pernod Ricard Europe and PR USA. These guarantees range from €19 million to €143 million depending on whether the subsidiaries are party to the various factoring and securitisation programmes.
Fraud	Cover of up to €35 million per year.

(1) The figures shown are the main limits. Some contracts provide specific limits for certain aspects of cover.

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 records a provision whenever a risk is identified and when it is possible to estimate the cost. Provisions accordingly involve an assessment by the Group's senior management.

Significant 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 ("the Credit Agreement"), to which further clauses have been added, with a pool of banks headed by BNP Paribas, Calyon, 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 2009 came to approximately €8.1 billion. At 30 June 2009, Facility A had been repaid in full.

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 Pernod Ricard 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.

The Credit Agreement also sets out commitments including a commitment to provide lenders with adequate information, compliance with two financial ratios at each half-year end (a coverage ratio, i.e. consolidated EBITDA/consolidated net financial expenses, and a solvency ratio, i.e. total consolidated net debt/consolidated EBITDA) as well as compliance with certain commitments customary in this type of credit agreement (including the maintenance of the credit's *pari passu* ranking). The solvency ratio must be less than or equal to 6.75 at 31 December 2009 and the coverage ratio must be greater than or equal to 2.50 at 31 December 2009.

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.

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 SA or any group of persons acting together with the Société Paul Ricard SA) is likely to constitute grounds for compulsory early repayment.

Bond Issue of June 2009

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 on 15 January of each year.

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 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.

Factoring agreement

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 program for a gross amount of €350 million increased to €400 million by amendment dated 23 June 2009. The program 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. The cash raised has been used to pay down tranche A of the Vin&Sprit acquisition loan. 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 unconsolidated at 31 December 2008.

Also, 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 Calyon.

Agreement on disposal of receivables

Master Receivables Assignment Agreement

On 24 June 2009, certain subsidiaries of Pernod Ricard and Pernod Ricard Finance entered into an international programme arranged by Calyon for the transfer of commercial eligible receivables to Ester, in accordance with the provisions of the agreement and jurisdiction-specific agreements dated 24 June 2009.

The initial amount was €45 million, $130 million and £120 million sterling.

Other agreement on disposal of receivables

Another agreement on disposal of receivable was set up on 24 December 2008 between PR Pacific Pty and NAB. This factoring program included Australia as of 31 December 2008, followed by New Zealand at 30 June 2009, bringing the amount of receivable sold in the area to approximately €40 million.

Fixed-Rate Notes 2013/ Floating-Rate Notes 2011

On 6 December 2006, Pernod Ricard issued a series of fixed-rate notes (the "Fixed-Rate Notes") and floating-rate notes (the "Floating-Rate Notes" and, along with the Fixed-Rate Notes, the "Notes"), nominal value per note €50,000, totalling a nominal amount of €550 million for the Fixed-Rate Notes and €300 million for the Floating-Rate Notes.

The Notes are admitted for trading on the Luxembourg regulated Stock Exchange.

The Fixed-Rate Notes bear interest at a fixed 4.625% per annum, payable annually at expiry on 6 December of each year. The Floating-Rate Notes bear interest at a floating rate, payable quarterly at expiry date on 6 March, 6 June, 6 September and 6 December of each year. The annual floating interest rate is calculated on the basis of 3-month EURIBOR plus a margin of 0.50% per annum.

The nominal amount and the interest on the Notes are direct, unsecured and unsubordinated debts of Pernod Ricard and rank *pari passu* with all other present or future unsecured and unsubordinated Pernod Ricard notes. Pernod Ricard has moreover undertaken not to grant any guarantee with regard to notes or other securities that have been admitted or are likely to be admitted for trading on a regulated market unless the Notes benefit from similar guarantees or guarantees approved by the group of noteholders.

The Fixed-Rate Notes will be due on 6 December 2013 and the Floating-Rate Notes will be due on 6 June 2011. Noteholders may request the prepayment of Notes in the event of a change of control. Pernod Ricard also has the option or the obligation, as the case may be, of prepayment of the Notes for taxation reasons.

Demands may also be made for prepayment of the Notes after the occurrence of one of the following default instances: (i) failure by Pernod Ricard to pay any amount of any kind with regard to the Notes, (ii) failure by Pernod Ricard to fulfil or comply with any of its obligations pursuant to the Notes, (iii) the occurrence of an event of default or a payment default in respect of any other debt, for an amount exceeding €75 million, (iv) the sale of all the assets, discontinuance of the business activities or commencement of dissolution or liquidation proceedings with regard to Pernod Ricard, or (v) the appointment of an ad hoc Company Administrator or the commencement of bankruptcy or liquidation proceedings with regard to Pernod Ricard or proceedings providing for the sale of all its business.

The terms and conditions of the Notes were set out in a prospectus dated 4 December 2006 approved by the Commission de surveillance du secteur financier (Supervisory Committee for the Financial Sector) and available on the Luxembourg Stock Exchange website (www.bourse.lu).

Sale and repurchase agreements

In relation to sale and repurchase agreements, Pernod Ricard resold 5,955,534 treasury shares purchased to cover certain stock option plans. For these transaction, 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 during exercise of options at the exercise price. These transaction 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 considered 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 to 4 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

Current share sale and repurchase agreements and stock option plans have made it possible to receive €250 million recognised in shareholders' equity.

At 30 June 2009, 140,755 shares were bought back following exercise of the repurchase clause.

Purchase of Vin&Sprit ("V&S")

In June 2007, the Swedish parliament authorised the Swedish government to sell all of the shares in V&S Vin&Sprit Aktiebolag ("V&S"). At that time, the Kingdom of Sweden (the "Kingdom") owned all shares in V&S. In December 2007, a number of prospective buyers, including Pernod Ricard, were invited to participate in an auction process by submitting indicative offers for all the shares in V&S.

Following the submission of an indicative offer, Pernod Ricard was selected to participate in the second round of the divestment process and, on 30 March 2008, Pernod Ricard and the Kingdom entered into a share purchase agreement (the "Agreement") regarding all of the shares in V&S. The acquisition was subject to clearance in terms of competitive activity from the European Commission.

Pursuant to the Agreement, the purchase price for V&S corresponded to $6,050 million plus €1,450 million plus certain interest calculated for a period up to completion of the transaction. In addition to the purchase price, Pernod Ricard SA assumed V&S net debt. Before the completion of the acquisition, certain assets of V&S were distributed to the Kingdom.

Following the approval, subject to certain conditions, by the European Commission, the acquisition was completed on 23 July 2008. The approval was conditional upon the subsequent disposal of the V&S brands Grönstedts Cognac, Red Port, Star Gin, Dry Anis and Lubuski Gin, and Serkova Vodka, owned by Pernod Ricard. The disposals of these brands were completed during the first quarter of 2009. In addition, the distribution agreements for Stolichnaya vodka outside Russia and for Royal Canadian whisky in Sweden were terminated.

Future Brands Arrangements

At the time of Pernod Ricard's acquisition of V&S Vin&Sprit Aktiebolag ("V&S"), V&S was a partner of Jim Beam Brands, Co. and its parent Beam Global Spirits & Wine, Inc., a subsidiary of Fortune Brands, Inc. (together with Jim Beam Brands, Co. referred to hereinafter as "Beam") in a joint venture named Future Brands Llc., a Delaware limited liability company ("FB"), which distributed V&S' brand products in the US through a network of wholesalers and provided related selling and invoicing services. The Absolut Spirits Company, Inc., a Delaware corporation and a wholly-owned subsidiary of V&S ("ASCI"), owned with Beam respectively 49% and 51% of the membership interests of FB. The distribution arrangements provided that FB would act as the exclusive provider of distribution services in the US for V&S products and receive a commission from ASCI as well as a reimbursement of marketing and advertising expenses. These distribution arrangements were originally scheduled to expire in February 2012.

On 28 August 2008, V&S and ASCI signed an agreement with Beam and FB, pursuant to which, among other things, the FB distribution arrangements relating to V&S products were terminated as of 30 September 2008 and ASCI withdrew as a partner in the joint venture, at the time in consideration for a payment to Beam in the amount of $230 million. In connection with this agreement, ASCI and V&S entered into a purchase agreement on 28 August 2008, with Fortune Brands and Beam pursuant to which they agreed to sell the Cruzan rum brand and related assets to Beam Global Spirits & Wine, Inc. for an amount of $100 million. This transaction closed during the 4th quarter of 2008.

Maxxium Agreement

V&S Vin&Sprit Aktiebolag ("V&S") and its German subsidiary, V&S Deutschland GmbH, entered into a shareholders agreement dated 31 May 2001 ("the Shareholders Agreement"), under which V&S Deutschland GmbH and entities ultimately owned by Fortune Brands, Inc., Remy Cointreau SA and The Edrington Group each held 25% of the shares in Maxxium Worldwide BV ("Maxxium"). Maxxium operates a worldwide distribution network through a series of local distribution agreements with Maxxium group companies and with third parties. At the time of Pernod Ricard's acquisition of V&S, all V&S brands were currently distributed through the Maxxium network (except in the United States) in accordance with an Umbrella Agreement dated 31 May 2001 ("the Umbrella Agreement") to which V&S, V&S Deutschland GmbH and Maxxium were party.

On 3 September 2008 the shareholders of Maxxium announced that they had entered into an agreement for the early termination of distribution by Maxxium of the V&S brands effective on 1st October 2008. The Maxxium contracts had previously provided for an exit by V&S from distribution after a period of two years following its acquisition by Pernod Ricard together with the payment of a fee.

The Maxxium shareholders agreed an accelerated exit of V&S from Maxxium. In order to compensate Maxxium for this early termination, Pernod Ricard paid Maxxium a fee of €59 million on 1 October 2008. The 25% equity stake held by Vin&Sprit in Maxxium was redeemed by Maxxium for €60.4 million on 30 March 2009.

Stolichnaya

On 15 November 2000, Allied Domecq International Holdings B.V. and Allied Domecq Spirits & Wine USA, Inc. entered into a Trademark Sale, Supply and Distribution Agreement with Spirits International NV and SPI Spirits (Cyprus) Ltd. (together referred to hereinafter as "SPI Spirits"). Under this agreement, SPI Spirits appointed Allied Domecq as exclusive distributor in the United States of its various vodkas, which are distributed under the brand names "Stolichnaya", "Stoli" and "Priviet". The companies of the Allied Domecq Group agreed to purchase a minimum number of cases of these vodkas over the term of the agreement and to undertake substantial investment in the marketing, sale and distribution of SPI Spirits vodkas. On 24 November 2004, the Allied Domecq Group and SPI Spirits signed contracts regarding the marketing and distribution of the "Stolichnaya" vodka brand portfolio by the Allied Domecq Group in markets in the European Union, Latin America, Asia Pacific and Africa.

In September 2005, at the time of Pernod Ricard's acquisition of Allied Domecq, this agreement was amended principally to include a waiver by SPI Spirits of some of its rights in the event of a change of control and to grant Pernod Ricard certain exclusive rights and pre-emptive rights over the acquisition of the Stolichnaya brand, in consideration of a $125 million payment by Pernod Ricard to SPI Spirits.

On 13 March 2008, Pernod Ricard and certain subsidiaries entered into a Transition Agreement with SPI Spirits in connection with Pernod Ricard's proposed acquisition of V&S Vin&Sprit Aktiebolag ("V&S"). This agreement established a framework for Pernod Ricard's continued distribution of Stolichnaya brand products during a transition period of up to 180 days following the completion of Pernod Ricard's acquisition of V&S.

During the transition period, SPI Spirits appointed new distributors for the Stolichnaya brand in the United States and on a global level, with the exception of Canada. At the end of the transition period (mid-January 2009), Pernod Ricard and its subsidiaries had stopped distributing Stolichnaya brand products globally, with the exception of (i) activities related to fulfilling commitments to the new distributors made under the Transition Agreement, and (ii) Canada, where Pernod Ricard's subsidiary continued to distribute these products in accordance with a distribution agreement with SPI Spirits.

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 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 April-May 2003, Jinro Limited became subject to involuntary reorganisation proceedings. Following the failure of Jinro to recover from such reorganisation proceedings within 180 days, 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 September 2008, "Jinro Ballantine's Company" changed its name to "Pernod Ricard Korea Imperial Company".

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.

4 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements

In application of Article 28 of EC Regulation 809/2004 of 29 April 2004, the consolidated financial statements for the year ended 30 June 2008 that were included in the financial report section of the Group's 2008 reference document are included by reference in this document.

Annual consolidated income statement

In euro million	30.06.2008	30.06.2009	Notes
Net sales	6,589	7,203	
Cost of sales	(2,823)	(2,995)	
Gross margin after logistics costs	**3,766**	**4,208**	
Advertising & promotion	(1,178)	(1,237)	
Contribution after advertising & promotion expenses	**2,588**	**2,971**	
Trading costs and overheads	(1,066)	(1,125)	
Profit from recurring operations	**1,522**	**1,846**	
Other operating income and expenses	(81)	(89)	7
Operating profit	**1,441**	**1,757**	
Net financing costs	(316)	(581)	6
Other financial income (expense)	(33)	(110)	6
Interest (expense) income	**(349)**	**(691)**	
Corporate income tax	(224)	(108)	8
Share of net profit/(loss) of associates	0	0	
Net profit from continuing operations	**869**	**958**	
Net profit from discontinued operations	0	8	
NET PROFIT	**869**	**966**	
Including:			
• *Attributable to minority interests*	*29*	*21*	
• *Attributable to equity holders of the Parent*	*840*	*945*	
Earnings per share – basic (in euro)(1)	3.70	4.02	9
Earnings per share – diluted (in euro)(1)	3.65	3.99	9
Net earnings per share from continuing operations (excluding discontinued operations) – basic (in euro)(1)	3.70	3.99	9
Net earnings per share from continuing operations (excluding discontinued operations) – diluted (in euro)(1)	3.65	3.96	9

(1) In accordance with IAS 33, earnings per share at 30 June 2008 have been adjusted to reflect the capital increase with preferential subscription rights carried out on 14 May 2009 (see Note 9 – Earnings per share).

Annual consolidated balance sheet

Assets

In euro million	30.06.2008	30.06.2009	Notes
Net amounts			
Non-current assets			
Intangible assets	7,138	11,310	11
Goodwill	3,203	4,888	11
Property, plant and equipment	1,608	1,757	12
Biological assets	66	75	
Non-current financial assets	145	105	13
Investments in associates	3	3	
Deferred tax assets	722	1,111	8
NON-CURRENT ASSETS	**12,885**	**19,250**	
Current assets			
Inventories	3,717	3,725	14
Trade receivables	1,146	936	15
Income taxes receivable	48	58	
Other current assets	195	185	15
Current derivative instruments	19	23	13
Cash and cash equivalents	421	520	17
CURRENT ASSETS	**5,546**	**5,446**	
Assets held for sale	0	178	4
TOTAL ASSETS	**18,431**	**24,875**	

Liabilities and shareholders' equity

In euro million	30.06.2008	30.06.2009	Notes
Shareholders' equity			
Share capital	341	401	22
Share premium	2,065	3,019	
Retained earnings and currency translation adjustments	3,175	3,065	
Group net profit	840	945	
Group shareholders' equity	**6,420**	**7,431**	
Minority interests	177	185	
TOTAL SHAREHOLDERS' EQUITY	**6,597**	**7,615**	
Non-current liabilities			
Non-current provisions	467	521	16
Provisions for pensions and other long-term employee benefits	478	405	16
Deferred tax liabilities	2,128	2,217	8
Bonds	2,352	2,540	17
Non-current derivative instruments	209	427	17
Other non-current financial liabilities	3,053	8,315	17
TOTAL NON-CURRENT LIABILITIES	**8,687**	**14,425**	
Current liabilities			
Current provisions	287	312	16
Trade payables	1,650	1,759	20
Income taxes payable	103	101	
Other current liabilities	130	209	
Other current financial liabilities	950	366	17
Current derivative instruments	27	28	
TOTAL CURRENT LIABILITIES	**3,147**	**2,774**	
Liabilities held for sale	0	60	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**18,431**	**24,875**	

Shareholders' equity

Statement of recognised income and expenses

In euro million	30.06.2008	30.06.2009
Net investment hedges		
Amount recognised in shareholders' equity	91	(321)
Amount recycled in net profit	-	-
Cash flow hedges	(21)	(272)
Available-for-sale financial assets		
Unrealised gains and losses recognised in shareholders' equity	0	0
Amount removed from equity and included in profit/loss following a disposal	1	0
Exchange differences	(770)	(288)
Tax on items recognised directly in shareholders' equity	(16)	187
Other adjustments	0	0
Net gains (losses) recognised in shareholders' equity	(715)	(694)
Net profit for the period	869	966
TOTAL GAINS AND LOSSES FOR THE PERIOD	**154**	**272**
Including:		
• Attributable to equity holders of the Parent	*139*	*249*
• Attributable to minority interests	*15*	*23*

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	Minority interests	Total shareholders' equity
At 01.07.2007	**340**	**2,053**	**4,012**	**32**	**167**	**(313)**	**6,290**	**168**	**6,458**
Income and expenses recognised directly through equity				**(24)**	**(677)**		**(701)**	**(14)**	**(715)**
Net profit			840				840	29	869
Total recognised income and expenses(1)			**840**	**(24)**	**(677)**		**139**	**15**	**154**
Capital increase	1	12					13		13
Share-based payment			36				36		36
Purchase/sale of treasury shares			1			(55)	(54)		(54)
Sale and repurchase agreements						251	251		251
Dividends distributed			(271)				(271)	(13)	(283)
Changes in scope of consolidation			2		(4)		(1)	1	0
Other movements			17				17	5	22
At 30.06.2008	**341**	**2,065**	**4,637**	**8**	**(514)**	**(117)**	**6,420**	**177**	**6,597**

(1) *The consolidated statement of recognised income and expenses for the financial year is shown in the paragraph on 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	Minority interests	Total shareholders' equity
At 01.07.2008	**341**	**2,065**	**4,637**	**8**	**(514)**	**(117)**	**6,420**	**177**	**6,597**
Income and expenses recognised directly through equity				**(181)**	**(514)**		**(696)**	**2**	**(694)**
Net profit			945				945	21	966
Total recognised income and expenses(1)			**945**	**(181)**	**(514)**		**249**	**23**	**272**
Capital increase	60	954					1,015		1,015
Share-based payment			38				38		38
Purchase/sale of treasury shares						6	6		6
Dividends distributed			(279)				(279)	(13)	(292)
Changes in scope of consolidation			1				1	0	2
Other movements			(3)		(17)		(19)	(2)	(22)
At 30.06.2009	**401**	**3,019**	**5,340**	**(173)**	**(1,045)**	**(111)**	**7,431**	**185**	**7,615**

(1) *The consolidated statement of recognised income and expenses for the financial year is shown in the paragraph on Shareholders' equity.*

Annual consolidated cash flow statement

In euro million	30.06.2008	**30.06.2009**	Notes
Cash flow from operating activities			
Group net profit	840	945	
Minority interests	29	21	
Share of net profit/(loss) of associates, net of dividends received	(0)	(0)	
Financial (income) expense	349	691	
Income tax expense	224	108	
Net profit from discontinued operations	0	(8)	
Depreciation and amortisation	166	157	
Net change in provisions	(276)	(189)	
Net change in impairment of goodwill, property, plant and equipment and intangible assets	3	147	
Changes in fair value of commercial derivatives	(1)	(1)	
Fair value adjustments on biological assets	(7)	(7)	
Net (gain)/loss on disposal of assets	(4)	(225)	
Share-based payments	36	38	
Self-financing capacity before interest and tax	**1,359**	**1,674**	
Decrease/(increase) in working capital needs	(513)	246	21
Interest paid	(391)	(649)	
Interest received	25	19	
Income tax paid	(261)	(234)	
Income tax received	48	70	
Cash flow from operating activities	**268**	**1,126**	
Cash flow from investing activities			
Capital expenditure	(273)	(241)	21
Proceeds from disposals of property, plant and equipment and intangible assets	66	480	21
Changes in scope of consolidation		(5,327)	
Purchases of financial assets	(27)	(29)	
Disposals of financial assets	5	5	
Cash flow from investing activities	**(229)**	**(5,113)**	
Cash flow from financing activities			
Dividends paid	(280)	(301)	
Other changes in shareholders' equity	10	1,001	21
Issuance of long term debt	742	12,157	21
Repayment of long term debt	(626)	(8,743)	21
(Acquisitions)/disposals of treasury shares	196	6	
Net change in cash flow from financing activities	**42**	**4,121**	
Net cash from discontinued operations	0	8	
Increase/(decrease) in cash and cash equivalents (before currency translation effect)	81	142	
Net effect of currency translation adjustments	(43)	(43)	
Increase/(decrease) in cash and cash equivalents (after currency translation effect)	38	99	
Cash and cash equivalents at beginning of period	**383**	**421**	
Cash and cash equivalents at end of period	**421**	**520**	

Notes to the annual consolidated 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 consolidated financial statements reflect the accounting position of Pernod Ricard and its subsidiaries (the "Group"). They are presented in euros rounded to the nearest million.

The Group's business is the sale of Wines & Spirits.

The consolidated annual financial statements for the financial year ended 30 June 2009 were approved by the Board of Directors on 2 September 2009.

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 2009 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 ending 30 June 2009 are consistent with those used for the consolidated financial statements for the year ending 30 June 2008, except for standards and interpretations adopted by the European Union that are applicable as from 1 July 2008 (see Note 1.2).

The Group's financial year runs from 1 July to 30 June.

2. Changes in accounting standards

The following amendments have become applicable to the preparation of the consolidated annual financial statements at 30 June 2009:

- amendments to IAS 39 and IFRS 7 (reclassification of financial assets) which permit certain financial assets to be reclassified in particular circumstances. The Group has not reclassified any financial assets.

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 at the balance sheet date. These include:

  - amendment to IAS 39 (Eligible hedged items), amendment to IFRS 7 (Improving disclosures about financial instruments), amendments to IAS 39 and IFRIC 9 regarding the treatment of embedded derivatives when financial assets are reclassified and IFRS amendments issued in April 2009 under the IASB's annual improvements programme. The Group is examining the possible impacts of these amendments on its consolidated financial statements,
  - interpretations IFRIC 15 (Agreements for the construction of real estate), IFRIC 17 (Distribution of non-cash assets to owners) and IFRIC 18 (Transfer of assets from customers) which were found not to apply to the Group;
- standards and interpretations published by the IASB and adopted by the European Union on the balance sheet date, but only obligatory for periods commencing after 1 July 2008. This is the case for:
  - IFRS 8 (Operating segments) whose application is only obligatory for periods beginning after 1 January 2009. IFRS 8 replaces IAS 14 and requires that operating sectors, as presented under segment information, should be identified on the basis of internal data used by Group management. Application of this standard will have no impact on the financial status of the Group nor on the way in which its consolidated financial statements are presented,
  - IAS 1 revised (Presentation of financial statements) whose application is only obligatory for periods beginning after 1 January 2009. Application of the revisions will have no impact on the financial status of the Group, but will alter the way in which its financial statements are presented,
  - IAS 23 revised (Borrowing costs), which removes the option of immediately recognising as an expense those borrowing costs directly related to the acquisition, construction or production of a qualifying asset. The Group is examining the possible impacts of the revised standard on its consolidated financial statements,
  - revised version of IFRS 3 (Business combinations) and amendments to IAS 27 (Consolidated and separate financial statements), IAS 28 (Investments in associates) and IAS 31 (Interests in joint ventures). The Group is examining the possible impacts of these standards and amendments on its consolidated financial statements,
  - amendment to IFRS 2 (Vesting conditions and cancellations), amendments to IAS 32 and IAS 1 (Puttable financial instruments and obligations arising on liquidation), amendments to IFRS 1 and IAS 27 (Cost of an investment in a subsidiary, jointly controlled entity or associate) and amendments to IFRSs issued in May 2008 as part of the annual process of improving standards. The Group is examining the possible impacts of these standards and amendments on its consolidated financial statements,
  - IFRIC 12 (Service concession arrangements) and IFRIC 13 (Customer loyalty programmes) interpretations which were found not to apply to the Group,
  - IFRIC 14 (Limit on a defined benefit asset, minimum funding requirements and their interaction) and IFRIC 16 (Hedges of a net investment in a foreign operation) interpretations. The Group is examining the possible impacts of these interpretations on its consolidated financial statements.

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. Minority interests in the net assets of consolidated subsidiaries are presented separately from Parent Company shareholders' equity. Minority 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 judgment 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, are based on information available at the time of their preparation and reflect the current environment of economic and financial crisis whose scale and depth cannot be reliably forecast. 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 (brands for example), 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. Net goodwill was measured at €4,888 million at 30 June 2009, compared with €3,203 million at 30 June 2008. Other intangible assets (chiefly brands) were measured at €11,310 million at 30 June 2009, compared with €7,138 million at 30 June 2008.

The data and assumptions used for the impairment test applied to goodwill and intangible assets with indefinite useful lives of Cash Generating Units (CGUs) are as follows:

	Method used to determine the recoverable amount	Carrying amount of goodwill at 30.06.2009	Carrying amount of brands and other intangible assets at 30.06.2009	Value in use	
				Discount rate	Perpetual growth rate
France	Value in use based on the discounted cash flow method	237	584	7.33%	From (1)% to +2.5%
Europe		1,603	3,111	8.35%	From (1)% to +2.5%
Americas		2,262	5,803	8.39%	From (1)% to +2.5%
Asia/Rest of the World		787	1,813	8.57%	From (1)% to +2.5%

A 0.5 percentage point increase in the discount rate would generate no additional impairment to the value of indefinite intangible assets and goodwill.

Provisions for pensions and other post-employment benefits – As indicated in Note 1.18, the Group participates in 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 16.

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 2009 and their methods of determination are set out in Note 16. The Group considers that the actuarial assumptions used are appropriate and justified, however, changes that could be made to such actuarial assumptions in the future may have a material impact on the amount of the Group's benefit obligations and on its results.

A 25 basis point reduction in the discount rate at 30 June 2009 would have an impact of around €132 million on the amount of the benefit obligation under the Group's main benefit plans, which are in the UK and North America. A change of one point in the rate of increase of medical and healthcare expenses would have an impact of approximately €9 million on the amount of the benefit obligation in respect of post-employment medical and healthcare coverage.

Deferred tax – As indicated in Note 1.21, the deferred tax assets recognised result mainly from tax loss carryforwards and from timing differences between the tax and book values 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. Assessment of the Group's ability to use these tax loss carryforwards involves a significant degree of judgment. Analyses are carried out to conclude whether or not these tax loss carryforwards are likely to be usable in the future. At 30 June 2009, the amount of deferred tax assets is €1,186 million and is set out in detail in Note 8.

Provisions – As indicated in Note 16, the Group is involved in some litigation 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 16.

Judgments – In the absence of standards or interpretations applicable to a specific transaction, Group Management uses its judgment to define and apply those accounting policies that will provide relevant and reliable information in the context of the preparation of the financial statements.

6. Business combinations

Business combinations completed as from 1 July 2004 are recognised according to the purchase accounting method, in application of IFRS 3 (Business combinations). Identifiable assets, liabilities and contingent liabilities of the acquired entity are recognised at fair value at the date of acquisition, after an allocation period of a maximum duration of twelve months from the date of acquisition. Cost of acquisition is measured at the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus any costs directly attributable to the acquisition. The excess of the cost of acquisition over the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill and is subject to impairment tests, at least once a year and as soon as there is an indication that it may be impaired. Goodwill relating to the acquisition of foreign entities is denominated in the functional currency of the acquired activity.

7. Goodwill and intangible assets

Goodwill – Goodwill is subject to an impairment test at least once a year and as soon as 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 and as soon as 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 acquired activity.

8. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and analysed 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. The useful life is reviewed on a regular basis. 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 as soon as 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). When the carrying amount of these non-current assets becomes greater over a sustained period of time than the highest of either their value in use or their market value, an impairment loss is recognised within operating profit.

Assets subject to impairment tests are included into 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 calculated using profit projections over a 20-year period, prepared using management forecasting tools (for the first 3 years) and using an estimate for the following years based on long term trends by market of the brands in question. The calculation includes a terminal value which is determined in light of the growth and profitability profile of each brand.

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, which amounted to 8.33% at 30 June 2009 compared to 7.2% at 30 June 2008. A different discount rate was used to allow for risks specific to certain markets or geographical areas in calculating cash flows. 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 currency translation adjustments, within shareholders' equity, 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 euros 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. Application of this policy did not lead the Group to capitalise a significant amount of development costs in the financial years ended 30 June 2009 and 30 June 2008.

12. Assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), assets and liabilities held for sale are not subject to depreciation or amortisation. They are shown separately in the balance sheet for an amount corresponding to the lowest of either their carrying amount or their fair value, minus 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. A discontinued operation represents a major line of business or geographical area of operations for the Group that is subject either to a sale or to reclassification as an asset held for sale. Balance sheet items 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 but excludes finance 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 however 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 costs to sell, 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

Available-for-sale financial assets 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, they 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 investment-related loans and receivables, current account advances granted to non-consolidated entities and associates and guarantee deposits. The loans and receivables related to these investments are measured at their impaired cost value.

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 appropriate board that has been announced to the third parties in question 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 benefits 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 balance sheet provision 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 long-service awards), 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.

The Group does not participate in multi-employer plans.

19. 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 & promotion 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. 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 7.

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. In order to evaluate the Group's ability to recover these assets, account is notably taken of forecasts of future taxable profits.

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. Purchase of Vin&Sprit ("V&S")

On 23 July 2008, Pernod Ricard acquired 100% of the shares in the Vin&Sprit group (V&S), for €5.3 billion. The acquisition was funded by means of a syndicated multilinked-currency loan.

As a result of this acquisition the distribution of V&S products by Future Brands and Maxxium was terminated as of 1 October 2008. Pernod Ricard exited the Future Brands joint venture at the cost of a $230 million fee and Maxxium on payment of a €59 million in fee and the sale of shares on 30 March 2009 (€60 million).

2. Main brands sold

On 30 September 2008, the Cruzan brand and related assets were sold to Fortune Brands for $100 million.

On 1 April 2009, the Group agreed the sale of the Star Gin, Red Port and Dry Anis brands to Arcus Gruppen AS following an agreement with the European Commission under which Pernod Ricard undertook to dispose of these brands.

In April 2009, agreement was reached with Altia on the sale of the Grönstedts Cognac brand. This was one of the brands that had to be divested under the agreement granting consent for the V&S acquisition.

On 29 May 2009, the Group sold the Wild Turkey Bourbon brand and its associated assets to Campari for $581 million.

3. Capital increase

On 14 May 2009, Pernod Ricard SA increased its capital by €1,036 million (gross before fees). Under the transaction 38,786,220 new shares were subscribed for at a price of €26.70 per share. The capital increase allowed the company to repay parts of tranche B of its euro- and dollar-denominated syndicated loan: €330 million and $910 million, respectively.

4. Bond issue

On 15 June 2009, Pernod Ricard SA issued €800 million of bonds. The proceeds allowed it to repay the next tranches of the multi-currency syndicated loan falling due and to extend the average maturity of the Group's debt.

Note 3 Scope of consolidation

The main changes to Group scope as of 30 June 2009 are presented in Note 2 – Highlights of the financial year, above.

Impact of the year's main acquisition: V&S

The impact of the main acquisition made by the Group during the year on sales and the contribution after advertising and promotional expenses is as follows:

In euro million	30.06.2008
Net sales	915
Contribution after advertising & promotion expenses	357

The impact of the main acquisition on the main asset items on the consolidated balance sheet for 30 June 2009 is as follows:

		30.06.2009		
In euro million	30.06.2008	Constant scope	Scope effect	Total
Goodwill	3,203	3,304	1,585	4,888
Brands and other intangible assets	7,138	7,207	4,103	11,310
Inventories	3,717	3,563	162	3,725
Other assets	4,373	3,681	1,270	4,951
BALANCE SHEET TOTAL	**18,431**	**17,754**	**7,120**	**24,875**

The table below shows what sales and Group net profit for the year ended 30 June 2009 would have been had V&S been acquired on 1 July 2008:

In euro million	30.06.2009
Net sales	7,273
Group net profit	960

Note 4 Assets held for sale

As part of the V&S acquisition, in accordance with commitments made to the European Commission, some assets were bought for with a view to resale (Lubuski Gin, Star Gin, Red Port, Dry Anis and Grönstedts Cognac). These brands were disposed of during the year ended 30 June 2009. Profit from these businesses is shown separately on the income statement, under activities acquired for resale.

On 27 July 2009, the Group sold coffee liqueur brand Tia Maria to Illva Saronno for €125 million.

This brand is shown separately on the balance sheet as assets/liabilities held for sale.

Note 5 Segment reporting

The Group is structured into four primary segments constituted by the following geographic regions: France, Europe, the Americas and Asia/Rest of the World. Following its various restructuring initiatives, the Group is now focused on the single business line of Wines and Spirits sales. Items in the income statement and the balance sheet are allocated on the basis of either the destination of sales or profits. Reporting by geographical 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.

The segments presented are identical to those which are included in the reporting provided to the Board of Directors.

The Group Management Team assesses the performance of each 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.

30.06.2008 *In euro million*	France	Europe	Americas	Asia/Rest of the World	Elimination of intragroup accounts	Unallocated	Total
Income statement items							
Segment net sales	834	2,679	2,075	2,528	-	-	8,116
Inter-segment sales	123	507	375	521	-	-	1,527
Net sales	**711**	**2,171**	**1,700**	**2,007**	**-**	**-**	**6,589**
Gross margin after logistics costs	496	1,269	961	1,040	-	-	3,766
Contribution after advertising & promotional expenses	325	929	678	657	-	-	2,588
Profit from recurring operations	149	530	421	422	-	-	1,522
Other information							
Capital expenditure	44	98	48	36	-	-	227
Depreciation and amortisation	12	65	51	40	-	-	169
Balance sheet items							
Segment assets	2,997	12,981	8,348	7,898	(13,925)	-	18,299
Unallocated assets*	-	-	-	-	-	132	132
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**18,431**
Segment liabilities	2,457	9,314	7,470	6,517	(13,925)	-	11,833
NET ASSETS	**540**	**3,666**	**878**	**1,381**	**-**	**132**	**6,597**

* *The unallocated assets item includes mainly non-current financial assets.*

30.06.2009 *In euro million*	France	Europe	Americas	Asia/Rest of the World	Elimination of intragroup accounts	Unallocated	Total
Income statement items							
Segment net sales	923	3,495	2,721	2,675	-	-	9,814
Inter-segment sales	188	1,078	694	652	-	-	2,611
Net sales	**735**	**2,417**	**2,027**	**2,023**	**-**	**-**	**7,203**
Gross margin after logistics costs	518	1,302	1,253	1,136	-	-	4,208
Contribution after advertising & promotional expenses	348	963	907	753	-	-	2,971
Profit from recurring operations	178	537	636	495	-	-	1,846
Other information							
Capital expenditure	39	116	55	31	-	-	241
Depreciation and amortisation	32	232	46	37	-	-	347
Balance sheet items							
Segment assets	3,758	10,058	21,293	10,111	-	-	-
Unallocated assets*	-	-	-	-	(20,634)	287	-
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**24,875**
Segment liabilities	3,655	10,549	14,884	8,744	(20,634)	60	17,259
NET ASSETS	**103**	**(491)**	**6,410**	**1,366**	**0**	**227**	**7,615**

* *The unallocated assets item includes mainly non-current financial assets and assets and liabilities held for sale.*

NOTE 6 Interest (expense) income

In euro million	30.06.2008	30.06.2009
Net financing costs	(316)	(581)
Structuring and placement fees	(11)	(15)
Net financial impact of pensions and other long-term employee benefits	3	(19)
Other net current financial income (expense)	(9)	(4)
Interest income (expenses) from recurring operations	**(333)**	**(619)**
Foreign currency gains (loss)	(15)	(22)
Other non-current financial income (expense)	(1)	(50)
TOTAL INTEREST (EXPENSE) INCOME	**(349)**	**(691)**

At 30 June 2009, the main items making up net financing costs were financial expenses on the syndicated loan of €322 million, bond payments of €115 million, commercial paper payments of €6 million, interest rate and currency hedges of €127 million and local debt totalling €30 million. Net financing costs also include €19 million of interest income.

At 30 June 2009, other non-current financial income (expense) includes bank fees and changes in the time value of options.

Weighted average cost of debt

The Group's weighted average cost of debt was 4.8% at 30 June 2009 compared with 5.1% at 30 June 2008. 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 7 Other operating income and expenses

Other operating income and expenses are broken down as follows:

In euro million	30.06.2008	30.06.2009
Net restructuring expenses	(26)	(103)
Capital gains (losses) on asset disposals	4	225
Impairment of property, plant and equipment and intangible assets	-	(147)
Other non-current income and expenses	(58)	(65)
OTHER OPERATING INCOME AND EXPENSES	**(81)**	**(89)**

At 30 June 2009, other operating income and expenses included:

- restructuring expenses: these mainly related to the reorganisations launched after the acquisition of V&S;
- net gains on disposal: these mainly related to the profit from the sale of the Wild Turkey brand for $581 million;
- impairment of property, plant and equipment and intangible assets, notably impairment tests on the value of brands (particularly some Spanish wines);
- other operating income and expenses including the costs of early termination of the V&S distribution agreements. Also, as part of the V&S acquisition, inventories of finished goods acquired were restated at fair value with a non-recurrent impact booked under other operating income and expenses at 30 June 2009, the inventories being considered as sold as of this date.

NOTE 8 Corporate income tax

Analysis of the income tax expense:

In euro million	30.06.2008	30.06.2009
Tax payable	(126)	(241)
Deferred tax	(98)	132
TOTAL	**(224)**	**(108)**

Analysis of effective tax rate – Net profit from continuing operations before tax:

In euro million	30.06.2008	30.06.2009
Operating profit	1,441	1,757
Interest (expense) income	(349)	(691)
Taxable profit	**1,092**	**1,066**
Theoretical tax charge at the effective income tax rate in France (34.43%)	(376)	(367)
Impact of tax rate differences by jurisdiction	92	77
Tax impact of variations in exchange rates	-	75
Present value of deferred tax assets linked to rate changes	-	40
Impact of tax losses used	11	7
Impact of reduced tax rates	7	13
Other impacts	42	47
EFFECTIVE TAX CHARGE	**(224)**	**(108)**
EFFECTIVE TAX RATE	**21%**	**10%**

The improvement in the effective tax rate is explained chiefly by a combination of the following factors:

- the unequal rate of profit growth between subsidiaries taxed at different rates;
- tax impacts linked to exchange rate movements during the year;
- updating of deferred taxes linked to rate changes in the jurisdictions affected.

Deferred taxes are broken down as follows by nature:

In euro million	30.06.2008	30.06.2009
Unrealised margins in inventories	91	83
Fair value adjustments on assets and liabilities resulting from business combinations	69	50
Provisions for pension benefits	141	122
Deferred tax assets related to losses eligible for carry-forward	185	404
Provisions (other than provisions for pension benefits) and other items	235	452
TOTAL DEFERRED TAX ASSETS	**722**	**1,111**
Special depreciation change	42	33
Fair value adjustments on assets and liabilities resulting from business combinations	1,962	2,015
Other property, plant and equipment	124	168
TOTAL DEFERRED TAX LIABILITIES	**2,128**	**2,217**

The increase in deferred tax assets and liabilities is largely due to scope effects related to the acquisition of Vin&Sprit group.

At 30 June 2009, deferred taxes calculated on items recognised through equity are composed of deferred taxes on cash flow hedges (€91 million) and deferred taxes on net investment hedges (€97 million).

Tax loss carryforwards (used or not used) represented a potential tax saving of €462 million at 30 June 2009 and €209 million at 30 June 2008. The potential tax saving at 30 June 2009 relates to tax loss carryforwards with the following expiry dates:

	Tax effect of loss carryforwards *(in euro million)*	
Year	Losses used	Losses not used
2009	0	0
2010	0	0
2011	0	0
2012	0	0
2013	155	9
No expiry date	248	49
TOTAL	**404**	**58**

NOTE 9 Earnings per share

Earnings per share and net earnings per share from continuing operations:

	30.06.2008	30.06.2009
Numerator (in euro million)		
Group net profit	840	945
Net profit from continuing operations	840	936
Net profit from discontinued operations	0	8
Denominator (in number of shares)		
Average number of shares in circulation at 30.06.2008	214,046,768	-
Average number of outstanding shares, adjusted for capital increase(1)	226,946,402	234,870,936
Dilutive effect of stock options(2)	3,374,831	1,619,809
AVERAGE NUMBER OF OUTSTANDING SHARES – DILUTED	**230,321,233**	**236,490,745**
Earnings per share (in euro)		
Earnings per share – basic	3.70	4.02
Earnings per share – diluted	3.65	3.99
Net earnings per share from continuing operations – basic	3.70	3.99
Net earnings per share from continuing operations – diluted	3.65	3.96

(1) In accordance with IAS 33 (Earnings per share), the dilutive effect of the capital increase with preferential subscription rights held on 14 May 2009 was recognised retrospectively for the two periods shown.

(2) Following the Pernod Ricard SA capital increase of 14 May 2009, adjustments were made to the number of stock options and free shares granted to employees and to the subscription or purchase price applying.
The adjustment ratio was calculated by comparing the last trading price of Pernod Ricard shares before detachment of the preferential subscription rights for the capital increase (€42.99) and the price after detachment of the right (€40.55). This ratio was applied until the date of the capital increase.

Note 10 Expenses by nature

Operating profit notably includes depreciation, amortisation and impairment expenses together with personnel expenses as follows:

In euro million	30.06.2008	30.06.2009
Total depreciation, amortisation and impairment expenses	**(169)**	**(347)**
Salaries and payroll costs	(685)	(715)
Pensions, medical expenses and other similar benefits under defined benefit plans	48	(35)
Expenses related to stock options and share appreciation rights	(36)	(37)
TOTAL PERSONNEL EXPENSES	**(673)**	**(786)**

Note 11 Intangible assets and goodwill

		Movements in the year					
In euro million	01.07.2007	Acquisitions	Amortisation	Disposals	Foreign currency gains and losses	Other movements	30.06.2008
Goodwill	3,718	3	-	(2)	(312)	36	3,443
Brands	7,797	11	-	(50)	(643)	0	7,115
Other intangible assets	190	16	-	(1)	(20)	9	193
GROSS VALUE	**11,704**	**30**	**-**	**(53)**	**(976)**	**46**	**10,751**
Goodwill	(241)	-	(2)	0	(10)	14	(239)
Brands	(50)	-	(1)	2	1	1	(47)
Other intangible assets	(100)	-	(30)	0	11	(5)	(124)
AMORTISATION/IMPAIRMENT	**(391)**	**-**	**(33)**	**2**	**2**	**10**	**(410)**
INTANGIBLE ASSETS, NET	**11,313**	**30**	**(33)**	**(51)**	**(974)**	**56**	**10,341**

		Movements in the year					
In euro million	01.07.2008	Acquisitions	Amortisation	Disposals	Foreign currency gains and losses	Consolidation of V&S and other movements	30.06.2009
Goodwill	3,443	0	-	(11)	131	1,549	5,112
Brands	7,115	1	-	(12)	369	3,940	11,413
Other intangible assets	193	23	-	(5)	11	(46)	175
GROSS VALUE	**10,751**	**23**	**-**	**(28)**	**511**	**5,443**	**16,700**
Goodwill	(239)	-	(43)	0	14	45	(224)
Brands	(47)	-	(138)	0	0	0	(185)
Other intangible assets	(124)	-	(26)	1	(8)	63	(93)
AMORTISATION/IMPAIRMENT	**(410)**	**-**	**(207)**	**1**	**7**	**108**	**(502)**
INTANGIBLE ASSETS, NET	**10,341**	**23**	**(207)**	**(27)**	**518**	**5,550**	**16,199**

Goodwill – Goodwill mainly comprises goodwill from the acquisitions of Allied Domecq in July 2005 and Vin&Sprit in July 2008.

On 23 July 2008, Pernod Ricard completed the acquisition of Vin&Sprit group, whose entities are fully consolidated as of that date. This gave rise to a €1,585 million goodwill at the acquisition date, determined as shown below.

In euro million	23.07.2008
Cost of business combination	5,432
Fair value of net assets acquired	(3,847)
Goodwill	**1,585**

The cost of the business combination was equivalent to €5,432 million, including €106 million in expenses directly attributable to the acquisition. This represents the price paid to the Swedish state for the V&S shares, including compensation for V&S's operating cash flows between 1 January 2008 and the date the acquisition contract was signed, and excluding €85 million in dividends paid by V&S to the Swedish state in May 2008.

The Group also paid V&S a further €521 million to cancel a receivable towards owed to the Swedish state.

The net assets acquired with V&S are shown below:

In euro million 23.07.2008	Carrying amount before acquisition	Fair value of net assets acquired
Intangible assets	404	4,103
Other non-current assets	419	346
Non-current assets	823	4,449
Current assets	954	934
Assets held for sale	19	153
TOTAL ASSETS	**1,796**	**5,535**
Non-current provisions	73	99
Deferred tax liabilities	198	152
Non-current financial liabilities	567	1,050
Current liabilities	290	387
TOTAL LIABILITIES	**1,128**	**1,688**
NET ASSETS ACQUIRED	**668**	**3,847**

The process of allocating the acquisition price led to the following principal adjustments:

- the writing off of €403 million in brands and historical intangible assets and the valuation of V&S's main brands at €4,101 million;
- the recognition of €20 million in deferred taxes on V&S's brands.

  The brands were appraised by an independent appraiser using generally accepted appraisal techniques. Some of the brands acquired are eligible for future tax benefits based on their depreciation for tax purposes. The advantages, which may benefit a later buyer, are included in the fair value of these brands. A deferred tax liability is recognised where the tax and book values of brands are different;
- the recognition of indemnities related to the winding up of the joint venture Future Brands and the end of distribution through Maxxium.

  In the United States, V&S distributed its brand portfolio via the Future Brands joint venture owned 49/51 by V&S and Fortune Brands respectively. The agreement under which Future Brands distributed V&S brands was due to expire in February 2012.

  In most other markets, distribution was provided by Maxxium, a company owned jointly by V&S (25%), Fortune Brands (25%), Rémy Cointreau (25% – this holding was withdrawn in 2009) and the Edrington Group (25%).

  Both joint venture agreements included a clause governing changes of shareholder among the partners, which allowed them to force V&S to withdraw from its contracts:

  - on predefined indemnification terms stated in the Maxxium contract,
  - on terms to be decided in the case of the Future Brands contract.

  In light of these agreements, the near-certainty that the contracts will be broken and the advanced stage of negotiations about the amount of indemnities, the Group recorded, at the acquisition date, a liability equal to the indemnity to be paid.

  Shares in the joint ventures have been recognised at their fair value;
- the recognition at fair value of inventories of finished products acquired totalling €29 million.

  As part of the acquisition of V&S, inventories of finished products acquired were restated at their fair value as of 23 July 2008. The impact of the acquisition on inventories of finished products was recognised in full in other operating expenses on 30 June 2009, when the inventories concerned were considered to have been sold.

Within the V&S acquisition, some net assets were classified as held-for-sale on initial recognition at the time they were acquired. These assets held for sale basically comprise the Cruzan brand and related assets, the Maxxium and Future Brands shares and brands that the Group has agreed with the European Commission it would sell.

V&S's other asset and liability items were similarly reviewed (provisions for contingencies and charges, pensions and other long-term employee benefits, receivables, etc.).

Fair value adjustments incorporate management estimates, particularly as regards inventories, provisions, property, plant and equipment and intangible assets.

Brands – The main brands recorded on the balance sheet are: ABSOLUT, Ballantine's, Beefeater, Chivas Regal, Kahlúa, Malibu, Martell, Mumm, Perrier-Jouët and Montana. Most of these were recognised at the time of the acquisitions of Seagram, Allied Domecq and V&S.

Other intangible assets – On 9 September 2005, Pernod Ricard and SPI Group signed an agreement by which the Group acquired exclusive distribution rights for a period of five years for the Stolichnaya vodka brand and a number of other brands in markets where SPI Group owns the distribution rights, notably the United States.

A new agreement was signed between the Group and SPI Group in March 2008 setting out the terms governing early termination of the distribution contract in the event of Pernod Ricard acquiring V&S, the owner of the ABSOLUT brand:

- Pernod Ricard continued to distribute Stolichnaya for a transition period of six months from the date of the V&S acquisition. This period allowed SPI Group to find a new distributor for its brands. An impairment provision was therefore recorded against the exclusive distribution rights at 30 June 2008 to reflect this cessation of distribution by the Group at the end of the transition period;
- in association with the contract, the Group paid $80 million, part of which was recorded as a cost related to the acquisition of V&S.

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

NOTE 12 Property, plant and equipment

		Movements in the year					
In euro million	01.07.2007	Acquisitions	Depreciation	Disposals	Foreign currency gains and losses	Other movements	30.06.2008
Land	310	1	-	(4)	(11)	2	297
Buildings	696	15	-	(6)	(57)	19	667
Machinery & equipment	1,141	56	-	(27)	(117)	76	1,128
Other property, plant and equipment	233	27	-	(13)	(35)	(10)	202
Assets in progress	120	122	-	(1)	(11)	(99)	132
Advance on property, plant and equipment	3	4	-	(1)	(0)	(1)	5
GROSS VALUE	**2,502**	**224**	**-**	**(52)**	**(231)**	**(12)**	**2,431**
Land	(6)	-	(2)	0	1	(0)	(7)
Buildings	(233)	-	(25)	2	21	(1)	(235)
Machinery & equipment	(509)	-	(92)	23	66	(8)	(521)
Other property, plant and equipment	(80)	-	(17)	11	20	7	(60)
DEPRECIATION/AMORTISATION	**(828)**	**-**	**(136)**	**36**	**108**	**(3)**	**(823)**
PROPERTY, PLANT AND EQUIPMENT, NET	**1,675**	**224**	**(136)**	**(16)**	**(124)**	**(15)**	**1,608**

		Movements in the year					
In euro million	01.07.2008	Acquisitions	Depreciation	Disposals	Foreign currency gains and losses	Consolidation of V&S and other movements	30.06.2009
Land	297	0	-	(3)	(7)	25	311
Buildings	667	18	-	(33)	(23)	133	762
Machinery & equipment	1,128	41	-	(36)	(32)	241	1,343
Other property, plant and equipment	202	36	-	(29)	(6)	178	382
Assets under construction	132	118	-	(27)	(4)	(53)	166
Advance on property, plant and equipment	5	2	-	(1)	(0)	(3)	3
GROSS VALUE	**2,431**	**215**	**-**	**(128)**	**(72)**	**522**	**2,968**
Land	(7)	-	(2)	1	0	(9)	(17)
Buildings	(235)	-	(27)	19	3	(5)	(246)
Machinery & equipment	(521)	-	(87)	32	13	(97)	(661)
Other property, plant and equipment	(60)	-	(18)	25	(1)	(234)	(287)
DEPRECIATION/AMORTISATION	**(823)**	**-**	**(134)**	**77**	**15**	**(346)**	**(1,211)**
PROPERTY, PLANT AND EQUIPMENT, NET	**1,608**	**215**	**(134)**	**(51)**	**(57)**	**175**	**1,757**

NOTE 13 Financial assets

	30.06.2008		30.06.2009	
In euro million	Current	Non-current	Current	Non-current
Available-for-sale financial assets				
Available-for-sale financial assets	-	58	-	39
Other financial assets	-	9	-	9
Loans and receivables				
Guarantees and deposits	-	32	-	54
Investment-related receivables	-	8	-	3
Derivative instruments	**19**	**38**	**23**	**-**
FINANCIAL ASSETS	**19**	**145**	**23**	**105**

The table below shows details of the Group's financial assets, excluding derivative instruments:

		Movements in the year					
In euro million	01.07.2007	Acquisitions	Allowances	Disposals	Foreign currency gains and losses	Other movements	30.06.2008
Available-for-sale financial assets	435	4	-	(310)	(2)	12	140
Guarantees and deposits	45	4	-	0	(2)	(14)	32
Investment-related receivables	15	0	-	0	(2)	0	13
GROSS VALUE	**495**	**8**	**-**	**(310)**	**(6)**	**(2)**	**185**
Impairment losses recognised on available-for-sale financial assets	(370)	-	0	303	0	(6)	(73)
Provisions for guarantees and deposits	(0)	-	0	0	0	0	0
Impairment losses recognised on investment-related receivables	(5)	-	0	0	0	0	(5)
PROVISIONS	**(375)**	**-**	**0**	**303**	**0**	**(5)**	**(78)**
NON-CURRENT FINANCIAL ASSETS, NET	**121**	**8**	**0**	**(8)**	**(6)**	**(8)**	**107**

In euro million	01.07.2008	Acquisitions	Allowances	Disposals	Foreign currency gains and losses	Consolidation of V&S and other movements	30.06.2009
	Movements in the year						
Available-for-sale financial assets	140	3	-	(75)	3	52	122
Guarantees and deposits	32	26	-	(2)	(2)	0	54
Investment-related receivables	13	-	-	(1)	(1)	(4)	7
GROSS VALUE	**185**	**29**	**-**	**(78)**	**0**	**48**	**184**
Impairment losses recognised on available-for-sale financial assets	(73)	-	(6)	-	0	5	(74)
Provisions for guarantees and deposits	0	-	-	-	0	0	0
Impairment losses recognised on investment-related receivables	(5)	-	-	-	0	0	(4)
PROVISIONS	**(78)**	**-**	**(6)**	**-**	**1**	**5**	**(78)**
NON-CURRENT FINANCIAL ASSETS, NET	**107**	**29**	**(6)**	**(78)**	**1**	**53**	**105**

Impairment losses on available-for-sale financial assets relate mainly to the Seagram joint ventures (39% Pernod Ricard/61% Diageo) whose shares were fully or partly written down for impairment in 2002 following the acquisition of Seagram.

Available-for-sale financial assets are composed of:

In euro million	Percentage ownership	Carrying amount of shares at 30.06.2008	Carrying amount of shares at 30.06.2009
Portugal Venture Limited	30.0%	9	9
Seagram venture entities	39.1%	24	5
Other available-for-sale financial assets	-	34	34
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**-**	**67**	**48**

Note 14 Inventories

The breakdown of inventories and work-in-progress at the balance sheet date is as follows:

In euro million	01.07.2007	Change in gross value	Change in impairment	Foreign currency gains and losses	Other movements	30.06.2008
		Movements in the year				
Raw materials	135	18	-	(10)	7	150
Work-in-progress	2,836	379	-	(229)	(25)	2,960
Goods in inventory	399	52	-	(32)	(6)	412
Finished products	253	15	-	(15)	5	258
GROSS VALUE	**3,622**	**464**	**-**	**(286)**	**(19)**	**3,781**
Raw materials	(12)	-	(3)	0	0	(15)
Work-in-progress	(20)	-	(6)	0	3	(22)
Goods in inventory	(12)	-	(2)	1	0	(13)
Finished products	(15)	-	0	1	(0)	(14)
PROVISION	**(59)**	**-**	**(11)**	**3**	**3**	**(64)**
NET INVENTORIES	**3,563**	**464**	**(11)**	**(283)**	**(16)**	**3,717**

In euro million	01.07.2008	Movements in the year: Change in gross value	Change in impairment	Foreign currency gains and losses	Consolidation of V&S and other movements	30.06.2009
Raw materials	150	(9)	-	(8)	41	175
Work-in-progress	2,960	87	-	(86)	20	2,982
Goods in inventory	412	(94)	-	11	65	394
Finished products	258	(11)	-	(6)	10	252
GROSS VALUE	**3,781**	**(27)**	**-**	**(89)**	**137**	**3,802**
Raw materials	(15)	-	0	0	(2)	(16)
Work-in-progress	(22)	-	(8)	1	1	(28)
Goods in inventory	(13)	-	1	0	(4)	(16)
Finished products	(14)	-	0	1	(4)	(17)
PROVISION	**(64)**	**-**	**(7)**	**3**	**(9)**	**(77)**
NET INVENTORIES	**3,717**	**(27)**	**(7)**	**(86)**	**128**	**3,725**

At 30 June 2009, ageing inventories intended mainly for use in whisky and cognac production accounted for 84% of work-in-progress. Pernod Ricard is not significantly dependent on its suppliers.

NOTE 15 Breakdown of trade receivables

The following table breaks down trade receivables and other accounts receivable at 30 June 2008 and 2009 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	1,228	596	358	168	58	32	16
Other receivables	145	139	1	0	3	1	1
TOTAL AT 30.06.2007	**1,373**	**735**	**359**	**168**	**61**	**33**	**17**
Impairment	*132*						
Trade receivables	1,146	684	275	114	42	7	24
Other receivables	195	154	6	2	32	0	1
TOTAL AT 30.06.2008	**1,341**	**838**	**281**	**116**	**74**	**7**	**25**
Impairment	*112*						
Trade receivables	936	538	204	136	24	19	15
Other receivables	185	170	2	1	3	1	8
TOTAL AT 30.06.2009	**1,121**	**708**	**207**	**137**	**27**	**21**	**23**
Impairment	*116*						

Changes in the impairment of trade and other receivables were as follows:

In euro million	2007/2008	2008/2009
At 1 July	**132**	**112**
Allowances during the year	36	32
Reversals during the year	(17)	(16)
Used during the year	(38)	(11)
At 30 June	**112**	**116**

At 30 June 2009, there was no reason to question the creditworthiness of non-impaired past due receivables. More specifically, non-impaired receivables with due dates of over twelve months show no additional credit-related risk. There is no significant concentration of risks.

During the fiscal year 2009 the Group implemented a number of programmes to sell the receivables of various subsidiaries, with a total gross amount of €351 million. As substantially all risks and rewards associated with the receivables were transferred, they were derecognised at 30 June 2009.

Note 16 Provisions

1. Breakdown of balance sheet amounts

The breakdown of provision amounts in the balance sheet is as follows:

In euro million	30.06.2008	30.06.2009
Non-current provisions		
Provisions for pensions and other long-term employee benefits	478	405
Other non-current provisions for contingencies and charges	467	521
Current provisions		
Provisions for restructuring	14	49
Other current provisions for contingencies and charges	274	263
TOTAL	**1,232**	**1,238**

2. Changes in provisions (other than provisions for pensions and other long-term employee benefits)

		Movements in the year					
In euro million	01.07.2007	Allowances	Used	Reversal of surplus provisions	Foreign currency gains and losses	Other movements	30.06.2008
Provisions for restructuring	29	4	(19)	(0)	(2)	2	14
Other current provisions	326	50	(50)	(21)	(29)	(3)	274
Other non-current provisions	534	61	(8)	(99)	(30)	9	467
PROVISIONS	**889**	**114**	**(77)**	**(120)**	**(61)**	**9**	**754**

		Movements in the year					
In euro million	01.07.2008	Allowances	Used	Reversal of surplus provisions	Foreign currency gains and losses	Consolidation of V&S and other movements	30.06.2009
Provisions for restructuring	14	69	(41)	(5)	(2)	14	49
Other current provisions	274	79	(33)	(58)	(5)	7	263
Other non-current provisions	467	62	(2)	(89)	(14)	96	521
PROVISIONS	**754**	**211**	**(76)**	**(151)**	**(21)**	**116**	**833**

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.

For its defined contribution plans, the Group's commitments are limited to the payment of periodic contributions. The amount of contributions paid in the financial year ended 30 June 2009 was €30 million.

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 2009, fully or partly funded benefit obligations totalled €3,081 million, being 94.2% 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 country 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 the provision between 30 June 2008 and 30 June 2009:

	30.06.2008			30.06.2009		
In euro million	Pension benefits	Medical expenses and other employee benefits	Total	Pension benefits	Medical expenses and other employee benefits	Total
Provision at beginning of period	600	173	773	328	149	478
Expenses (income) for the period	(56)	5	(51)	39	13	52
Employer contributions	(155)	-	(155)	(108)	0	(108)
Benefits paid directly by the employer	(6)	(10)	(16)	(10)	(9)	(19)
Change in scope	(0)	(0)	(0)	8	(1)	7
Foreign currency gains and losses	(55)	(19)	(74)	(8)	4	(4)
PROVISION, AT END OF PERIOD	**328**	**149**	**478**	**249**	**156**	**405**

The net expense (income) recognised in profit and loss in respect of pensions and other long-term employee benefits is broken down as follows:

	30.06.2008			30.06.2009		
Expense for the year *(in euro million)*	Pension benefits	Medical expenses and other employee benefits	Total	Pension benefits	Medical expenses and other employee benefits	Total
Service cost	31	2	33	34	1	35
Interest cost (effect of unwinding of discount)	210	8	218	202	8	210
Expected return on plan assets	(221)	(0)	(221)	(193)	(0)	(193)
Amortisation of past service cost	1	(0)	1	1	3	4
Amortisation of actuarial (gains)/losses	(70)	(4)	(74)	(0)	1	0
Effect of ceiling on plan assets	-	-	-	-	-	-
Effect of settlements and curtailments	(6)	(0)	(7)	(6)	0	(5)
NET EXPENSE (INCOME) RECOGNISED IN PROFIT AND LOSS	**(56)**	**5**	**(51)**	**39**	**13**	**52**

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 liability recognised in the balance sheet *(in euro million)*	30.06.2008 Pension benefits	30.06.2008 Medical expenses and other employee benefits	30.06.2008 Total	30.06.2009 Pension benefits	30.06.2009 Medical expenses and other employee benefits	30.06.2009 Total
Change in the actuarial value of cumulative benefit obligations						
Actuarial value of cumulative benefit obligations at beginning of period	4,062	164	4,226	3,660	141	3,801
Service cost	31	2	33	33	1	34
Interest cost (effect of unwinding of discount)	210	8	218	202	8	210
Employee contributions	4	1	5	2	1	2
Benefits paid	(203)	(11)	(214)	(211)	(10)	(221)
Changes to plans	0	(1)	(1)	1	3	4
Settlement or curtailment of benefits	(21)	(0)	(21)	(12)	0	(12)
Actuarial (gains) and losses	144	0	144	(364)	(18)	(381)
Currency translation adjustments	(568)	(18)	(586)	(199)	3	(196)
Changes in scope of consolidation	(1)	(0)	(2)	30	(1)	29
ACTUARIAL VALUE OF CUMULATIVE BENEFIT OBLIGATIONS AT END OF PERIOD	**3,660**	**141**	**3,801**	**3,142**	**129**	**3,271**
Change in the fair value of plan assets						
Fair value of plan assets at beginning of period	3,951	2	3,953	3,402	1	3,403
Actual return on plan assets	60	0	60	(132)	1	(132)
Employee contributions	4	-	4	2	-	2
Employer contributions	155	-	155	108	0	108
Benefits paid	(200)	(1)	(201)	(202)	(0)	(202)
Changes to plans	4	-	4	-	-	-
Settlement of benefits	(15)	-	(15)	(11)	(0)	(11)
Currency translation adjustments	(555)	-	(555)	(190)	-	(190)
Changes in scope of consolidation	(3)	-	(3)	22	-	22
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**3,402**	**1**	**3,403**	**2,999**	**1**	**3,000**
Present value of funded benefits	3,597	1	3,597	3,077	4	3,081
Fair value of plan assets	3,402	1	3,403	2,999	1	3,000
Deficit (surplus) on funded benefits	195	(0)	194	79	3	81
Present value of unfunded benefits	64	141	205	65	125	191
Effect of ceiling on plan assets						
Unrecognised actuarial gains and (losses)	78	3	81	113	22	135
Unrecognised past service cost	(8)	6	(2)	(8)	6	(2)
NET LIABILITY RECOGNISED IN THE BALANCE SHEET	**328**	**149**	**478**	**249**	**156**	**405**

	Actuarial value of cumulative benefit obligations		Fair value of plan assets		Net liability	
At 30.06.2009	*(in euro million)*	%	*(in euro million)*	%	*(in euro million)*	%
United Kingdom	2,496	76%	2,566	86%	86	21%
USA	248	8%	131	4%	106	26%
Canada	212	6%	166	6%	76	19%
Ireland	114	3%	80	3%	9	2%
France	122	4%	13	0%	100	25%
Other countries	80	2%	44	1%	28	7%
TOTAL	**3,271**	**100%**	**3,000**	**100%**	**405**	**100%**

The breakdown of pension assets between the different asset categories (bonds, shares, etc.) is as follows:

	30.06.2008		**30.06.2009**	
Breakdown of plan assets	Pension benefits	Medical expenses and other employee benefits	**Pension benefits**	**Medical expenses and other employee benefits**
Shares	29.67%	18%	29.40%	18%
Bonds	64.33%	72%	64.85%	72%
Other money-market funds	3.52%	10%	3.42%	10%
Property assets	1.75%	0%	1.93%	0%
Other	0.73%	0%	0.40%	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 for the year ended 30 June 2010 in respect of funded benefits are estimated at €110 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	Other benefits
2010	193	12
2011	196	11
2012	209	11
2013	207	10
2014	218	10
2015-2019	**1,202**	**49**

At 30 June 2008 and 2009, 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	30.06.2008 Pension benefits	30.06.2008 Medical expenses and other employee benefits	30.06.2009 Pension benefits	30.06.2009 Medical expenses and other employee benefits
Discount rate	5.96%	5.88%	6.28%	6.93%
Average rate of increase in annuities	3.66%	2.08%	3.45%	1.77%
Average salary increase	4.06%	3.56%	3.77%	3.24%
Expected return on plan assets	6.21%	4.50%	5.51%	4.25%
Expected increase in medical expenses				
• Initial rate	Not applicable	8.68%	Not applicable	9.23%
• Final rate	Not applicable	5.25%	Not applicable	5.11%

Actuarial assumptions in respect of benefit obligations	30.06.2008 Pension benefits	30.06.2008 Medical expenses and other employee benefits	30.06.2009 Pension benefits	30.06.2009 Medical expenses and other employee benefits
Discount rate	5.72%	5.74%	5.95%	5.89%
Average rate of increase in annuities	3.37%	1.91%	3.66%	2.08%
Average salary increase	3.76%	3.58%	4.05%	3.58%
Expected return on plan assets	6.52%	0.00%	6.21%	4.50%
Expected increase in medical expenses				
• Initial rate	Not applicable	8.52%	Not applicable	8.68%
• Final rate	Not applicable	5.06%	Not applicable	5.25%

Actuarial assumptions at 30 June 2009 (in respect of benefit obligations) By region	United Kingdom	USA	Canada	Eurozone countries	Other non-eurozone countries
Discount rate	6.26%	7.00%	7.27%	5.82%	4.35%
Average rate of increase in annuities	3.57%	0.00%	1.50%	2.72%	1.55%
Average salary increase	4.00%	3.75%	3.50%	3.68%	3.65%
Expected return on plan assets	5.31%	8.00%	6.49%	5.67%	5.58%
Expected increase in medical expenses					
• Initial rate	6.00%	10.00%	9.65%	4.54%	0.00%
• Final rate	5.00%	5.25%	5.00%	4.54%	0.00%

The obligation period-related discount rates used within the euro zone are as follows:

- Short-term rate (3-5 years): 5.00%;
- Medium-term rate (5-10 years): 5.75%;
- Long-term rate (more than 10 years): 5.75% to 6.25%.

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 2009. These rates were determined on the basis of historical rates of return 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 change of one point in the rate of increase of medical and healthcare expenses would have an impact of approximately €9 million on the amount of the benefit obligation in respect of post-employment medical and healthcare coverage.

In respect of post-employment medical cover		Effect of a change	
In euro million	With current rate	1% increase	1% decrease
On the present value of the benefit obligation at 30 June 2009	109	9	(8)
On the interest cost for the period and on the service cost for the period	9	0	(0)

The experience gains or losses on the benefit obligations and plan assets are set out below:

	30.06.2009	
In euro million	**Pension benefits**	**Medical expenses and other employee benefits**
Amount of experience losses or (gains) on benefit obligations	(87)	(5)
Percentage compared with amount of benefit obligations	(2.77)%	(4.17)%
Amount of experience losses or (gains) on plan assets	322	0
Percentage compared with amount of plan assets	10.74%	-

NOTE 17 Financial liabilities

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at closing rate), including the amount of transaction, cash flow hedge and fair value hedge derivatives, less cash and cash equivalents. At 30 June 2009, net financial debt included the following items:

In euro million	30.06.2008	**30.06.2009**
Bonds	2,352	2,540
Current financial liabilities (excluding bonds)	950	366
Non-current financial liabilities (excluding bonds)	3,053	8,315
Non-current derivative instruments (in both asset and liability positions) used as fair value hedges of financial assets and liabilities	209	188
Cash and cash equivalents	(421)	(520)
NET FINANCIAL DEBT	**6,143**	**10,888**

1. Breakdown of gross financial debt by maturity

In euro million	30.06.2008	**30.06.2009**
Short-term debt	347	332
Portion of long-term debt due within 1 year	1,234	51
TOTAL CURRENT DEBT (LESS THAN 1 YEAR)	**1,582**	**383**
Portion of long-term debt due in 1 to 5 years	4,024	10,203
Portion of long-term debt due in more than 5 years	958	822
TOTAL NON-CURRENT DEBT (MORE THAN 1 YEAR)	**4,982**	**11,025**
GROSS FINANCIAL DEBT	**6,563**	**11,408**

Currently, debt falling due within 1 year accounts for 3% of total gross debt.

2. Breakdown of net financial debt by currency and type at 30 June 2009 after foreign exchange hedging

In euro million	Total	Syndicated loan	Commercial paper	Bonds	Currency swaps and others
EUR	5,416	1,747	250	1,658	1,761
USD	6,294	6,282	-	-	12
JPY	78	59	-	-	19
GBP	(350)	-	-	882	(1,233)
Other currencies	(549)	-	-	-	(549)
TOTAL	**10,888**	**8,088**	**250**	**2,540**	**10**

3. Breakdown of net financial debt by currency and maturity at 30 June 2009 after foreign exchange hedging

In euro million	Total	< 1 year	> 1 year and < 5 years	> 5 years	Cash
EUR	5,416	951	3,793	794	(122)
USD	6,294	37	6,285	0	(28)
JPY	78	22	59	0	(4)
GBP	(350)	(390)	55	0	(15)
Other currencies	(549)	(237)	10	29	(351)
TOTAL	**10,888**	**383**	**10,203**	**822**	**(520)**

4. Breakdown of interest rate hedging types by currency at 30 June 2009

In euro million	Net debt by currency	Fixed debt	"Capped" floating rate debt	Non-hedged floating rate debt	% hedged debt/ fixed debt
EUR	5,416	1,858	750	2,807	48%
USD	6,294	2,653	2,193	1,448	77%
JPY	78	-	-	78	0%
GBP	(350)	-	-	(350)	0%
Other currencies	(549)	-	-	(549)	0%
TOTAL	**10,888**	**4,512**	**2,943**	**3,434**	**68%**

5. Schedule of financial liabilities at 30 June 2009

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 30 June 2009 rates.

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-bearing loans and borrowings:	(11,221)	(12,329)	(467)	(148)	(1,139)	(1,903)	(423)	(7,365)	(884)
Cross currency swaps:	(188)	-	-	-	-	-	-	-	-
• Payable flows	-	(1,114)	(14)	(13)	(688)	(10)	(10)	(379)	0
• Receivable flows	-	964	15	31	574	17	17	310	0
Derivative instruments – liabilities	(268)	(516)	(108)	(88)	(139)	(87)	(84)	(10)	0
TOTAL	**(11,676)**	**(12,995)**	**(575)**	**(217)**	**(1,392)**	**(1,983)**	**(500)**	**(7,444)**	**(884)**

* *Including interest.*

6. Vin&Sprit 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 million (including €2,020 million in multicurrencies) and $10,138 million. At 30 June 2009, it had drawn down from this credit facility €1,747million, $8,879 million and ¥8 billion, a total equivalent to €8,088 million. The credit facilities, whether revolving or fixed maturity, denominated in euros, 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 ranging from 1 to 5 years. 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.

7. Bonds

On 6 December 2006, Pernod Ricard SA issued bonds in a total amount of €850 million, in two tranches with the following characteristics:

- Tranche 1: floating rate

Tranche 1 is composed of €300 million of floating rate notes with a remaining period to maturity of 2 years (maturity date: 6 June 2011) which bear interest at EURIBOR 3 months plus 50 basis points.

- Tranche 2: fixed rate

Tranche 2 is composed of €550 million of notes with a remaining period to maturity of 4 and a half years (maturity date: 6 December 2013) which bear interest at a fixed rate of 4.625%.

On 15 June 2009, Pernod Ricard SA issued €800 million of bonds with the following characteristics: remaining period to maturity of 5 and a half years (maturity date: 15 January 2015) and bearing fixed-rate interest of 7%.

8. Allied Domecq bonds

At 30 June 2009, bonds issued by Allied Domecq Financial Services Ltd consist of a £450 million issue bearing a nominal interest rate of 6.625% maturing on 18 April 2011 and a £250 million issue bearing a nominal interest rate of 6.625% maturing on 12 June 2014.

Note 18 Financial instruments

1. Fair value of financial instruments

In euro million	IAS 39 category	Fair value at 30.06.2009	Carrying amount at 30.06.2009	Financial instruments included in net debt
Assets				
Trade receivables	Receivables at amortised cost	936	936	-
Other current assets	Receivables at amortised cost	185	185	-
Non-current financial assets:				
• Available-for-sale financial assets	Available-for-sale financial assets at fair value through equity	39	39	-
• Guarantees and deposits	Financial assets at fair value through profit or loss	54	54	-
• Investment-related loans and receivables	Receivables at amortised cost	3	3	-
• Other financial assets	Financial assets at fair value through profit or loss	9	9	-
Derivative instruments – assets	Financial assets at fair value	23	23	-
Cash and cash equivalents	Financial assets at fair value through income	520	520	
CASH AND CASH EQUIVALENTS				**520**
Liabilities				
Bonds	Financial liabilities at amortised cost and fair value	2,482	2,540	2,540
Bank loans – current				
• Syndicated loan	Financial liabilities at amortised cost	0	0	0
• Commercial paper	Financial liabilities at amortised cost	250	250	250
• Other	Financial liabilities at amortised cost	116	116	116
Bank loans – non-current				
• Syndicated loan	Financial liabilities at amortised cost	8,088	8,088	8,088
• Other	Financial liabilities at amortised cost	175	175	175
Finance lease obligations	Financial liabilities at amortised cost	52	52	52
Derivative instruments – liabilities	Financial assets at fair value	455	455	188
GROSS FINANCIAL DEBT		**-**	**-**	**11,408**
NET FINANCIAL DEBT		**-**	**-**	**10,888**

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.

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 standard discounted cash flow methods. The disparity of valuation models implies that these valuations do not necessarily reflect the amounts that could be received or paid if these instruments were to be settled in the market.

The methods used are as follows:

- 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 fair value of foreign currency forwards and interest rate and foreign currency swaps was calculated using the market prices that the Group should pay or receive to settle these contracts.

2. Risk management

Management and monitoring of financial risks is performed by the Financing and Treasury Department, which has ten staff members. This department, which is part of the Group Finance Department, manages all financial exposures and prepares monthly reporting to the attention of General Management. It processes or validates all 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 2009, cash and cash equivalents totalled €520 million. An additional €1,532 million of medium-term credit facilities with banks were confirmed and remained undrawn at this date. Group funding is provided in the form of long-term debt (syndicated loan, bonds, etc.) and short-term financing (commercial paper, bank overdraft, etc.) which provide adequate financial resources to ensure the continuity of its business. Net short-term financial debt was €383 million.

In addition, the Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. As of 30 June 2009, the Group was in compliance with the covenants (consolidated EBITDA/net financing cost and Net debt/consolidated EBITDA) under the terms of its syndicated loans.

Similarly, 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.

Management of currency risk

The Group prepares its financial statements in euros and is therefore exposed to fluctuations against the euro of other currencies in which its assets and liabilities are denominated (asset risk) or in which it carries out its operations (transaction and currency translation risks).

Although certain hedging strategies can limit exposure, there is no absolute protection against the impact of exchange rate movements.

Regarding asset risk, financing foreign currency-denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied to the acquisition of Seagram, Allied Domecq and Vin&Sprit assets denominated in American dollars and Japanese yen.

Movements in currencies against the euro (notably the American dollar) may impact the nominal amount of these debts and the financial costs published in euros in the consolidated financial statements, and this could affect the Group's reported results.

Regarding operational risk, due to its international exposure, the Group faces currency risks related to transactions carried out by subsidiaries in a currency other than their functional currency.

In all cases, the Group policy is to invoice end customers in the functional currency of the distributing entity. Currency exposure generated by intragroup billings between producer and distributor subsidiaries are managed through a monthly centralisation and netting process. This process involves most countries whose currencies are freely convertible and transferable and whose domestic laws allow their 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 or 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 American dollar; a 1% increase or decrease in the dollar/euro exchange rate would affect Group shareholders' equity by +/-€18 million. This impact would be offset by change in the translated value of the net investment being hedged.

Management of interest rate risk

At the time the syndicated loans for the acquisition of Seagram and Allied Domecq assets were put in place, the Group exceeded the hedging obligation required by the banks. The hedging portfolio includes swaps and interest rate options in addition to fixed-rate debt.

Analysis of the sensitivity of financial instruments to interest rate risks (impacts on the income statement):

- a 50bp increase or decrease in (USD and EUR) interest rates would increase or reduce the cost of net financial debt by 4%;
- changes in the fair value of fair value hedges resulting from movements in the market rates of hedging and hedged instruments consist chiefly of:

Financial instrument	50bp increase in interest rates	50bp decrease in interest rates
Cross currency swaps	10	(10)
Bonds hedged by cross currency swaps	(12)	12
Fair value instruments	(2)	2

Analysis of the sensitivity of financial instruments to interest rate risks (impact on equity)

A relative fluctuation of +/-50bp in (USD and EUR) interest rates would generate an equity gain or loss of approximately €70 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 would be exposed to the default of a counterpart. 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. The Group's exposure to credit risk is limited and is not significantly concentrated on any given counterpart.

3. Specific clauses

The Group met the thresholds set by the banks under the syndicated loan agreement, requiring a ratio of net debt to EBITDA of 6.75 and ratio of EBITDA to financing costs of 2.25.

Note 19 Interest rate and foreign exchange derivatives

1. Interest rate derivatives

	Notional amount of contracts				
In euro million	< 1 year	1 to 5 years	> 5 years	Total	Market value
Interest rate swaps – borrower floating rate	-	-	-	-	-
Interest rate swaps – borrower fixed rate	-	3,153	-	3,153	(167)
Purchases of caps	354	-	-	354	-
Collars (Buy Caps-Sell Floors)	1,132	1,458	-	2,590	(85)
LENDER FIXED-RATE CROSS CURRENCY SWAPS €/£	**-**	**1,031**	**-**	**1,031**	**(188)**

The notional amount of these contracts is the nominal value of the contracts. Notional amounts denominated in foreign currencies are translated into euros 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.

2. Foreign exchange hedges on foreign currency denominated debt

The Group uses currency swaps in the context of its cash pooling operations. These financial instruments have an average duration of one and a half month and do not have a significant market value.

3. Foreign exchange hedges on foreign currency denominated transactions

The Group primarily uses forward contracts to hedge against currency risks related to transactions recognised on its balance sheet.

Classification of hedges and use of derivative instruments

Type of hedge	Description of financial instrument	Nominal in euro million	Risk hedged	Fair value at the balance sheet date in euro million
Fair value hedge				
Interest rate and currency hedges	Cross currency swaps	1,031	Interest rate and foreign exchange risk on a debt denominated in a foreign currency	(188)
Cash flow hedge				
Interest rate risk hedges	Swaps	3,153	Risk of changes in interest flows on floating rate debt	(167)
	Caps	354	Risk of changes in interest flows on floating rate debt	-
	Collars	2,590	Risk of changes in interest flows on floating rate debt	(85)
Outside hedge accounting				
Currency risk hedges	Cross currency swaps and forex forwards	2,213	Foreign exchange risk on intra-group financing	7

Note 20 Trade and other accounts payable

The breakdown of operating payables is as follows:

In euro million	30.06.2008	30.06.2009
Trade payables	892	881
Taxes and Social security	418	517
Other operating payables	337	356
Other payables	3	5
TOTAL	**1,650**	**1,759**

Most operating payables are due within one year.

Note 21 Notes to the consolidated cash flow statement

1. Working capital needs

Pernod Ricard has implemented programmes to sell the receivables of various subsidiaries, with a total gross amount of €351 million. The cash raised allowed the Group to repay part of the loan taken out to acquire Vin&Sprit. As substantially all risks and rewards associated with the receivables were transferred, they were derecognised at 30 June 2009.

2. Capital expenditure

At 30 June 2009, capital expenditure related mainly to the construction of new warehouses or the renewal of machinery and equipment in the production subsidiaries and to purchases of software and other intangible assets.

3. Proceeds from disposals of property, plant and equipment and intangible assets

Disposals mainly relate to the sale of the Wild Turkey brand.

4. Change in scope

Pernod Ricard consolidated V&S group companies as from 23 July 2008.

5. Share issues, subscription/redemption of loans

The Group took out a new syndicated loan in July 2008 to finance the acquisition of V&S and to repay the syndicated loan arranged in April 2005. In addition, Pernod Ricard SA held a capital increase in May 2009 and a bond issue in June 2009.

NOTE 22 Shareholders' equity

1. Share capital

Pernod Ricard's share capital changed as follows between 1 July 2007 and 30 June 2009:

	Number of shares	Amount *(in euro million)*
Share capital at 30 June 2007	**109,611,879**	**340**
Share split of 15 January 2008	109,740,362	-
Exercise of stock options (plan of 18 December 2001)	139,520	0
Exercise of stock options (plan of 17 December 2002)	186,425	0
Exercise of stock options (plan of 11 February 2002)	4,788	0
Share capital at 30 June 2008	**219,682,974**	**341**
Capital increase held on 14 May 2009	38,786,220	60
Exercise of stock options (plan of 18 December 2001)	102,880	0
Exercise of stock options (plan of 17 December 2002)	65,062	0
Exercise of stock options (plan of 11 February 2002)	3,400	0
Share capital at 30 June 2009	**258,640,536**	**401**

Pernod Ricard shares were split in two on 15 January 2008.

On 14 May 2009, Pernod Ricard SA increased its capital, issuing 38,786,220 new shares.

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 2009, Pernod Ricard SA and its controlled subsidiaries held 1,282,528 Pernod Ricard shares valued at €59 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

Following the Shareholders' Meeting of 5 November 2008, the Group, on 18 November 2008, paid the outstanding dividend balance due in respect of the financial year ended 30 June 2008, being €0.69 per share. The total dividend in respect of the financial year ended 30 June 2008 was €1.32 per share.

An interim dividend of €0.50 per share was paid on 8 July 2009 in respect of the financial year ended 30 June 2009.

4. Sale and repurchase agreements

In 2008, Pernod Ricard SA sold a number of treasury shares acquired to cover certain stock option plans under repurchase agreements. The repurchase options mean that Pernod Ricard SA can buy back these shares whenever the options are exercised at the exercise price.

5. Capital increase

On 14 May 2009, at the close of an offer launched on 15 April 2009, Pernod Ricard carried out a capital increase of 38,786,220 shares at a subscription price of €26.70. This capital increase raised a gross €1,036 million and a net €1,010 million. The new shares are valid from 1 July 2008 and therefore entitle the holders to receive the dividends paid in respect of the year ended 30 June 2009.

6. 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 23 Share-based payments

Stock option 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, in addition to the award of stock options, also included awards of Stock Appreciation Rights (SARs) to Group employees. The SARs are cash-settled options. The 21 June 2007 and 18 June 2008 plans also include a free share grant.

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 difference between the Pernod Ricard share price at the date of the exercise of the rights and the exercise price set at the date of grant.

The stock option plan that was initiated on 28 January 1999 expired on 28 January 2009.

No stock option or free share plans were granted during the year ended 30 June 2009.

Information relating to stock option plans

Stock option plans are granted to managers with high levels of responsibility or to managers or non-managers who have demonstrated a high level of commitment to the Group and proved their effectiveness in the performance of their work.

Following the Pernod Ricard SA capital increase of 14 May 2009, adjustments were made to the number of stock options and free shares granted to employees and to the subscription or purchase price applying. These adjustments take into account of the capital increase.

	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 2009**	43.15	53.64	59.58	59.58	67.41	76.22
Outstanding options at 30 June 2009*	1,770,939	940,523	2,178,558	215,692	5,934	830,244
Stock option expense 2008-2009 (in euro million)	3	4	10	(1)	(0)	4

	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	19.06.2012	19.06.2012	19.06.2010 (FRA) 19.06.2012 (RDM)
Date on which options/shares may be sold	22.06.2011	22.06.2011	21.06.2011	19.06.2012	19.06.2012	19.06.2012 (FRA and RDM)
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 2009**	76.22	76.22		67.48	67.48	
Outstanding options at 30 June 2009*	87,321	124,793	221,157	1,103,065	140,930	196,188
Stock option expense 2008-2009 (in euro million)	(0)	1	7	4	0	4

* On 15 April 2009, Pernod Ricard held a capital increase which resulted in a dilution of its share price. The numbers of stock options granted to employees, subscribed for and cancelled have been adjusted to reflect this bonus share issue.

** Share subscription and purchase prices have been adjusted to reflect the dilution of the share price on 15 April 2009.

*** FRA: French tax residents; RDM: non-French tax residents.

Other stock options plans that have not yet expired are explained in the Management Report section of the annual report.

The Group recognised an expense of €27 million in operating profit in respect of the 7 stock option plans effective at 30 June 2009, an expense of €10 million in respect of the 2 free share plans and a gain of €1 million in respect of the SARs programmes. A liability of €2 million was recognised in other current liabilities at 30 June 2009 in respect of the SARs programmes.

Annual expenses *(in euro million)*	30.06.2008	30.06.2009
Stock options (equity settled) – through a double entry to equity	29	27
SARs (cash settled) – through a double entry to other current liabilities	0	(1)
Free shares (equity settled) – through a double entry to equity	7	10
TOTAL ANNUAL EXPENSES	**36**	**37**

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 30.06.2008	**1,780,966**	**892,646**	**2,070,356**	**213,558**	**5,600**	**789,008**
Granted between 01.07.2008 and 15.04.2009	-	-	-	-	-	-
Cancelled between 01.07.2008 and 15.04.2009	5,028	5,180	14,380	4,152	-	4,782
Exercised between 01.07.2008 and 15.04.2009	24,158	-	-	-	-	-
Expired between 01.07.2008 and 15.04.2009	-	-	-	-	-	-
Outstanding options at 15.04.2009	**1,751,780**	**887,466**	**2,055,976**	**217,710**	**5,600**	**784,226**
Adjustment made on 15 April 2009*						
Outstanding options at 15.04.2009	**1,856,059**	**940,523**	**2,178,558**	**230,692**	**5,934**	**831,026**
Granted between 15.04.2009 and 30.06.2009	-	-	-	-	-	-
Cancelled between 15.04.2009 and 30.06.2009	32,897	-	-	15,000	-	782
Exercised between 15.04.2009 and 30.06.2009	52,223	-	-	-	-	-
Expired between 15.04.2009 and 30.06.2009	-	-	-	-	-	-
Outstanding options at 30.06. 2009	**1,770,939**	**940,523**	**2,178,558**	**215,692**	**5,934**	**830,244**

	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 30.06.2008	**86,338**	**117,774**	**300,814**	**1,054,635**	**133,015**	**380,898**
Granted between 01.07.2008 and 15.04.2009	-	-	-	-	-	-
Cancelled between 01.07.2008 and 15.04.2009	1,410	-	6,016	10,022	-	4,690
Exercised between 01.07.2008 and 15.04.2009	-	-	-	-	-	-
Expired between 01.07.2008 and 15.04.2009	-	-	-	-	-	-
Outstanding options at 15.04.2009	**87,748**	**117,774**	**294,798**	**1,044,613**	**133,015**	**376,208**
Adjustment made on 15 April 2009*						
Outstanding options at 15.04.2009	**92,983**	**124,793**	**312,695**	**1,106,969**	**140,930**	**398,895**
Granted between 15.04.2009 and 30.06.2009	-	-	-	-	-	-
Cancelled between 15.04.2009 and 30.06.2009	5,662	-	6,234	3,904	-	6,519
Lapsed between 15.04.2009 and 30.06.2009	-	-	-	-	-	196,188
Exercised between 15.04.2009 and 30.06.2009	-	-	85,304	-	-	-
Expired between 15.04.2009 and 30.06.2009	-	-		-	-	-
Outstanding options at 30.06.2009	**87,321**	**124,793**	**221,157**	**1,103,065**	**140,930**	**196,188**

* *On 15 April 2009, Pernod Ricard held a capital increase which resulted in a dilution of its share price. The numbers of stock options granted to employees, subscribed for and cancelled were adjusted to reflect this bonus share issue.*

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:

	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)	45.03	56.32	57.97	43.51 *	44.87 **	75.46
Exercise price (in euro after adjustments)	43.15	53.64	59.58	59.58	67.41	76.22
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 2009	15.43	18.77	18.84	7.82	7.50	19.63

For the SARs granted in June 2006, January 2007 and June 2007 the fair values presented above have been re-estimated at 30 June 2009 in accordance with IFRS 2.

	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
Share price (in euro)	44.87 **	75.46	75.46	64.56	64.56	64.56
Exercise price (in euro)	76.22	76.22		67.48	67.48	
Expected volatility	22%	22%	N.A.	21%	21%	21%
Expected dividend yield	2%	2%	2%	2%	2%	2%
Risk free rate	4.50%	4.50%	4.50%	4.83%	4.83%	4.83%
Fair value (in euro)	5.23	15.22	69.49 (FRA) 70.24 (RDM)	16.07	12.31	55.31 (FRA) 58.54 (RDM)

* *Share price at 15.06.2009.*
** *Share price at 30.06.2009.*
*** *FRA: French tax residents; RDM: non-French tax residents.*

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 possibility of the pre-maturity exercise of options was included in the standard stock option plan measurement model (with and without market-related performance dependence). The assumption adopted was that 1% of options would be exercised every year as a result of employees leaving the Company, that 67% of options would be exercised when the share price reached 150% of the exercise price and that 33% would be exercised when the share price rose to 250% of the exercise price.

The options allocated on 18 June 2008 to Company Directors and Group Executive Committee are subject to the market performance of the Pernod Ricard share price relative to the market price on the date of allocation. The stock options will be exercisable from 19 June 2012, subject to the Pernod Ricard share price having outperformed the CAC 40 index over the period from 18 June 2008 to 19 June 2012. A simulation model (Monte Carlo) was used in order to reflect this performance requirement in the estimated fair value of the options.

The fair value of the free shares allocated on 18 June 2008 under Plan 16 is the market price of the share on the date of allocation, less the loss of dividends forecast for the vesting period (2 years for French tax residents and 4 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 2 years was also applied and was estimated as being in the order of 4 to 5% of the fair value of the share. In addition, the number of free shares granted in the context of this plan will depend on the level of the Group profit from recurring operations for the year ended 30 June 2009 compared with budgeted profit from recurring operations. The fair value of the plan will be adjusted for this condition at the end of the vesting period at the latest.

Note 24 Off balance sheet financial commitments and disputes

In euro million	Total	< 1 year	> 1 year and < 5 years	> 5 years
Guarantees received	42	31	7	3
Guarantees granted	1,063	170	857	36
Unconditional purchase obligations	997	317	558	123
Operating lease agreements	213	39	96	77
Other contractual commitments	29	18	8	2
CONTRACTUAL COMMITMENTS	**1,239**	**374**	**662**	**202**

1. Details of main commitments

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 Group (see Note 16).

Main guarantees granted

The Group guaranteed the Allied Domecq pension fund for the contributions owed to it by Allied Domecq Holdings Ltd and its subsidiaries. In addition, the Group granted a guarantee to the holders of Allied Domecq bonds, whose amount was €848 million at 30 June 2009.

2. Contractual commitments

In the context of their wine and champagne production, the Group's Australian subsidiary PR Australia, its New Zealand subsidiary PR New Zealand and its French subsidiary Mumm Perrier-Jouët have commitments of, respectively, €270 million, €51 million and €406 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 €220 million under maturing spirit supply agreements.

3. Legal risks

Disputes relating to brands

Stolichnaya

Allied Domecq International Holdings BV 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 BV's ownership at the time of the Stolichnaya trademark in the United States, and sought to block future sales of Stolichnaya products in the United States. In addition, the plaintiffs sought damages, including the disgorgement of all related profits. On 31 March 2006, Judge George Daniels dismissed all of the plaintiffs' claims concerning Allied Domecq International Holdings BV's ownership at that time of the Stolichnaya trademark in the United States. The plaintiffs have 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). That appeal has been fully briefed but oral argument has not been heard. On 15 May 2008, plaintiff Federal Treasury Enterprise Sojuzplodoimport ("FTE") moved (with the consent of all parties) to stay the appeal for one year to allow FTE and SPI Spirits to negotiate the resolution of the appeal and other cases pending around the world between FTE and SPI Spirits. On 19 May 2008, the appellate court granted that motion and stayed the appeal for one year. No agreement has been reached between the parties during the period of the stay, which has now expired. The court has indicated it could set the hearing for the oral arguments related to the appeal before the end of the year.

Havana Club

The Havana Club brand is owned in most countries by a joint venture called Havana Club Holding SA (HCH), in which Pernod Ricard is a shareholder. In some countries, including the United States, the brand is owned by a Cuban company (Cubaexport). Ownership of this brand is currently being contested in the United States and Spain by a competitor of Pernod Ricard.

A United States law relating in particular to the conditions for the protection of brands nationalized by the Castro regime was voted in 1998. This law was condemned by the World Trade Organization (WTO) in 2002 but to date the United States has not modified its legislation to conform to the WTO decision.

1. OFAC (Office of Foreign Assets Control) has decided that this same law had the effect of preventing any renewal of the Havana Club mark which is owned in the United States by Cubaexport. In August 2006, the United States Patent and Trademark Office (USPTO) failed to accept Cubaexport's renewal application in respect of the US registration for Havana Club following guidance from OFAC. Cubaexport has petitioned the Director of the USPTO to reverse this decision and has sued OFAC in a separate proceeding in the Federal Court for the District of Columbia, challenging OFAC's decision and the law and regulations applied by OFAC. On 30 March 2009, the Federal Court of the District of Columbia handed down a ruling (which can be appealed) dismissing Cubaexport's petitions. Cubaexport has appealed this ruling.

   Cubaexport's petition against USPTO's decision has been stayed pending the outcome of the OFAC proceeding.

2. A competitor of the Group sought in the USPTO, to cancel the Havana Club trademark registration which is in the name of Cubaexport. On 29 January 2004, the USPTO rejected this action, refusing to cancel the registration. As this decision was appealed, proceedings are now pending before the Federal Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition to the USPTO.

3. In August 2006, the same competitor introduced a Havana Club rum in the United States which is manufactured in Puerto Rico. Pernod Ricard USA has instituted litigation in the Federal Court for the District of Delaware claiming that the competitor is falsely claiming to own the Havana Club trademark and that this false claim and the use of "Havana Club" on rum of non-Cuban origin is misleading and should be enjoined. A ruling is expected by the end of 2009.
4. HCH's rights relating to the Havana Club brand in Spain were confirmed in June 2005 by the First Instance Court in proceedings initiated in 1999 by, notably, this same competitor. This decision was appealed before the Madrid Provincial Audience by the plaintiffs but the appeal was dismissed in February 2007. The plaintiffs then appealed the decision of the Madrid Provincial Audience to the Spanish Supreme Court, which will rule on the merits of the case before 2013 if the appeal is deemed admissible.

Champomy

During 2001, the National Institute for Appellations of Origin (INAO) and the French Comité Interprofessionnel des Vins de Champagne (CIVC) summoned Pernod Ricard and its subsidiaries before the Courts of Paris in order to request the invalidity of the Champomy brands and the prohibition from using them on the grounds that they constitute a violation of the Champagne appellation of origin. Since then, these brands have been sold to the Cadbury Schweppes group. However, Pernod Ricard has granted a warranty to the purchaser with regard to the validity of these trademarks and its contractual liability would be triggered in the event that Champomy brands are cancelled. Pursuant to a court decision of 10 May 2006, the Paris First Instance Court dismissed all the claims of INAO and CIVC. INAO and the CIVC have lodged an appeal but most of their claims were also dismissed by Paris Court of Appeal on 7 November 2007. CIVC and INAO filed an appeal to the Cour de Cassation and presented their supplemental brief in June 2008. In a ruling on 7 July 2009, the Cour de Cassation dismissed all the claims by INAO and CIVC, thereby upholding the previous rulings in favour of Pernod Ricard. The case is now closed.

Commercial disputes

Claim brought by the Republic of Colombia against Pernod Ricard, Seagram Llc and Diageo Plc.

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, Pernod Ricard USA Llc, Diageo Plc, Diageo North America Inc. (f/k/a Guinness UDV America Inc. f/k/a UDV North America Inc f/k/a Heublein Inc.), United Distillers Manufacturing Inc., IDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiff's claims are that these companies have committed an act of unfair competition against the Colombian government and its regional departments (which holds a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution circuits and by receiving payments from companies involved in money laundering. Pernod Ricard contests this claim.

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.

Discovery is now under way for those of the plaintiff's claims that were not dismissed by the court of first instance. Pernod Ricard will continue to vigorously defend itself against the claims.

Excise duties in Turkey

Allied Domecq Istanbul Iç ve Dis Ticaret Ltd.Sti ("Allied Domecq Istanbul"), as well as some of its competitors, is involved in a customs valuation dispute relating to the customs valuation of certain imports to Turkey. The main issue relates to whether the sales price of Duty Free goods can be used in declaring the customs value for import into Turkey. To date, the customs agency has commenced proceedings against Allied Domecq Istanbul in Turkey for non-compliance with customs regulations in respect of 249 imports. Allied Domecq Istanbul is actively defending its position.

Putative Class Actions in the United States

Origin of Stolichnaya

On 18 October 2006, Russian Standard Vodka (USA), Inc. and Roust Trading Limited filed suit against Allied Domecq Spirits & Wine USA, Inc. ("ADSW USA") and Pernod Ricard USA, Llc ("PR USA") in the United States District Court for the Southern District of New York. On 4 December 2006, plaintiffs filed an amended complaint adding S.P.I. Group SA and S.P.I. Spirits (Cyprus) Limited (together, "SPI") as defendants. Plaintiffs allege that the defendants are engaged in false advertising under federal and New York State law, and deceptive trade practices and unfair competition, first by advertising and promoting Stolichnaya vodka as "Russian Vodka" and second by making certain related claims on defendants' website and in defendants' advertising. Plaintiffs also seek a declaration by the Court that they have not engaged in false advertising by virtue of their public statements challenging the "Russian" character of Stolichnaya vodka, all applicable types of damages and disgorgement of all the Company's related profits.

Since the suit began, the parties have filed several claims and begun the discovery phase. In February 2009, the defendants all moved to obtain a ruling through summary proceedings. SPI's principal argument is the plaintiff's alleged incapacity to bring the suit.

PR USA and ADSW USA argue (notably) that the plaintiffs no longer have a claim for damages as PR USA and ADSW USA have abandoned all activity related to the Stolichnaya brand in the United States. PR USA and ADSW USA have also cited the arguments made by SPI in their claim.

The hearing of the two claims was concluded in April 2009. The parties are now awaiting a ruling from the court. In the meantime, the discovery phase continues.

NOTE 25 Related parties

The remuneration paid to Company Directors and Group Executive Committee members in return for their services to the Group is detailed below:

In euro million	30.06.2008	30.06.2009
Board of Directors*	1	1
Group Executive Committee		
• Short-term benefits	14	13
• Post-employment benefits	4	4
• Share-based payments**	5	5
TOTAL EXPENSES RECOGNISED FOR THE YEAR	**23**	**23**

* *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 02.11.2004 to 18.06.2008.*

NOTE 26 Post balance sheet events

On 27 July 2009, the Group sold coffee liqueur brand Tia Maria to Illva Saronno for €125 million.

NOTE 27 List of main consolidated companies

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	Countries	% holding at 30.06.08	% holding at 30.06.2009	Consolidation method
Pernod Ricard SA	France	Parent Company	Parent Company	
Pernod Ricard Finance SA	France	100	100	F.C.
JFA SA (merged into PR SA)	France	100	0	F.C.
Ricard SA	France	100	100	F.C.
Pernod SA	France	100	100	F.C.
Cusenier SA	France	100	100	F.C.
Société des Produits d'Armagnac SA	France	100	100	F.C.
Spirits Partners	France	100	100	F.C.
Pernod Ricard Europe SA	France	100	100	F.C.
Pernod Ricard España SA	Spain	100	100	F.C.
Pernod Ricard Swiss SA	Switzerland	99.65	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 LLC	Belarus	99	99	F.C.
Pernod Ricard Ukraine SC with FI	Ukraine	100	100	F.C.

Incorporated bodies	Countries	% holding at 30.06.08	% holding at 30.06.2009	Consolidation method
SC Pernod Ricard Romania SRL	Romania	100	100	F.C.
Georgian Wines and Spirits Company LLC	Georgia	100	100	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	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 CJSC	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 Taiwan Spirits and Wines Ltd	Taiwan	100	100	F.C.
Pernod Ricard Thailand Ltd	Thailand	100	100	F.C.
Pernod Ricard Korea Co. Ltd	South Korea	100	100	F.C.
Pernod Ricard Singapore PTE Ltd	Singapore	100	100	F.C.
Pernod Ricard Malaysia SDN BHD	Malaysia	100	100	F.C.
Martell Far East Trading Ltd	China	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 (EVC)	France	100	100	F.C.
Pernod Ricard North America SAS	France	100	100	F.C.
Pernod Ricard USA	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 Chile SA	Chile	100	100	F.C.
Pernod Ricard Colombia SA	Colombia	100	100	F.C.
Pernod Ricard Brasil Industria e Comercio PLLC	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 Ltd	United Kingdom	100	100	F.C.
Chivas Brothers Ltd	United Kingdom	100	100	F.C.
Pernod Ricard Travel Retail Europe	United Kingdom	100	100	F.C.
Irish Distillers Ltd	Ireland	100	100	F.C.
Fitzgerald & Co Ltd	Ireland	100	100	F.C.

Incorporated bodies	Countries	% holding at 30.06.08	% holding at 30.06.2009	Consolidation method
Dillon Bass Ltd	United Kingdom	63	74	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 SAS	France	100	100	F.C.
Martell & Co SA	France	100	100	F.C.
Augier Robin Briand & Co SA	France	100	100	F.C.
Domaines Jean Martell	France	100	100	F.C.
Pernod Ricard Pacific Holding Pty Ltd	Australia	100	100	F.C.
Pernod Ricard Pacific Pty Ltd	Australia	100	100	F.C.
Orlando Wyndham Group Pty Ltd	Australia	100	100	F.C.
Orlando Wyndham New Zealand Ltd	Australia	100	100	F.C.
Montana Group (NZ) Ltd	New Zealand	100	100	F.C.
Peri Mauritius	Mauritius	100	100	F.C.
Pernod Ricard India	India	100	100	F.C.
Seagram Distilleries (P) Ltd	India	100	100	F.C.
Havana Club Internacional	Cuba	50	50	F.C.
AD Argentina SA	Argentina	100	100	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.
AD Brasil Comercio e Industria Ltda	Brazil	100	100	F.C.
Corby Distilleries Ltd	Canada	45.76	45.76	F.C.
Hiram Walker and Sons Ltd	Canada	100	100	F.C.
ADSW Switzerland	Switzerland	100	0	F.C.
Tia Maria Ltd	Switzerland	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.
ADSW Danmark AS	Denmark	100	100	F.C.
ADSW Estonia AS	Estonia	100	100	F.C.
Domecq Bodegas	Spain	98.45	98.45	F.C.
ADSW Finland Oy	Finland	100	100	F.C.
Financière Moulins de Champagne S.A.S.	France	100	100	F.C.
G.H. Mumm & Cie – Sté Vinicole de Champagne Successeur	France	100	100	F.C.
Champagne Perrier-Jouët SA	France	99.5	99.5	F.C.
SA Théodore Legras	France	99.5	99.5	F.C.
ADSW (Overseas) Ltd	United Kingdom	100	100	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.
Hiram Walker and Sons (UK) Ltd	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 Croatia d.o.o.	Croatia	100	100	F.C.
PR Hungary Kft	Hungary	100	100	F.C.
Jinro Ballantines Co	South Korea	70	70	F.C.

Incorporated bodies	Countries	% holding at 30.06.08	% holding at 30.06.2009	Consolidation method
ADSW Latvia	Latvia	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 Ltd	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.
Allied Domecq Retailing Sweden	Sweden	100	100	F.C.
AD Istanbul Dom. and Foreign Trade Ltd	Turkey	100	100	F.C.
Brand Partners	Norway	50	100	F.C.
Austin, Nichols & Co, Inc.	USA	100	100	F.C.
La Casa dels Licors	Andorra	100	100	F.C.
Pernod Ricard Lithuania	Lithuania	100	100	F.C.
V&S Vin&Sprit AB	Sweden		100	F.C.
V&S Luksusowa Zielona Gora SA	Poland		100	F.C.
V&S Norway A/S	Norway		100	F.C.
V&S Plymouth Ltd	United Kingdom		100	F.C.

Statutory Auditors' Report on the consolidated financial statements

For the financial year ended 30 June 2009

To the shareholders,

In our capacity as Statutory Auditors, we hereby present our report for the financial year ending 30 June 2009, on:

- the audit of Pernod Ricard's consolidated financial statements, as attached to this report;
- the justification of 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 financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with the 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 includes verifying, on a test basis or by other selective methods, the evidence supporting the amounts and disclosures contained in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management as well as the overall presentation of the financial statements. We consider that the information that we have obtained provides a sufficient and appropriate basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of entities in accordance with IFRS as adopted by the European Union.

II – Justification of assessments

The accounting estimates used in preparing the financial statements at 30 June 2009 were made under conditions of economic and financial crisis, which meant it was difficult to forecast the economic outlook. These conditions are described in Note 1.5 to the consolidated accounts, "Principal uncertainties arising from the use of estimates and judgment by Management". The same note also states that certain circumstances could lead to changes in these estimates and that actual outcomes could be different.

It is in this context that, in accordance with the provisions of article L. 823-9 of the French Commercial Code 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 its goodwill and intangible assets with an indefinite useful life. It also assesses whether there are any indications of an impairment in the value 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 prepared by the Company's operational management teams, 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 11 to the consolidated financial statements gives appropriate information;
- the company has recognised provisions for pensions and other post-employment benefits, deferred tax liabilities and other provisions, as described in Note 1.5 to the consolidated financial statements. We have assessed the bases on which these provisions were recognised and reviewed the disclosures concerning risks in Notes 16 and 24 to the consolidated financial statements;
- the assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III – Specific verification

We also carried out the specific verifications required by law of the information contained in the Group management report.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 3 September 2009.

The Statutory Auditors

Deloitte & Associés	Mazars
Alain Penanguer	Loïc Wallaert

5 PERNOD RICARD SA FINANCIAL STATEMENTS

Income statement

For the financial years ending 30 June 2008 and 30 June 2009

In euro thousand	30.06.2008	30.06.2009
Royalties	39,313	35,706
Other income	23,230	19,239
Reversals of financial provisions and expense transfer	2,413	7,668
TOTAL OPERATING INCOME	**64,956**	**62,613**
External services	(73,201)	(71,563)
Duties and taxes	(5,164)	(3,995)
Personnel expenses	(33,537)	(33,733)
Depreciation, amortisation and provision charges	(9,254)	(6,823)
Other expenses	(592)	(692)
TOTAL OPERATING EXPENSES	**(121,749)**	**(116,806)**
Operating profit (loss)	**(56,793)**	**(54,193)**
Income from investments	1,052,768	654,058
Other interest and related income	155,509	233,583
Reversals of financial provisions and expense transfer	4,785	62,062
Translation gains	229,559	505,812
TOTAL FINANCIAL INCOME	**1,442,621**	**1,455,515**
Provision charges	(40,948)	(78,740)
Interest and related expenses	(289,403)	(489,328)
Currency translation losses	(228,153)	(620,124)
TOTAL FINANCIAL EXPENSES	**(558,503)**	**(1,188,192)**
Interest (expense) income	**884,118**	**267,323**
Profit before tax and exceptional items	**827,325**	**213,130**
Exceptional items	**98,272**	**(28,083)**
Net profit/loss before income tax	**925,597**	**185,047**
Corporate income tax	(16)	121,508
PROFIT FOR THE FINANCIAL YEAR	**925,581**	**306,555**

Balance sheet

For the financial years ending 30 June 2008 and 30 June 2009

Assets

In euro thousand	Net value 30.06.2008	Gross value 30.06.2009	Depreciation, amortisation & provisions	Net value 30.06.2009	Notes
Intangible assets	**33,748**	**41,010**	**(7,101)**	**33,909**	**2**
Legal goodwill, brands and software	33,748	41,010	(7,101)	33,909	
Property, plant and equipment	**4,619**	**11,050**	**(6,865)**	**4,185**	
Land	948	948	-	948	
Buildings	872	2,117	(1,280)	837	
Machinery & equipment	4	62	(50)	12	
Other	2,794	7,923	(5,535)	2,388	
Financial assets	**8,489,496**	**11,622,958**	**(137,572)**	**11,485,386**	**3**
Investments	8,362,383	11,368,136	(132,208)	11,235,928	3
Loans and advances to subsidiaries and associates	56,385	236,722	-	236,722	3 & 4
Loans	18	16	-	16	3 & 4
Guarantee deposits	1,369	1,383	-	1,383	3 & 4
Treasury shares	69,340	16,701	(5,364)	11,337	3 & 4
TOTAL FIXED ASSETS	**8,527,863**	**11,675,017**	**(151,538)**	**11,523,480**	
Advances and supplier prepayments	**361**	**1,559**	**-**	**1,559**	**4**
Receivables	**97,291**	**30,580**	**(66)**	**30,514**	**4**
Trade receivables	90,711	25,549	(66)	25,483	
Other	6,580	5,031	-	5,031	
Other receivables	**44,883**	**2,639,563**	**(9,120)**	**2,630,443**	**4**
Marketable securities	**8,624**	**54,939**	**(7,269)**	**47,670**	**5**
Cash	**786**	**2,189**	**-**	**2,189**	
TOTAL CURRENT ASSETS	**151,945**	**2,728,830**	**(16,455)**	**2,712,375**	
Prepaid expenses	56,359	12,856	-	12,856	6
Bond redemption premiums	2,247	3,206	-	3,206	6
Currency translation adjustment – Asset	19,181	350,229	-	350,229	6
TOTAL PREPAID EXPENSES AND DEFERRED CHARGES	**77,786**	**366,291**	**-**	**366,291**	
TOTAL ASSETS	**8,757,594**	**14,770,139**	**(167,993)**	**14,602,146**	

For the financial years ending 30 June 2008 and 30 June 2009

Liabilities and shareholders' equity

In euro thousand	30.06.2008	30.06.2009	Notes
Share capital	**340,509**	**400,893**	**7**
Additional paid-in capital	**2,065,686**	**3,006,701**	
Reserves	**213,539**	**213,610**	
Legal reserves	33,980	34,051	
Regulated reserves	179,559	179,559	
Other reserves	**195,013**	**195,013**	
Retained earnings	**517,716**	**1,155,175**	
Profit for the financial year	**925,581**	**306,555**	
Interim dividends	**(138,400)**	**(129,320)**	
TOTAL SHAREHOLDERS' EQUITY	**4,119,643**	**5,148,627**	**8**
Provision for contingencies and charges	**100,723**	**175,354**	**9**
Debt	**3,310,256**	**6,673,567**	
Bonds	865,613	1,667,118	4 & 13
Bank debt	2,432,933	4,986,463	4 & 14
Other debt	11,710	19,986	4
Trade and other operating payables	**66,736**	**72,651**	**4**
Trade payables	43,116	60,323	
Taxes and Social security	23,620	12,328	
Other liabilities	**1,091,531**	**2,246,962**	**4**
Other payables	1,091,531	2,246,962	
TOTAL LIABILITIES	**4,468,523**	**8,993,180**	
Deferred income	55,536	8,488	4 & 11
Currency translation adjustment – Liability	13,169	276,497	11
TOTAL ACCRUED CHARGES AND DEFERRED INCOME	**68,705**	**284,985**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,757,594**	**14,602,146**	

Cash flow statement

For the financial years ending 30 June 2008 and 30 June 2009

In euro thousand	30.06.2008	30.06.2009
Operating activities		
Net profit for the financial year	925,581	306,555
Net depreciation, amortisation and provision charges	155,806	(17,714)
Changes in provisions	50,608	80,082
Net (gain)/loss on disposal of assets and other items	-	(7,401)
Self-financing capacity	**1,131,995**	**361,522**
Decrease/(increase) in working capital	105,515	(2,653,444)
Net debt from operating activities	**1,237,510**	**(2,291,922)**
Investing activities		
Capital expenditure	(1,820)	16,099
Purchases of financial assets net of disposals	(1,536,618)	(2,986,603)
Net debt from investing activities	**(1,538,438)**	**(2,970,504)**
Financing activities		
Bond issue	679	800,545
Other changes in shareholders' equity	16,151	1,001,400
Dividends paid	(266,880)	(288,051)
Net debt from financing activities	**(250,050)**	**1,513,894**
Change in net debt	**(550,978)**	**(3,748,532)**
Net debt at the beginning of the year	(2,626,912)	(3,177,890)
Net debt at the end of the year	(3,177,890)	(6,926,422)

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	30.06.2008	30.06.2009
Loans and long-term debts	(2,454,628)	(5,016,432)
Net balance on current account with Pernod Ricard Finance	(732,891)	(1,967,118)
Marketable securities	8,843	54,939
Cash	786	2,189
NET DEBT AT THE END OF THE YEAR	**(3,177,890)**	**(6,926,422)**

Analysis of 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 the billing of royalties for the use of brands owned by Pernod Ricard SA, rebilling for research activities relating to product innovation and receipt of dividends.

Highlights of the financial year

1. Acquisition of Vin&Sprit ("V&S")

On 23 July 2008, Pernod Ricard acquired 100% of the shares in the Vin&Sprit group (V&S), for €5.3 billion. The acquisition was funded by means of a syndicated multi-currency loan.

As a result of this acquisition V&S products ceased to be distributed by Future Brands and Maxxium as from 1 October 2008. Pernod Ricard exited the Future Brands joint venture at the cost of a $230 million indemnity fee and Maxxium on payment of €59 million in indemnity fees and the transfer of €60 million of shares on 30 March 2009.

2. Capital increase

On 14 May 2009, Pernod Ricard SA increased its capital by €1,036 million (gross before fees). Under the transaction 38,786,220 new shares were subscribed for at a price of €26.70 per share. The capital increase allowed the company to repay parts of tranche B of its euro- and dollar-denominated syndicated loan: €330 million and $910 million, respectively.

3. Bond issue

On 15 June 2009, Pernod Ricard SA issued €800 million of bonds. The proceeds allowed it to repay the next tranches of the multi-currency syndicated loan falling due and to extend the average maturity of the Group's debt.

Income statement and balance sheet at 30 June 2009

Analysis of the 2008/2009 income statement

Operating income was €62.6 million compared to €65 million in 2008, a fall of €2.4 million linked to declines in royalties on brands and media rebillings, partly offset by reversals of some provisions.

Operating expenses amounted to €(116.8) million compared with €(121.7) million in 2008. The €4.9 million reduction was chiefly due to a lower media spend (media spending is rebilled) and lower depreciation, amortisation and provision charges as well as overall savings on fees and travel costs, despite the rise in banking fees linked to the bond issue.

An operating loss of €(54.2) million was incurred in the financial year ending 30 June 2009.

The interest (expense) income was €267.3 million, compared with €884.1 million at end June 2008. Dividends received at end June 2009 were lower than last year by €(399) million and the cost of debt was €(181.2) million higher.

Operating result before tax amounted to €213.1 million.

Exceptional items at 30 June 2009 represented a charge of €(28.1) million, mainly linked to acquisition fees on the V&S acquisition.

Finally, income tax generated a gain of €121.5 million due to the effects of tax consolidation.

In consequence, net profit for the year at 30 June 2009 was €306.6 million.

Analysis of the 2008/2009 balance sheet

Pernod Ricard's balance sheet total at 30 June 2009 was €14,602 million, an increase of €5,844 million compared with 30 June 2008.

Assets

Total net fixed assets stood at €11,523.5 million, compared with €8,527.9 million the previous financial year. This increase of €2,995.6 million is largely explained by a rise in the value of investments as a result of the V&S acquisition.

Current assets increased by €2,560 million in the year to €2,712 million at 30 June 2009. This significant increase was related to intra-group debts in the context of the V&S acquisition.

Liabilities and shareholders' equity

Shareholders' equity stood at €5,148.6 million, compared with €4,119.6 million for the previous financial year. The €1,029 million increase in shareholders' equity reflected principally the capital increase held on 14 May 2009.

Provisions for contingencies and charges were up by €74.6 million due to the provisions taken for currency losses.

During the year total debt rose by €4,524.7 million as a result of the V&S acquisition (increase in the syndicated loan and PR Finance borrowings), and the bond issue of 15 June 2009.

Notes to the Parent Company 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 2009 was €14,602,145,569.38. The income statement records a profit for the year of €306,554,754.21. The financial year covered the 12-month period from 1 July 2008 to 30 June 2009.

Note 1 Accounting policies

The 2009 financial statements were prepared in accordance with French generally accepted accounting principles. 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.

Changes in accounting policies

The rules governing the treatment of stock option plans and the granting of free shares to employees were changed by CRC rule 2008-15 of 4 December 2008.

Under the new rules, the Company recognised shares to be used for stock option and free share plans in a separate sub-item in the marketable securities item. A liability is recorded when the obligation to deliver the shares to employees is incurred. The cost of the Company's stock option and free share plans for employees represents a form of remuneration and is therefore allocated to personnel expenses over the vesting period of the beneficiaries' rights. The application of this new treatment for the financial year 2008/2009 led Pernod Ricard:

- to reclassify shares to be used for stock option and free share plans as marketable securities with a value of €48.8 million;
- to recognise a €0.5 million personnel expense in respect of the plans granted to Company employees.

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: 10 years (straight-line);
- machinery and equipment: 5 years (straight-line);
- office furniture and equipment: 10 years (straight-line) or 4 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 and bonus share 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.

The rules governing the treatment of stock option plans and the granting of free shares to employees were changed by CRC rule 2008-15 of 4 December 2008.

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 euros 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 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 223A *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 Pernod Ricard's financial statements.

NOTE 2 Intangible assets

Gross value

In euro thousand	At 01.07.2008	Acquisitions	Disposals	At 30.06.2009
Legal goodwill[1]	915	-	(915)	-
Brands	32,590	-	(30)	32,560
Software	7,636	495	(316)	7,815
Advances and down-payments on intangible assets	99	900	(364)	635
TOTAL	**41,241**	**1,395**	**(1,625)**	**41,010**

Amortisation

In euro thousand	At 01.07.2008	Allowances	Reversals	At 30.06.2009
Legal goodwill[1]	(915)	-	915	-
Brands	(2)	(28)	30	-
Software	(6,576)	(841)	316	(7,101)
TOTAL	**(7,493)**	**(869)**	**1,261**	**(7,101)**

(1) Pernod Ricard SA disposed of the intellectual property rights, customer accounts and legal goodwill relating to Bisquit.

NOTE 3 Financial assets

Gross value

In euro thousand	At 01.07.2008	Reclassification	Acquisitions	Capital transaction	Disposals	At 30.06.2009
Investments in consolidated entities	8,440,342	-	106,270	3,457,767	(696,563)	11,307,816
Investments in non-consolidated entities	12,581	-	-	-	-	12,581
Other investments	60,001	-	-	-	(12,583)	47,418
Deferred expenses	-	-	-	-	-	-
Advance on investment	321	-	-	-	-	321
Investments	**8,513,244**	**-**	**106,270**	**3,457,767**	**(709,146)**	**11,368,136**
Loans and advances to subsidiaries and associates	56,385	-	399,380	-	(219,043)	236,722
Loans	18	-	-	-	(2)	16
Guarantee deposits	1,369	-	20	-	(6)	1,383
Treasury shares[1]	75,448	(48,815)	-	(3,470)	(6,462)	16,701
TOTAL	**8,646,464**	**(48,815)**	**505,670**	**3,454,297**	**(934,659)**	**11,622,958**

Provisions

In euro thousand	At 01.07.2008	Reclassification	Allowances	Reversals	At 30.06.2009
Investments in consolidated entities	(114,221)	-	(89,213)	114,106	(89,328)
Investments in non-consolidated entities	(360)	-	(20)	-	(380)
Other investments	(35,958)	-	(42,179)	35,958	(42,179)
Deferred expenses	-	-	-	-	-
Advance on investment	(321)	-	-	-	(321)
Investments	**(150,860)**	**-**	**(131,412)**	**150,064**	**(132,208)**
Treasury shares[1]	(6,108)	5,163	(5,364)	945	(5,364)
TOTAL	**(156,968)**	**5,163**	**(136,776)**	**151,009**	**(137,572)**

(1) Treasury shares: in accordance with CRC rule 2008-15 of 4 December 2008, shares to be used for stock option and free share plans were reclassified as marketable securities.

NOTE 4 Maturity of receivables and payables

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	236,722	158,016	78,706
Loans	16	-	16
Other financial assets	1,383	-	1,383
Treasury shares: stock option plans	16,701	-	16,701
Receivables and other financial assets	**254,822**	**158,016**	**96,806**
Current assets other than marketable securities and cash	2,671,702	48,573	2,623,129
Prepaid expenses	12,856	12,856	-
TOTAL	**2,939,380**	**219,445**	**2,719,935**

Liabilities

In euro thousand	Gross amount	Due in one year or less	Due between 1 and 5 years	Due in more than five years
Bonds	1,667,118	17,118	850,000	800,000
Bank debt	4,088,689	346	4,088,343	-
PR Finance borrowings	897,774	2,424	895,350	-
Other financial debt	19,986	19,986	-	-
Trade and other operating payables	72,651	72,651	-	-
Other liabilities	2,246,962	132,601	2,114,361	-
Deferred income	8,488	7,990	177	321
TOTAL	**9,001,668**	**253,116**	**7,948,231**	**800,321**

NOTE 5 Marketable securities

	At 01.07.2008		Reclassification		Capital transaction		Exercises/Disposals		**At 30.06.2009**	
In euro thousand	Number	Value	Number	Value	Number	Value	Number	Value	**Number**	**Value**
Pernod Ricard shares										
• gross value	457,521	8,843	683,069	48,815	20,295	(168)	131,013	(2,551)	1,029,872	54,939
• impairment	-	(219)	-	(5,163)	-	(1,977)	-	(90)	-	(7,269)
NET VALUE	**457,521**	**8,624**	**683,069**	**43,652**	**20,295**	**(2,145)**	**131,013**	**(2,641)**	**1,029,872**	**47,670**

Stock option plans were adjusted to take account of the capital increase held on 14 May 2009.

At 30 June 2009, the Pernod Ricard share price was €44.87, which gave rise to an unrealised loss of €7,269,000.

Treasury shares: in accordance with CRC rule 2008-15 of 4 December 2008, shares to be used for stock option and free share plans were reclassified as marketable securities.

NOTE 6 Prepaid expenses and deferred charges

In euro thousand	At 01.07.2008	Increases	Decreases	At 30.06.2009
Prepaid expenses[(1)]	56,359	143	(43,646)	12,856
Bond redemption premiums[(2)]	2,247	1,424	(465)	3,206
Currency translation adjustment – Asset[(3)]	19,181	350,229	(19,181)	350,229
TOTAL	**77,786**	**351,796**	**(63,292)**	**366,291**

(1) The reduction in prepaid expenses is due to movements in the 2008 sale and repurchase agreements item regarding stock options.

(2) The increase in bond redemption premiums is linked to the issue of €800 million of new bonds. Bond redemption premiums are amortised over the life of the bonds concerned.

(3) The €350 million asset arising from translation adjustments at 30 June 2009 is mainly due to the restatement of assets and liabilities at the closing EUR/USD exchange rate on 30 June 2009.

NOTE 7 Composition of share capital

At 30 June 2009, the share capital was composed of 258,640,536 shares with a unit par value of €1.55. Total share capital thus amounted to €400,892,830.80.

NOTE 8 Shareholders' equity

In euro thousand	At 01.07.2008	Appropriation of profit	Change in share capital/Other	Dividends	2009 profit	At 30.06.2009
Share capital	340,509	-	60,384	-	-	400,893
Share premiums	2,065,686	-	941,015	-	-	3,006,701
Legal reserve	33,980	71	-	-	-	34,051
Regulated reserves	179,559	-	-	-	-	179,559
Other reserves	195,013	-	-	-	-	195,013
Retained earnings	517,716	925,510	-	(288,051)	-	1,155,175
Profit for the financial year	925,581	(925,581)	-	-	306,555	306,555
Interim dividends to be paid	-	-	-	(129,320)	-	(129,320)
Interim dividend for previous year	(138,400)	-	-	138,400	-	-
TOTAL	**4,119,643**	**-**	**1,001,399**	**(278,971)**	**306,555**	**5,148,627**

On 14 April 2009, the Company's Board of Directors resolved to carry out a capital increase with preferential subscription rights. This created 38,786,220 new shares with a par value of €1,55 each and a total gross value of €1,035,592,000, including the share premium.

On 14 May 2009, the company recognised this capital increase with a par value of €60,119,000 and a share premium of €975,473,000. Fees associated with the capital increase totalled €38,818,000, recognised as a reduction in the share premium.

NOTE 9 Provisions

In euro thousand	At 01.07.2008	Reclassification	Increases in the year	Reversals on use	Reversals of unused provisions	At 30.06.2009
Provisions for contingencies and charges						
Provision for currency losses	7,824	-	75,326	(7,824)	-	75,326
Other provisions for risks and contingencies	58,813	-	29,748	(20,705)	(3,917)	63,939
Provisions for pensions and other long-term employee benefits	34,086	-	5,754	(3,751)	-	36,089
TOTAL 1	**100,723**	**-**	**110,828**	**(32,280)**	**(3,917)**	**175,354**
Provisions for depreciation and amortisation		-				
On intangible assets	915	-	-	(915)	-	-
On financial assets	156,968	(5,163)	136,776	(3,977)	(147,032)	137,572
On trade receivables	529	-	259	(722)	-	66
On other receivables	10,256	-	3,053	(4,189)	-	9,120
On marketable securities	219	5,163	1,977	(90)	-	7,269
TOTAL 2	**168,887**	**-**	**142,065**	**(9,893)**	**(147,032)**	**154,027**
OVERALL TOTAL	**269,610**	**-**	**252,893**	**(42,173)**	**(150,949)**	**329,381**

Provisions for contingencies and charges

The €75,326,000 increase in the provision for currency losses at 30 June 2009 is mainly composed of the unrealised currency loss on unhedged US dollar denominated financial assets and liabilities.

Other provisions for risks and contingencies correspond to provisions against risks generated by the call options on shares for €32,068,000 maturing June 2011 for Plan 14 A and June 2012 for Plan 15 A, and free shares (€29,427,000 maturing in 2012 and 2013 as well as various other provisions for €2,444,000).

Provisions for pensions and other long-term employee benefits are presented below:

- Description and recognition of employee benefit obligations

  Pernod Ricard's employee benefit obligations are composed of:

  - 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 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 2009, the total amount of benefit obligations was €53,726,000. Provisions of €36,089,000 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 2009 was 2% and the discount rates used ranged from 5.75% to 6.25% 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 (amortisation of actuarial gains and losses).

- 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 30.06.2008	Other invested entities 30.06.2008	Subsidiaries and associates 30.06.2009	Other invested entities 30.06.2009
Investments	**8,443,722**	**69,521**	**11,311,197**	**56,939**
Loans and advances to subsidiaries and associates	**56,385**	**-**	**236,722**	**-**
Due in one year or less	54,934	-	163,563	-
Due in more than one year	1,451	-	73,159	-
Trade receivables	**91,241**	**-**	**25,548**	**-**
Due in one year or less	47,997	-	25,548	-
Due in more than one year	43,244	-	-	-
Other receivables	**9,578**	**-**	**2,584,015**	**-**
Due in one year or less	-	-	12,083	-
Due in more than one year	9,578	-	2,571,932	-
Other debt	**901,927**	**-**	**897,774**	**-**
Due in one year or less	-	-	2,424	-
Due in more than 1 year and less than 5 years	901,927	-	895,350	-
Trade payables	**4,808**	**-**	**2,467**	**-**
Due in one year or less	4,808	-	2,467	-
Due in more than 1 year and less than 5 years	-	-	-	-
Other payables	**871,441**	**17,323**	**2,114,005**	**-**
Due in one year or less	-	17,323	-	2,830
Due in more than 1 year and less than 5 years	871,441	-	2,114,005	-
Expenses from recurring operations	**11,414**	**-**	**11,712**	**-**
Group seconded personnel	11,225	-	11,526	-
Other Group management expenses	190	-	186	-
Operating income	**62,113**	**-**	**54,701**	**-**
Group royalties	39,313	-	35,706	-
Group management income	738	-	602	-
Transfer of Group expenses	22,062	-	18,393	-
Financial expenses	**49,451**	**-**	**110,852**	**-**
Financial income	**1,087,354**	**-**	**888,119**	**-**
Exceptional items	**88,620**	**-**	**129,996**	**-**

Note 11 Deferred income and adjustment accounts

In euro thousand	At 01.07.2008	Increases	Decreases	At 30.06.2009
Deferred income[(1)]	55,536	-	(47,048)	8,488
Currency translation adjustment – Liabilities[(2)]	13,169	276,497	(13,169)	276,497
TOTAL	**68,705**	**276,497**	**(60,217)**	**284,985**

(1) The reduction in deferred income is due to changes in the 2008 sale and repurchase agreements item regarding stock options.

(2) The €276 million liability arising from translation adjustments at 30 June 2009 is mainly due to the restatement of assets and liabilities at the closing EUR/USD exchange rate on 30 June 2009.

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	163,563
Other financial assets	-
Trade receivables	284
Other receivables	6,160
Cash	280
TOTAL	**170,287**

Accrued expenses

In euro thousand	Amount
Amount of accrued expenses in the following balance sheet items	
Bank debt	39,863
Other financial debt	-
Trade and other operating payables	37,900
Other payables	3,093
TOTAL	**80,856**

NOTE 13 Bonds

In euro thousand	Amount	Maturity	Accrued interest	Type of interest payable	Total
Bond 06.12.2006 – Tranche 1	300,000	06.06.2011	337	Floating rate	300,337
Bond 06.12.2006 – Tranche 2	550,000	06.12.2013	14,326	Fixed rate	564,326
Bond 15.06.2009	800,000	15.01.2015	2,455	Fixed rate	802,455
TOTAL	**1,650,000**		**17,118**		**1,667,118**

On 6 December 2006, Pernod Ricard SA issued bonds totalling €850 million in two tranches with the following characteristics:

- Tranche 1: floating rate

  Tranche 1 is composed of €300 million of floating rate notes with a remaining period to maturity of 2 years (maturity 6 June 2011) which bear interest at EURIBOR 3 months plus 50 basis points.

- Tranche 2: fixed rate

  Tranche 2 is composed of €550 million of notes with a remaining period to maturity of 4 and a half years (maturity 6 December 2013) which bear interest at a fixed rate of 4.625%.

On 15 June 2009, Pernod Ricard SA issued €800 million of bonds with the following characteristics: remaining period to maturity of 5 and a half years (maturity 15 January 2015) and bearing fixed-rate interest of 7%.

NOTE 14 Bank debt

Vin&Sprit syndicated loan

On 23 July 2008, Pernod Ricard used part of the facilities granted under the multi-currency syndicated loan agreement signed on 27 March 2008, for €4,988 million (including €2,020 million in multicurrencies) and $10,138 million. At 30 June 2009, it had drawn down from this credit facility €1,747 million, $8,879 million and ¥8 billion, a total equivalent to €8,088 million. The credit facilities, whether revolving or fixed maturity, denominated in euros, American dollars or multicurrency, incur interest at the applicable LIBOR (or, for euro denominated borrowing, EURIBOR), plus a pre-determined spread and mandatory costs. The facilities have been negotiated with maturities ranging from 1 to 5 years. These borrowings enabled the Group to repay the amounts due under the syndicated loan facility agreed in August 2005, to finance the Allied Domecq acquisition 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 €4,088,689,000 (including accrued interest of €346,000). In addition, a loan of €897,774,000 (including €2,424,000 of accrued interest), contracted in May 2008, is due to Pernod Ricard Finance.

NOTE 15 Breakdown of income tax

In euro thousand	Total	Operating result before tax	Exceptional items
Net profit/loss before income tax	185,047	213,130	(28,083)
Income tax prior to consolidation	-	-	-
Net impact of tax consolidation	121,508	-	-
NET PROFIT/LOSS	**306,555**	**213,130**	**(28,083)**

Within the framework of the tax consolidation, the tax loss carryforwards of the Pernod Ricard tax group amount to €827 million, an increase of €335.7 million 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**
Decreases	**-**
Provisions not tax deductible in year of accounting recognition	**-**
"Organic" local tax and other	121
Other provisions for contingencies	11,041
Provisions for pensions and other long-term employee benefits	12,424
DECREASES IN FUTURE TAX LIABILITIES	**23,586**

The tax rate used is the rate in force in 2009, i.e. 34.43%.

NOTE 17 Remuneration

Remuneration paid to members of the Executive Directors and members of the Board of Directors amounted to €5,293,816.

NOTE 18 Income

Operating income, including, among others, royalties received for brands that belong to Pernod Ricard SA, came to €62,613,000 compared with €64,956,000 in 2008, a fall of €2,343,000 attributable to lower brand royalty payments.

NOTE 19 Financial income and expenses

In euro thousand	**At 30.06.2009**
Income from investments	654,058
Income from other fixed asset securities and receivables	-
Other interest and related income	233,583
Reversals of financial provisions and expense transfer	62,062
Currency translation gains	505,812
Net gains on sale of marketable securities	-
TOTAL FINANCIAL INCOME	**1,455,515**

In euro thousand	**At 30.06.2009**
Depreciation, amortisation and provision charges	(78,740)
Interest and related expenses	(489,328)
Currency translation losses	(620,124)
Net expenses on marketable security disposals	-
TOTAL FINANCIAL EXPENSES	**(1,188,192)**

NOTE 20 Exceptional items

In euro thousand	Amount
Net profit on management operations	-
Net profit on capital operations	(168,439)
Reversals of financial provisions and expense transfer	140,356
EXCEPTIONAL ITEMS	**(28,083)**

Exceptional items mainly relate to acquisition fees on the V&S acquisition.

NOTE 21 Off-balance sheet commitments

Guarantees granted

Commitments granted

In euro thousand	Amount
Guarantees on behalf of subsidiaries	4,249,333
Guarantees granted to holders of Allied Domecq Financial Services Ltd bonds	821,500
TOTAL	**5,070,833**

Commitments granted include guarantees, in particular those related to:

- syndicated loan. Borrowings drawn by subsidiaries of the Pernod Ricard Group that had not been repaid at 30 June 2009 amounted to €3,999 million;
- bonds and commercial paper.

Derivative instruments

Hedges by Pernod Ricard SA	Nominal *in USD thousand*	Fair value at 30 June 2009 *in euro thousand*	Nominal *in euro thousand*	Fair value at 30 June 2009 *in euro thousand*
Caps/Collars	900,000	(2,616)	750,000	(48,614)
Interest rate swaps	2,660,000	(87,740)	500,000	(43,827)
Currency swaps	1,450,132	(16,586)		
TOTAL	**5,010,132**	**(106,942)**	**1,250,000**	**(92,441)**

Interest rate swaps hedge Pernod Ricard SA's external or internal debts that bear floating rate interest. At 30 June 2009 these broke down as follows:

USD interest rate hedge	Maturity	Net base *in USD thousand*	Rate
Cap	December 2009	500,000	5.50%
Collar	May 2010	200,000	4.59%/2.50%
Collar	May 2010	200,000	4.17%/2.50%
Interest rate swap	May 2011	1,150,000	3.57%
Interest rate swap	May 2013	1,510,000	3.74%

The fair value of financial instruments hedging USD denominated floating rate debt at 30 June 2009 was €(90,356,000).

EUR interest rate hedge	Maturity	Net base *in euro thousand*	Rate
Collar	June 2013	250,000	5.00%/4.36%
Collar	June 2013	250,000	5.00%/3.85%
Collar	June 2013	250,000	5.00%/3.80%
Interest rate swap	June 2013	250,000	4.45%
Interest rate swap	June 2014	250,000	4.67%

The fair value of financial instruments hedging euro denominated floating rate debt at 30 June 2009 was €(92,441,000).

Currency hedge	Base *in USD thousand*
Currency swap	1,041,000
Currency swap	409,132
Financial assets	3,635,169
Financial liabilities	(4,906,826)
TOTAL	**178,475**

Payables and receivables denominated in foreign currencies are hedged by currency swaps. The company had a residual US dollar position of $178,475,000 at 30 June 2009.

The fair value of currency swaps at year end was €(16,586,000).

Other

Within the framework of the 4-year renewal of the distribution contract between Pernod Ricard Asia and Kirin Brewery Company from 1 January 2006, Pernod Ricard guaranteed its subsidiary's contractual undertakings.

Pernod Ricard SA guaranteed the contributions owed by Allied Domecq Holdings Ltd and its subsidiaries to the Allied Domecq pension funds.

As part of the disposal of Wild Turkey to Campari, Pernod Ricard SA guaranteed the contractual obligations of the sellers and, more generally, those of Group subsidiaries in respect of the sale.

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 2006/2007 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.

Within the framework of the right to individual training in France, the aggregate number of training hours corresponding to acquired rights for the 2008 calendar year is 4,187 hours, including 2,407 hours for which no request had been made.

Note 22 Average headcount at 30 June 2009

	Employees	Other employees (temporary workers for all reasons)
Managers	109	-
Supervisors and technicians	32	-
Employees	11	4
AVERAGE HEADCOUNT	**152**	**4**
Apprentice contract	2	

Note 23 Subsidiaries and associates at 30 June 2009

In euro thousand	Share capital	Shareholders equity before appropriation of results for year	Interest in entity's share capital (%)	Carrying amount of investment Gross	Carrying amount of investment Net	Loans	Guarantees	Sales (excluding taxes and duties)	Net profit	Dividends received
Investments whose carrying amount exceeds 1% of Pernod Ricard's share capital										
Ricard 4 and 6, rue Berthelot 13014 Marseille	54,000	148,149	100.00	67,227	67,227	-	-	523,621	57,573	69,325
Pernod 120, avenue du Maréchal-Foch 94015 Créteil	40,000	145,836	100.00	94,941	94,941	-	-	436,696	21,512	19,479
Austin Nichols 100 Manhattanville Road Purchase, NY 10577 (United States)	50	4,180,833	61.64	2,803,471	2,803,471	-	600,000	251,366	(940,171)	-
SALB Kancelar Praha Americka 11 120000 Prague (Czech Rep.)	76,412	78,833	20.23	12,190	12,190	-	-	-	(345)	-
Compagnie Financière des Produits Orangina 12, place des États-Unis 75116 Paris	10,000	11,150	100.00	39,608	11,152	-	-	-	150	194
Pernod Ricard Europe 2, rue de Solférino 75340 Paris cedex 07	40,000	78,035	100.00	36,406	36,406	-	-	69,176	129,293	304,999
Campbell 111/113 Renfrew Road Paisley, PA3 4DY (Scotland)	8,763	28,227	100.00	40,538	40,538	-	-	-	863	-
Pernod Ricard Finance 12, place des États-Unis 75116 Paris	77,000	97,244	100.00	89,220	89,220	-	3,169,343	-	11,904	51,587
Pernod Ricard Pacific Holdings 33 Exeter Terrace Devon Park SA 5008 (Australia)	115,234	108,586	100.00	151,789	151,789	-	-	-	15,625	15,113
Comrie Temple Chambers 3, Burlington Road, Dublin 4 (Ireland)	3,775,655	4,109,908	100.00	3,775,658	3,775,658	-	-	-	520	-
Yerevan Brandy Company 2, Admiral Isakov Avenue, Yerevan Yerevan 375092, (Republic of Armenia)	20,694	98,403	100.00	27,856	27,856	-	-	29,017	8,741	8,915
Établissements Vinicoles Champenois 12, place des États-Unis 75116 Paris	71,675	153,924	100.00	100,955	100,955	-	229,942	-	(30,573)	15,451
SAS Lina 3 12, place des États-Unis 75116 Paris	559,207	3,266,929	100.00	3,290,975	3,290,975	-	-	-	519	-
SAS Lina 5 12, place des États-Unis 75116 Paris	30,640	36,865	100.00	30,631	30,631	-	-	-	931	84,418
Pernod Ricard Cesam 2, rue de Solférino 75007 Paris	52,198	53,195	100.00	131,040	131,040	-	-	-	(478)	-
SAS Lina 6 12, place des États-Unis 75116 Paris	298,000	288,567	100.00	305,027	305,027	-	-	-	892	-
Pernod Ricard North America 2, rue de Solférino 75007 Paris	39,398	51,954	100.00	126,735	66,435	-	-	-	(2,526)	-

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	4,512	137,019	100.00	42,457	42,457	-	-	-	91,397	39,000
AGROS Ul. Chalubinskiego 8 00-613 Warsaw (Poland)	4,942	81,492	62.95	73,189	73,189	-	-	-	6,723	-
Sankaty Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,056	100.00	15,568	15,568	-	-	-	(1)	-
Populous Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,059	100.00	15,568	15,568	-	-	-	(0)	-
Polairen Trading Ltd 25-28 North Wall Quay – IFSC 1 Dublin (Ireland)	13	4,055	100.00	15,568	15,568	-	-	-	(1)	-
Subsidiaries:										
- French	-	-	-	6,255	5,780	71,541	-	-	-	-
- Foreign	-	-	-	18,111	17,654	2,063	-	-	-	39,092
Investments:										
- French	-	-	-	215	215	-	-	-	-	50
- Foreign	-	-	-	56,939	14,420	-	-	-	-	6,435

Earnings over the last five financial years

In euro	18 months 30.06.2005	12 months 30.06.2006	12 months 30.06.2007	12 months 30.06.2008	**12 months 30.06.2009**
Financial position at year-end					
Share capital	218,500,651	291,590,460	339,796,825	340,508,610	400,892,831
Number of shares outstanding	70,484,081	94,061,439	109,611,879	219,682,974	258,640,536
Number of convertible bonds in issue	4,567,614	-	-	-	-
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
Operating results					
Sales (excluding taxes and duties)	-	-	-	-	-
Profit before taxes, amortisation, depreciation and allowances to provisions	156,137,583	44,133,821	535,110,760	607,470,960	192,726,443
Income tax	18,099,330	9,892,059	56,025,892	(16,011)	121,507,245
Profit after taxes, amortisation, depreciation and allowances to provisions	177,706,014	56,193,656	597,492,981	925,580,853	306,554,754
Dividends distributed(1)	242,355,167	224,734,720	276,221,935	289,981,526	-
Earnings per share					
Profit after taxes, but before amortisation, depreciation and allowances to provisions	2.47	0.57	5.39	2.77	1.21
Profit after taxes, amortisation, depreciation and allowances to provisions	2.52	0.60	5.45	4.21	1.19
Dividend paid per share(1)	3.22	2.52	2.52	1.32	-
Personnel					
Number of employees	126	130	144	144	152
Total payroll	28,807,092	19,867,333	19,846,894	21,087,707	19,641,524
Employee related benefits paid during the year	9,277,720	7,090,238	10,658,374	12,449,559	14,091,743

(1) The amount of dividends for 2009 will be known with certainty after the vote to be held at the Shareholders' Meeting of 2 November 2009 (dividends for the financial year from 1 July 2008 to 30 June 2009).

Dividends distributed during the last five years

Year *In euro*	Payment date	Amount	Total dividend for the year
2004/2005	11.01.2005	0.98	-
	07.06.2005	1.16	-
	17.11.2005	1.08	3.22
2005/2006	05.07.2006	1.12	-
	15.11.2006	1.40	2.52
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(1)	0.50	(2)

(1) Holders of the new shares created by the capital increase of 14 May 2009 received the interim dividend of €0.50 net paid in July 2009.

(2) An interim dividend in respect of 2008/2009 was paid on 8 July 2009. The balance of the dividend will be decided by shareholders at the Shareholders' Meeting of 2 November 2009 called to approve the financial statements for the year ended 30 June 2009.

Inventory of marketable securities at 30 June 2009

French investments with a net carrying amount in excess of €100,000

In euro	Number of shares held	Net carrying amount
Établissements Vinicoles Champenois	234,990	100,955,022
Compagnie Financière des Produits Orangina	11,910	11,151,639
G.H. Mumm	7,780	1,556,000
Lina 3	55,920,652	3,290,974,547
Lina 5	306,400	30,630,500
Lina 6	400	305,027,008
Lina 7	400	390,000
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	36,406,054
Pernod Ricard Finance	10,317,439	89,220,499
Pernod Ricard North America	4,377,500	66,434,557
Ricard	1,750,000	67,227,023
Sopebsa	100,000	962,769
SUB-TOTAL	**-**	**4,269,373,299**
Other shareholdings in French companies	226,858	3,086,445
Investments in unlisted foreign companies	-	6,963,469,061
TOTAL MARKETABLE SECURITIES AT 30.06.2009	**-**	**11,235,928,805**

Statutory Auditors' Report on the annual financial statements

For the financial year ended 30 June 2009

To the shareholders,

In our capacity as Statutory Auditors, we hereby present our report for the financial year ending 30 June 2009, on:

- the audit of Pernod Ricard's annual financial statements, as presented in this report;
- the special verifications and disclosures required by law;
- the justification of our assessments;

The annual financial statements were prepared by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with current 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 includes verifying, on a test basis or by other selective methods, the evidence supporting the amounts and disclosures contained in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management as well as the overall presentation of the financial statements. We consider that the audit information we have obtained provides a sufficient and appropriate basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the Company's financial position and its assets and liabilities at the end of the financial year and of the results of its operations in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion we draw shareholders' attention to Note 1 to the annual financial statements "Accounting policies", which explains changes made to the accounting treatment of employee stock option and free share plans resulting from the application of Rule 2008-15 of the French Accounting Regulation Committee (CRC), published on 30 December 2008.

II - Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- Investments were evaluated in accordance with the accounting policies described in Note 1.3 "Accounting policies – Investments". As part of our audit, we reviewed whether these accounting policies and the information provided in Note 3 to the financial statements were appropriate and whether the assumptions used and the resulting valuations were reasonable;
- As mentioned in the first section of this report, Note 1 "Accounting policies" to the annual financial statements explains changes made to the accounting method applied to employee stock option and free share plans. As part of our assessment of the accounting policies applied by the Company, we verified that these changes were appropriate and appropriately presented.

These assessments were made in the context of the performance of our audit of the annual financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III - Special verifications and disclosures

We have also performed the special verifications required by law.

We have no matters to report regarding:

- the fair presentation and consistency with the annual financial statements of the information about the financial situation and the annual financial statements contained in the Board of Directors' Management Report and in documents sent to shareholders;
- the fairness of the information set out in the Management Report on the remuneration and benefits paid to the members of the Board concerned and on the undertakings given to them upon or after taking on, changing or terminating their functions.

In accordance with French law, we have verified that the required information concerning investments and acquisitions of control and concerning the names of the principal shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	**Mazars**
Alain Penanguer	Loïc Wallaert

Special Statutory Auditor's Report on regulated agreements and commitments

For the financial year ended 30 June 2009

To the shareholders,

As your Company's Statutory Auditors, we hereby present our report on regulated agreements and commitments.

Agreements and commitments authorised during the financial year

In accordance with article L.225-40 of the French Commercial Code, we have been made aware of the existence of the following agreements and commitments that have received prior authorisation from the Board of Directors.

We are not required to ascertain whether any other agreements and commitments exist but to inform you, on the basis of the information provided to us, of the essential terms and conditions of agreements indicated to us. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, under the terms of article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We have planned and performed the procedures that we considered necessary in accordance with the professional rules of the French Auditors Regulator (the Compagnie Nationale des Commissaires aux Comptes, CNCC) for the fulfilment of this mission. These procedures consisted of verifying that the information provided to us agrees with the source documents from which it is derived.

Acquisition of loans owed to Pernod Ricard Finance by Comrie Ltd with a view to their capitalisation

In the course of the acquisition of Vin&Sprit Aktiebolag, in order to strengthen the financial position of Pernod Ricard subsidiary Comrie Ltd, Pernod Ricard:

- acquired from Pernod Ricard Finance two loans owed by Comrie Ltd totalling around €219 million, then;
- incorporated the acquired loans into the capital of Comrie Ltd.

Directors concerned:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Board of Pernod Ricard Finance.

Swap agreement between Pernod Ricard and Pernod Ricard Finance

As part of the financing of the Vin&Sprit Aktiebolag acquisition, it was agreed that Pernod Ricard would draw down part of the US dollar tranches available under the Multicurrency Facilities Agreement up to a maximum of €2.5 billion.

To manage the resulting foreign exchange issues, the Board of Directors on 23 July 2008 authorised the use of a euro/US dollar currency swap contract between Pernod Ricard and Pernod Ricard Finance.

At 30 June 2009, this currency swap had a nominal value of $409 million, equivalent to €294 million.

Directors concerned:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Board of Pernod Ricard Finance.

Loan agreement between Pernod Ricard and Pernod Ricard Finance

Within the context of the acquisition of Vin&Sprit Aktiebolag by the Group and the refinancing of part of Pernod Ricard's and the Group's debt, the Board of Directors on 23 July 2008 authorised Pernod Ricard Finance to lend Pernod Ricard €250 million allowing Pernod Ricard to repay part of its existing debt.

Directors concerned:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Board of Pernod Ricard Finance.

It should be noted, however, that this loan was never made, the funds required instead being provided under the Group's cash pooling agreement.

Factoring programme

In the context of the pan-European non-recourse factoring programme involving certain Pernod Ricard Group companies, the Board of Directors on 5 November 2008 authorised some of its members to carry out certain administrative procedures in respect of a framework contract for the factoring of receivables to be agreed between various Group companies (as sellers) and BNP Paribas Factor (as factor), in the event that Pernod Ricard had to act as attorney for the Group companies party to the factoring agreement.

Directors concerned:

- Mr. Patrick Ricard, (i) Director of Pernod Ricard Finance, (ii) permanent representative of Pernod Ricard, Director of Pernod SA and (iii) permanent representative of Pernod Ricard, Director of Ricard SA;
- Mr. Pierre Pringuet, (i) Chairman of the Board of Pernod Ricard Finance, (ii) Director of Pernod SA and (iii) Director of Ricard SA;
- Mr. François Gérard, Director of Pernod SA.

It should be noted, however, that Pernod Ricard was not designated as attorney in this transaction, Pernod Ricard Finance taking on this role instead.

Brand licensing agreements

Licensing agreement for the Dubonnet brand between Pernod Ricard and Ricard SA

The Board of Directors on 5 November 2008 authorised Pernod Ricard to grant Ricard, from 1 January 2009, the licence to exploit the Dubonnet brand in France, previously held by Cusenier.

The royalties billed are proportional to sales and amounted to €61,320 for 2008/2009.

Directors concerned:

- Mr. Patrick Ricard, permanent representative of Pernod Ricard, Director of Ricard SA;
- Mr. Pierre Pringuet, Director of Ricard SA.

Change in the method of calculating royalties on anis-based brands

To simplify the way in which royalties on anis-based drink brands were calculated and bring them into line with the Group's usual practice, the Board of Directors, on 5 November 2008, authorised the renewal for 5 years, starting on 1 January 2009, of the licences granted to Ricard and Pernod on changed financial terms. The royalty paid will henceforth be proportional to sales.

Directors concerned:

- Mr. Patrick Ricard, permanent representative of Pernod Ricard, Director of Ricard SA and Pernod SA;
- Mr. Pierre Pringuet, Director of Ricard SA and Pernod SA;
- Mr. François Gérard, Director of Pernod SA.

Acquisition of 100% of V&S Luksusowa Zielona Gora SA

In the context of the Group's reorganisation following the acquisition of Vin&Sprit Aktiebolag (V&S), the Board of Directors on 5 November 2008 authorised Pernod Ricard to acquire the Polish company V&S Luksusowa Zielona Gora SA, owned by V&S, for a market value estimated at a maximum of €300 million.

Director concerned:

- Mr. Pierre Pringuet, CEO of Vin&Sprit Aktiebolag.

It should be noted, however, that this acquisition never took place.

Reorganisation of Pernod Ricard's holding in Austin Nichols & Co

Authorisation of a swap contract with Pernod Ricard Finance

In the context of the reorganisation of the Group's US holding structure, the Board of Directors on 5 November 2008, authorised the implementation of a currency swap contract between Pernod Ricard and Pernod Ricard Finance to eliminate exposure to fluctuations in the euro/dollar exchange rate on transactions undertaken as part of the planned restructuring.

Directors concerned:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Board of Pernod Ricard Finance.

It should be noted, however, that this contract was never implemented.

Transfer of Lina 12

In the context of the reorganisation of the Group's US holding structure, the Board of Directors on 5 November 2008 authorised the transfer of the company Lina 12 to Pernod Ricard. Lina 12 had previously been owned by Lina 7, itself a direct subsidiary of Pernod Ricard.

Lina 7 ceded the whole of Lina 12's capital for €29,263.

Director concerned:

- Mr. Pierre Pringuet, also Chairman of Lina 7.

Remuneration and benefits package of Mr. Pierre Pringuet, CEO

As a result of its review, in accordance with AFEP-MEDEF corporate governance recommendations, of the remuneration terms attaching to Mr. Pierre Pringuet as CEO, the Board of Directors on 12 February 2009 authorised, in the event of the termination of his appointment, the introduction of a two-year non-compete clause associated with an indemnity of one year's gross remuneration (fixed and variable as earned for the twelve months preceding the termination of the appointment).

The Board of Directors also authorised the renewal of Mr. Pierre Pringuet's entitlements under the collective supplementary defined benefits pension scheme on the same terms as those applying to Group senior managers, as implemented at Pernod Ricard since 1990. Shareholders are reminded that since this date, Group senior managers who end their careers at Pernod Ricard have benefited from a collective pension scheme providing defined benefit pensions as a top-up to their statutory entitlements, subject to a number of conditions, mainly related to length of service and level of remuneration.

Under certain conditions, this scheme provides for the payment of an annuity to the retired beneficiary and payment of a benefit to the spouse and/or ex-spouse in the event of the beneficiary's death, based on the following criteria:

- the beneficiary must have worked at least 10 years for the Group;
- the basis for calculating the benefit is the average of the last 3 years' remuneration (gross + variable) of the beneficiary;
- benefits paid are proportional to the length of service, capped at 20 years;
- the amount of the supplementary benefit is the sum of the following amounts:
  - for that part of the remuneration between 8 and 12 times the French Social security ceiling, a cumulative 2% of earnings for each year of service (capped at 20 years, or 40%);
  - for that part of remuneration between 12 and 16 times the French Social security ceiling, 1.5% for each year of service; and
- 1% for that part of remuneration above 16 times the Social security ceiling;
- the total benefit paid under the scheme, added to the beneficiary's other pensions, cannot exceed two-thirds of his/her gross basic annual remuneration.

Aside from these conditions, shareholders are reminded that the manager must still be working for the Group on the day he/she retires. Under regulations in force, redundancy at an age above 55 years is considered equivalent to retirement while working for the Group unless the person concerned resumes their professional activity subsequently. It was specified at the Board of Directors' meeting of 12 February 2009 that the forced resignation of the CEO would be considered equivalent to redundancy for these purposes, subject to the age conditions and retirement from professional activities stated above.

Director concerned:

- Mr. Pierre Pringuet, CEO.

Sale of the Bisquit brand

The Board of Directors on 12 February 2009 authorised the signature of an agreement to sell the Bisquit brand assets along with associated rights, inventories and assets, to which Pernod Ricard and Martell will be joint signatories.

Directors concerned:

- Mr. Patrick Ricard, Director of Martell & Co;
- Mr. Pierre Pringuet, Director of Martell & Co;
- Mr. François Gérard, Director of Martell & Co.

Transfer of 100% of the capital of JFA

As part of the rationalisation of the Group's structure all the shares representing the capital of JFA were transferred to Lina 7, itself a wholly-owned subsidiary of Pernod Ricard, prior to the winding up without liquidation of JFA.

The shares were transferred at a value of €9,489,910.

Director concerned:

- Mr. Pierre Pringuet, also Chairman of Lina 7.

Sale of trade receivables

In the context of a transaction to sell trade receivables by certain Pernod Ricard subsidiaries, the Board of Directors on 14 April 2009 authorised Pernod Ricard to mandate Calyon to arrange this transaction.

Directors concerned:

- Mr. Jean-Dominique Comolli, Director of Calyon;
- Lord Douro, Consultant to Calyon.

Authorisation to conclude a guarantee agreement

In the context of the capital increase with preferential subscription rights for shareholders, decided upon by the Board of Directors on 14 April 2009, and in exercise of the powers delegated to the Board at the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007, the Board of Directors authorised on 14 April 2009 the signature of a guarantee agreement. The agreement was made with a number of financial institutions including Calyon and Société Générale. Under the terms of the agreement, the financial institutions undertook severally but not jointly, to arrange for the subscription or, failing this, to themselves subscribe for all of the new shares issued in the event that the issue should not be fully subscribed at the end of the subscription period either on a irreducible or reducible basis. This does not, however, represent a performance bond *(garantie de bonne fin)* as defined by article L.225-145 of the French Commercial Code.

Directors concerned:

- Mr. Patrick Ricard, Director of Société Générale;
- Mr. Jean-Dominique Comolli, Director of Calyon;
- Lord Douro, Consultant to Calyon.

Bond issue

In the context of the bond issued on 28 May 2009 on the Luxembourg Stock Market, the Board of Directors authorised on 25 May 2009 the conclusion of a subscription agreement and authority to represent the Group companies in the event that Calyon was selected as lead manager for the issue.

Directors concerned:

- Mr. Jean-Dominique Comolli, Director of Calyon;
- Lord Douro, Consultant to Calyon.

It should be noted that Calyon was not ultimately appointed as lead manager.

Authorisation of two loans by Pernod Ricard Finance to Pernod Ricard

In the context of the reorganisation of the Group's US holding structure, the Board of Directors on 17 June 2009 authorised two loans to be made by Pernod Ricard Finance to Pernod Ricard, the first for around £100 million and the second for an amount equivalent to around $100 million.

Directors concerned:

- Mr. Patrick Ricard, also a Director of Pernod Ricard Finance;
- Mr. Pierre Pringuet, also Chairman of the Board of Pernod Ricard Finance.

It should be noted, however, that these loans were never made, the funds required instead being provided under the Group's cash pooling agreement.

Agreements and commitments authorised during prior financial years which continued to have an effect during the year

In addition, in application of the French Commercial Code, we have been informed of the following agreements and commitments which were approved in prior financial years and which continued to have effect during the financial year 2008/2009.

Bonds

On 6 December 2006, Pernod Ricard carried out a bond issue, authorised by the Board of Directors on 7 November 2006. The issue included both fixed and floating-rate notes, each with a par value of €50,000, and with a total par value of €550 million for the fixed-rate notes and €300 million for the floating-rate notes. The notes are traded on the Luxembourg Stock Exchange regulated market.

Undertaking to subscribe to a Pernod Ricard Finance capital increase

A put option contract relating to Chivas Brothers (Holding) Ltd ("CBHL") preference shares held by Pernod Ricard Acquisition II ("PR II") was set up between Pernod Ricard Finance (PR Finance) and PR II. As Pernod Ricard Finance did not have the available funds to pay the price for the CBHL preference shares in the event of PR II exercising its put option, the Board of Directors, at its meeting on 21 June 2007, authorised Pernod Ricard to commit to financing, if necessary, the acquisition by Pernod Ricard Finance of the CBHL preference shares, in the form of an option to subscribe to a PR Finance capital increase.

Rebilling of acquisition costs

Allied Domecq acquisition costs

In the context of the acquisition of the Allied Domecq Group and additional work concerning subsequent restructuring, Pernod Ricard incurred costs in 2008/2009 which now mainly involve expenses related to restructuring and integration of the two groups.

In accordance with French tax regulations and law, Pernod Ricard can only be required to pay the expenses incurred in its own interest. Accordingly, it was agreed that Pernod Ricard rebill the balance of the costs it incurred to the entities that benefited from the corresponding services, in accordance with the allocations provided by the different advisors identifying the nature and the purpose of the services rendered.

The amount of costs rebilled for 2008/2009 was €1,076,018.

V&S acquisition costs

In acquiring Vin&Sprit Aktiebolag (V&S), Pernod Ricard incurred both acquisition costs and financing costs.

Under French tax regulations and law, Pernod Ricard is only liable for costs incurred in its own interest and rebilled the remainder of the costs incurred to the entities that benefited from the corresponding services.

In 2008/2009, Pernod Ricard recognised a total of €117,421,699 in costs and has so far rebilled €114,570,989 of these to its subsidiaries.

Sale and repurchase agreements for treasury shares

In exercise of its repurchase option on the 5,955,534 treasury shares (underlying some stock option plans) sold under repurchase agreements arranged with Société Générale, Pernod Ricard bought back 140,755 Pernod Ricard shares in the financial year ended 30 June 2009.

Director concerned:

- Mr. Patrick Ricard, also a Director of Société Générale.

Multicurrency Facilities Agreement used to finance the acquisition of Vin&Sprit Aktiebolag

In the context of the Group's acquisition of Vin&Sprit Aktiebolag and the refinancing of part of the Company and Group debt, Pernod Ricard and some of its subsidiaries contracted a credit line called the Multicurrency Facilities Agreement. Drawdowns under the Multicurrency Facilities Agreement total approximately €9.1 billion.

Under the agreement, the Company agreed to jointly and severally guarantee any payment obligations incurred by other borrowers as they are renewed or extended.

The financial expenses incurred by Pernod Ricard under the Multicurrency Facilities Agreement in 2008/2009 totalled €199,312,020.

Remuneration of the guarantee granted by Pernod Ricard under the Multicurrency Facilities Agreement

Pernod Ricard charges companies that exercise their drawing rights under the Multicurrency Facilities Agreement syndicated loan a guarantee fee that is based on market terms and which fluctuates according to market conditions. The companies concerned are Pernod Ricard Finance and Etablissements Vinicoles Champenois.

In respect of 2008/2009 Pernod Ricard billed Pernod Ricard Finance €6,799,115.

Joint and several guarantee commitments

Agreements with Pernod Ricard Finance

Pernod Ricard has given 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 2009, averaged €173,013,880.

Pernod Ricard billed €183,152 in fees for the financial year ended 30 June 2009.

Agreements with Comrie

Pernod Ricard acts as guarantor to Société Générale for loan notes in respect of Comrie totalling €54,184 at 30 June 2009.

Brand agreements

Brand licensing agreements

(i) Brand licences granted to Ricard

Since 1 January 2004, Pernod Ricard has granted Ricard SA a number of brand licences. Pernod Ricard billed Ricard SA €23,097,140 in respect of these licences for 2008/2009.

(ii) Brand licences granted to Pernod

Since 1 January 2004, Pernod Ricard has granted Pernod SA a number of brand licences. Pernod Ricard billed Pernod SA €11,572,795 in respect of these licences for 2008/2009.

(iii) Brand licences granted to Cusenier

Since 1 January 1996, Pernod Ricard has granted Cusenier a number of brand licences. Pernod Ricard billed Cusenier €695,118 in respect of these licences for 2008/2009.

Operating license concessions

The Company entered into a concession arrangement with Ricard SA in respect of the international operating rights related to the Dorville brand, commencing in October 2002. Royalties paid under this arrangement for 2008/2009 amounted to €14,640.

Advances, loans and borrowings

Netting agreement with Pernod Ricard Finance

Pernod Ricard has an agreement with Pernod Ricard Finance governing the monthly offsetting of intragroup payments, known as Pernod Ricard netting, which took effect from 30 June 2008. Under this agreement, Pernod Ricard Finance is mandated to manage the appropriate cash transactions on behalf of the companies that are signatories to the agreement. All transactions related to Pernod Ricard netting are carried out at market terms.

Pernod Ricard Finance billed a €9,500 netting management fee under this agreement in respect of 2008/2009.

Agreements with Pernod Ricard Finance

Pernod Ricard signed a cash-pooling agreement with Pernod Ricard Finance, effective since 1 January 2004, designed to bring within a single agreement all the pre-existing bilateral treasury agreements between Pernod Ricard Finance and other Pernod Ricard Group companies that are not integrated into the automated cash pooling mechanism, 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 €55,928,478 payable to Pernod Ricard Finance was recognised in respect of this agreement for 2008/2009 as well as a cash management fee of €3,000.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	Mazars
Alain Penanguer	Loïc Wallaert

6 COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING

Agenda of the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009

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 2009;
2. Approval of the consolidated financial statements for the financial year ended 30 June 2009;
3. Allocation of the net result for the financial year ended 30 June 2009 and setting the dividend;
4. Approval of regulated agreements referred to in Article L. 225-38 *et seq.* of the French Commercial Code;
5. Approval of the commitments referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and the special report of the Statutory Auditors relating to Pierre Pringuet;
6. Renewal of the Directorship of Danièle Ricard;
7. Renewal of the Directorship of Société Paul Ricard SA;
8. Renewal of the Directorship of Jean-Dominique Comolli;
9. Renewal of the Directorship of Lord Douro;
10. Appointment of Mr. Gérald Frère as a Director;
11. Appointment of Mr. Michel Chambaud as a Director;
12. Appointment of Mr. Anders Narvinger as a Director;
13. Setting of the annual amount of Directors' fees allocated to the Board of Directors;
14. 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

15. Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling treasury shares;
16. 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;
17. Delegation of authority to be granted to the Board of Directors to decide to increase share capital 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;
18. 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 cancellation of the preferential subscription right under the 16th and 17th resolutions;
19. 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 with a view to remunerating contributions in kind granted to the Company within the limit of 10% of the share capital;
20. 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 launched by the Company;
21. Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting the right to the allocation of debt securities;
22. Delegation of authority to be granted to the Board of Directors to decide to increase share capital by the capitalisation of premiums, reserves and earnings or other;
23. Authorisation to be granted to the Board of Directors to grant options to the Company's employees and managers for the subscription of share warrants to issue or purchase existing Company shares;
24. Delegation of authority to be granted to the Board of Directors to issue share warrants in the event of a public offer involving the Company's shares;
25. Delegation of authority to be granted to the Board of Directors to decide on share capital increases through the issue of shares or securities granting access to the share capital reserved for members of savings plans with cancellation of preferential subscription rights in favour of the members of such savings plans;
26. Amendment of the bylaws;
27. Powers to carry out the necessary 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 text of the 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 2008/2009 financial year, which show a net profit of €306,554,754.21.

The purpose of the **2nd resolution** is to approve the consolidated financial statements of Pernod Ricard for the 2008/2009 financial year.

The purpose of the **3rd resolution** is to allocate the results. It is suggested that you set the dividend for the 2008/2009 financial year at €0.50 per share. An interim dividend payment of €0.50 per share was paid on 8 July 2009, no balance will be distributed. As announced by the Company on 8 April 2009, a free distribution of shares would, subject to a favourable vote of the 22nd resolution (a share capital increase via the capitalisation of reserves), be carried out before the end of 2009. This distribution is in addition to the dividend for the 2008/2009 financial year, which has already been paid to shareholders in the form of an interim payment.

Approval of related-party agreements

It is proposed that, by voting in favour of the **4th and 5th resolutions**, you approve the related-party agreements described in the Statutory Auditors' special report on pages 148 to 152 herein.

The **5th resolution** specifically concerns the two undertakings made towards Mr. Pierre Pringuet: the conclusion of a non-competition clause together with an indemnity and confirmation of the maintenance of the benefits from the additional defined-benefit pension plan.

In fact, as part of the assessment, under AFEP-MEDEF recommendations, of the remuneration conditions attached to the directorship of Pierre Pringuet, CEO, the Board of Directors has authorised, in the event of the cessation of his term of office, the introduction of a two-year non-competition clause together with an indemnity equal to one year of gross remuneration (fixed and variable received for the twelve months preceding the cessation of the term of office).

Moreover, the Board of Directors authorises the maintenance, in favour of Pierre Pringuet, of the benefits from the additional defined-benefit company pension plan under identical conditions to those applicable to the Group's members of management, as implemented within Pernod Ricard since 1990.

In fact, since this date a company pension plan with conditional supplementary defined benefits has been granted to the Group's members of management fulfilling a certain number of conditions linked mainly to length of service and level of remuneration and ending their career at Pernod Ricard.

This plan provides for, under certain conditions, the payment to the eligible retiree of an annuity as well as, after his death, the payment to the spouse and/or ex-spouse of a reversionary annuity, calculated from the following information:

(i) the beneficiary must have a minimum length of service of 10 years in the Group;

(ii) the basis for calculating the annuity corresponds to the mean of the last three years of remuneration (gross + variable) of the beneficiaries;

(iii) annuities paid are proportional to the length of service, capped at 20 years;

(iv) the amount of the additional annuity is assessed by adding the following amounts together:

- for the proportion of the remuneration comprised between 8 and 12 times the French annual Social security cap, an annual coefficient of 2% per year of service is applied (capped at 20 years, i.e. 40%),
- for the proportion of the remuneration comprised between 12 and 16 times the French annual Social security cap, 1.5% per year of service; and lastly,
- 1% for the proportion of the remuneration exceeding 16 times the French annual Social security cap;

(v) the annuity paid for this plan, added to those of the other pensions, cannot exceed two thirds of the basic gross annual remuneration of the beneficiary.

In addition to these conditions, it is recalled that the presence in the Group of the manager on the day of retirement is obligatory. In accordance with the regulations, redundancy after the age of 55, without resumption of paid work, is considered to bring about an end to the career. Insofar as the Board of Directors has a policy of common provision of benefits to Board members and Pernod Ricard members of management concerning additional elements of remuneration and executive benefits, particularly with regard to additional pensions, it was specified, during the Board meeting of 12 February 2009, that the compulsory dismissal of an executive falls within the same category as redundancy, subject to age conditions and non-resumption of the aforementioned activities.

Renewal of the terms of office of Directors and appointment of new Directors

It is proposed that, by voting on the **6th, 7th, 8th and 9th resolutions**, you renew the directorships of Danièle Ricard, Société Paul Ricard SA, Jean-Dominique Comolli and Lord Douro. Information about them appears in the section "Corporate Governance and Internal Control" herein.

It is proposed that, by voting on the **10th, 11th and 12th resolutions,** you appoint Mr. Gérald Frère, Mr. Michel Chambaud and Mr. Anders Narvinger as new Directors, replacing Mr. Didier Pineau-Valencienne, Mr. Gérard Théry and Mr. William H. Webb. The latter, whose terms of office as Directors expire with this meeting, have decided not to seek their renewal.

The presentation notices of Mr. Gérald Frère, Mr. Michel Chambaud and Mr. Anders Narvinger appear in the section "Corporate Governance and Internal Control" herein.

In accordance with our bylaws, Danièle Ricard, Société Paul Ricard SA, Jean-Dominique Comolli, Lord Douro, Mr. Gérald Frère, Mr. Michel Chambaud and Mr. Anders Narvinger would be appointed for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2013 to approve the financial statements for the previous financial year.

Directors' fees

The purpose of the **13th resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors for the financial year in progress at €750,000. This amount is identical to that allocated for the previous financial year.

Repurchase of shares

As the authorisation granted to the Board of Directors by the Shareholders' Meeting on 5 November 2008 to trade in the Company's shares is due to expire this year, we propose, in the **14th 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 €90 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 them to employees and/or Directors (allocation of call options and free 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.

It should be noted that during a public offer period concerning Company shares, repurchasing transactions would only be possible on the condition, on the one hand, that the offer is settled in cash and, on the other hand, that it is within the scope of a programme currently in progress and not likely to cause the offer to fail. In addition, only repurchases that allow the Company to comply with its prior commitments would be permitted, i.e. with the objective of either allowing the Company to implement or cover stock option programmes or granting of free shares for employees and members of the Board of the Group, or delivering shares when the right to securities giving access to the Company's capital is exercised or honouring commitments undertaken in the context of external growth operations that were concluded previously. These operations would take place under the supervision of the AMF and in compliance with the conditions of Article 232-17 of its General Regulations. Consequently, they could not under any circumstances be anti-take-over bid (OPA) measures.

Resolutions presented to the Extraordinary Shareholders' Meeting

The delegations of authority subject to your vote at this Shareholders' Meeting cancel and replace, from the date of the Shareholders' Meeting, those granted previously and having the same subject.

Reduction of the share capital by cancelling treasury shares

Among the aims of the share repurchase programme (14th resolution), features the cancellation of the purchased shares. For this purpose, we ask you, by voting in favour of the **15th resolution**, to 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 with a view to issuing ordinary shares or securities granting access to the Company's capital with maintenance of preferential subscription rights (16th resolution) or cancellation of preferential subscription rights (17th resolution)

16th resolution (issues of shares with preferential subscription rights)

In order to continue its growth strategy and to have at its disposal means adapted to the Group's development, your Board of Directors puts forward resolutions for you to grant it the delegations of authority for the purpose of issuing securities under current regulations.

The **16th resolution** concerns issues, with **maintenance of your preferential subscription right**, of your Company's shares, or securities granting access to the capital (e.g. convertible bonds, share warrants).

The maximum nominal amount of the share capital increases likely to be realised by virtue of this authorisation would be fixed at **€200 million**.

It also involves deducting from the **Maximum Overall Limit** the share issues determined by virtue of the 17th (issue of securities with cancellation of the Preferential Subscription Right), 18th (increase in the number of securities issued), 19th (compensation of contributions in kind), 20th (public offer of exchange initiated by the Company), 22nd (capitalisation of reserves) and 25th (share capital increases reserved for employees) resolutions.

The **maximum nominal amount of securities representing debts** (granting access to the capital) on the Company that can be issued by virtue of this authorisation would be limited to **€5 billion**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

17th resolution (issues without preferential subscription rights)

Your Board of Directors, in the interests of your Company and its shareholders, in order to take up opportunities offered by the financial markets under certain circumstances, could carry out share issues both on the international market and on the French and foreign markets, without exercising the shareholders' preferential subscription right.

Your Board of Directors requests, by voting on the 17th resolution, that you delegate it your authority to issue shares and securities granting access to the capital with the cancellation of the shareholders' preferential subscription right up to €80 million.

This amount is common to the 18th (increase in the number of securities issued with cancellation of preferential subscription rights), 19th (compensation of contributions in kind), 20th (public offer of exchange initiated by the Company) and 25th (share capital increases reserved for employees) resolutions and will be deducted from the Maximum Overall Limit for the same 26-month period.

The maximum nominal amount of securities representing debts (granting access to the 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 fixed by the 16th resolution.

Increase in the number of shares to be issued in the event of a share capital increase with or without preferential subscription rights

Accordingly by voting on the **18th 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 rights, 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 stipulated by the 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").

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Authorisation to increase the share capital with a view to remunerating contributions in kind within the 10% limit of the share capital

Accordingly by voting on the **19th 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, that 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**.

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 **20th 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 could be offered to the Board of Directors for **26 months** from the date of this Shareholders' Meeting and would be limited to **20% of the Company's share capital at the time of the issue**.

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 **21st resolution** subject to your vote is to delegate to the Board of Directors the authority to issue securities representing debts granting entitlement 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 cannot exceed **a maximum limit of €5 billion** fixed independently of any other limit relating to issues of debt securities authorised by this Meeting and issues of bonds authorised or determined 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 earnings

We request that you, through voting on the **22nd resolution**, authorise the Board of Directors to increase the share capital by the capitalisation of premiums, reserves, earnings or other. This transaction, which may not necessarily involve issuing new shares, must be made by the Extraordinary Shareholders' Meeting under conditions of quorum and majority of the Ordinary Meetings.

This delegation would enable your Board to increase share capital up to a **maximum amount of €200 million** deducted from the Maximum Overall Limit.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Authorisation to the Board of Directors to grant stock options

The purpose of the **23rd resolution** is to enable the Board of Directors to allocate stock options to members of the salaried staff and eligible Directors of the Company or its Group.

This authorisation would be valid **for a period of 38 months** from the date of this Shareholders' Meeting. It could give rise to the allocation of shares representing **a maximum of 5% of the current share capital** of the Company.

In accordance with AFEP-MEDEF recommendations, the Board of Directors will fix the maximum percentage of options and shares that may be allocated to Directors in relation to the overall package voted for by the shareholders.

Furthermore, since June 2007, the exercise of half the Directors' option allowances is dependent on the performance of the share in comparison to the CAC 40 index, assessed at the end of the 4-year lockup period: if the share has performed better than the CAC 40 index, the options will be allocated, if the share has underperformed, the options will be lost. Continuing this policy of submitting the exercise of options to conditions, and as recommended by the AFEP/MEDEF code, the Remuneration Committee is committed, for the future, to submitting to performance conditions the exercise of all options that will be allocated to the Directors. In order to be in step with the Group's economic reality, the Remuneration Committee decided that the conditions that will be fixed to enable the exercise of the options will be drawn up under external and/or internal criteria depending on the Group's strategic priorities at the time of the validation of each plan. The Remuneration Committee is also committed to considering exercising options over several consecutive years.

The Board of Directors will not apply a discount during the determination of the terms for fixing the share subscription or purchase price.

Delegation of authority to the Board of Directors to issue share warrants in the event of an unsolicited purchase offer on the Company's shares

Accordingly by voting on the **24th resolution**, we ask you to renew the authorisation granted last year to issue free share warrants to the shareholders, in the event of an unsolicited purchase offer on the Company's shares, enabling such shareholders to subscribe to the Company's shares under preferential conditions.

This resolution will authorise our Board of Directors to use these warrants faced with a purchase offer from a company with defensive means that our Company does not have at its disposal (reciprocity exception).

These warrants would cease to be valid as soon as the offer or any other competing offer that might be made were 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 **€145 million**.

This authorisation would be valid for a period of **18 months** from the date of this Shareholders' Meeting.

Delegation of authority 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 savings plans

Accordingly, by voting in favour of the **25th resolution,** we ask you to delegate authority to the Board of Directors to decide on an increase in the share capital by a **maximum nominal amount corresponding to 2% of the share capital** at the end of this Shareholders' Meeting, through the issue of shares or securities granting access to the share capital reserved for the members of one or more employee savings plans that could be introduced within the Company or the Group.

The issue price for the new shares or securities granting access to the share capital may not be above or below 20% of the average of the listed prices of the share on the Euronext Paris Eurolist market during the 20 trading sessions prior to the date of the decision setting the opening date for the subscription period, nor may the issue price exceed this average.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Amendment of the bylaw provisions relating to the age limit of the Chairman of the Board of Directors and the CEO – amendment of Articles 20 and 24 of the bylaws

Accordingly, by voting on the **26th resolution**, we propose amending the bylaw provisions relating to the age limit of the Chairman of the Board of Directors and the CEO – amendment of Articles 20 and 24 of the bylaws respectively.

In fact, under the current bylaws (Article 20), above the age of 60, the Chairman of the Board's term of office can be renewed twice only, without these two extensions exceeding the age of 70.

The bylaw amendment proposed is to enable the Chairman of the Board to exercise his functions until the end of the first meeting of the Board of Directors held after the Chairman has reached the age of 75, independently of the number of renewals of his term of office as Chairman of the Board.

Moreover, under the bylaws (Article 24), the provisions relating to the age limit applicable to the Chairman of the Board of Directors are applicable to the CEO.

The law stipulates that failing a bylaw provision, the age limit for the functions of CEO is 65.

Taking into account the proposal to amend the bylaw provisions relating to the age limit of the Chairman of the Board of Directors, it is proposed to amend Article 24 of the bylaws so that when the functions of the Chairman of the Board and CEO are disassociated, the age limit to exercise the functions of CEO is lowered to 65, with the CEO being deemed to have resigned at the end of the first meeting of the Board of Directors held after his 65th birthday. In the event of the functions of Chairman of the Board of Directors and CEO being combined, the provisions applicable to the CEO are applicable to the Chairman and CEO, including those relating to the age limit.

Powers to carry out the necessary legal formalities

By voting on the **27th resolution**, the Shareholders' Meeting is asked to authorise the Board of Directors to carry out the necessary legal formalities, where applicable.

Draft resolutions

Resolutions presented to the Ordinary Shareholders' Meeting

First resolution

(Approval of the Parent Company financial statements for the year ended 30 June 2009)

Having reviewed the Parent Company financial statements for the financial year ended 30 June 2009, 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 2009 and all transactions recorded in the financial statements or summarised in these reports, which show earnings of €306,554,754.21 for the aforementioned financial year.

The Shareholders' Meeting places on record 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, and the report of the Statutory Auditors on such report.

Pursuant to Article 223-4 of the French Tax Code, the Shareholders' Meeting also places on record the fact that the total amount of the costs and expenses referred to in Article 39-4 of the French Tax Code amounted to €137,248 for the past financial year, and that the future tax payable with regard to these costs and expenses amounts to €47,259.

Second resolution

(Approval of the consolidated accounts for the year ended 30 June 2009)

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 2009 as presented to it as well as the transactions recorded in the financial statements or summarised in the report on management of the Group.

Third resolution

(Allocation of the results for the financial year ended 30 June 2009 and setting of dividends)

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 2009 shows earnings of €306,554,754.21.

It decides, on the proposal of the Board of Directors, to allocate and divide this profit as follows:

Earnings	€306,554,754.21
Appropriation to the legal reserve	€6,038,422.11
Balance	€300,516,332.10
Retained earnings	€1,155,174,971.57
Distributable profit	€1,455,691,303.67
Dividend distributed	€129,320,268.00
Balance allocated to retained earnings	€1,326,371,035.67

A dividend of €0.50 per share will be distributed for each of the Company's shares.

An interim dividend payment of €0.50 per share was paid on 8 July 2009, no balance will be distributed.

The Shareholders' Meeting decides that the amount of the dividend accruing to treasury shares held by the Company, or those that have been cancelled, at the time of payment will be allocated to "Retained earnings".

The amount to be distributed of €0.50 per share will grant entitlement to the 40% tax deduction applicable to individual (non-corporate) shareholders who are French tax residents, as provided for in Article 158-3-2 of the French Tax Code.

Shareholders' equity totals €5,148,626,321.81 after appropriation of income for the financial year.

Dividends distributed over the past three financial years were as follows:

	2005/2006	2006/2007	2007/2008
Number of shares	94,061,439	109,611,879	219,682,974
Dividend per share *(in euro)*	2.52[(1)]	2.52[(1)]	1.32[(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 referred to in Articles 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 referred to therein.

Fifth resolution

(Approval of the commitments referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and the special report of the Statutory Auditors, relating to Pierre Pringuet)

Having reviewed the special report of the Statutory Auditors relating to the related-party agreements and commitments presented in compliance with Article L. 225-40 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves pursuant to Article L. 225-42-1 of the French Commercial Code, the commitments benefiting Pierre Pringuet, CEO herein.

Sixth resolution

(Renewal of the Directorship of Danièle Ricard)

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, has decided to renew Danièle Ricard's term of office as Director.

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 2013 to approve the financial statements for the previous financial year.

Seventh resolution

(Renewal of the Directorship of Société Paul Ricard SA)

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, has decided to renew the term of office of Société Paul Ricard SA as Director.

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 2013 to approve the financial statements for the previous financial year.

Eighth resolution

(Renewal of the Directorship of Jean-Dominique Comolli)

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, has decided to renew Jean-Dominique Comolli's term of office as Director.

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 2013 to approve the financial statements for the previous financial year.

Ninth resolution

(Renewal of the Directorship of Lord Douro)

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, has decided to renew Lord Douro's term of office as Director.

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 2013 to approve the financial statements for the previous financial year.

Tenth resolution

(Appointment of Mr. Gérald Frère 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, and taking into account the fact that Mr. Didier Pineau-Valencienne's term of office has drawn to a close, has decided to appoint Mr. Gérald Frère as Director.

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 2013 to approve the financial statements for the previous financial year.

Mr. Gérald Frère has already informed the Company that he accepts this term of office and that he fulfils the conditions and obligations required by the regulations in force.

Eleventh resolution

(Appointment of Mr. Michel Chambaud 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, and taking into account the fact that Mr. Gérard Théry's term of office has drawn to a close, has decided to appoint Mr. Michel Chambaud as Director.

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 2013 to approve the financial statements for the previous financial year.

Mr. Michel Chambaud has already informed the Company that he accepts this term of office and that he fulfils the conditions and obligations required by the regulations in force.

Twelfth resolution

(Appointment of Mr. Anders Narvinger 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, and taking into account the fact that Mr. William H. Webb's term of office has drawn to a close, has decided to appoint Mr. Anders Narvinger as Director.

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 2013 to approve the financial statements for the previous financial year.

Mr. Anders Narvinger has already informed the Company that he accepts this term of office and that he fulfils the conditions and obligations required by the regulations in force.

Thirteenth 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, and on the proposal of the Board of Directors, decides to set the aggregate annual amount of Directors' fees in respect of the current financial year at €750,000.

Fourteenth 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 Directors 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 Directors 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 and Directors of the Company and/or 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 and subject to the Shareholders' Meeting authorisation to reduce the share capital; 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 could also be intended for the Company to operate for any other authorised purpose or that would be authorised by the 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 under 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 corresponds to the number of share purchases, with a deduction made from the number of shares sold during the authorisation period when the shares are repurchased to favour liquidity under the conditions set out by the general regulations of the AMF; and
- the number of its own 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 232-17 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 €90, excluding the acquisition costs.

Under Article R. 225-151 of the French Commercial Code, the Shareholders' Meeting fixes at €2,327,764,770 the total maximum amount allocated to the above authorised share repurchase programme, corresponding to a maximum number of 25,864,053 shares purchased under a maximum unit price of €90.

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 full powers 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 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 French Financial Markets Authority 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. It 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 5 November 2008 in its 13th resolution.

Resolutions presented to the Extraordinary Shareholders' Meeting

Fifteenth resolution

(Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares re-purchased 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, being specified that the 10% limit applies to the Company's capital amount that will be, where applicable, adjusted to take account of capital transactions:

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 14th resolution above, for up to 10% of the capital per 24-month period;
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 such 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, and 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 5 November 2008 in its 14th resolution.

Sixteenth 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, 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 set 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 euros, or in any other currency or monetary unit drawn up in reference to several currencies, with the 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 capital, 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 would be fixed at €200 million, being specified (i) that this limit will be added, where applicable, to the nominal amount of any shares to be issued in addition, in the event of further financial transactions, in order to preserve the rights of holders of securities granting access to the capital and (ii) that 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 17th, 18th, 19th, 20th, 22nd and 25th 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 cannot exceed the €5 billion limit or the exchange value of this amount, being specified that this amount will be deducted from the nominal amount of the debt securities that will be issued by virtue of the 17th resolution of this 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 21st resolution submitted to this Shareholders' Meeting and 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. Borrowings (granting access to the Company's ordinary shares) may be accompanied by a fixed and/or variable interest rate or capitalisation, and be subject to a reimbursement, with or without a premium, or a depreciation, with the securities being subject to stock market repurchases, or a purchase or exchange offer by the Company;
3. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and records that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 10th resolution;
4. in the event of use by the Board of Directors of this delegation:
   - 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 formally 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 the 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 the 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,
- formally records that this delegation transfers the full right to the holders of securities issued granting access to the Company's share capital, waiver by the shareholders of 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, and set the share issue, subscription and payment conditions, recording the completion of the share capital increases that result from it and consequently amending the bylaws and notably to:
   - fix, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital, to determine the terms of exercising the rights, where applicable, particularly conversion, exchange, reimbursement, including by delivering the Company's assets such as securities already issued by the Company,
   - decides, in the event of the issue of debt securities, of a 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 issue terms (including granting them guarantees or sureties) and depreciation (including reimbursement by delivering Company assets); to fix the conditions under which these securities will grant access to the Company's capital; to amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities,
   - where applicable, offset the costs of the share capital increases against the amount of the related share premiums and deduct from the amount the sums required to raise the legal reserve to one-tenth of the new 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 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 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, sign any agreement to successfully complete the share issues under consideration, take all measures and decisions and complete all formalities required for the issues, the listing and financial service of the securities issued under this delegation as well as the exercise of the related or consecutive rights to the share capital increases carried out.

Seventeenth 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 the 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 set 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 euros, or in any other currency or monetary unit drawn up in reference to several currencies, with the 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 shares), 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 would be fixed at €80 million, with this amount being deducted from the limit set in the 16th resolution, being specified (i) that this limit will be added to, where applicable, the nominal amount of any shares to be issued, in the event of new financial transactions, in order to preserve the rights of holders of securities granting access to the capital and (ii) that this limit is common to the 18th, 19th, 20th, and 25th 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, being specified that this amount will be deducted from the limit fixed for securities representing debt securities, by virtue of the 16th resolution of this 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 21st resolution subject to this Shareholders' Meeting and 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 formally notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 11th resolution;
4. decides to cancel the shareholders' preferential subscription right to the securities that are the subject of this resolution, by granting to the Board of Directors under 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 that must be exercised in proportion to the number of shares held by each shareholder and can be supplemented by a subscription with a reducible right, 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. formally notes that this delegation transfers the full right to the holders of securities issued granting access to the Company's capital, waiver by the shareholders of their preferential subscription right to the shares to which the securities will grant entitlement;
6. decides that, under 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 current law 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, and set the issue, subscription and payment conditions, to record the completion of the share capital increases that result from it and consequently amend the bylaws and notably:
   - fix, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital or the debt securities to be issued, to determine the terms of exercising the rights, where applicable, particularly conversion, exchange, reimbursement, including by delivering the Company's assets such as securities already issued by the Company,
   - decides, in the event of the issue of debt securities, of a 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), decide whether their duration will be fixed or perpetual and the other issue terms (including the fact of granting them guarantees or sureties) and depreciation (including reimbursement by delivering Company assets); 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,
   - where applicable, offset the costs of the share capital increases against the amount of the related share premiums and deduct from the amount the sums required to raise the legal reserve to one-tenth of the new capital resulting from such increases in the share capital,
   - fix and make all necessary adjustments to take into account the impact of the transactions on the Company's 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 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, sign any agreement to successfully complete the share issues under consideration, take all measures and decisions and complete all formalities required for the issues, the listing and financial service of the securities issued under this delegation as well as the exercising of the related or consecutive rights to the share capital increases carried out.

Eighteenth resolution

(Delegation of authorisation 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 the preferential subscription right under the 16th and 17th resolutions)

The Shareholders' Meeting, ruling under the conditions of quorum and majority required for Extraordinary Shareholders' Meetings, and in accordance with the provisions of Article L. 225-135-1 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 on an increase in the number of shares or securities to issue in the event of a share capital increase of the Company with or without a preferential subscription right, at the same price as that retained for the initial issue, within the time periods and limits stipulated by the regulations applicable on the day of the issue (i.e., to date, within thirty 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 under application of which the issue is decided as well as the overall limit fixed by the 16th resolution;
- sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and formally notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 12th resolution.

Nineteenth 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 with a view to remunerating 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 an increase in the number of shares or diverse securities granting access to the Company's 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 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 granting particular benefits.

The Shareholders' Meeting decides that the nominal amount of the increase in the Company's share capital resulting in the issue of shares set out in the above paragraph, will be deducted from the amount of maximum limit of the share capital increase fixed in the 17th resolution, being specified that this limit is fixed taking into account the consequences on the amount of the capital from the adjustments made to protect the holders of rights attached to securities granting access to the capital.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to set the type and number of securities to be created, their characteristics and the terms of their issue, approve the evaluation of the contributions and concerning the said contributions, by recording the realisation, deducting 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, sign any agreement to ensure the issues are successfully completed, take all measures and decisions and complete all formalities required for the issue, listing and financial service of the securities issued under this delegation as well as the exercising of the related or consecutive rights to the share capital increases 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 formally notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 13th resolution.

Twentieth resolution

(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access, immediately or in the future, 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 General 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 20% 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 to the benefit of the holders of these securities, objects from the public offer, the shareholders' preferential subscription right to the ordinary shares and securities thus issued;
- formally notes that this delegation of authority includes the shareholders' waiver of their preferential subscription right to the ordinary shares in which the securities that could be issued under this delegation grant entitlement.

The Shareholders' Meeting decides that the nominal amount of the increase in the Company's share capital resulting in the issue of shares set out in the above paragraph, will be deducted from the amount of the maximum limit of the share capital increase fixed in the 17th resolution, being specified that this limit is fixed taking into account the consequences on the amount of the capital from the adjustments made to protect the holders of rights attached to securities granting access to the capital.

The General Meeting decides that the Board of Directors shall have full powers to implement the public offers targeted 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 enjoyment, of new shares, or, where applicable, 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 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, sign any agreement to successfully complete the share issues under consideration, take all measures and decisions and complete all formalities required for the issues, the listing and financial service of the securities issued under this delegation as well as the exercising of the related or consecutive rights to the share capital increases carried out.

The Shareholders' Meeting fixes at 26 months, from the date of this Meeting, the term of validity of this delegation. It formally records that this delegation brings to an end the delegation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting dated 7 November 2007 in its 14th resolution.

Twenty-first resolution

(Delegation of authority to be granted to the Board of Directors to issue securities representing debts that grant 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 General 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 provided for 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 euros or in foreign currency, securities representing debts granting the right to the allocation of debt securities such as bonds, similar securities, fixed-term subordinated debt or not, or any other securities granting, under the same issue, the same right to a claim on the Company.

   Securities granting the right to the allocation of debt securities can be in the form of fixed-term subordinated debt or not, and be issued either in euros, or in foreign currency;

2. decides that the maximum nominal amount of the issues (i) of securities representing debts granting the right 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 foreign currency or in an account unit fixed in reference to several currencies), being specified that this limit is fixed independently of the limits relating to the issues of debt securities authorised by this Meeting under the 16th and 17th resolutions and bond issues that could be decided on or authorised by the Board of Directors under Article L. 228-40 of the French Commercial Code.

   For calculating the maximum limit stated in the previous paragraph, the exchange rate value in euros of the par value of the securities representing debts granting the right to the allocation of debt securities to which these securities grant entitlement, issued in foreign currencies, will be assessed on the date of the issue decision;

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 enjoyment date, their issue price, where applicable with premium, their interest rate, fixed and/or variable, and the payment date, or in the event of securities at variable rates, 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 that could grant entitlement to allocation, with a fixed or variable premium, or even repurchase by the Company,
   - if applicable, decide to confer a guarantee or sureties to the securities to be issued, as well as the debt securities to which the securities could grant entitlement to allocation, and to finalise the type and characteristics, and
   - more generally, do whatever is required;

4. This delegation will be valid for a period of 26 months as from the date of this Shareholders' Meeting. The Shareholders' Meeting formally notes that this delegation cancels and supersedes, as from the date of this meeting, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 15th resolution.

Twenty-second resolution

(Delegation of authority to be granted to the Board of Directors to decide on the increase in share capital by the capitalisation of premiums, reserves, earnings or other)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings 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, earnings or other for which the capitalisation will be possible legally and under the bylaws, and under the form of the allocation of free shares or raising the par value of the existing shares or by the joint use of these two processes;

2. decides to set the maximum nominal amount of share capital increases that may be carried out in this respect at €200 million realised for this purpose, being specified that this limit:

   - is fixed by taking into account the nominal amount of the ordinary shares of the Company that may be issued with respect to adjustments made to protect the holders of the rights attached to the securities granting access to the share capital, and
   - will also be deducted from the amount of the maximum limit of the share capital increase fixed in the 16th 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, 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, fix the number of new shares to be issued and/or the amount of which the nominal amount of the existing shares comprising the share capital will be increased, finalise the date, even retroactive, from when the new shares can be enjoyed or that on which the increase in the nominal amount will become effective;
   - decide, in the event of distributions of free shares:
   - that the fractional shares are not marketable and that the corresponding shares will be sold; the sums from the sale will

be allocated to the holder of the rights under the conditions stipulated by the law and regulations,

- carry out all adjustments required to take into account the impact of the transactions on the Company's 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 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, sign any agreement to successfully complete the share issues under consideration, take all measures and decisions and complete all formalities required for the issues, the listing and financial service of the securities issued under this delegation as well as the exercising of the related or consecutive rights to the share capital increases 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 records that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 7 November 2007 in its 16th resolution.

Twenty-third resolution

(Authorisation to be granted to the Board of Directors to grant options to the Company's employees and Managers for the subscription of shares to be issued or the purchase of existing shares of 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 General Meetings and in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code:

1. authorises the Board of Directors, to grant, one or more times, solely by its decision, to employees and Directors, or some of them, of the Company and companies and economic interest groupings that are linked to it under the conditions set out in Article L. 225-180 of the French Commercial Code, options granting entitlement to the subscription of new shares in the Company to be issued or to purchase existing shares;
2. decides that the total number of options cannot grant entitlement to the subscription or purchase of a number of shares above 5% of the Company's current share capital;
3. decides that:
   - under Article L. 225-177 of the French Commercial Code, in the event of granting subscription options, the share subscription price by the beneficiaries will be fixed by the Board of Directors on the day when the options will be granted, with this price not being less than the average of the closing market price recorded over twenty stock market sessions preceding the day when the options are granted,
   - under Article L. 225-179 of the French Commercial Code, in the event of granting purchase options, the share purchase price by the beneficiaries will be fixed by the Board of Directors on the day when the options will be granted, with this price not being less than the average of the closing market price recorded over twenty stock market sessions preceding the day when the options are granted, or at the average purchase price of the shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code;
4. decides that the time period for exercising the options cannot exceed 10 years from the allocation date of the options by the Board of Directors;
5. formally records that this authorisation includes, for beneficiaries of the options, the shareholders' express waiver to their preferential subscription right to the shares that will be issued as options are exercised.

   The share capital increase resulting from the exercising of share subscription options will be finalised due solely to the declaration of exercising the option, together with the subscription form and payment in cash or by offsetting the corresponding sum with receivables;
6. decides that the price and/or number of shares to subscribe and/or purchase can be adjusted to take account of the financial transactions carried out by the Company;
7. 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 by law, to implement this resolution and determine, within the legal or regulatory limits, all the other conditions and terms for the allocation of the options and their exercise, and particularly to:
   - fix the period(s) for exercising the options within the aforementioned limit, set the stock purchase price further to the terms set out above, finalise the list of beneficiaries of the options, fix the number of options offered to them and decide on any ban on the immediate resale of the shares that will be purchased and/or subscribed; the Board of Directors may subject the allocation of all or part of the options to meeting one or several performance conditions that the Board will determine;
   - finalise the enjoyment date (even retroactive) of the new shares from exercising the Company's share subscription options to be issued;
   - provide for the option to temporarily suspend the exercise of options, in the event of carrying out financial transactions or on securities;
   - where applicable, offset the costs of the share capital increases against the amount of the related share premiums and deduct from the amount the sums required to raise the legal reserve to one-tenth of the new capital resulting from such increases in the share capital;
   - amend the bylaws as a consequence and, generally, do all that is appropriate and necessary to implement this authorisation.

During the first meeting following the end of each financial year, the Board of Directors will record, if applicable, the number and amount of the shares issued during the financial year, will make the necessary amendments to the bylaws, and perform all the advertising formalities.

Under the provisions of Article L. 225-184 of the French Commercial Code, the Board of Directors, in a special report, shall notify the shareholders each year, during the Ordinary Shareholders' Meeting, of the transactions completed under this resolution.

This authorisation, granted for a period of 38 months from this Meeting, cancels and replaces for its unused part the authorisation granted by the Shareholders' Meeting of 7 November 2006 in its 9th resolution.

Twenty-fourth resolution

(Delegation of authority to be granted to the Board of Directors to issue share warrants in the event of a public offer with regard to 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 on the issue, in the event of a public offer with regard to the Company's shares, on one or more occasions, and in the proportions and at the times it considers appropriate, warrants making it possible to subscribe, under preferential conditions, for one or more of the Company's shares and the free allocation of such warrants to all the Company's shareholders who have 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 €145 million, 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 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 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.

This delegation will be valid for a period of 18 months as 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 5 November 2008 in its 15th resolution.

Twenty-fifth 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 shares or securities granting access to the share capital reserved for members of savings plans with cancellation of preferential subscription rights 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 General 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 capital increases that may be carried out in this respect at 2% of share capital at the close of this Shareholders' Meeting, being specified that:
   - this maximum limit is set without taking into account the nominal amount of the ordinary shares of the Company that may be issued with respect to adjustments made to protect the holders of the rights attached to the securities granting access to the share capital,
   - the nominal amount of the share capital increase made pursuant to this delegation of authority shall be deducted from the limit set in the above 16th and 17th resolutions;
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 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 made by the Company to add to the members' own contributions, 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 rights to the shares that are the subject of this authorisation; the aforementioned shareholders furthermore waive all rights 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 formally notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting on 5 November 2008 in its 16th 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 to this effect, in particular:
   - to decide, under the conditions provided for by law, on the list of companies whose employees who have subscribed to the employee savings plan may subscribe to shares or securities that grant access to the capital issued in this way, and benefit if applicable from free shares or securities granting access to the capital,
   - decides 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,

- determines the conditions, in particular in respect of length of service, to be met by the beneficiaries of the share capital increases,
- sets the beginning and end dates of the subscription periods,
- sets the amounts of the issues of shares or securities that will be made pursuant to this authorisation and decides on, in particular, the issue prices, dates, time periods, terms and conditions of subscription, paying-in, delivery and the dates of entitlement to dividend rights in respect of the shares or securities (even retroactive) 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 French law and the regulations in force 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,
- records 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, 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 capital resulting from such increases in the share capital,
- 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 resulting from the increases in share capital carried out.

Twenty-sixth resolution

(Amendments of bylaws)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, decides to amend Articles 20 and 24 of the bylaws as follows:

- the second paragraph of Article 20 is replaced by a paragraph drawn up as follows: "*Whatever the term conferred on him, the Chairman's term of office – which is always renewable – ends at the latest at the end of the first meeting of the Board of Directors held after he has reached the age of seventy-five*",
- the remainder of Article 20 stays unchanged,
- the third part of paragraph I of Article 24 is replaced by a paragraph drawn up as follows: "*In the event that the Chairman carries out the function of Managing Director, the provisions of these bylaws relating to the latter are applicable to him, including those concerning his age limit*",
- the first part of paragraph II of Article 24 is replaced by a paragraph drawn up as follows: "*When the function of Managing Director is not assumed by the Chairman of the Board of Directors, the Board of Directors appoints a Managing Director. Whatever the term conferred on him, the Managing Director's term of office ends at the latest at the end of the first meeting of the Board of Directors held after he has reached the age of sixty-five*",
- the remainder of Article 24 stays unchanged.

Twenty-seventh 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 in share capital by cancellation of treasury shares

Combined Annual Shareholders' Meeting of 2 November 2009 15th resolution

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by article L. 225-209-7 of the French Commercial Code in the event of a reduction in share capital by cancellation of treasury shares, we have prepared this report with the objective of informing you of our understanding of the reasons for and conditions of the envisaged reduction in share capital.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved examining whether the reasons for and conditions of the proposed reduction in share capital are due and proper.

This transaction falls within the context of the purchase by your Company of its own shares, up to a maximum of 10% of the share capital, in accordance with the conditions set out in article L. 225-209 of the French Commercial Code. Moreover, this purchase authorisation is proposed to your Shareholders' Meeting for approval and would be given for a period of eighteen months (fourteenth resolution).

Your Board of Directors requests that it be empowered, with a possibility for it to further sub-delegate, for a period of twenty-six months, to proceed with the purchase authorisation by your Company of its own shares, and with full powers to cancel, up to a maximum of 10% of its share capital the shares thus purchased (by period of twenty-four months).

We have nothing to report on the reasons for and conditions of the envisaged reduction in share capital, which can be performed only after your Shareholders' Meeting has already approved the purchase by your Company of its own shares.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	**Mazars**
Alain Penanguer	Loïc Wallaert

Statutory Auditors' Report on the issue of shares and various securities granting access to the share capital with maintenance or cancellation of preferential subscription rights

Combined Annual Shareholders' Meeting on 2 November 2009 16th, 17th, 18th, 19th and 20th resolutions

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by articles L. 225-135 and L. 228-92 of the French Commercial Code, we hereby present our report on the proposed delegation of authority to the Board of Directors in order to carry out different issues of shares or securities granting a right to share capital in the Company, with maintenance or cancellation of your preferential subscription rights, transactions which you are called on to approve. On the basis of its report, your Board of Directors requests that:

- you delegate it the authority, and with a possibility for it to further sub-delegate, for a period of twenty-six months, to decide on the following transactions and set the definitive issue conditions and, where applicable, cancel your preferential subscription right:
  - issue of ordinary shares and/or securities granting access to the Company's capital, with maintenance of the preferential subscription right (sixteenth resolution),
  - issue, by public offer, of ordinary shares and/or securities granting access to the Company's capital, with cancellation of the preferential subscription right (seventeenth resolution),
  - issue of ordinary shares or securities granting access to the Company's capital, in the event of a public offer of exchange initiated by your Company (twentieth resolution);
- you delegate it the authority, and with a possibility for it to further sub-delegate, for a period of twenty-six months, to set the terms of the issue of shares or securities granting access to ordinary shares, with a view to remunerating contributions in kind granted to the Company and formed of shares or securities granting access to the capital (nineteenth resolution), up to a limit of 10% of the share capital.

The overall maximum nominal amount of share capital increases that may be carried out immediately or in the future cannot exceed the maximum limit of €200 million under the sixteenth and eighteenth resolutions, it being specified that:

- this limit comprises the overall maximum nominal limit that may be realised by virtue of the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-second and twenty-fifth resolutions and that the total nominal amount of the capital increases realised under these resolutions will be deducted from this overall limit;
- the maximum nominal amount of share capital increases that may be carried out immediately or in the future cannot exceed the maximum limit of €80 million under the seventeenth resolution;
- the nominal amount of the increase in the Company's share capital resulting from the issue of shares by virtue of the eighteenth resolution under application of the seventeenth resolution, will be deducted from the maximum limit stipulated in the seventeenth resolution;
- the nominal amount of the increase in the Company's share capital resulting from the issue of shares by virtue of the nineteenth, twentieth, and twenty-fifth resolutions, will be deducted from the amount of the capital increase stipulated in the seventeenth resolution.

The overall nominal amount of issues of securities representing debts granting access to the Company's capital cannot exceed the €5 billion limit or the exchange value of this amount under the sixteenth resolution and €4 billion limit or the exchange value of this amount under the seventeenth resolution, it being specified that the amount of the issues realised under application of the seventeenth resolution will be deducted from the amount of the issue realised under the sixteenth resolution.

These limits take account of the additional number of securities to be created under the implementation of the delegations of authority stipulated in the sixteenth and seventeenth resolutions, under the conditions provided for in article L. 225-135-1 of the French Commercial Code, if you adopt the eighteenth resolution.

It is the Board of Director's duty 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 cancel your preferential subscription rights and on certain other information concerning these transactions stated in this report.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved verifying the content of the report prepared by the Board of Directors in respect of these transactions and the manner in which the issue price for the shares to be issued is determined.

Subject to reviewing at a future date the conditions of any issues that may be decided upon, we have no matters to report regarding the manner of determining the issue price of the shares to be issued set out in the Board of Directors' report under the seventeenth resolution.

Furthermore, as this report does not specify the method of determining the issue price of the shares to be issued under the implementation of the sixteenth, nineteenth and twentieth resolutions, we cannot give our opinion on the choice of elements for calculating the issue price of the shares to be issued.

As the amount of the issue price of the shares to be issued has not been set, we have no opinion to give on the final conditions under which the issues will be carried out and, as a result, on the proposal made to you to cancel your preferential subscription rights in the seventeenth and eighteenth resolutions.

Pursuant to article R. 225-116 of the French Commercial Code, we will prepare an additional report, if required, at such time as your Board of Directors makes use of these authorisations in the event of issues with the cancellation of the preferential subscription right or issue of securities granting access to the capital.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	**Mazars**
Alain Penanguer	Loïc Wallaert

Statutory Auditors' Report on the issue of securities granting a right to the allocation of debt securities

Combined Annual Shareholders' Meeting on 2 November 2009 21st resolution

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by article L. 228-92 of the French Commercial Code, we hereby present our report on the proposed delegation of authority to the Board of Directors in order to decide on an issue of securities representing debts granting a right to the allocation of debt securities, of a maximum amount of five billion euros, a transaction which you are called on to approve.

On the basis of its report, your Board of Directors proposes, for a period of twenty-six months and with a possibility for it to further sub-delegate, that you delegate it the authority to decide on this transaction and where applicable set the definitive issue conditions.

It is the Board of Director's duty 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 the issue stated in this report.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved verifying the content of the Board of Directors' report in respect of this transaction.

As the final terms of this issue have not been determined, we have no opinion to give on the final conditions under which the issue will be made.

Pursuant to article R. 225-116 of the French Commercial Code, we will prepare an additional report, if required, at such time as your Board of Directors makes use of this authorisation.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	**Mazars**
Alain Penanguer	Loïc Wallaert

Statutory Auditors' Report on the issue of stock options for the Company's employees and Managers and companies or economic interest groups affiliated to it as defined in article L. 225-180 of the French Commercial Code

Combined Annual Shareholders' Meeting on 2 November 2009 23rd resolution

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by articles L. 225-177 and R. 225-144 of the French Commercial Code, we have prepared this report on the issue of stock options for the Company's employees and Managers and companies or economic interest groups affiliated to it under article L. 225-180 of the French Commercial Code.

It is the duty of the Board of Directors to draw up a report on the reasons for the issue of stock options as well as the terms proposed for setting the stock option price. Our role is to give an opinion on the terms proposed for setting the stock option price.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved verifying that the terms proposed for setting the stock price are stated in the Board of Directors' report, that they comply with the provisions stipulated by the legislation, inform the shareholders and are not manifestly inappropriate.

As the terms proposed for setting the stock price are not fixed, we have no opinion to give on the definitive conditions under which the issue of stock options for the Company's employees and Managers would be carried out.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	Mazars
Alain Penanguer	Loïc Wallaert

Statutory Auditors' Report on the issue of share warrants in the event of a public offer on the Company's shares

Combined Annual Shareholders' Meeting on 2 November 2009 24th resolution

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by article L. 228-92 of the French Commercial Code, we have prepared this report on the proposed issue of share warrants free of charge in the event of a public offer concerning the company, a transaction which you are called on to approve.

On the basis of its report, your Board of Directors proposes that, for a period of eighteen months and in accordance with articles L. 233-32 II and L. 233-33 of the French Commercial Code, you delegate it the authority and with a possibility for it to further sub-delegate, to:

- decide to issue share warrants subject to the provisions of article L. 233-32-II of the French Commercial Code making it possible to subscribe, under preferential conditions, for one or more of the Company's shares and the free allocation of such warrants to all the Company's shareholders who have the status of shareholder prior to the expiry of the public offer period;
- set the conditions for exercising these warrants and their characteristics.

The maximum nominal amount of ordinary shares that could be issued cannot exceed a ceiling of €145 million and the maximum number of share warrants which could be issued cannot exceed the number of shares in the Company's share capital at the date of issue of the share warrants.

It is the Board of Director's duty 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 the issue stated in this report.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved verifying the content of the Board of Directors' report in respect of this transaction.

We have no matters to report concerning the information provided in the Board of Directors' report in respect of the envisaged share warrant issue in the event of a public offer concerning the Company.

We will prepare an additional report as required in view of confirmation by the Shareholders' Meeting provided for by article L. 233-32 III of the French Commercial Code, and in accordance with article R. 225-116 of the French Commercial Code, at such time as this delegation is used by your Board of Directors.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	Mazars
Alain Penanguer	Loïc Wallaert

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 Annual Shareholders' Meeting on 2 November 2009 25th resolution

Dear Shareholders,

As Statutory Auditors to Pernod Ricard and in accordance with the mission provided for by articles L. 225-135 et seq. and L. 228-92 of the French Commercial Code, we hereby present our report on the proposed delegation of authority to the Board of Directors in order to carry out one or several share capital increases by issuing shares or securities granting a right to share capital in the Company, with cancellation of preferential subscription rights, reserved for members of the employee savings plans, a transaction which you are called on to approve.

This transaction could result in a capital increase of a maximum nominal amount of 2% of the Company's capital after this Shareholders' Meeting, it being specified that the nominal amount of the capital increase carried out in accordance with this delegation will be deducted from the maximum limit set in the 16th and 17th resolutions.

This share capital increase is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code and L. 3332-18 to L. 3332-24 of the French Labour Code.

On the basis of its report, your Board of Directors proposes that, for a period of twenty-six months and with a possibility for it to further sub-delegate, you delegate it the authority to carry out one or several issues of shares or of securities granting access to the share capital and that you waive your preferential subscription rights. If necessary, it will be for the Board of Directors to set the definitive issue conditions for this transaction.

It is the Board of Director's duty 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 cancel the preferential subscription rights and on certain other information concerning the issue stated in this report.

We conducted the procedures that we considered necessary in accordance with the professional standards of the French Institute of Statutory Auditors (CNCC) relating to this mission. These procedures involved verifying the content of the report prepared by the Board of Directors in respect of this transaction and the manner in which the issue price for the shares to be issued is determined.

Subject to reviewing at a future date the conditions of any issue of shares or securities that may be decided upon, we have no matters to report on the manner of determining the issue price of the capital to be issued set out in the Board of Directors' report.

As the issue price has not been set, we have no opinion to give on the final conditions of the capital increase and, as a result, on the proposal made to you to cancel your preferential subscription rights.

Pursuant to article R. 225-116 of the French Commercial Code, we will prepare an additional report, if required, at such time as your Board of Directors makes use of this authorisation.

Neuilly-sur-Seine and Courbevoie, 3 September 2009

The Statutory Auditors

Deloitte & Associés	Mazars
Alain Penanguer	Loïc Wallaert

7 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 French company, 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, expiring on the same day in 2038.

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 zero hours (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 zero hours (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 another shareholder or to his/her spouse;
- 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 zero hours (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 zero hours (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 "Breakdown of share capital and voting rights as of 30 June 2009" paragraph in the section entitled "Information on the capital" of this reference document.

The crossings of thresholds declared during the 2008/2009 financial year are indicated in the "Crossing of thresholds" paragraph in this section.

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" in the section entitled "Information about Pernod Ricard" in this document.

Furthermore, certain Company shares have a double voting right as described under "Voting Conditions" in the section entitled "Information about Pernod Ricard" in this document.

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 SA (Ricard family holding company) is described under "Shareholders agreements" in the section entitled "Information about share capital" of this document and is also included on the AMF website (www.amf-france.org).

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 the "Corporate Governance and internal control" section of this document.

Powers of the Board of Directors

Under the terms of the 15th resolution of the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008, 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 €145 million.

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 2 November 2009 deliberating on the renewal of the above-mentioned delegation of authority to the Board, to 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 the "Combined (Ordinary and Extraordinary) Shareholders' Meeting" section of this 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 in the "Significant contracts" paragraph in the "Management Report" section of this document provide for the possibility of early repayment of these loans under certain conditions.

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.

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. Alain Penanguer, 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.

Mazars, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles*, represented by Mr. Loïc Wallaert, whose head office is at Exaltis, 61 rue Henri Regnault, 92075 Paris-La Défense, and whose term of office was renewed by the Shareholders' Meeting of 17 May 2004, for a period of six years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2009/2010 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.

Mr. Patrick de Cambourg, residing at Exaltis, 61 rue Henri Regnault, 92075 Paris-La Défense, substitute of Mazars, appointed at the Shareholders' Meeting of 17 May 2004 for a period of six financial years. His term of office will expire at the end of the Ordinary Shareholders' Meeting convened to rule on the financial statements of the 2009/2010 financial year.

Fees of Statutory Auditors and members of their networks for the 12-month financial year

Template of the table relating to the publishing of fees for Statutory Auditors and members of their networks

Issuers must present the table relating to the publishing of fees for Statutory Auditors and members of their network according to the template presented below, including (a) to (e).

FINANCIAL YEARS COVERED[(a)]:

	Mazars				Deloitte & Associés				Other				Total			
	Amount (Excluding tax)		%		Amount (Excluding tax)		%		Amount (Excluding tax)		%		Amount (Excluding tax)		%	
	08/09	07/08	08/09	07/08	08/09	07/08	08/09	07/08	08/09	07/08	08/09	07/08	08/09	07/08	08/09	07/08
Audit																
Statutory Auditors, certification, review of individual and consolidated accounts[(b)]																
Company[(1)]	970	575	22.5%	14.7%	947	570	18.5%	15.5%	-	-	-	-	1,917	1,145	19.4%	14.0%
Fully consolidated subsidiaries	3,095	2,918	71.7%	74.6%	3,773	2,896	73.8%	78.8%	131	274	27.7%	46.1%	6,999	6,088	70.7%	74.4%
Other procedures and services directly linked to the duties of the Statutory Auditors[(c)]																
Company	140	0	3.2%	0.0%	131	0	2.6%	0.0%	-	-	-	-	271	0	2.7%	0.0%
Fully consolidated subsidiaries	0	146	0.0%	3.7%	0	0	0.0%	0.0%	27	95	5.7%	16.0%	27	241	0.3%	2.9%
AUDIT SUB-TOTAL	**4,205**	**3,640**	**97.4%**	**93.0%**	**4,851**	**3,466**	**94.9%**	**94.3%**	**158**	**369**	**33.4%**	**62.1%**	**9,214**	**7,475**	**93.1%**	**91.4%**
Other services provided by the network to the fully consolidated subsidiaries[(d)]																
Legal, tax, corporate	112	118	2.6%	3.0%	181	142	3.5%	3.9%	311	157	65.8%	26.4%	604	417	6.1%	5.1%
Other	0	154	0.0%	3.9%	80	66	1.6%	1.8%	4	68	0.8%	11.4%	84	288	0.8%	3.5%
OTHER SERVICES SUB-TOTAL	**112**	**272**	**2.6%**	**7.0%**	**261**	**208**	**5.1%**	**5.7%**	**315**	**225**	**66.6%**	**37.9%**	**688**	**705**	**6.9%**	**8.6%**
TOTAL	**4,317**	**3,912**	**100.0%**	**100.0%**	**5,112**	**3,674**	**100.0%**	**100.0%**	**473**	**594**	**100.0%**	**100.0%**	**9,902**	**8,180**	**100.0%**	**100.0%**

(a) With regard to the period under consideration, this refers to services provided during a financial year recognised in the income statement.
(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 to the Company and 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) Company is understood to be the Parent Company.

Information about 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 at 30 June 2009

On 7 April 2009, the Board of Directors recorded that on 1 April 2009 the share capital had increased by a nominal amount of €163,693.95 as a result of the exercise of 105,609 stock options, since 1 July 2008, granting entitlement to the same number of Pernod Ricard shares.

On 14 May 2009, the Company recorded a cash capital increase through which 38,786,220 new shares were issued, leading to a capital increase for the Company for the nominal amount of €60,118,641.

On 22 July 2009, the Board of Directors recorded that on 30 June 2009 the share capital had increased by a nominal amount of €101,886.15 as a result of the exercise of 65,733 stock options, since 14 May 2009, 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 €400,892,830.80 as of 30 June 2009, divided into 258,640,536 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 SA, as defined in article 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 SA, as defined in article 233-3 of the French Commercial Code) were transferred as collateral for the good performance of its obligations under the terms of a prepaid forward transaction entered into on 10 April 2009.

Financial authorisations

General authorisations

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 granted the Board of Directors a number of financial authorisations, for a period of 26 months, in accordance with article L. 225-129 *et seq.* of the French Commercial Code, of which the main terms are outlined below. The purpose of the authorisations are to allow the Company, if necessary, to increase in due course their capital either by the capitalisation of reserves, earnings, premiums or others, or the issue, with or without preferential subscription rights, of different securities granting access, immediately or in the future, to Pernod Ricard's capital.

The same Meeting also delegated authority to the Board of Directors to decide, if the expected demand is exceeded at the time of a capital increase with or without preferential subscription rights, to increase the shares issued at the same price as that in the initial issue, within the regulatory periods and limits.

Since the majority of these authorisations expire in January 2010, at the Shareholders' Meeting of 2 November 2009 a number of new financial authorisations will be put to the vote, of which the terms and conditions are outlined under "Presentation of the resolutions" in the section "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this document.

Securities representing capital

(i) Issues of shares or securities with preferential subscription rights

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 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 €170 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 €68 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 that may be issued within the scope of the first authorisation, mentioned above, was set at €5 billion.

(ii) Issues of shares or securities with cancellation of preferential subscription rights

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 authorised the Board of Directors to:

- carry out one or more capital increases, via the issue of ordinary shares 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 €68 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 €170 million set for issues carried out with preferential subscription rights. Furthermore, this amount is shared with other issues with cancellation of preferential subscription rights, 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 that may be issued within this framework was set at €4 billion (this amount is deducted from the nominal maximum amount of debt securities that may be issued by virtue of issues carried out with preferential subscription rights);

- 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.

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008 delegated authority to the Board of Directors to decide upon the issue of share warrants in the event of a public offer involving Company shares. These warrants facilitate the subscription, under preferential conditions, of one or more Company shares. These will be freely allocated to all Company shareholders who held the status of shareholder prior to the expiry of the public offer period.

Other securities

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 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 obligations, 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 Meeting and the issue of bonds authorised or decided by the Board of Directors).

Issues reserved for employees and Directors

Stock options and bonus shares

- The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2006 authorised the Board of Directors, for a duration of 38 months, to grant stock options in the favour of employees and Directors of the Company or the Group's companies, within the limit of 5% of the Company's share capital at the time of the issue.

  Since this authorisation expires in January 2010, its renewal will be put to the vote at the next Shareholders' Meeting according to the terms outlined under "Presentation of resolutions" in the section entitled "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this document.
- The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 authorised the Board of Directors, for a duration of 38 months, to allocate shares free of charge in favour of employees and Directors of the Company or the Group's companies, within the limit of 1% of the Company's share capital at the time of the issue.

Capital increases reserved for employees of the Group

The Company's Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008 delegated authority to the Board of Directors to decide upon the issue of ordinary shares 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.

Authorisation to repurchase shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008 renewed, in favour of the Board of Directors, the authorisation previously granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 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 issued. The same Meeting also set the maximum purchase price at €125 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" in the section entitled "Information about share capital" in this document.

Since the authorisation granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008 expires on 5 May 2010, renewal will be put to the vote at the next Shareholders' Meeting according to the terms outlined in the "Presentation of resolutions" in the section entitled "Combined (Ordinary and Extraordinary) Shareholder's Meeting" of this document.

Cancellation of Company shares

The Combined Shareholder's Meeting of 5 November 2008 granted the Board of Directors authorisation to cancel the Company's shares held under share repurchase programmes authorised by the shareholders, within the limit of 10% for a period of 24 months, and to reduce the capital accordingly.

Since this authorisation expires on 5 November 2010, renewal will be put to the vote at the next Shareholders' Meeting according to the terms and conditions similar to the existing ones.

All financial authorisations granted to the Board of Directors are summarised below.

GENERAL AUTHORISATIONS

Type of securities	Authorisation date	Duration	Expiry of authorisation (duration)	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 2009 and up to 2 Sept. 2009	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	AGM of 07.11.2007 (10th)	26 months	7 January 2010	€5 billion(1)	€170 million	Capital increase for the nominal amount of €60,118,641, for the creation of 38,786,220 new shares, carried out on 14 May 2009	All the issues of shares and debt securities made pursuant to the 11th, 12th, 13th, 14th, 16th and 20th resolutions of the AGM of 07.11.2007 will be deducted from the limits defined in this resolution These amounts may be increased by a maximum of 15%, in the event of additional requests during a capital increase (12th resolution – AGM of 07.11.2007)
Additional paid-in capital, reserves, earnings and other	AGM of 07.11.2007 (16th)	26 months	7 January 2010	N.A.	€170 million	-	Will be deducted from the limit provided for in the 10th resolution – AGM of 07.11.2007
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	AGM of 07.11.2007 (11th)	26 months	7 January 2010	€4 billion(1)	€68 million	-	Will be deducted from the limit provided for in the 10th resolution – AGM of 07.11.2007 All the issues of shares and debt securities made pursuant to the 12th, 13th, 14th, and 20th resolutions of the AGM of 07.11.2007 will be deducted from the limits defined in this resolution These amounts may be increased by a maximum of 15%, in the event of additional requests (12th resolution – AGM of 07.11.2007)
Shares and securities granting access to the share capital in consideration for contributions in kind granted to the Company	AGM of 07.11.2007 (13th)	26 months	7 January 2010	N.A.	10% of the share capital at the time of issue	-	Will be deducted from the limit provided for in the 10th and 11th resolutions – AGM of 07.11.2007
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	AGM of 07.11.2007 (14th)	26 months	7 January 2010	N.A.	20% of the share capital at the time of issue	-	Will be deducted from the limit provided for in the 10th and 11th resolutions – AGM of 07.11.2007
Share warrants in the event of a public offer on the Company's shares	AGM of 05.11.2008 (15th)	18 months	5 May 2010	N.A.	€145 million	-	Independent limit
Other securities							
Debt instruments that grant entitlement to the allocation of debt securities	AGM of 07.11.2007 (15th)	26 months	7 January 2010	€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	Duration	Expiry of authorisation (duration)	Maximum amount authorised	Use of existing authorisations during the financial year ended 30 June 2009 and up to 2 Sept. 2009	Features/Terms
Stock options for employees and Directors	AGM of 07.11.2006 (9th)	38 months	7 January 2010	5% of share capital as of 07.11.2006	-	Independent limit
Bonus shares	AGM of 07.11.2007 (18th)	38 months	7 January 2011	1% of share capital on the date of Board of Directors' decision to allocate	-	Independent limit
Shares or securities granting access to share capital, reserved for members of employee savings plans	AGM of 05.11.2008 (16th)	26 months	5 January 2011	2% of share capital (after the AGM of 05.11.2008)	-	Will be deducted from the limit provided for in the 11th resolution – AGM of 07.11.2007

SHARE REPURCHASE PROGRAMME

Type of securities	Authorisation date	Duration	Expiry of authorisation (duration)	Maximum amount authorised	Use of existing authorisations during the financial year ended 30 June 2009 and up to 2 Sept. 2009	Features/Terms
Repurchase of shares	AGM of 05.11.2008 (13th)	18 months	5 May 2010	10% of share capital	-	Maximum purchase price: €125
Cancellation of treasury shares	AGM of 05.11.2008 (14th)	24 months	5 November 2010	10% of share capital	-	-

Contingent share capital

Stock options

Refer to the "Management report" section under "Stock options exercised over the year".

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
€218,500,651.10	70,484,081	2005	Capital increase	N.A.(1)	26.07.2005	17,483,811	€112.90	87,967,892	€272,700,465.20
€272,700,465.20	87,967,892	2005	Conversion of OCEANE bonds	1.25 for 1	31.08.2005	3,395,754	€88.46	91,363,646	€283,227,302.60
€283,227,302.60	91,363,646	2005	Conversion of OCEANE bonds	1.25 for 1	09.09.2005	2,308,584	€88.46	93,672,230	€290,383,913.00
€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	Reduction in capital(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	Splitting the nominal amount(5)	2 for 1	15.01.2008	109,740,362	N.A.	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(4)	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

(1) N.A. = not applicable.

(2) On 20 September 2006, the Board of Directors decided on the dissolution without liquidation of 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 the transfer of all the assets and liabilities of Santa Lina 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 on 10 November 2005, the Board of Directors decided on 7 November 2006 to increase the Company's share capital via the capitalization of reserves and a distribution of bonus shares on the basis of one new share for five old shares held. 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 negotiable and the price to compensate for fractional shares amounted to €319,704,157, and 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, the one for two split and exchange of a €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.

Capital increase held 14 May 2009

On 14 April 2009, the Company's Board of Directors decided, by virtue of a delegation of authority granted by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 in its 10th resolution, to carry out a capital increase with preferential subscription rights. The exercise ratio was three new shares for 17 existing shares of a nominal value of €1.55 each. The period for the subscription of new shares was from 16 April to 29 April 2009 inclusive, and the subscription price for a new share was €26.70 (comprising the nominal value of €1.55 and a €25.15 share premium).

This created 38,786,220 new shares with a par value of €1.55 each and a total gross value of €1,035,592,074, including the share premium.

On 14 May 2009, the Company recognised this capital increase with a nominal amount of €60,118,641 and a share premium of €975,473,483, bringing the share capital to €400,790,944.65, divided into 258,574,803 shares.

The prospectus for this transaction comprised the Pernod Ricard reference document filed with the AMF on 2 October 2008 under number D.08-0656, the update of the reference document filed with the AMF on 14 April 2009 under number D.08-0656 A01 and the transaction memorandum of 14 April 2009. It received AMF approval no. 09-089 dated 14 April 2009 and is available on the Pernod Ricard website (www.pernod-ricard) and that of the AMF (www.amf-france.org).

Changes in voting rights over the last five years

CHANGES IN VOTING RIGHTS OVER THE LAST FIVE YEARS

Years[1]	Number of voting rights
Situation at 21.09.2005	107,190,371
Situation at 20.09.2006	97,096,356
Situation at 19.09.2007[2]	120,955,418
Situation at 17.09.2008[2]	242,576,072
Situation at 02.09.2009[2]	282,752,847

(1) The data provided are from the date of the breakdown of share capital and voting rights.

(2) With regard to the situation at 19 September 2007, 17 September 2008 and 2 September 2009, the information concerns the total number of voting rights of the Company including suspended voting rights.

Breakdown of share capital and voting rights as of 30 June 2009

	Situation at 02.09.2009			Situation at 17.09.2008			Situation at 19.09.2007		
Shareholders	**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 SA(1)	36,932,324	14.28%	19.84%	27,318,300	12.43%	18.65%	11,704,767	10.68%	17.09%
Directors and Management of Pernod Ricard	3,475,871	1.34%	1.84%	3,453,358	1.57%	2.12%	1,738,625	1.59%	2.13%
Shares held by Pernod Ricard employees	3,642,671	1.41%	1.94%	2,968,884	1.35%	2.00%	1,450,484	1.32%	1.88%
Kirin International Finance B.V. (Netherlands)	-	-	-	8,227,544	3.74%	3.39%	4,113,772	3.75%	3.40%
Groupe Bruxelles Lambert(2)	22,955,884	8.88%	8.12%	16,830,737	7.66%	6.94%	6,765,547	6.17%	5.59%
Capital Research and Management Company (US)(3)	12,291,493	4.75%	4.35%	-	-	-	-	-	-
Morgan Stanley (US)(4)	10,823,654	4.18%	3.83%	10,823,654	4.93%	4.46%	-	-	-
Franklin Resources, Inc & Affiliates(5)	8,889,885	3.44%	3.14%	8,488,514	3.86%	3.50%	4,244,257	3.87%	3.51%
Natixis Asset Management(6)	5,670,812	2.19%	2.01%	5,256,681	2.39%	2.17%	3,490,329	3.18%	2.89%
Crédit Agricole Asset Management(7)	5,616,616	2.17%	1.99%	4,393,660	2.00%	1.81%	2,430,769	2.22%	2.01%
MFS Investment Management (US)(8)	5,564,018	2.15%	1.97%	5,057,938	2.30%	2.09%	-	-	-
Caisse des Dépôts et Consignation (CDC Ixis)(9)	4,803,759	1.86%	1.70%	5,473,092	2.49%	2.26%	3,673,008	3.35%	3.04%
Artisan Partners (US)(10)	4,413,543	1.71%	1.56%	-	-	-	-	-	-
Crédit Suisse (UK)(11)	4,175,807	1.61%	1.48%	1,219,019	0.55%	0.50%	-	-	-
CNP Assurances(12)	3,941,459	1.52%	1.39%	3,289,856	1.50%	1.36%	1,625,988	1.48%	1.34%
UBS AG (UK)(13)	3,117,488	1.21%	1.10%	1,866,451	0.85%	0.77%	-	-	-
Platinium Asset Management (Australia)(14)	2,332,084	0.90%	0.82%	2,332,084	1.06%	0.96%	1,084,847	0.99%	0.90%
Cantillon Capital Management (US)(15)	2,036,981	0.79%	0.72%	2,036,981	0.93%	0.84%	-	-	-
Mousseluxe SARL(16)	1,122,500	0.43%	0.40%	1,122,500	0.51%	0.46%	-	-	-
Farallon Capital Management L.L.C. (US)	-	-	-	1,649,846	0.75%	0.68%	-	-	-
Treasury shares									
• Shares held by subsidiaries	-	-	-	-	-	-	-	-	-
• Treasury shares	1,245,296	0.48%	0.44%	1,482,635	0.67%	0.61%	3,705,570	3.38%	3.06%
Others and Public	115,604,458	44.69%	41.36%	106,409,022	48.43%	44.44%	63,611,618	58.01%	53.16%
TOTAL	**258,656,603**	**100.00%**	**100.00%**	**219,700,756**	**100.00%**	**100.00%**	**109,639,581**	**100.00%**	**100.00%**

Pursuant to the statutory provisions, the declarations only include shares greater than 0.5% of the capital. For the same respondent, 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 SA is wholly-owned by the Ricard family. The declaration includes 1,326,128 shares, the shares held by Le Delos Invest 1, 3,281,038 shares, the shares held by Le Delo Invest II, 8,227,546 shares, the shares held by Le Delos Invest III and 2,236,367 shares, the shares held by LIRIX; these four companies are controlled by Paul Ricard as defined in article L. 233-3 of the French Commercial Code. On 18 May 2009, Société Paul Ricard SA, Le Delos Invest I, Le Delos Invest II, Le Delos Invest III and LIRIX, acting in concert with Ms. Danièle Ricard, Mr. César Giron, Mr. François-Xavier Diaz and Mr. Rafaël Gonzalez-Gallarza, declared that they had fallen below the threshold of 15% of the share capital and that they jointly held 38,601,542 shares and 57,918,752 voting rights, i.e. 14.93% of Pernod Ricard's share capital and 20.49% of Pernod Ricard voting rights respectively (based on the capital comprising, as of 18 May 2009, of 258,574,803 shares representing 282,624,479 voting rights).*
On 18 May 2009, Société Paul Ricard SA also declared that it had individually crossed, directly and indirectly via Le Delos Invest I, Le Delos Invest II, Le Delos Invest III and LIRIX, which it controls as defined in article L. 233-3 of the French Commercial Code, the thresholds of 20% of the voting rights and 15% of the capital in Pernod Ricard holding, directly and indirectly, 36,932,324 shares representing 56,065,328 voting rights, i.e. 14.28% of the share capital and 19.84% of the voting rights (based on the same number of shares and voting rights as of 18 May 2009). Société Paul Ricard SA declared that it had individually fallen below the threshold of 15% of the voting rights in Pernod Ricard (based on the same number of shares and voting rights as of 18 May 2009). The crossing of thresholds resulted from the Pernod Ricard capital increase established in the transaction memorandum under approval no. 09-089. On 5 and 6 May 2009, Société Paul Ricard SA informed the French Financial Markets Authority (AMF) and Pernod Ricard SA of the termination, with effect from 30 April 2009, of the shareholders' agreement which entered into force on 22 March 2006 between Paul Ricard and Kirin International Finance BV and Kirin Brewery Company Ltd. Please refer to the "Shareholders' agreements" section.

(2) *Declaration of 10 August 2009.*

(3) *In a letter dated 14 February 2009, the Capital Research and Management Company (CRMC) (US) declared that it had crossed the threshold of 5% of the share capital on 12 February 2009, holding 11,002,528 shares, i.e. 5.01% of the share capital and 4.51% of the voting rights.*
In a letter dated 25 April 2009, the Capital Research and Management Company (CRMC) (US) declared that it had crossed the threshold of 5% of the voting rights on 23 April 2009, holding 12,291,493 shares or 5.59% of the share capital and 5.04% of the voting rights.

(4) *In a letter dated 21 November 2007, Morgan Stanley declared that on 14 November 2007, it had indirectly crossed the thresholds of 5% of the share capital and of the voting rights and indirectly held 7,176,831 shares representing the same number of voting rights, i.e. 6.54% of the share capital and 5.93% of the votes.*
On 26 November 2007, Morgan Stanley declared that on 19 November 2007 it had indirectly fallen below the thresholds of 5% of the share capital and of the voting rights and indirectly held 5,411,827 shares representing the same number of voting rights, i.e. 4.94% of the share capital and 4.47% of the votes.

(5) *Declaration of 25 March 2009.*
(6) *Declaration of 13 March 2009.*
(7) *Declaration of 17 July 2009.*
(8) *Declaration of 15 April 2009.*
(9) *Declaration of 22 April 2009.*
(10) *Declaration of 21 July 2009.*
(11) *Declaration of 15 July 2009.*
(12) *Declaration of 14 August 2008.*
(13) *Declaration of 28 July 2009.*
(14) *Declaration of 4 October 2007.*
(15) *Declaration of 15 February 2008.*
(16) *Declaration of 9 July 2008.*

Certain Company shares have a double voting right as described in the "Voting Conditions" paragraph in the section entitled "About the Company and its share capital" in this reference document. Of the 258,656,603 shares making up the Company capital as of 2 September 2009, 24,096,244 shares have a double voting right on this date.

On the same date, employees held 3,642,671 shares representing 1.41% of the share capital and 1.94% 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

On 12 February 2009, the Capital Research and Management Company (CRMC) crossed the threshold of 5% of the Company's share capital; it held 11,002,528 Pernod Ricard shares on this date, representing 5.01% of the share capital (notification of 16 February 2009; Decision and information from the AMF no. 209C0274).

On 23 April 2009, the Capital Research and Management Company (CRMC) crossed the threshold of 5% of the Company's voting rights; it held 12,291,493 Pernod Ricard shares on this date, representing 5.04% of the existing voting rights (notification of 27 April 2009; Decision and information from the AMF no. 209C0579).

On 18 May 2009, Société Paul Ricard SA, Le Delos Invest I, Le Delos Invest II, Le Delos Invest III and LIRIX, acting in concert with Ms. Danièle Ricard, Mr. César Giron, Mr. François-Xavier Diaz and Mr. Rafaël Gonzalez-Gallarza, declared that they had, on 14 May 2009, fallen below the threshold of 15% of the share capital and that they jointly held 38,601,542 shares and 57,918,752 voting rights, i.e. 14.93% of Pernod Ricard's share capital and 20.49% of Pernod Ricard voting rights respectively (based on the capital comprising, as of 18 May 2009, of 258,574,803 shares representing 282,624,479 voting rights).

On 18 May 2009, Société Paul Ricard SA also declared that it had individually crossed, directly and indirectly via Le Delos Invest I, Le Delos Invest II, Le Delos Invest III and LIRIX, which it controls as defined in article L. 233-3 of the French Commercial Code, the thresholds of 20% of the voting rights and 15% of the capital in Pernod Ricard holding, directly and indirectly, 36,932,324 shares representing 56,065,328 voting rights, i.e. 14.28% of the share capital and 19.84% of the voting rights (based on the same number of shares and voting rights as of 18 May 2009). Société Paul Ricard SA declared that it had individually fallen below the threshold of 15% of the voting rights in Pernod Ricard (based on the same number of shares and voting rights as of 18 May 2009). These crossings of thresholds resulted from the Pernod Ricard capital of 14 May 2009.

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 SA. Pursuant to this agreement, Mr. Rafaël Gonzalez-Gallarza undertakes to consult Société Paul Ricard SA 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 SA 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 Paul Ricard and the parties acting in concert to launch a public offer for Pernod Ricard. Finally, Société Paul Ricard SA has a pre-emption right with regard to any Pernod Ricard shares that Mr. Rafaël Gonzalez-Gallarza may wish to dispose of.

On 5 May 2009, Société Paul Ricard SA notified Pernod Ricard of the termination, with effect from 30 April 2009, of the shareholder's agreement which entered into force on 22 March 2006 between Société Paul Ricard SA on the one hand and Kirin International Finance BV and Kirin Brewery Company on the other, in the presence of Pernod Ricard. The termination takes place within the scope of the sale, on 30 April 2009, of 8,227,544 Pernod Ricard shares by Kirin Holdings Netherlands BV (previously known as Kirin International Finance BV) in the favour of the simplified joint stock company Le Delos Invest III, a company controlled by Paul Ricard as defined in article L. 233-3 of the French Commercial Code. As a result of this termination, Kirin Holdings Netherlands BV no longer acts in concert with the Paul Ricard Company, its subsidiaries, Mr. Rafaël Gonzalez-Gallarza, César Giron and François-Xavier Diaz as of 30 April 2009.

Additional information on the shareholders

According to the most recent survey on identifiable bearer shares, the number of Pernod Ricard bearer shareholders may be estimated at approximately 110,000. Furthermore, 12,700 shareholders have registered securities.

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.

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 on the Breakdown of share capital and voting rights.

Pernod Ricard is the only company in the Group listed on the Stock Market (in 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 51% 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 in the "Human resources" paragraph in the "Management report" section of this document.

Transactions involving Pernod Ricard shares made by Directors in the 2008/2009 financial year

Detailed information is provided under "Human resources" in the "Management report" section of this document.

Stock options exercised by Directors during the 2008/2009 financial year

Detailed information is provided in "Table summarising stock options exercised by Directors during the 2008/2009 financial year" in the "Management report" section.

Stock options granted to the top ten employees in the Group other than Directors and options exercised by them during the 2008/2009 financial year

Detailed information is provided in the "Table of stock options granted to the Group's top ten employees other than Directors during the financial year" paragraph in this document.

Stock market information on Pernod Ricard shares

Pernod Ricard shares (ISIN: FR 0000120693) are traded on the Eurolist Market (Compartment A) of Euronext Paris SA (Deferred Settlement Service).

STOCK MARKET INFORMATION ON PERNOD RICARD SHARES (SOURCE EURONEXT PARIS S.A.) OVER 18 MONTHS

Month	Volumes* *(in thousands)*	Capital *(in euro million)*	Average price* *(in euros)*	Highest* *(in euros)*	Lowest* *(in euros)*	Price at end of month* *(in euros)*
January 2008	34,634	2,643	67.89	75.42	58.05	67.20
February 2008	21,866	1,623	66.02	70.12	63.15	66.40
March 2008	23,333	1,693	64.55	67.29	60.37	61.46
April 2008	33,135	2,582	69.31	73.00	61.49	69.79
May 2008	18,599	1,432	68.50	70.72	66.04	68.85
June 2008	23,967	1,749	64.92	69.17	59.63	61.54
July 2008	58,039	3,501	53.66	60.31	49.32	52.94
August 2008	22,689	1,468	57.54	61.26	51.79	60.36
September 2008	33,254	2,217	59.30	64.04	51.69	58.27
October 2008	63,996	3,297	45.83	59.18	36.41	47.89
November 2008	32,825	1,645	44.57	52.06	37.56	43.58
December 2008	24,395	1,266	46.18	51.40	40.29	49.96
January 2009	27,109	1,448	47.51	52.82	42.93	46.44
February 2009	31,671	1,567	44.01	47.58	40.10	41.05
March 2009	38,647	1,727	39.74	42.44	36.61	39.59
April 2009	62,330	2,738	42.07	45.80	40.15	44.99
May 2009	25,561	1,161	45.43	47.63	43.05	44.00
June 2009	20,285	893	44.00	45.49	42.69	44.87

(*) Historical data was restated to take into account the capital increase through the subscription of new shares at a price of €26.70, on the basis of three new shares for 17 old shares as of 14 May 2009.

Other legal information

Transactions performed by the Company on its own shares during the 2008/2009 financial year

Authorisation underway in the 2008/2009 financial year

During the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008, the Company's shareholders authorised a repurchase programme for the acquisition, sale, transfer or exchange of shares, on one or more occasions, by all means authorised by 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.

Such transactions may be performed during periods assessed by the Board of Directors; however, in the event of a public offer concerning Company shares, repurchasing transactions would only be possible on the condition, on the one hand, that the offer is settled in cash and, on the other hand, that they are within the scope of the performance of the programme underway and are not likely to cause the offer to fail. In addition, only repurchases that allow the Company to comply with its prior commitments will be allowed, i.e. with the objective of either allowing the Company to implement or cover stock option programmes or the allocation of bonus shares for the employees and Directors of the Group, or delivering shares when the right to securities giving access to the Company's capital is exercised or honouring commitments undertaken in connection with external growth operations that were concluded previously. These transactions would take place under the supervision of the AMF and in compliance with the conditions of Article 232-17 of its General Regulations.

The purchase of shares may include a number of shares provided that the number of shares the Company purchases during the repurchase programme does not exceed 10% of the shares making up the Company's capital and the number of shares that the Company holds at any moment does not exceed 10% of the shares making up the Company's capital.

This authorisation enables the Company to trade in its own shares according to the following objectives:

- allocating shares to employees and/or Directors (allocation of call 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 making up the share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling all or part of the shares repurchased in this way;
- stabilising the share price through liquidity agreements.

The Shareholders' Meeting of 5 November 2008 set the maximum purchase price per share at €125 and the global maximum amount that may be allocated to the repurchase programme at €2,746,037,125.00. It authorised the Board of Directors, with the possibility to delegate such powers pursuant to legal conditions, to decide and implement this authorisation.

The abovementioned authorisation, in force on the date this reference document was filed, will expire at the latest 18 months from the Combined (Ordinary and Extraordinary) Shareholders Meeting of 5 November 2008, i.e. 5 May 2010, unless a new programme is authorised by the Shareholders' Meeting of 2 November 2009.

Summary of transactions performed by the Company on its own shares during the 2008/2009 financial year

SITUATION AS OF 30 JUNE 2009	
Percentage of direct and indirect treasury shares	0.50%
Number of shares cancelled in the last 24 months	None
Number of shares held in portfolio	1,282,529
Portfolio carrying amount	€71,664,394
Market value of the portfolio*	€57,547,076

* *Based on the closing price as of 30 June 2009, i.e. €44.87.*

Treasury share repurchase programme[1]

Assessment of previous programme

The following table details the transactions performed by the Company on treasury shares during the 2008/2009 financial year and until 31 August 2009 within the scope of programmes authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 and 5 November 2008:

	Total gross flows as of 31.08.2009		Open positions as of 31.08.2009			
			Long positions		Short positions	
	Purchases	Sales/transfers	Call options purchased*	Forward purchases	Call options sold	Forward sales
Number of shares	None	Sales: None Transfer: 253,550[(a)]	7,884,348	None	None	None
Average maximum term	-	N.A.	08.03.2013[(b)]	-	-	-
Average transaction price	-	€38.51	N.A.	-	-	-
Average strike price	-	N.A.	€54.68	-	-	-
Amounts	-	9,766,335	-	-	-	-

N.A.: not applicable.

* *And termination clauses attached to sale and repurchase agreements.*

(a) *The Company transferred a total of 168,246 shares following the exercise of call options granted to employees under the stock options plans set up by the Company. Moreover, 85,304 shares were definitively granted to French tax residents on 21 June 2009 at the end of the initial 2-year retention period as part of the 21 June 2007 bonus share allocation plan.*

(b) *Spread between 15 June 2011 and 11 June 2012 and 08 March 2013.*

There were no negotiation costs during the 2008/2009 financial year for transactions performed in connection with the authorised share repurchase programme.

The shares held by the Company have not been reallocated for other purposes since the last authorisation granted by the Shareholders' Meeting.

During the 2008/2009 financial year and until 31 August 2009 Pernod Ricard SA did not perform any stock market transactions on their own shares. There has been no call option plan or allocation of bonus shares implemented during this period.

Treasury stock consists in reserves from different call option plans or allocation of bonus shares still in force. These reserves of treasury shares have been moved (transferred):

- for 168,246 shares to ensure entitlement of stock option holders who have exercised call options during the period;
- for 85,304 securities allocated to French tax residents benefiting from the allocation of bonus shares of 21 June 2007.

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 201,702 shares were repurchased via the exercise of the termination clauses attached to shares sold under sale and repurchase agreements at an average price of €40.19. There were no shares repurchased using American call options.

Distribution of treasury stock as of 31 August 2009

Treasury stocks are all allocated as reserves for different call options and bonus shares implemented.

New programme submitted for authorisation to the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009

As the authorisation granted on 5 November 2008 by the Shareholders' Meeting to the Board of Directors to trade in the Company's shares is due to expire during the course of the year, a resolution will be proposed to the Shareholders' Meeting on 2 November 2009 to grant a further authorisation to the Board to trade in the Company's shares at a maximum purchase price set at €90 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, given that it already holds 1,245,296 (i.e. 0.48% of the share capital) as of 2 September 2009, the maximum number of shares that can be bought will be 24,620,364 shares, (i.e. 9.52% of the share capital) unless it sells or cancels shares already held.

(1) *This paragraph includes information which must be included in the programme description in accordance with Article 241-2 of the General Regulations of the AMF and information required pursuant to article L. 225-211 of the French Commercial Code.*

The purpose of these share repurchases and the uses that may be made of the shares repurchased in this manner are described in detail in the 14th resolution which will be put to the vote of the shareholders. This 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 capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

The purchase, sale, transfer or exchange of the 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 €2,327,764,770, corresponding to a maximum number of 25,864,053 shares purchased on the basis of a maximum unit price of €90, excluding acquisition costs.

This authorisation would cancel, as from the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, up to, where applicable, the portion not yet used, any previous authorisation given to the Board of Directors for the purpose of dealing in the Company's shares. It would be given for a period of 18 months as from the aforementioned Meeting.

Annual information document

In accordance with 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
Outstanding 2007/2008 financial year. Continuing growth in 2008/2009, enhanced by the integration of Vin&Sprit (18.09.2008)	
Availability of preparatory documents for the Annual General Meeting of 5 November 2008 (01.10.2008)	
Filing of Pernod Ricard's 2007/08 reference document (03.10.2008)	
Pernod Ricard Tops IWSR Elite Brands List (16.10.2008)	
2008/09 first quarter net sales: €1,756 million (+13%) (30.10.2008)	
Combined General Meeting of 5 November 2008 and Decisions of the Board of Directors (06.11.2008)	
Pernod Ricard accelerates its responsible consumption initiatives – 30 countries concerned in 2008 (10.12.2008)	
Pernod Ricard sells Grönstedts Cognac, Star Gin, Red Port and Dry Anis to Arcus Gruppen AS (18.12.2008)	
Trading Statement (13.01.2009)	
Pernod Ricard sells Lubuski Gin to Vinpol (16.01.2009)	
Pernod Ricard completes the disposal of Serkova Vodka to Amvyx SA (19.01.2009)	
2008/2009 Half-Year Sales (13.02.2009)	
Pernod Ricard sells Bisquit Cognac to the South-African group Distell (02.03.2009)	
Financial Calendar 2009 (12.03.2009)	
Pernod Ricard sells Grönstedts Cognac to Altia and Star Gin, Red Port and Dry Anis to Arcus Gruppen AS (01.04.2009)	
Appointment of Gilles BOGAERT as Deputy Managing Director in charge of Finance (03.04.2009)	
Pernod Ricard to integrate Malibu-Kahlúa International brands into Absolut Company on 1 July 2009 (06.04.2009)	
Pernod Ricard accelerates its deleveraging plan with the disposal of Wild Turkey for US$ 575 million and the intention to raise €1 billion of capital by way of a rights issue (08.04.2009)	
Pernod Ricard Japan to carry on distribution of Chivas in Japan starting as of 30 September 2009 (09.04.2009)	
Signing of a sale agreement between Kirin and LDI 3 (14.04.2009)	
9 months' sales 2008/09 (15.04.2009)	
Pierre Pringuet joins Cap Gemini's Board of Directors (30.04.2009)	
Successful completion of Pernod Ricard's €1bn capital increase through a rights offering (12.05.2009)	
Successful completion of Pernod Ricard's €800 million bond issue (28.05.2009)	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
Completion of the Wild Turkey disposal (29.05.2009)	
Distribution of interim cash dividend of €0.50 per share on 8 July 2009 (22.06.2009)	
Trading Update (17.07.2009)	
Pernod Ricard continues to reduce its debt with the disposal of Tia Maria to Illva Saronno for €125 million (27.07.2009)	
2008/2009 Annual Sales and Results (03.09.2009)	
Combined General Meeting of Pernod Ricard's shareholders – Appointment of new members of the Board of Directors (03.09.2009)	
Documents published in the French Official Bulletin of Legal Notices (BALO)	www.journal-officiel.gouv.fr
Notice relating to (i) an amendment to BALO notice no. 0902384 dated 27 April 2009, (ii) renewal of the right to exercise and (iii) of the adjustment factor (15.05.2009)	
Adjustments relating to the stock options not exercised before 18 April 2009, 00:00 as well all as the allocation of bonus shares (27.04.2009)	
Notice to holders of stock options (Temporary suspension of the right to exercise) (10.04.2009)	
Approval of Pernod Ricard's annual financial statements by the Shareholders' Meeting of 5 November 2008 (03.12.2008)	
Annual financial statements as of 30 June 2008 (17.10.2008)	
Notice of meeting serving as a notice of meeting (01.10.2008)	
Documents filed at the court registry	www.infogreffe.fr
Excerpt from the minutes of the Board of Directors meeting of 5 November 2008 relating to the separation of the duties of the Chairman of the Board of Directors and the CEO – Renewal of the term of office of the Chairman and the appointment of a CEO	
Excerpt from the minutes of the Board of Directors meeting of 5 November 2008 relating to the appointment of new Directors	
Excerpt from the minutes of the Board of Directors meeting of 5 November 2008 relating to the renewal of the term of office for a Director	
Bylaws as of 7 April 2009	
Excerpt of the minutes of the Board of Directors meeting of 7 April 2009 recognising the capital increase following the exercise of stock options	
Excerpt from the minutes of the Board of Directors meeting of 14 April 2009 deciding on the implementation of the delegation of authority granted to the Board of Directors by the Pernod Ricard Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007 to decide on a capital increase via the issue of ordinary shares and/or all securities granting access to Pernod Ricard share capital with preferential subscription rights	
Minutes of decisions made by the CEO on 14 May 2009 relating to the recognition of the performance of the capital increase	
Bylaws as of 14 May 2009	
Excerpt of the minutes of the Board of Directors meeting of 22 July 2009 recognising the capital increase following the exercise of stock options	
Bylaws as of 22 July 2009	
Documents made available to the shareholders	Head Office 12, place des États-Unis – 75116 Paris
For the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 5 November 2008:	
Copy of the BALO dated 1 October 2008: Notice of meeting serving as a notice of meeting	
Copy of "Affiches Parisiennes", a legal announcement paper, dated 15 October 2008: Notice of meeting	
Copy of shareholder and information documentation sent to shareholders (D133 and D135)	
Copies and return receipts of registered letters sent to the Statutory Auditors	
Powers of shareholders who were represented by proxies	
Postal vote forms	
Financial statements prepared as of 30 June 2008	
Annual report and reference document, year ended 30 June 2008	
Statutory Auditors' Reports	
Draft resolutions	
Copy of bylaws	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
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	
10.10.2008 Danièle Ricard	
31.10.2008 Patrick Ricard	
24.11.2008 Wolfgang Colberg	
16.12.2008 Pierre Pringuet	
13.01.2009 Patrick Ricard	
16.04.2009 Société Paul Ricard SA	
16.04.2009 LIRIX	
17.04.2009 Société Paul Ricard SA	
17.04.2009 LIRIX	
20.04.2009 LIRIX	
20.04.2009 Société Paul Ricard SA	
20.04.2009 Le Delos Invest 2	
20.04.2009 Didier Pineau-Valencienne	
20.04.2009 Danièle Ricard	
20.04.2009 François Gérard	
20.04.2009 Patrick Ricard	
21.04.2009 Patrick Ricard	
21.04.2009 Pernod Ricard	
21.04.2009 Rafaël Gonzalez-Gallarza	
22.04.2009 Société Paul Ricard SA	
22.04.2009 LIRIX	
22.04.2009 Le Delos Invest 2	
22.04.2009 Le Delos Invest 1	
23.04.2009 Wolfgang Colberg	
23.04.2009 Jean-Dominique Comolli	
23.04.2009 François Gérard	
30.04.2009 William H. Webb	
30.04.2009 Patrick Ricard	
30.04.2009 Corinne Ricard, wife of Patrick Ricard	
06.05.2009 César Giron	
07.05.2009 Le Delos Invest 3	
14.05.2009 Gérard Thery	

List of information published during the last 12 months	How to consult (Internet link or place of consultation)
Declarations of the Company's trading in its own shares	
From 15.09.2008 to 19.09.2008	
From 22.09.2008 to 26.09.2008	
From 01.12.2008 to 05.12.2008	
From 08.12.2008 to 12.12.2008	
From 15.12.2008 to 19.12.2008	
From 22.12.2008 to 26.12.2008	
From 29.12.2008 to 02.01.2009	
From 05.01.2009 to 11.01.2009	
From 12.01.2009 to 18.01.2009	
From 06.04.2009 to 10.04.2009	
From 13.04.2009 to 17.04.2009	
From 18.05.2009 to 22.05.2009	
From 25.05.2009 to 29.05.2009	
From 01.06.2009 to 05.06.2009	
From 08.06.2009 to 12.06.2009	
From 15.06.2009 to 19.06.2009	
From 22.06.2009 to 26.06.2009	
From 27.06.2009 to 03.07.2009	
From 13.07.2009 to 17.07.2009	
From 20.07.2009 to 24.07.2009	
From 27.07.2009 to 31.07.2009	
From 03.08.2009 to 07.08.2009	
From 10.08.2009 to 14.08.2009	
From 24.08.2009 to 28.08.2009	
From 07.09.2009 to 11.09.2009	

Related-party transactions

Transactions with related parties are described in Note 25 – *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.

8 ADDITIONAL INFORMATION ON THE REFERENCE DOCUMENT

Persons responsible

Names and positions

Person responsible for the reference document:

Mr Pierre Pringuet
CEO.

Persons responsible for the information:

Mr Denis Fiévet
Vice-President, Financial Communication and Investor Relations
Tel.: + 33 (0)1 41 00 42 02

Mr Olivier Cavil
Vice-President, Corporate Communication
Tel.: + 33 (0)1 41 00 40 96

12, place des États-Unis — 75783 Paris Cedex 16

Declaration by the person responsible for the reference 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 120 and 147.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with 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 the management report gives an accurate picture of developments in the business, financial results and that the enclosed 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.

Reconciliation table

Reference Document

In accordance with Annex 1 to EC Regulation No. 809/2004.

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Management report

This reference 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.

Annual financial report

This reference 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.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This reference document was filed with the French Financial Markets Authority on 24 September 2009, in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the French Financial Markets Authority.

Management reports, Parent Company financial statements, consolidated Group financial statements and Statutory Auditors' reports for the years ended 30 June 2008, 30 June 2007 and 30 June 2006.

The following information is incorporated by reference into this reference document:

- the 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 46-47 and pages 69-120 filed on 2 October 2009 under no. D-08-0656;
- 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 2007 as presented on pages 156 to 173 and 174 to 215 of the reference document filed with the French Financial Markets Authority on 18 October 2007 under number D.07-0921;
- 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 2006 as presented on pages 155 to 169 and 171 to 220 of the reference document filed with the French Financial Markets Authority on 16 October 2006 under number D.06-0924;
- Group management report, Group consolidated financial statements and Statutory Auditors' report on the consolidated financial statements for the period ended 30 June 2005 as presented on pages 132 to 163 and 166 to 209 of the reference document filed with the French Financial Markets Authority on 10 October 2005 under number D. 05-1207;

The information included in these three reference documents, other than that listed above, if necessary, has been replaced and/or updated as relevant by the information included in this reference document.

Financial Communication & Investor Relations
Pernod Ricard – 12, place des États-Unis – 75116 Paris – France

Pernod Ricard

A French Public Limited Company with share capital of €400,892,830.80
Head office: 12, Place des États-Unis – 75116 Paris, France- Tel.: 33 (0)1 41 00 41 00 – Fax: 33 (0)1 41 00 41 41
582 041 943 RCS Paris

Copies of this reference document are available on request at Pernod Ricard
12, place des États-Unis, 75116 Paris – France.

Translated by Labrador TRANSLATIONS +33 (0)1 53 06 80 20

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A French Public Limited Company with share capital of €400,892,830.80
Head office: 12, Place des États-Unis – 75116 Paris, France
Tel.: 33 (0)1 41 00 41 00 – Fax: 33 (0)1 41 00 41 41
582 041 943 RCS Paris

Labrador +33 (0)1 53 06 30 80