A shared culture with global ambitions

Pernod Ricard is a developer of both global and local brands. This reflects a strategic outlook that has proven its effectiveness: local brands strengthen the distribution networks in their various markets, thereby supporting the development of the Group's global brands.

The decentralised structure of Pernod Ricard clearly differentiates it from the rest of its sector. This structure creates a strong culture within the Group, uniting its workforce. At its core, this culture motivates individuals, ensuring that the entrepreneurial spirit is shared and encouraged.

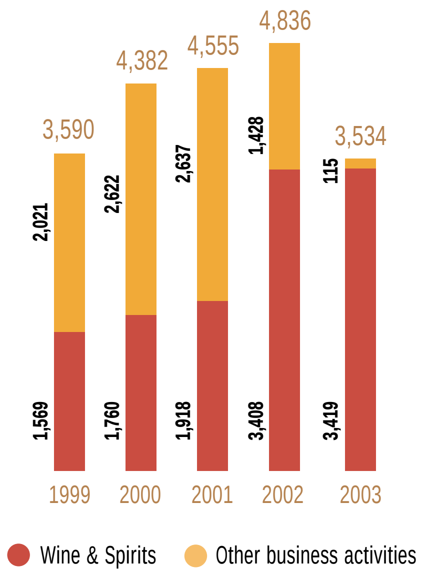
This combination of ambition and culture has built the success of the Group in 2003. It is how Pernod Ricard intends to pursue its development in the future.

Contents

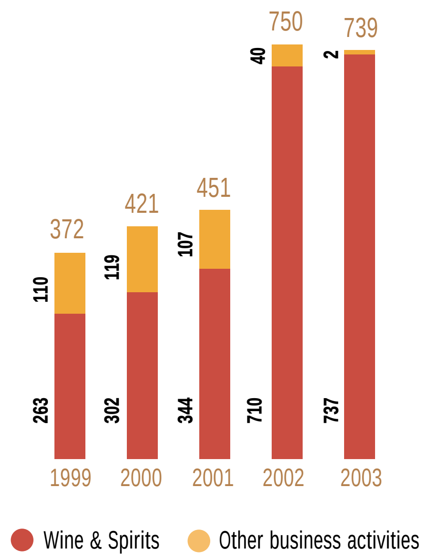
Key figures

Consolidated figures

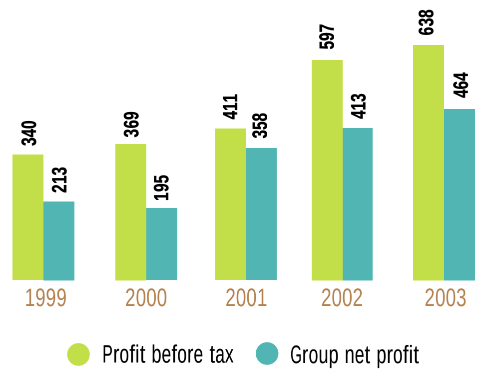
Sales
(excluding duties and taxes/in euro millions)



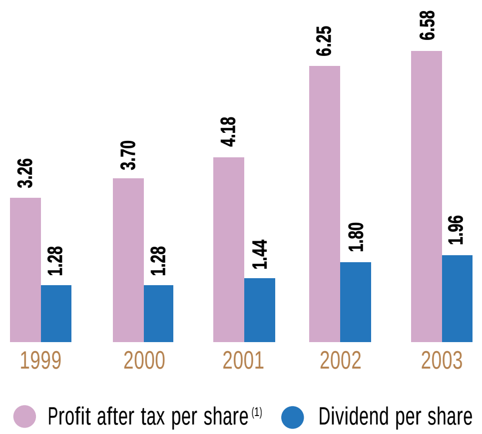
Operating profit
(in euro millions)



Consolidated profit
(in euro millions)



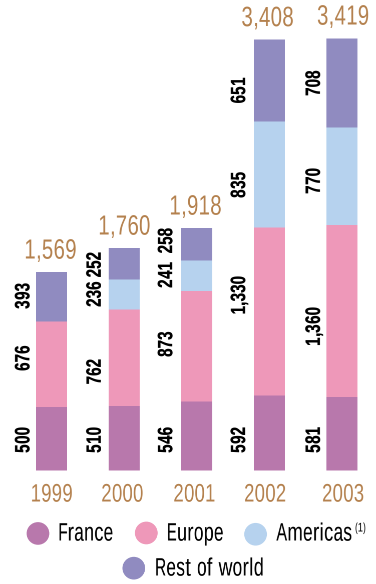
Profit after tax per share/ dividend per share
(in euros)



(1) Profit before tax net of income tax, income from associates and minority interests.

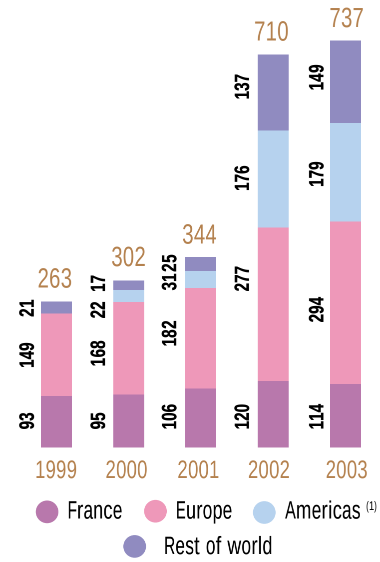
Wine & Spirits

Breakdown of sales by geographic area
(excluding duties and taxes/in euro millions)



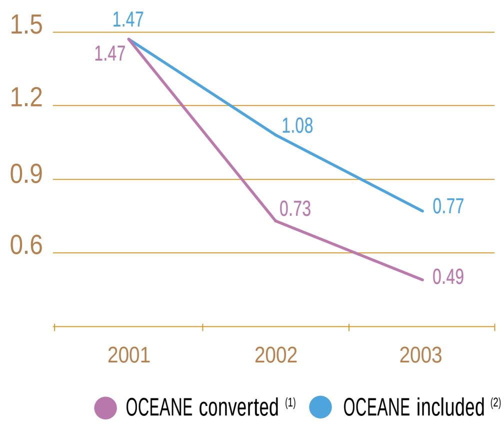
(1) In 1999, the Americas area is included in the rest of world area.

Breakdown of operating profit by geographic area (in euro millions)



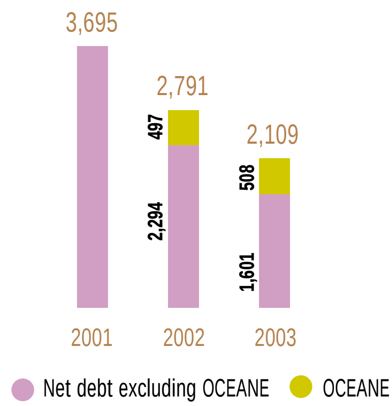
(1) In 1999, the Americas area is included in the rest of world area.

Net financial debt/Shareholders' equity
at 31 December

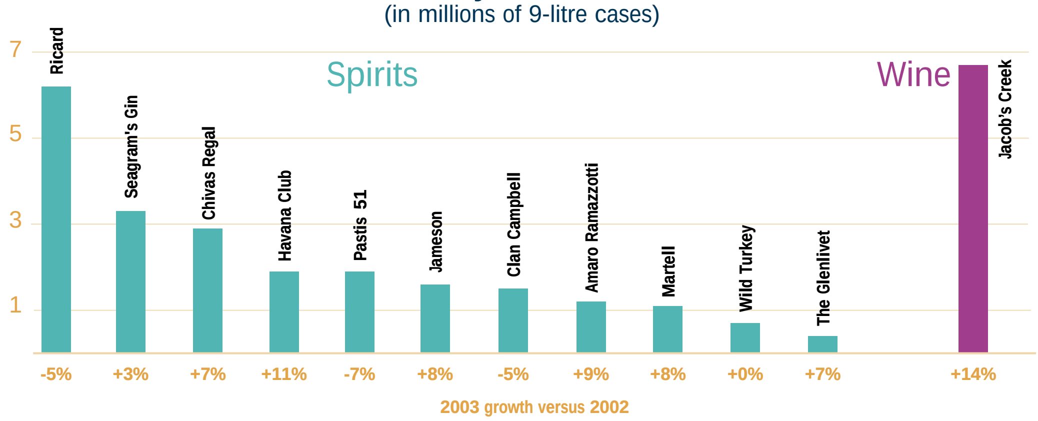


(1) In February 2004, the share price exceeded the OCEANE conversion price:€ 95.96.
(2) Simulation in the event of the conversion of the OCEANE bonds into share capital.

Evolution of net debt
(at 31 December/in euro millions)



Key brands
(in millions of 9-litre cases)



Message from the and Chief Exe

I am often asked: "Why have you decided to focus on wine and spirits?" My answer is very simple: this is the sector where we can see a real potential for growth when we have the know-how of a global company.

In the developing countries, growth is in the 'international western style' spirits, such as Scotch whisky, Irish whiskey or cognac. In the developed countries, there has been a marked trend towards premium wines and spirits for some years. With our Chivas Regal, Martell, Jameson, Jacob's Creek, and many other brands, we project ourselves as a leading player on this market. Finally, the wine and spirits market is currently quite fragmented. It therefore offers our Group a real potential for growth by acquisitions.

The results we have achieved confirm the soundness of our strategy. In two years we have doubled our wine and spirits net sales by integrating and relaunching Chivas Regal, Martell, The Glenlivet, and other Seagram brands. At the same time we have continued to promote other "historical" brands such as Jacob's Creek, Jameson, Ramazzotti and Havana Club. Our excellent results, especially in China, the United States and Europe, confirm the successful integration of the Seagram activities in the Group.

These successes were achieved in 2003 in a difficult international environment, beset by specific problems such as the

Patrick RICARD
Chairman and Chief Executive Officer

Chairman
cutive Officer

SARS virus in Asia, threats to boycott French products in the United States and a depressed economic environment in France.

Our organisational model, based on decentralised decision making, has therefore worked to perfection. It has given us a presence in every market in the world, with a balanced portfolio of products. It is the guarantee of our future success.

"In two years we have doubled our wine and spirits net sales by integrating and relaunching Chivas Regal, Martell, The Glenlivet, and other Seagram brands."

Our wine and spirits are distributed worldwide with strong local roots, providing enjoyment to consumers. Our products weave social networks that feature encounters, exchanges and sharing, whether on a terrace, in a restaurant or at home with your family and friends. If consumed in moderation, our products are synonymous with enjoyment and this is what we cherish.

But Pernod Ricard is not just about achieving commercial success. What distinguishes us is our commitment to responsible drinking.

We shall be able to secure our long term development through our involvement in professional organisations and the undertaking of different initiatives with young adults, promoting road safety and care for our environment. We intend to share this commitment with our consumers, our trade customers and all the people who work with us and for us.

Strengthened by our social commitment and sharing of values that lie at the heart of our corporate culture, we are developing a sound and reasoned approach to the market, reflected in our policy of transparency and respect towards our shareholders.

Pernod Ricard today is a thriving business with a global vision and a distinct strategy for the wine and spirits market. The basis of our future development is simple: create value for the business and its shareholders.

I would like to take this occasion to thank Thierry Jacquillat who will be shortly leaving the Board of Directors. A leading contributor in defining our global expansion, he was one of the key players responsible for the internationalisation of the Group some twenty years ago. Thanks to his exceptional managerial skills, we were able to successfully make significant acquisitions in the United States, the United Kingdom and Ireland. More recently, he played a fundamental role in the acquisition of Seagram and the disposal of Orangina.

Interview with Directors

"Our continual investment in our brands secures their long-term development".

Pernod Ricard concluded its refocusing on its core business in 2003, with virtually all of its operating profit now derived from its wine and spirits business. How did your brands perform in 2003?

2003 was a very good year for Pernod Ricard, with both our global and local brands enjoying strong growth in their different markets.

Our two priority brands, Chivas Regal and Martell, enjoyed sales increases of 7% and 8% respectively. This relaunch has been successful while pursuing at the same time the development of our "historical" Jameson, Havana Club, Ramazzotti and Jacob's Creek brands. We would like to take this opportunity to thank our teams throughout the world for this truly remarkable performance.

Many of our local brands enjoyed double-digit sales growth in high potential markets such as Thailand, Russia, Venezuela and India.

Our wine and spirits business recorded an organic net sales growth rate of 8.1%, with all regions progressing, with the exception of France, Poland and Ireland, which experienced a depressed economic environment.

2003 was marked by the appreciation of the euro against other currencies, including the US dollar. How did this affect results?

Pernod Ricard is a global group, distributing its products in more than one hundred countries. Hence, in the United States, we sell our products in US dollars: if the dollar depreciates against the euro, our profits expressed in euros decrease proportionally, even though we enjoyed excellent commercial performances.

For 2003, this currency effect had an € 83 million adverse impact on our profitability, primarily due to the depreciation of the US dollar and Venezuelan bolivar.

Richard BURROWS
Director General

Pierre PRINGUET
Director General

General

You benefit from natural exchange rates coverage, as part of your financial debt is denominated in US dollars. How did you pursue your financial debt reduction?

In 2003, we pursued our programme of non-strategic asset disposals. Our average borrowing cost decreased from 4.4% to 3.7% for 2003, and our finance cost decreased by 38%. Our financial debt was reduced by € 682 million, and our debt-to-equity ratio improved to 0.77 at 31 December 2003, Océane convertible bonds included.

Despite a negative currency effect, you managed to improve your operating profitability by 0.7 point (1.3 point on a constant exchange rate basis) while maintaining your advertising and promotion expenditures level. How did you achieve this?

In order to improve our profitability, we maintained our structure costs at 18.9% of sales. We increased our prices in certain markets and we also developed our high margin premium brands, like Royal Salute.

In addition, we maintained our advertising and promotion expenditures at a high level of 21.5% of sales. Indeed, our continual investment in our brands secures their long-term development. We shall pursue these expenditures in 2004.

You will recommend to the Annual General Meeting a change to a 30 June fiscal year-end. What are your reasons?

Pernod Ricard realises 60% of its results during the second half of the calendar year, most notably due to significant sales generated during the festive holiday period at year-end. Thus, adopting a 30 June instead of a 31 December fiscal year-end will enable the Group to increase the relevance of its reporting.

In addition, it will enable greater comparability between our results and those of our major competitors, who do not have a 31st December year end. If our proposal is accepted by the Combined General Meeting, our current fiscal year will, exceptionally, have a duration of 18 months, from 1 January 2004 to 30 June 2005.

The Group achieved excellent performances in 2003. Will the cash dividend distribution reflect this progression?

We are pleased to announce that this indeed will be the case. The Board of Directors will recommend to the Combined General Meeting of 17 May 2004 the distribution of a cash dividend of € 1.96 per share, up 8.9% on the previous year.

Hence, Pernod Ricard distributes 30% of its net profit to its shareholders, in reward for their loyalty, and with a view to maintaining this privileged relationship that has been carefully nurtured over many years.

What is your outlook for 2004?

Our slogan "Local Roots, Global Reach" reflects our ambitions for 2004. The development of our global brands, as well as our local brands in high potential markets should result in profitable growth and generate cash flow.

In addition, the Group will continue to innovate, with the launch of new products such as the super premiums Royal Salute 38 Years Old and the Wyborowa Single Estate vodka. Many of our key brands will benefit from new advertising campaigns and packaging.

All these initiatives, together with a more favourable economic environment, will result in a better outlook for 2004.


PREMIUM
SCOTCH
WHISKY
BLENDED SCOTCH WHISKY
CHIVAS BROTHERS LTD

The Year


RICARD


MARTELL

2003 in review

Following 2002, highlighted by the successful integration of recently acquired brands and workforce, 2003 was the first full year for the new Pernod Ricard with a single business: wine and spirits.

We faced many challenges in 2003: successful relaunch of the brands acquired through the Seagram takeover, maintenance of the Group's dynamism through its traditional brands, exploitation of growth opportunities in the emerging markets of Asia, Russia and South America, development of our positions in the United States and Europe, and response to difficulties encountered, notably in France.

Pernod Ricard

Relaunch of
Chivas Regal, Martell and The Glenlivet

Chivas Regal advertising campaign in France.

In accordance with previously announced objectives, the Group has successfully relaunched its Chivas Regal, Martell and The Glenlivet brands. With sales increases of 7% for Chivas Regal, 8% for Martell, and 7% for The Glenlivet, these three brands have demonstrated their potential.

GLOBAL PRIORITY FOR CHIVAS REGAL

As the most important spirits product for the Group, whisky accounts for 40% of Pernod Ricard's volumes. The Group is now the world's number three for Scotch whisky.

A key brand, Chivas Regal, is distributed in over a hundred countries. With sales rising by 7% to 2.9 million cases, this premium Scotch whisky is the leader in Europe and number two in the travel retail sector. Chivas Regal posted exceptional growth figures in 2003: increases of 215% in China, 43% in Malaysia, 22% in Greece and 10% in Spain. Our objective: make Chivas Regal 12 years old the world leader in premium Scotch whiskies.

In September 2003, Chivas Brothers launched its new "This is the Chivas Life" campaign. This press, billboard and television campaign covered 50 markets,

Martin Riley (Chivas Brothers), Horace Ngai (Pernod Ricard Asia) and Dimitra Soukara (Pernod Ricard Hellas).

Lionel Breton, Éric Benoist, Élisabeth Ricard and Thibaut de Poutier de Sone (Martell & Co).

Chivas & Martell: new advertising campaigns

With “This is the Chivas life”, Chivas Regal communicates its values in a prestigious and contemporary way.
With “Only a few can tell”, Martell primarily targets Asia well-to-do consumers over the age of 35.

inviting Chivas consumers to live life to the full. The “This is the Chivas Life” campaign mainly targets whisky drinkers over the age of 30.

The campaign will be extended in 2004, with the USA, China, France, Japan, Taiwan, Venezuela, Spain, Greece and Italy representing its main target markets.

MARTELL BOUNCES BACK

In 2003, Martell’s sales increased by 8%, reaching 1.1 million cases, showing strong recovery of the brand. Martell has captured market share in China where its sales increased by an outstanding 50%, and also in the UK where it posted strong sales growth of 25%.

Martell has based its global communication message on its independence and inspiration values. A regional approach has been developed through distinctive campaigns, one for Asia, and the other for the United States.

Asia represents approximately 16% of the world market for cognac. Martell’s “Only a few can tell” press and television campaign was launched in December in China, Hong Kong, Singapore and Taiwan.

In 2004, Martell should continue to grow in China, the United Kingdom, the United States and Mexico. Strong distributor commercial support measures have already been deployed.

DEVELOPMENT OF THE GLENLIVET

Endowed with a strong heritage, The Glenlivet experienced a 7% increase in sales for 2003 to 370,000 cases. Introduced in 13 new countries, this Scotch malt whisky posted a 5% increase in sales in the United States, its main market.

In 2004, the packaging will change to better reflect the brand’s origin, emphasizing the prestige and the quality of this highly respected malt whisky.

Pernod Ricard

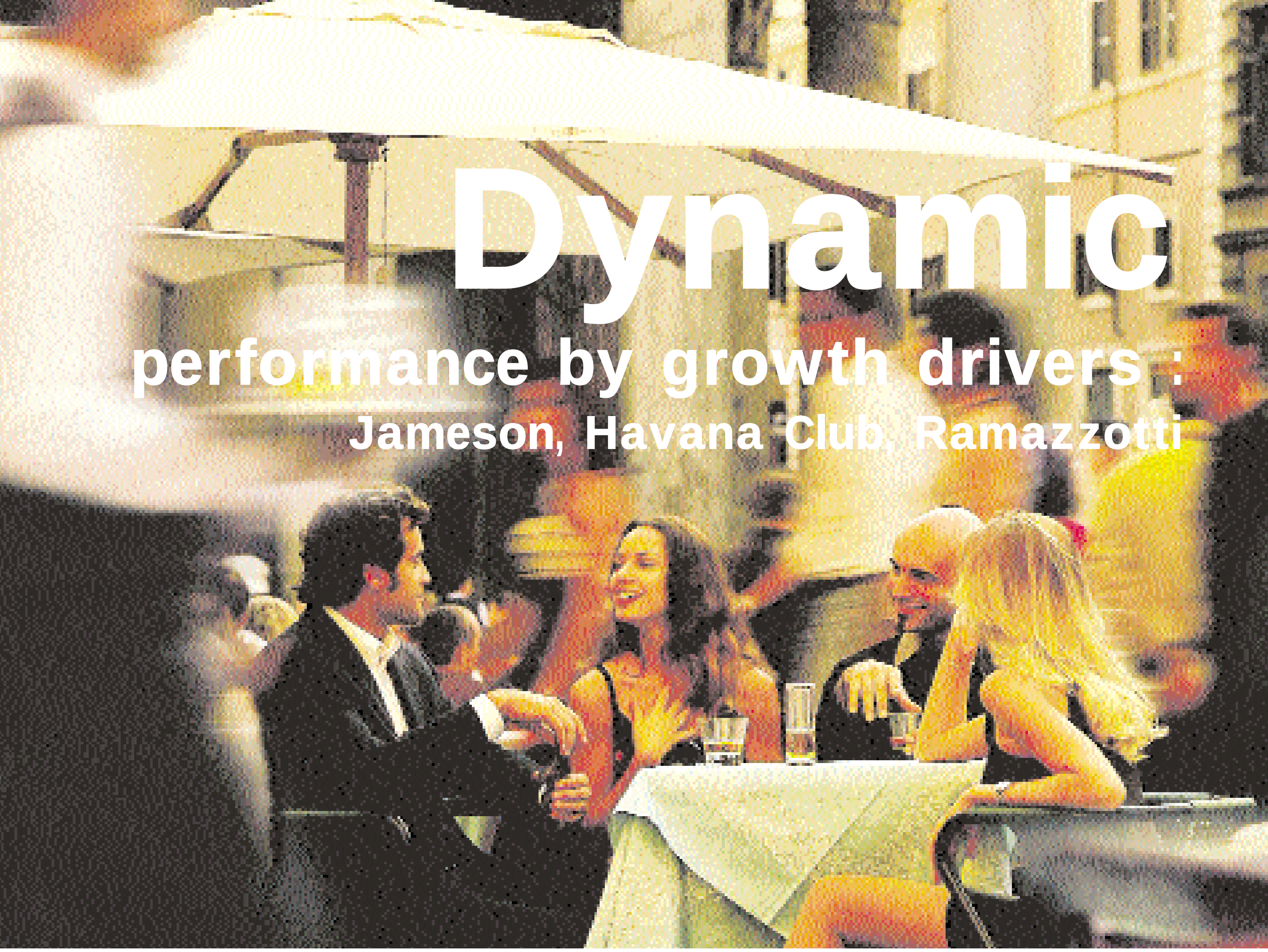
Martell

“Rise above” campaign in the USA

Martell launched its “Rise above” advertising campaign in the USA as part of its strategy for reconquering this market, the world's largest cognac market, accounting for 38% of global consumption.

The “Rise above” campaign features Afro-Americans who are recognised as role models in their community for their professional success and community commitments.

Dynamic performance by growth drivers : Jameson, Havana Club, Ramazzotti



Relaunching the Group's new brands while still pursuing growth with Jameson, Havana Club and Ramazzotti. A challenge that has been successfully met around the world by the dynamism of the Pernod Ricard teams.

JAMESON, THE WORLD LEADER IN IRISH WHISKEYS

In 2003, Jameson maintained its strong international progress with 1.6 million cases, representing an 8% growth worldwide, including an 11% growth for export markets (excluding Ireland).

The world leader in Irish whiskeys, Jameson has accelerated its growth in numerous high potential markets, such as the US, South Africa, Australia, travel retail and Spain, as well as many other European countries. The brand has also developed well in booming new markets, including Brazil, Russia and Thailand.

The brand communication relies on three complementary messages: the Irish origin, the high quality of the product (triple

Armin Ries and Manfred Koslosky (Pernod Ricard Deutschland).

Ramazzotti

A unique success

As the leading imported spirit in Germany, Ramazzotti is the only brand in its category that enjoys continuous growth, with sales up 9% in 2003 to 1.2 million cases.

Germany is the leading market for this Italian bitter, a unique success within the Group.

In 2003, various promotions, including the television campaign "Il Balcone" that was broadcast in Germany, boosted sales through the year. The leading brand in south and central Germany, Ramazzotti also ran two billboard campaigns in the north and east of the country, backed by numerous local promotions.

In 2004, Ramazzotti intends to continue its sales growth. A new "wunschbrunnen" (wishing well) campaign will support the brand in reaching this objective.

Pernod Ricard

Havana Club

New look

Havana Club's previous packaging, although authentic and original, has adopted a contemporary touch.

distillation and smoothness), and the "what's the rush" concept. In parallel with this, Jameson has highlighted its partnership with the cinema industry in some twenty countries, with a notable presence at numerous festivals in Europe and around the world.

In addition, Irish Distillers' three visitor centres in Ireland welcome nearly 400,000 visitors from all over the world, thus contributing to greater awareness and appreciation of Irish whiskey, and of Jameson in particular, worldwide.

HAVANA CLUB'S TARGET: 2 MILLION CASES

With 1.9 million cases sold in 2003, representing an 11% increase in sales, Havana Club is undisputedly a leading international rum brand. The brand has experienced sales increase of 115% in the United Kingdom, 17% in Germany, 15% in Cuba and 12% in Italy.

Havana Club was able to achieve these exceptional results in 2003 as a consequence of the following three factors: new packaging, new products and its original "Havana Club Banda" promotional campaign.

Among the new products launched in 2003 was the dark rum Añejo Especial. This rum mixed with cola is a product that is very popular with consumers and thus competes with whisky.

Havana Club Loco, a new ready-to-drink product, was successfully launched in Italy in June 2003. Ten million bottles were sold in the first six months of sales. Made from "Añejo Blanco" white rum, Havana Club Loco is the only product on the market that uses natural fruit juices and contains no preservatives. Havana Club Loco, which is available in lemon and passion fruit flavours, was launched in Cuba last December.

The "Havana Club Banda" theme promotional events were a huge success in 2003, directly reaching more than 260,000 consumers. Two groups of twelve young Cuban musicians and dancers toured discos, hotels and bars selling Havana Club, entertaining patrons with authentic Cuban shows.

Profitable growth for Jacob's Creek

In a highly competitive environment, Jacob's Creek has recorded growth of 14% in 2003, selling 6.7 million cases. Distributed in over 60 countries, the brand has continued to consolidate its position, with its sights on sales of 10 million cases in the medium term.

MAINTAINING A PREMIUM PRICE LEVEL

Jacob's Creek has had to face the challenge of significant price-cutting by its competitors in several of its key markets, including Australia, the United States and the United Kingdom. Its decision to maintain its premium price positioning enabled the brand to maintain its brand equity and growth.

EXPANDING RANGE

Since its origins in 1976, as a constantly evolving brand, Jacob's Creek has always been keen to improve the quality of its range with new varietals, including the Reserve range, which achieved excellent results in 2003.

The Jacob's Creek marketing and winemaking teams have always listened to ideas from wine-lovers. This has had the effect of steering the brand in the direction of high-quality premium products. A strong focus has been taken to ensure that the style of the wine does not change and quality improves year by year.

Thus, Jacob's Creek Sparkling, launched in 1998, has become the leading Australian sparkling wine on its domestic market, as well as in New Zealand, Japan and the United Kingdom. Following the completion of positive tests, it will be launched in the United States in mid 2004.

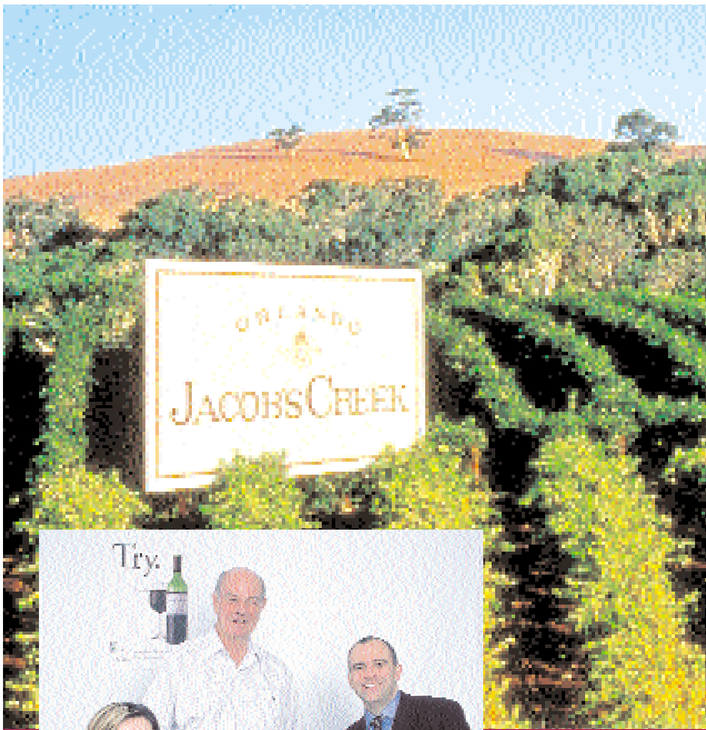
ACKNOWLEDGED QUALITY ALL OVER THE WORLD

Jacob's Creek benefited from its status as Official Wine Supplier for Rugby World Cup 2003, which gave it exclusive promotional rights in Australia, the United Kingdom, Ireland, Japan and New Zealand.

Jacob's Creek wines have also won over 1,500 medals and awards in Australia and the rest of the world since its launch. In 2003 alone, the brand won more than 225 awards and medals.

+26%
in the United States

+10%
in the United Kingdom, leading market of the brand



Dee Clayton (Pernod Ricard UK)
Philip Laffer, (Orlando Wyndham)
Chris Seale, (Pernod Ricard UK).

Pernod Ricard

Jacob's Creek Reserve

The "Reserve" range, launched in 2000, has grown rapidly. Today it represents a large proportion of the brand's volume in a number of its key markets, led by the United States and Australia.

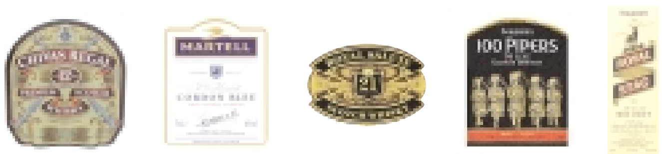
Jacob's Creek Reserve wines are produced from the best vines and the best grapes. They therefore offer the consumer a very high quality wine that retains the style and spirit of the Jacob's Creek family.

Today the Jacob's Creek Reserve range comprises a Shiraz, a Cabernet Sauvignon, a Riesling and a Chardonnay.

Expansion in Asia

Chanel Lu (Pernod Ricard China).

As the world's most dynamic market, Asia is experiencing spectacular growth, especially in China. While South and South East Asia are expanding rapidly, Korea and Japan are encountering some economic difficulties.



STRONG GROWTH OF LOCAL BRANDS IN THAILAND AND INDIA

Thanks to the dynamism of its local brands, the Group achieved extremely good results, especially in the whisky sector. 100 Pipers is now the leading standard Scotch whisky in Thailand, where Master Blend, an "admix" whisky, is enjoying undisputed success.

In India, sales of Royal Stag and Imperial Blue, whiskies blended locally from grain spirits, continued their strong growth. These mid-priced whiskies offer Indian consumers a taste and quality similar to standard international whiskies.

+38%

Group volumes in Thailand

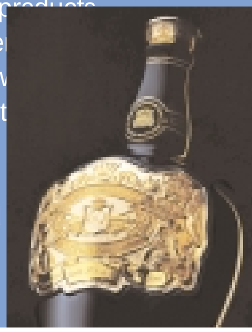
Sophie Gallois (Chivas Brothers) and
Horace Ngai (Pernod Ricard Asia).

Royal Salute
a true luxury product

Recognised in Asia as a luxury product, Royal Salute experienced unprecedented success in 2003 with the launch in June of Royal Salute, 50 Years Old, a unique product retailed at $US 8,888 per bottle.

Pernod Ricard

The Asian market is in fact evolving towards super premium whiskies, more prestigious, higher quality and more expensive p
As the only super pre
21 Years Old Scotch w
Royal Salute is exploit
this new vogue.
It has developed strongly in China and Taiwan amongst the business community.



White spirits sales are also expanding rapidly in South Asia, where Seagram India launched Fling, a vodka produced from superior grain spirit and blended with American vodka from the Group's Lawrenceburg distillery, located in Indiana. Available in peach and blackcurrant flavours, Fling has enabled Seagram India to reach a new range of consumers.

+100%
Group volumes in China

REMARKABLE SUCCESS IN CHINA

In China, Chivas Regal and Martell have enjoyed exceptional growth despite SARS, which mainly affected consumption between March and July.

For its part, Martell enjoyed a 50% increase in sales in this market. In its communications, Martell has as its priority focus over 35 years old consumers, who have a sense of good taste, are able to appreciate the finer things in life, and enjoy a successful career.

Specific promotional initiatives such as the 'Martell Elite Club' were developed in a number of Chinese cities with a view to building customer loyalty amongst its members and winning over new consumers.

DIFFICULTIES IN THE JAPANESE AND KOREAN MARKETS

In Japan, Chivas Regal, the country's top-selling imported spirit, has retained its market leadership in a difficult economic environment.

South Korea, the biggest market for Scotch whisky in Asia, recorded an overall drop in sales of premium whisky. The bursting of the consumer-credit bubble, SARS and the regional political environment caused consumption and sales of wine and spirits to plunge. This market is not expected to recover before 2005.

Philippe Guettat, Kevin Lee and Liya Zhang
(Pernod Ricard China).

Chivas Regal
+215% in China

Chivas Regal is the undisputed leader in the Chinese whisky market, which is by far the fastest growing in the world. An International Scotch par excellence, the brand's success in China is mainly its appeal to 25-35 year-olds and business customers.

Performance in the United States

Charles Smith, Michel Bord and Kevin Fennessey (Pernod Ricard USA).

Success in the world's leading spirits market is of critical importance to Pernod Ricard. The Group continues to grow through its Jameson, The Glenlivet and Jacob's Creek global brands. The launch of a new vodka and new campaigns for Seagram's Gin, Chivas Regal and Martell have enabled the Group to strengthen its market position.

EXCELLENT GROWTH FOR JAMESON, THE GLENLIVET AND JACOB'S CREEK

With sales up 18% in 2003, Jameson has experienced double-digit growth for the fifth consecutive year. This performance is the result of continuing efforts over the last several years in the on-trade. Jameson, while still popular among consumers of Irish origin, has become increasingly fashionable among 25 to 30-year old consumers, attracted by this smooth Irish whiskey. Jameson has made itself an indispensable bar brand.

The Glenlivet, the leading malt whisky in the United States, broke the 200,000 case mark for the first time. Its consumer base has expanded substantially, due to a direct consumer approach strategy and numerous local promotions.

Pernod Ricard

An effective duo

Pernod Ricard USA's close relationship with its distributors has enabled it to identify gaps in the US vodka market. In just six months, the first cases of Seagram's Vodka, distilled in Lawrenceburg, Indiana, were brought to market. This new brand was an immediate success, surpassing the half-million case mark in its first year of introduction.

The flavoured vodka market is enjoying rapid growth, with four flavours (apple, vanilla, lime and raspberry) launched in 2003. New flavours will be available in 2004. Seagram's Platinum Select, a 100 proof vodka, will also be brought to the market in May.

With Seagram's Gin and Seagram's Vodka, Pernod Ricard USA now has an extremely effective duo for improving its presence in bars.

+26%
Jacob's Creek

+18%
Jameson

NEW BEGINNING FOR CHIVAS REGAL AND MARTELL

The launch of the new "This is the Chivas Life" campaign marked the start of a new era for Chivas Regal in the United States. For the first time, Chivas Regal was widely advertised on television and numerous campaigns targeted the Hispanic community. Additionally, Chivas Regal 18 Years Old sales have jumped by 40%.

The new Martell "Rise Above" campaign, featuring the Afro-American community, was enthusiastically received, resulting in sales increases at year-end. Various campaigns were launched targeting both Mexican immigrant population with Martell VSOP, the leader in the Mexican market, and also the Asian population with Martell Cordon Bleu. Initially introduced in California, these marketing initiatives will be extended nationally in 2004.

Jacob's Creek experienced double-digit growth in 2003 while preserving its profitability. It adopted a successful strategy of avoiding a price war initiated in 2002 by its competitors. Jacob's Creek Reserve line has more than doubled in volume in the United States, as a result of the excellent "premium" image it enjoys there.

RENAISSANCE OF SEAGRAM'S GIN

Seagram's Gin enjoyed renewed growth in 2003 for the first time since 1992. As the most popular spirits brand of the Afro-American community, Seagram's Gin focused its efforts on its traditional consumers and on the revitalisation of its image.

Pernod Ricard

Olmeca seeking to conquer the world

This market has been revitalised by the drop in agave prices, a plant used in making tequila. In three years, Olmeca sales have grown by 61%, making it the fourth best selling tequila export brand in the world (outside the United States). With a premium positioning, Olmeca has benefited from its new "The party warrior" campaign.

Havana Club advertising campaign in Germany.

Steady growth in Europe

As the Group's most important regional market, accounting for 40% of its sales, Europe (excluding France) enjoyed a further year of growth, led by markets in Eastern and Southern Europe. Ireland and Poland were adversely affected by an unfavourable socio-economic environment.

STRONG PROGRESS IN EASTERN EUROPE AND RUSSIA

The imminent enlargement of the European Union offers promising opportunities for the Group. In 2003, sales in Eastern Europe* with the exception of Poland, grew by 27%, this included growth of 22% in the Czech Republic and 20% in the three Baltic countries.

Russia also performed well. With sales up 18%, this continent-sized country represents a high potential market. While the bulk of sales volume is still accounted for by local brands such as Ararat brandy or Georgian wines, the Group's global brands have achieved exceptional growth here. Chivas Regal more than doubled its volume, while Jameson and Martell recorded sales growth in excess of 50%.

Positioned as a premium tequila brand, Olmeca has become the top-selling tequila in the Russian market, thanks to a threefold increase in sales.

Local brands are also continuing to make progress in Eastern Europe. Ararat, an Armenian brandy, has enjoyed sustained growth, emerging as the undisputed Russian market leader in its segment with a 54% market share.

In the Czech Republic, the Becherovka bitter aperitif was repackaged in autumn 2003, followed by an intensive promotional campaign.

SIGNIFICANT ADVANCES IN SOUTHERN EUROPE

In Southern Europe**, the Chivas Regal, Martell and Jameson global brands made strong progress.

Chivas Regal sales rose by 22% in Greece and by 11% in Spain, two key markets for this brand, as a result of being sustained by the new "This is the Chivas Life" campaign.

CHALLENGES IN IRELAND AND POLAND

Irish Distillers, the leading name in wine and spirits in Ireland, outperformed the market, despite a 42% hike in duties on spirits, introduced on 4 December 2002. This added 4 euros on average to the price of a bottle of spirits.

The Irish whiskeys, notably Jameson and Powers, as well as the Irish-distilled Cork Dry Gin, increased their market share.
The successful new positioning for Martell – French elegance – has made it the clear number two cognac brand in Ireland.
The New World wines, Jacob's Creek, Wyndham Estate and Long Mountain, have also maintained their strong growth.

The premium wine and spirits market in Poland has also faced difficulties, primarily as a result of tough competition from discount vodka brands.

In 2004, the new Wyborowa bottle will highlight the three characteristics of the brand: authenticity, sophistication and pleasure.

* Eastern Europe comprises: Czech Republic, Slovakia, Hungary, Poland, the Baltic states and Russia, Belarus, Ukraine and Caucasus (Armenia and Georgia).
** Southern Europe comprises: Italy, Greece, Spain and Portugal.

Success in Italy

Pernod Ricard

Pernod Ricard posted a 15% increase in sales for Italy in 2003. This growth was driven by strong performances by Jameson (+13%), Havana Club (+12%) and Wyborowa (+10%).

The new 'This is the Chivas life' campaign also helped strengthen the position of Chivas Regal.

The launch of the ready-to-drink Havana Club Loco in June was backed by significant marketing and media investment in Italy. Strengthened by the main brand, the product is now the fourth best selling ready-to-drink beverage in Italy, with a second place ranking potentially achievable in 2004.

Paolo Benazzi, Franco Bonadeo and Aramis Ghilardi (Ramazzotti).

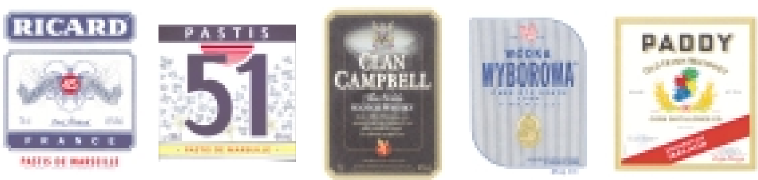
Maintained market share in France

The French market, which accounts for 17% of Group sales, has been sluggish. In spite of this difficult environment, the Ricard and Pernod companies have managed to maintain their position as market leaders.

A SLUGGISH MARKET

Group sales in France were adversely impacted by the heatwave of 2003, which did not favour alcohol consumption, the slowdown in household consumption and the progression of hard discount brands at the expense of premium brands. Finally, the implementation of stricter controls to combat drink driving also contributed to lower consumption of wine and spirits.

Against this background, the Group has been able to maintain its volume share of the aperitif and spirits global market at 20% in off trade (source: IRI panel), with aniseed enjoying a 49% market share and whiskies enjoying a 13.5% share.
Ricard, Clan Campbell, Aberlour, Paddy and Jameson whiskies experienced a slight growth in market share, despite decreasing volumes.



Paul-Robert Bouhier and Michel Letter (Ricard).

Xavier Beysecker and André Hemard (Pernod).

Ricard and Pernod marketing and commercial teams

CONTINUING TO MAKE PROGRESS

Apart from this, some products have performed exceptionally well. Havana Club saw growth of 6.1%, buoyed by Havana Club 3 Años. Paddy's Irish whiskey, up by 16%, has managed to establish itself as a credible alternative to the standard Scotch whiskies, while Sandeman port, which grew by 11.5% in consumer-panel studies (source: IRI), is the only brand in its category to achieve double-digit growth.

Aberlour achieved excellent sales towards the end of the year and the Polish vodka, Zubrowka, was the clear leader in premium vodkas. New products such as Aberlour 16 Years Old and Cinzano Arancio have also been launched successfully.

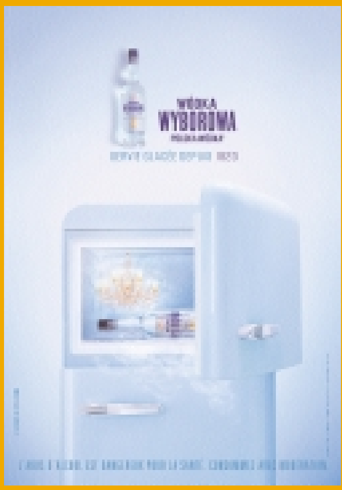
INCREASED FOCUS ON BRANDS

Ricard has managed to make inroads into the clubbing scene with Ricard Bouteille.

Chivas Regal has confirmed its leadership position in premium whiskies with a 12% market share, at a time of significant decline in the sector. Chivas Regal has also seen the benefit of its "This is the Chivas life" campaign, which was launched in December.

The drive to give Suze a trendier image has continued, with a second limited edition designed by Christian Lacroix and a glass designed by Jean Nouvel.

These brand initiatives will be extended into 2004, with developing their respective market shares as their objective.



Wyborowa

sales up

35 %

Pernod Ricard

Wyborowa achieved a remarkable performance on the vodka market, with a 35% increase in sales (source : IRI), enjoying strong success in off-licences. These performances were sustained by the brand's first advertising campaign in France. Three new Wyborowa flavours (rose, pear and almond) and a new packaging format will be launched in 2004.

"Something Special" advertising campaign in Venezuela.

Signs of recovery
in Central and South America

**Group sales in Central and South America rose by 11% thanks to a very good second half-year, which featured increasing signs of a recovery.
In 2004, Pernod Ricard Central and South America plans to develop several international brands, especially in the whisky sector, while continuing to rely on its local brands and on Chivas Regal.**

GOOD RESULTS THANKS TO LOCAL BRANDS

2003 began in the same adverse economic environment as in 2002, notably with a general strike and the imposition of exchange controls in Venezuela, and an austerity policy in Brazil. The Group therefore decided to concentrate its efforts on local brands, which account for 86% of total sales in the region.

As a result, the local whiskies, Blenders Pride, Dunbar and Regency, have respectively improved in Argentina, Uruguay and Venezuela. Sales of Etchart wines in Argentina together with Orloff vodka and Almadén wines in Brazil, also continued to grow. In addition, sales of the Something Special Scotch whisky increased by 40% for the entire region, exceeding the one-million-litre mark in Venezuela for the first time.

The only negative results were generated by the Brazilian rum, Montilla, which was badly affected by the crisis in north-eastern Brazil.

In the second half-year, consumption picked up again following the economic upturn in Argentina and Uruguay, the reduction in tax on alcohol in Colombia and the revaluation of the local currencies against the dollar. Chivas Regal was therefore able to reverse the trend and made tremendous progress in the second half-year.

ENCOURAGING PROSPECTS FOR GLOBAL BRANDS IN 2004

More favourable conditions and good results posted by local brands should enable the Group to resume the development of its global brands in the region, in particular whiskies. This sector represents the most important category of imported spirits.

The Group is positioning itself strongly in the region, especially with the Irish whiskey, Jameson, following its successful launch in Brazil and Uruguay in 2003. The Scotch whiskies, Chivas Regal, Something Special, 100 Pipers, Passport and The Glenlivet, should also benefit from this dynamism in 2004.

At the same time, Pernod Ricard Central and South America plans to accelerate the development of Havana Club and Wyborowa in 2004, as well as raising the profile of Martell and Ricard.

N°2
in Travel Retail

+11%
in 2003

Dynamism
of Travel Retail sector

In the first half of 2003 the Travel Retail sector was adversely impacted by the Iraq war, SARS in Asia, and a difficult economic environment, chiefly in Japan, all of which severely reduced air travel.

However, this did not hamper the rapid growth of several of the Group's brands: Jameson sales increased by 23% while those of Havana Club rose by 20%, with Jacob's Creek sales volume more than doubling. The sector's star brand, Chivas Regal, saw its sales rise by 3%.

Martell, which achieves a fifth of its sales volume in the travel retail sector, suffered from its exposure to the SARS-affected Asian markets, saw its sales fall by 1%. This nevertheless represented an impressive performance, given the significant drop in passenger numbers at Singapore, Bangkok and Hong Kong airports. Martell also launched two products which are exclusive to this sector: Martell VS Sélection Exclusive and VSOP Réserve de Crus.

The visibility of the Group's products, including Chivas Regal and Martell, two stars of the sector, is a key factor in developing this market. Accordingly, Pernod Ricard World Trade has installed thirty permanent showcase displays at different airports in the colours of the two brands. The 'This is the Chivas Life' campaign has been launched in 13 key airports in Asia, Europe and the Americas, with a view to reaching more than 65 million people.

Sandra Si
(Pernod Ricard China)

Jean-Marc Morel
(Pernod)

A Com Group

Pascal Perrochon
(Pernod Ricard)

mitted

At Pernod Ricard, sustainable development is a long-term commitment that will enable the Group to build itself a future with strong values.

We are above all a Group of men and women sharing the same passion and culture. Conviviality, simplicity, entrepreneurship, integrity and commitment are the heart of our business.

In 2003, we committed ourselves to the "Global Compact", demonstrating our ethical and social commitment to our business customers, consumers, environment and workforce.

We also published our Charter, summarising in it all of the principles governing the Group's operations, which are upheld by all of our companies and people, throughout the world.

Laurent Piedvache (Pernod)

Pernod Ricard

Aurora Callejo (Havana Club)

Corpo

Board of Directors

The Board of Directors sets the strategic direction of the Group and supervises its implementation, subject to the powers it has been allocated by the General Meeting of Shareholders, its bylaws and the law.
At each meeting, it conducts a detailed examination of Group's business: sales volume, financial results and cash flow. The Board of Directors met 7 times in 2003, with a 93% attendance rate.
The Board of Directors also has a Strategic Committee, an Audit Committee and a Nominations and Remuneration Committee.

Composition

- a **Patrick Ricard**
  Chairman
- b **Thierry Jacquillat**
  Vice-Chairman
- c **Jean-Claude Beton**
- d **Jean-Dominique Comolli**
- e **François Gérard**
- f **Rafaël Gonzalez Gallarza**
- g **Françoise Hémard**
- h **Jean-Jacques Laffont**
- i **Danièle Ricard**
- j **Gérard Théry**
- k **Lord Douro**
- l **Didier Pineau-Valencienne**
- m **William Webb**

Société Paul Ricard, permanent representative:

- n **Béatrice Baudinet**

rate governance

Since its foundation in 1975, Pernod Ricard has been careful to apply the principles of corporate governance. The creation of shareholder value, transparency and ethical conduct are at the centre of all decisions made by Pernod Ricard's management and monitoring bodies.

In 2003, the Board of Directors of Pernod Ricard consisted of 14 directors, 6 of whom were non-executive.

Strategic Committee

7 meetings in 2003

CHAIRMAN

Patrick **Ricard**

MEMBERS

Danièle **Ricard**

François **Gérard**

Rafaël **Gonzalez Gallarza**

Thierry **Jacquillat**

Audit Committee

Established on 29 January 2002
7 meetings in 2003 with a 100% attendance rate

CHAIRMAN

Thierry **Jacquillat**

MEMBERS

Didier **Pineau-Valencienne**
Independent Director

Gérard **Théry**
Independent Director

Remuneration Committee

Established on 28 February 2000
3 meetings in 2003 with a 89% attendance rate

CHAIRMAN

Jean-Dominique **Comolli**
Independent Director

MEMBERS

Danièle **Ricard**

Lord **Douro**
Independent Director

General Management

The Group is led by the Chairman and Chief Executive Officer and two Directors General.
The General Management directs Group's Executive Committee and Holding Company Management Committee meetings.

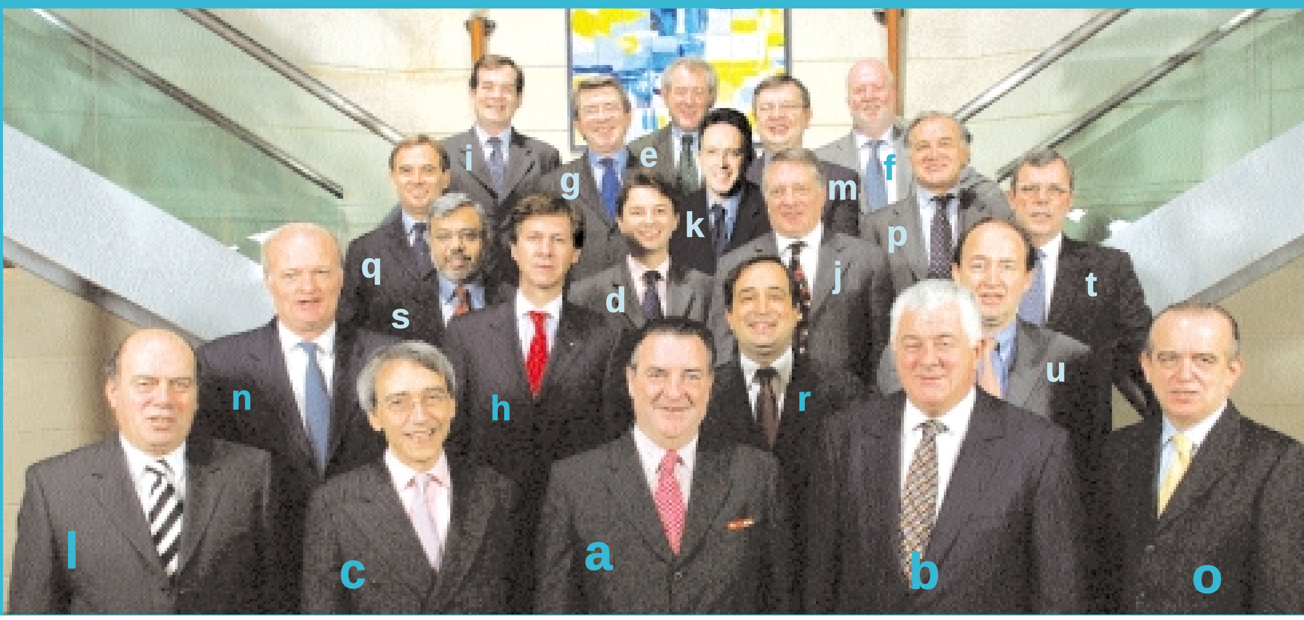
The General Management meets with direct subsidiaries senior management three times a year, to review and approve the budget, the three-year plan and strategy, and the annual financial statements.

Group Executive Committee

The Group Executive Committee meets, under the direction of the General Management, to:
- exchange information on the general activities of the Group and each of its subsidiaries,
- participate in the development of strategies and action plans,
- coordinate the management of human and financial resources, quality control, research etc.

The General Management organises a meeting of the Group Executive Committee every month, as well as an annual meeting at which time medium-term plan and Group strategy is reviewed, key positions are filled, and high potential managers are identified.

The Group Executive Committee met eleven times in 2003.



Holding

a Patrick **Ricard**
Chairman and CEO

b Richard **Burrows**
Director General

c Pierre **Pringuet**
Director General

d Emmanuel **Babeau**
Vice-President, Finance

e Bernard **Cazals**
Vice-President, Human Resources

f Philippe **Mouton**
Company Secretary

g Jean-Paul **Richard**
Vice-President, Marketing

t Yves **Flaissier**
Vice-President, Human Resources from 1 July 2004

Brand Owners

h Lionel **Breton**
Chairman and CEO Martell & Co

i Alain **Chamla**
Chairman and CEO Ricard

j Pierre **Coppéré**
Chairman and CEO Pernod

k Laurent **Lacassagne**
Chairman and CEO Orlando Wyndham

l Georges **Nectoux**
Chairman and CEO Chivas Brothers

m Philippe **Savinel**
Chairman and CEO Irish Distillers

u Christian **Porta**
Chairman and CEO Chivas Brothers from 1 January 2004

Regions

n Thierry **Billot**
Chairman and CEO Pernod Ricard Europe

o Michel **Bord**
Chairman and CEO Pernod Ricard North America

p Gilles **Cambournac**
Chairman and CEO Pernod Ricard World Trade

q Philippe **Dreano**
Chairman and CEO Pernod Ricard Asia

r Francesco **Taddonio**
Chairman and CEO Pernod Ricard Central and South America

s Param **Uberoi**
Chairman and CEO Pernod Ricard South Asia

Holding

Holding Company Management Committee

The Holding Company Management Committee meets, under the direction of the General Management, to:

- exchange information on general activities of the Group and on current or planned significant operations to be undertaken by the Holding Company's functional departments,
- prepare and coordinate operations to be implemented by the Holding Company,
- assist in the preparation of decisions that are the responsibility of the Group Executive Officers.

The Holding Company Management Committee met seven times in 2003.

a Patrick **Ricard**
Chairman and CEO

b Richard **Burrows**
Director General

c Pierre **Pringuet**
Director General

d Emmanuel **Babeau**
Vice-President, Finance

e Gilles **Bogaert**
Vice-President, Audit and Business Development

f Bernard **Cazals**
Vice-President, Human Resources

g Jean **Chavinier**
Vice-President, Information Systems

h Patrice **Desmarest**
Vice-President, Research Centre

i Ian **FitzSimons**
Vice-President and General Counsel

j Armand **Hennon**
Vice-President, Public Affairs – France

k Philippe **Mouton**
Company Secretary

l Jean-Paul **Richard**
Vice-President, Marketing

m Jean **Rodesch**
Vice-President, European Affairs

n Jean-Pierre **Savina**
Vice-President, Industrial Operations

o Francisco de la **Vega**
Vice-President, Communication

p Yves **Flaissier**
Vice-President, Human Resources from 1 July 2004

Transparency with shareholders

In 2003, Pernod Ricard shares continued to outperform both the French market and the international wine and spirits sector.
This performance was welcomed by the financial community and crowned by the return of the share to the CAC 40.

During 2003, Pernod Ricard regularly provided the market with concrete proof of both improving operating and net profitability, thereby confirming the soundness of its strategic decision to acquire the Seagram brands.

Its return to the CAC 40 allows for greater coverage, better visibility and an enhanced image, both in France and internationally.

Pernod Ricard shares closed 2003 at € 88.15, up 19.4% for the year, compared to a 16.1% rise in the CAC 40 index.

Shareholders' agenda

2004 half year sales:
Thursday, 29 July 2004

2004 interim financial results:
Thursday, 23 September 2004

2004 Q3 sales:
Wednesday, 3 November 2004

Volumes traded and share price over 18 months on the Paris Stock Exchange (source : Euronext Paris S.A.)

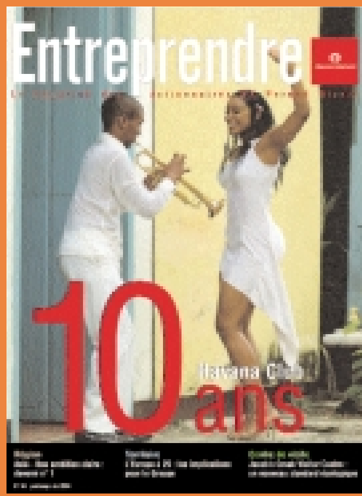
	Volumes traded (in thousands)		Capital value (€ millions)	Average price (in euros)		Highest (in euros)		Lowest (in euros)		End of month price (in euros)	
Sep-02	3,164	3,955	287	90.79	72.63	94.25	75.40	85.20	68.16	91.00	72.80
Oct-02	6,794	8,493	690	101.55	81.24	106.90	85.52	89.25	71.40	102.30	81.84
Nov-02	5,266	6,583	515	97.76	78.21	105.40	84.32	90.00	72.00	90.45	72.36
Dec-02	3,777	4,721	345	91.28	73.02	93.30	74.64	87.80	70.24	92.30	73.84
Jan-03	3,961	4,951	361	91.19	72.95	95.45	76.36	86.60	69.28	90.40	72.32
Feb-03	7,001	8,751	591	84.42	67.54	91.40	73.12	79.88	63.90	89.81	71.85
Mar-03	-	8,637	636	-	73.68	-	79.80	-	68.75	-	78.10
April-03	-	5,114	413	-	80.81	-	83.00	-	77.10	-	78.65
May-03	-	10,739	879	-	81.85	-	85.00	-	77.70	-	84.60
June-03	-	8,201	359	-	80.39	-	84.45	-	77.50	-	77.70
July-03	-	15,183	1,157	-	76.23	-	79.50	-	74.35	-	77.25
Aug-03	-	6,430	503	-	78.24	-	80.40	-	75.70	-	78.15
Sep-03	-	8,009	648	-	80.96	-	84.50	-	77.00	-	81.30
Oct-03	-	5,466	450	-	82.25	-	83.85	-	80.30	-	83.00
Nov-03	-	7,726	682	-	88.33	-	91.15	-	83.20	-	88.65
Dec-03	-	5,364	467	-	87.14	-	89.55	-	84.60	-	88.15
Jan-04	-	8,053	702	-	87.17	-	90.15	-	84.10	-	87.50
Feb-04	-	8,813	836	-	94.84	-	99.20	-	91.85	-	98.75

The framed data has been restated to take account of the increase in capital by incorporation of reserves and a stock dividend allocated of one new share for every four existing shares (with effect from 14 February 2003).

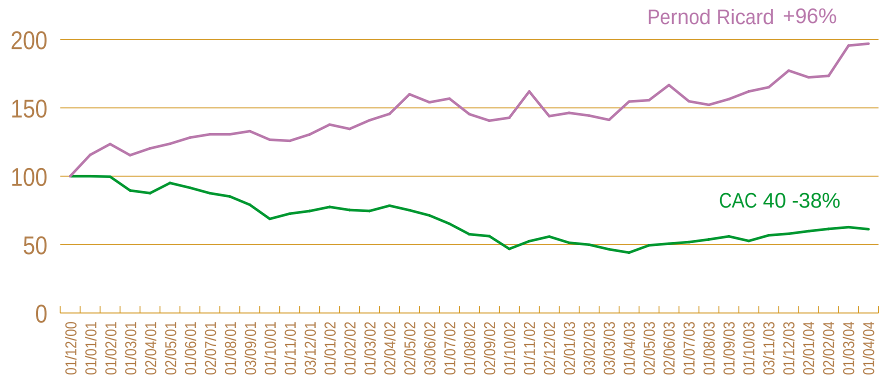
Entreprendre

the shareholders' magazine

The Group publishes every six months the Entreprendre magazine for its shareholders. This magazine provides a more detailed and comprehensive review of the Group's strategy and ambitions than what a Shareholders' Letter would normally afford. Entreprendre also provides the latest brand news and key Group financial information.
Entreprendre is published in French, English and Spanish.
For a free subscription, please contact the Pernod Ricard Corporate Communications Department directly. The magazine may also be downloaded at *www.pernod-ricard.com.*



Evolution of Pernod Ricard and CAC 40 Index from 1 Dec. 2000 to 1 April 2004 (base 100 at 1 Dec. 2000)



Pernod Ricard share information

Codes	
ISIN	FR0000120693
Bloomberg	RI FP
Reuters	PERP.PA
Datastream	F:RCD

THE GROUP AND ITS SHAREHOLDERS

Pernod Ricard's objective in its communications to shareholders is to directly provide them with real time and transparent information.

www.pernod-ricard.com

Our website *www.pernod-ricard.com*, contains a shareholders' page that provides updated real time information on our share price. The site also enables the viewer to follow, on a live or delayed access basis, the Annual General Meeting and other financial information disclosure events, including the presentation of interim and fiscal year financial results.
Press releases, press kits and documents distributed at media and financial analyst information meetings are also available online.

SHARE REGISTRATION

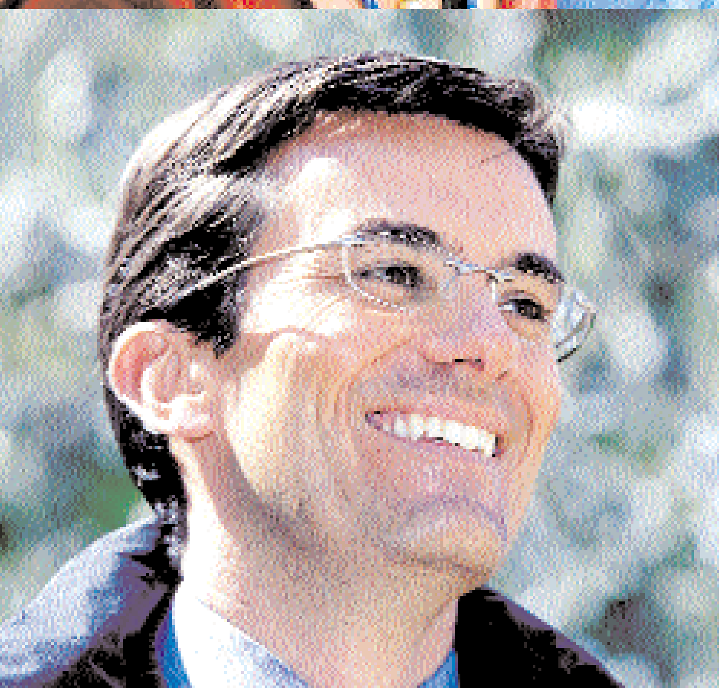
A procedure for buying and selling registered shares has been developed with Société Générale, the transfer agent. To submit orders, registered shareholders can contact Société Générale directly by calling **+ 33 800 119 757 (toll-free in France).**

Shareholder Contacts

Pernod Ricard
Investor Services
+ 33 800 880 953 (toll-free number in France)
12, place des États-Unis
75783 Paris Cedex 16, France
e-mail: shareholders@pernod-ricard.com

Société Générale
Securities Department
+ 33 800 119 757
(toll-free phone number in France)
32, avenue du Champ de Tir
44024 Nantes Cedex 01, France

Men & women
sharing the same passion

Coralie de Kerhor-Bianquis (Pernod Ricard) and Cédric Ramat (Ricard).

As part of the implementation of Group strategy, Pernod Ricard's Human Resources policy aims to attract, develop and obtain greater loyalty from its talented employees.

2003 was characterised by a stabilisation of the Group's workforce size, which numbered 12,254 at 31 December 2003, by a growing internationalisation of the workforce, with three-quarters now employed outside France, and by an increase in the representation of women in the workforce, which accounted for one-third of the workforce at year-end.

FOUR KEYS TO THE GROUP'S SOCIAL POLICY

United in the same core business but possessing many different skills, the Group's workforce benefits from two advantages: first, that of companies built on a human-scale, promoting autonomy and encouraging the assumption of responsibility by all levels of employees, and second, that of a large international group committed to pursing a policy of developing and enriching its human resources.

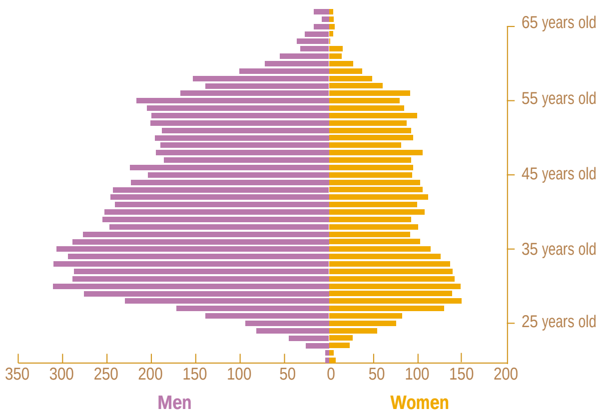
This policy is based on the following four core principles:

Delegation of responsibility: the organisation of the Group is deliberately decentralised in order to leave more room for initiative, for professional development and for personal responsibility, within the framework of rigorous shared principles. The subsidiaries of Pernod Ricard thus benefit from a high degree of managerial autonomy.

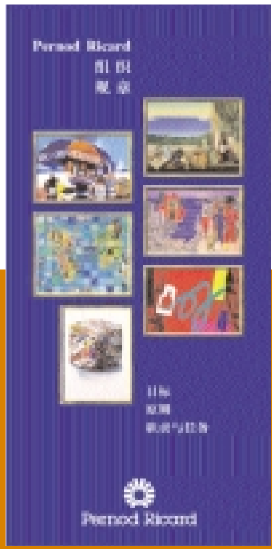
Financial incentives: the majority of the subsidiaries have set up remuneration systems whereby earnings vary according to personal and/or company performance. In addition, a programme of stock options links the remuneration of senior executives directly to the performance of the companies they run, and to the creation of shareholder value.

Building loyalty: the quality of human relations and of the working environment, the level of social benefits and the policy of participation in results are all factors that enable the Group to obtain greater loyalty from its employees. The average length of service is over ten years (over sixteen years in France) and the average age of staff is 40. They thus acquire a level of experience and know-how that in return is of benefit to the Group.

Average age : 40



Training: all over the world, Group workforce – recruited locally at all levels – benefit from training programmes run by each subsidiary. In addition, Pernod Ricard has its own Training Centre, which organises dozens of sessions each year for several hundred international executives in English, French and Spanish. In 2003 the Group training budget amounted to € 8.36 million.



The Pernod Ricard Charter

The Pernod Ricard charter sets out in formal terms the driving principles of the Group.
It has been drawn up with particular care and has been approved by the Board of Directors. The Charter is available in five languages: French, English, Spanish, Chinese and Polish.

In particular, the charter specifies the:
- Group's prioritised objectives for its shareholders, its business customers, its consumers and its workforce
- Group's organisational principles, with decentralised decision-making ranked as the core one,
- Group's Code of Ethics, including its commitment to professional organisations concerned with social impact of excessive alcohol consumption
- Group's values: conviviality, simplicity, entrepreneurship, integrity and commitment
- roles and responsibilities of the Board of Directors of the holding company, of the Regions and of its direct subsidiaries.

The Charter has been circulated to the Group's entire workforce and serves as important guidance in their conduct and execution of their work.

Pernod Ricard European Committee meeting on 12 June, 2003 at the headquarters of the Group.

THE PERNOD RICARD EUROPEAN COMMITTEE: SOCIAL DIALOGUE AT THE HEART OF OUR BUSINESS

The Pernod Ricard European Committee, chaired by Patrick Ricard, has been in existence since 25 May 2000, thus putting into effect the European Union directive emanating from the Treaty of Maastricht. This body makes it possible to keep all of Pernod Ricard's staff in the European Union more widely informed about developments within the Group, at the same time encouraging consultation with employee representatives.

Matters falling within the responsibility of the European Committee include:
- structure and the economic and financial situation of the Group in Europe.
- trends in its activities, sales, employment situation etc.
- professional training.
- major changes relating to the organisation of the Group and potential plans for reorganisation.

The Group's workforce in Europe is united by their geographical proximity. Since the end of 2002, this unity has been strengthened by the Group's focus on its core business. This dual bond creates a spirit of transparency and dialogue.

The European Committee comprises 18 permanent members and two observers. Representatives of Poland and the Czech Republic, candidates for accession to the European Union in 2004, have attended the 2003 meeting of the European Committee as observers.

SKILLS DEVELOPMENT: THE PERNOD RICARD TRAINING CENTRE

The Pernod Ricard Training Centre offers the company's executives:
- Specialised and targeted training-courses aimed at developing their skills in a specific area.
- Management development of a more general kind, relating to the main business functions within the company.

- Induction seminars for the purpose of welcoming new members of staff and easing their integration into the organisation.

The content of each course has been specifically designed for the Group and adapted to Pernod Ricard's business: wine and spirits.

The programmes are drawn up in collaboration with the relevant functional managements of the Holding company and the subsidiaries, and also with institutions of higher education, such as HEC Management, the Centre de Recherches et d'Études des Chefs d'entreprise (CRC), and the European Institute of Purchasing Management (EIPM).

In 2003, the Training Centre organised 32 training seminars for 310 international managers.

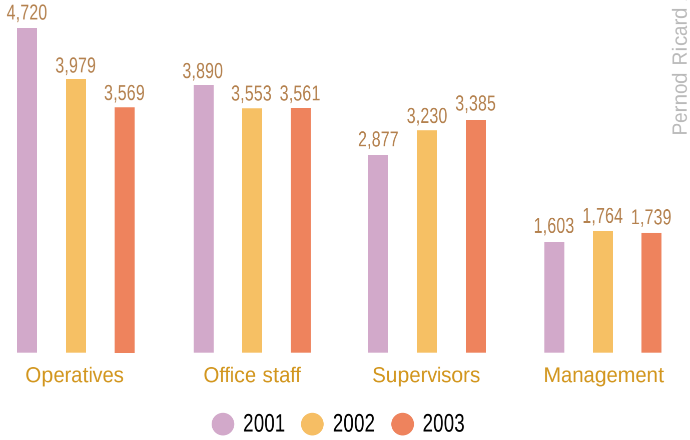
INTERNAL COMMUNICATIONS DEVELOPMENT

After the integration of the Seagram teams, the Group launched various initiatives in order to provide direct and transparent information to its full workforce, worldwide and particularly for new recruits.

The Group launched its Periscope Pernod Ricard intranet portal in March 2003. Available in English, French and Spanish, it reports the latest information on Group brands, appointments, as well enabling access to other Group intranet sites. This intranet portal, central to the Group's internal communications process, is updated every day.

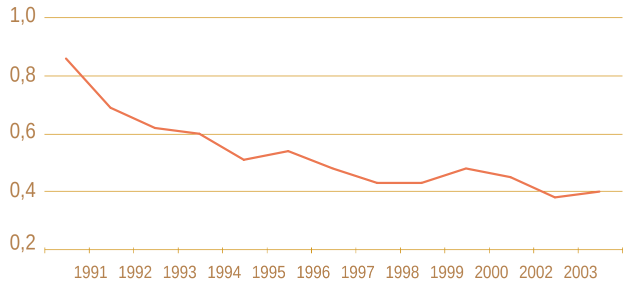
Furthermore, the Group conducted various surveys on its workforce expectations for internal communications, enabling it to respond to questions that may not have been foreseen, as well as enabling it to continually adapt to the real needs of its employees.

Group workforce by job type
at 31 December 2003



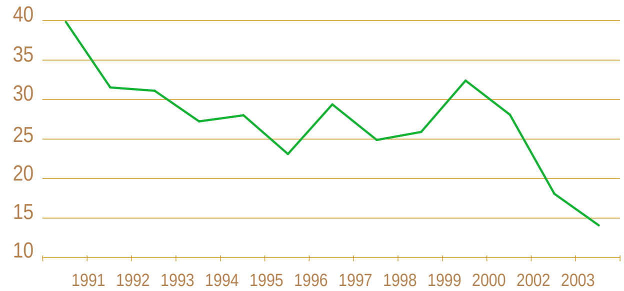
The decrease in the Group's operative workforce results from the disposal of its alcohol-free activities.

Group work accident severity rate



Accident severity rate: number of days of lost work days in the year due to accidents / number of hours worked in the year x 1,000.

Group work accident frequency rate



Accident frequency rate: number of accidents resulting in lost work days / number of hours worked in the year x 1,000,000.

Ethical and commitment to responsi

To act as a responsible company in the wine and spirits sector means preventing risks and abuses linked to excessive consumption of alcohol.
This means paying particular attention to young adults and the risks of drink-driving, as well as raising awareness among all Group's employees

Joining the Global Compact

It is Patrick Ricard's personal wish to commit the Group to the Global Compact, an initiative launched by the Secretary-General of the United Nations, Kofi Annan.

The Global Compact encourages companies to co-operate in finding practical solutions to the contemporary problems of civic responsibility and sustainable development.

Pernod Ricard is thus committed to adopting, maintaining and applying a set of fundamental values with respect to human rights, working conditions and the environment.

The principles of the Global Pact apply to all Group subsidiaries worldwide.

www.unglobalcompact.org

This commitment must be a global one given the Group's significant involvement in various professional associations such as the Amsterdam Group in Europe, the Portman Group in the United Kingdom, FAS in Spain, Discus and Century Council in the United States, Entreprise et Prévention in France and, more recently, MEAS in Ireland and Forum PSR in the Czech Republic.

PROMOTING RESPONSIBLE DRINKING AMONG YOUNG ADULTS

In October 2002, Pernod Ricard committed itself, in partnership with the French Inter-Departmental Road Safety Commission, to promoting sober driving, and to raising awareness among young adults of their responsibility as regards the consumption of its products.

social

ble drinking

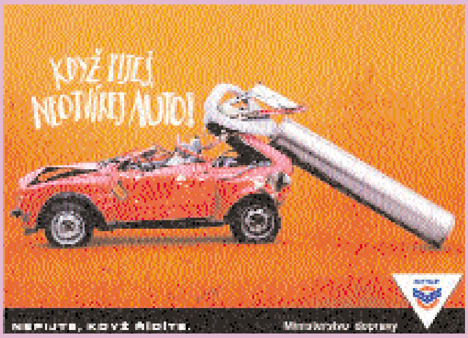
In 2003, pursuant to this charter, more than 4,000 road safety initiatives took place at evening events attended by young adults, aimed at road safety and implementing the concept of the “designated driver”. These initiatives, which were to encourage people to behave responsibly in order to avoid road accidents, were held thanks to the assistance of the Entreprise & Prévention and Voiture & Co associations. This initiative of the Pernod and Ricard companies resulted in the distribution of more than 200,000 breathalyser kits, with this figure expected to increase 300,000 in 2004.

In 2003, the Group spent the equivalent of nearly 10% of its media budget for these initiatives in France.

In the United States, the Century Council has developed similar initiatives aimed at combating drink driving and under-age alcohol consumption. Partnerships with authorities and agencies have been created in more than fifteen states in the US in order to fight these issues. Various awareness-raising campaigns have been conducted among students.

REDUCING ROAD RISKS AMONG OUR EMPLOYEES

Pernod Ricard has committed itself to raising awareness among its employees as to road risks with a view to reducing the rate of accidents within the Group. This initiative has led to a 37% drop in the number of car accidents in one year, which is more than the Road Safety



Prevention campaign in the Czech Republic

Information and prevention

Consumed in moderation, alcohol is a source of enjoyable social interaction and has a positive social impact.

The World Health Organisation defines alcohol consumption as not harmful to health provided that fewer than 14 glasses per week are drunk in the case of women, and fewer than 21 glasses per week in the case of men, and provided that the number of drinks taken on any one occasion is not more than four.

Aware that its products could constitute a risk if drunk in excess, and over and above these limits, which it fully endorses, Pernod Ricard supports public health policies aimed at preventing excess drinking. The Group condemns drunkenness, particularly among young adults, as well as any risky drinking behaviour. The Group is committed to ensuring that these principles are upheld in all aspects of its advertisement and promotions.

Nicolas Brin, Martine Leleu, Marie Hélène Simchowitz, (CRPR).

Research Centre

An overall workforce of 120, half of whom are based at the Pernod Ricard Research Centre in Créteil (France), are involved in research and development projects in subsidiaries around the world.

The primary areas of focus are the development of new products and processes, as well as new methods of sensory analysis. Special attention is given to maintaining a consistent level of product quality.

Commission had hoped for over three years! In France, for example, all travelling salespersons have signed a very strict safe-driving code focusing on laws and regulations compliance.

Regarding excessive drinking prevention, all employees in France who have a company car are now supplied with approved electronic breathalyser kits.

PROMOTING AND ENFORCING ETHICAL BEHAVIOUR

Convinced that self-discipline is the most effective instrument for regulating all forms of business communication, Pernod Ricard has played an active part in developing codes of ethics both at a national level (in France, USA, UK, Ireland, etc.) and internationally (through the Amsterdam Group code), which it is strictly committed to respecting worldwide. In particular, the codes forbid any encouragement of excessive or irresponsible consumption of alcoholic beverages, the deliberate targeting of minors and the association of alcohol with sexual, social or sporting gratification. An internal procedure for the prior clearance of all advertising campaigns has been put in place to ensure that these principles are respected.
Pernod Ricard is also an active participant in the development of procedures for the self-regulation of advertising within professional bodies in the wine and spirits sector. In Ireland, Irish Distillers strongly supported the establishment of Central Copy Clearance Ireland (CCCI) in 2003. This independent committee reviews and approves all advertising linked to alcohol before it is released in the various media.

ACTIVE IN RESEARCH & DEVELOPMENT

Pernod Ricard is the only wine and spirits producer with a dedicated research centre. In 2003, the Group spent 0.5% of its consolidated sales on research and development.

Pernod Ricard also supports work that explores the mechanisms of alcohol dependence. Thus the Group is one of the founders of a private body carrying out research into alcohol-related medical conditions, the Institute for Scientific Research into Beverages (IREB). This body finances, co-finances and initiates projects in the fields of biomedicine, epidemiology and human sciences. Governed by an independent Scientific Council, these research activities are respected by the scientific community and those responsible for public health.

OUR CIVIC RESPONSIBILITIES

Conscious of its role in society, Pernod Ricard has developed a range of humanitarian initiatives.

Pernod Ricard has entered into a partnership with the European Diabetic Association (IDF-Europe) until 2006. In particular this support will make it possible to carry out screening campaigns, improve access to insulin among underprivileged populations or in poor countries, and to fight discrimination against diabetic sufferers in the workplace and employment market.

In Australia, the remote location of certain communities has led to the creation of an airborne emergency medical service, the Royal Flying Doctor Service. This service enables doctors to operate round the clock in the most distant parts of the country. In 2003 alone, more than 45,000 people were helped by a "flying doctor". Orlando Wyndham strongly supports this service through financial contributions.

In Poland, Wyborowa SA has financed various campaigns to help handicapped artists, underprivileged children and the university hospital in Warsaw.

Cultural sponsorship

Cultural sponsorship is a means by which the Group aims to create a dialogue with its social environment and to define itself in relation to society. This initiative demonstrates the Group's passionate commitment to developing artistic creativity in the countries where it has established a presence.

This support takes different forms: the terraced water-features at the Centre Pompidou, the creation of an original work of art for the cover of each Annual Report and, more recently, a partnership with the future Musée du Quai Branly, in Paris.

In 2003 Pernod Ricard was the first company to make it possible for the French government to keep a "national treasure" of modern art on French soil. Thanks to assistance from Pernod Ricard, the sculpture *Tête en profondeur (Head in Depth)* by Julio González has become part of the permanent collection of the Centre Pompidou.

In 2003, Pernod Ricard devoted more than €1 million to its cultural sponsorship activities.

Jacob's Creek, Barossa Valley, Australia.

Caring for our environment

For Pernod Ricard, commitment to environmental issues means developing sustainable strategies as part of its business activity

The Group's environmental policy is enshrined in Pernod Ricard's "Quality-Safety-Environment" (QSE) charter, implemented in each subsidiary under the supervision of the Group's QSE department. This charter specifically provides for the establishment of common performance indicators.

The QSE department is attached to the Industrial department. Its scope includes the certification of production sites, the management of risks and the promotion of sustainable technologies, while respecting the principles of decentralisation.

Jean-Marc Roué, Quality – Safety – Environment Manager, Pernod Ricard.

Quality – Safety – Environment

A QSE report is submitted annually to Group management. It brings together all the information supplied by the subsidiaries of the Group. Furthermore, by virtue of its commitment to transparency, each subsidiary undertakes to refer its problems to the Holding Company without delay. Each subsidiary's General Manager is personnally involved in this process, through a variable remuneration package.

STEPS IN ASSESSING OR CERTIFYING COMPANIES IN ENVIRONMENTAL MATTERS

Since 2000 Pernod Ricard has adopted a policy of voluntary certification of its industrial sites in compliance with recognised international standards, in particular the ISO 14001 standard for respect of the environment. Out of a total of 66 wine and spirits sites, ten are certified and six are in the process of ISO 14001 certification.

For other sites, an environmental impact analysis has been carried out and a system of environmental management is currently being put in place.

In addition, there will be continuous monitoring by each subsidiary in order to maintain regulatory conformity by taking account of local legal requirements.

Authorisation to carry on industrial activities will be updated periodically to take account of technological developments and regulatory changes.

RISK MANAGEMENT

An integrated risk management policy has been developed by the QSE department. This monitors the policy, ensures that best practice is applied throughout the Group and assists the subsidiaries in their measures to achieve continuous improvement.

Each year, the Group organises training sessions specifically devoted to QSE and Risk Management at its training centre. These sessions serve all of the Group’s subsidiaries, which complete the process with awareness programmes and internal training.

In 2003, the Group spent € 8.8 million on environmental risk reduction and damage prevention arising from its operations.

PROMOTING SUSTAINABLE PROJECTS

In the context of its activities the Group seeks to develop projects which reduce the environmental impact of its industrial sites, specifically by favouring energy saving, recycling and the conservation of water resources.

Charles Crowley, Group Environmental, Health and Safety Manager, Irish Distillers.

Treating waste waters

The installation of a new € 3 million wastewater treatment facility at its Midleton, Ireland, facility enabled a six-fold reduction in chemical demand for oxygen (CDO), biological demand for oxygen (BDO), and matter in suspension (MIS) in water used in industrial processes.

As an example of its sustainable projects, in 2003 the Group built a new alcohol storage depot on the Greek island of Mytilene. Situated in an earthquake zone, it is considered to be a model of earthquake-proof and fireproof construction; its environmental impact has been reduced to a minimum. This new storage depot is a profitable enterprise and will help local development in a remote area.

CONSERVING ENERGY RESOURCES

At a number of its sites, Chivas Brothers has mounted a campaign to modernise its steam production installations. The improvement in output will produce a fuel saving of up to 10%.

PROMOTION OF RECYCLING

In order to reduce its use of packaging materials at source, Ricard SA has, with its glass bottles' suppliers, put in place a scheme to replace cardboard containers by returnable and reusable plastic trays. Applied to an annual volume of 44 million bottles, this operation has made it possible to reduce consumption of cardboard by 130 tonnes in 2003. In 2004, this reduction is likely to rise to more than 160 tonnes.

LIMITING ENVIRONMENTAL IMPACT

In Australia, the use of new technologies has made it possible to reduce the amount of fertilisers needed for the vineyards, and decrease water volumes used in their irrigation.

In France, the Group is seeking to limit the environmental impact of its transport by adopting the recommendations of the Association Nationale des Industries Alimentaires (French National Food Industries Association). Pernod has opted to give preference to rail transport to support its Parisian distribution centre from its three factories in Marseille, Thuir and Cubzac. By handling 50% of the tonnage produced, the use of rail has reduced road traffic by about 1.2 million km per year.

financial Report

Combined General Meeting
17 May 2004

2003 fiscal year

Pernod Ricard

Limited company with capital of 218,500,651.10 euros
Registered office: 12, place des Etats-Unis 75116 Paris / Tel: 33 (0) 1 41 00 41 00 – Fax: 33 (0) 1 41 00 41 41
R.C.S. Paris B 582 041 943

Contents

This English translation is for information purposes only. In case of discrepancies between the French and the English version, the French version will prevail.

Management report

Key figures and significant events

Key figures

In euro millions	2003	2002	2001	2000	1999
Net sales excluding duties and taxes	3,533.7	4,835.7	4,555.2	4,382.0	3,590.3
Net sales of which wine & spirits business	3,418.6	3,407.9	1,918.0	1,759.6	1,568.7
Operating profit	739.2	750.3	450.5	421.1	372.3
Operating profit margin	20.9%	15.5%	9.9%	9.6%	10.4%
Profit after tax (1)	463.6	440.3	294.4	261.0	229.9
Group net profit	463.8	412.8	358.2	195.0	213.2
Earnings per share – profit after tax diluted (2) (in euros)	6.25	5.93	4.18	3.70	3.26
Earnings per share – Group net profit diluted (2) (in euros)	6.25	5.57	5.08	2.77	3.02

(1) Profit before tax net of ordinary activities income tax, income from associates and minority interest.
(2) As specified in Note 1.19 to the Consolidated Financial Statements.

Significant events

The Pernod Ricard Group, hereafter “Pernod Ricard” or “the Group”, enjoyed an outstanding year in terms both of business performance and financial results.

STRONG DEVELOPMENT OF OUR ENTIRE BRAND PORTFOLIO

Pernod Ricard strong’s sales growth in 2003 was based on two key elements that are the driving force of the Group today:
- ➜ a global presence in all important markets;
- ➜ a diversified portfolio that meets the specific expectations and aspirations of consumers worldwide.

Our global presence has enabled us to seize available growth opportunities, notably in North America and the Chinese speaking areas of Asia. In Europe, our strong positions in certain growth markets, such as Russia and Italy, compensated for weaknesses in Ireland (duty increases) and Poland (price increases to prepare the entry in the European Union). The French market was difficult in 2003, but our strength in the rest of the world enabled us to absorb the impact and reduce our exposure relative to this market.

Our brand portfolio once again showed depth and growth potential. Our 12 key brands enjoyed a 3.6% growth in volume during 2003, particularly during the second half of the year (+6.4%).

The new communications’ platforms implemented for Chivas (+7% in 2003 volumes) and Martell (+8%) have begun to yield results. Our growth drivers, Jacob’s Creek (+14%), Havana Club (+11%) and Jameson (+8%) continued their excellent performance and strengthened their status as international brands. Our local and regional brands also enjoyed strong growth, contributing to a rise in Group profits. They represent a solid foundation for the development of our global brands.

The 100 Pipers, Royal Stag, Master Blend and Something Special brands enabled the Group to significantly improve its presence in the key growth markets in Asia and Latin America.

GROWTH IN WINE & SPIRITS BUSINESS PROFITABILITY

In an environment where the dollar depreciated significantly against the euro, Pernod Ricard was able to significantly improve the profitability of its wine & spirits business through:
- ➜ the growth of our entire brand portfolio and in particular the accelerated development of our high margin premium brands;
- ➜ the sustained advertising and promotion initiatives that ensure the long-term development of our brands;
- ➜ the improved effectiveness of our now global sales network.

Wine & spirits operating profit increased by 3.8% during 2003 to 737 million euros from 710 million euros. On a constant exchange rate basis, it would have increased by 15.5%.

Wine & spirits operating profit margin also improved, rising from 20.8% to 21.5% (22.1% on a constant exchange rate basis). This performance was achieved thanks to controlled structure costs (on a constant exchange rate basis, these amounted to 18.9% of net sales compared to 19.0% of net sales for 2002), and continued significant advertising and promotion spending (expenditure level stable at 21.5% of net sales in 2003).

PURSUIT OF RAPID REDUCTION IN NET FINANCIAL DEBT

The Group was able to reduce its net financial debt by 682 million euros to 2,109 million euros at 31 December 2003, from 2,791 million euros for the previous year-end, as a result of business performance, controlled investments and working capital requirements and the disposal of certain non-core assets, such as our shares in Société Générale.

Favourable exchange rate movements on dollar and yen-denominated financial debt accounted for 133 million euros of this reduction.

Analysis of income statement

Wine & Spirits business

Net sales increased by 0.3% to 3,419 million euros.

Strong organic growth (+ 8.1%) generated by the strength of the brands and a positive effect of changes in the consolidation scope (+ 0.5%) more than offset a very significant negative exchange rate effect (-8.3%).

Wine & spirits business sales enjoyed strong organic growth in Europe (+ 4.7%), the Americas (+ 12.4%) and Asia/Rest of World (+ 17.9%), whilst in France they declined by 1.1%.

The growth of all our key brands, other than those dependent on the French market, reflects these figures.

	2003/2002 (12 months)	Volumes [1]
Jacob's Creek	+14%	6.7
Havana Club	+11%	1.9
Amaro Ramazzotti	+9%	1.2
Martell	+8%	1.1
Jameson	+8%	1.6
Chivas Regal	+7%	2.9
The Glenlivet	+7%	0.4
Seagram's gin	+3%	3.3
Wild Turkey	+0%	0.7
Clan Campbell	- 5%	1.5
Ricard	- 5%	6.2
Pastis 51	- 7%	1.9
Total	**+3.6%**	**29.4**

(1) In millions of 9-litre cases.

Non-core businesses

The significant decline in non-wine & spirits **net sales** in 2003 to 115 million euros from 1,428 million euros for 2002 reflects the disposals made in 2002 and 2003 (in particular SIAS and BWG) within the framework of the Group's policy to refocus on its core business. Non-alcohol businesses generated an **operating profit** of 2.7 million euros, essentially through our grape juice business and the Orangina business retained in a number of countries where Pernod Ricard still owns the brand.

The Group's major non-wine & spirits business companies at 31 December 2003 were as follows: Foulon Sopagly (bulk grape juice producer), Marmande Production (tomato juice producer and fruit juice bottler) and CFPO.

As regards CFPO, the Group holds an option to sell its Orangina business in the United Kingdom, certain other European countries, South America, Asia-Pacific, Africa and the Middle-East. The major provisions of this option are as follows:

- The beneficiaries are Pernod Ricard SA and its CFPO subsidiary. Schweppes International Ltd would be the potential acquirer.
- In the event of the exercise of the option, certain assets would be sold (intangible assets and property, plant and equipment, customer lists, rights under various CFPO contracts concluded with customers and suppliers, etc.).
- The option exercise period is 10 years (1 November 2001 to 31 October 2011).

As a precondition to the exercise of the option, Schweppes International Ltd must first notify Pernod Ricard of the end of certain non-compete restrictions to which they are subject.

Net finance cost

The Group incurred 102 million euros in net finance cost in 2003, a reduction of 51 million euros on the previous fiscal year.

In euro millions	2003	2002	Change
Dividends and other finance income	1	8	ns
Net foreign exchange losses	(7)	(8)	ns
Interest and other finance cost	(96)	(153)	(38%)
Net finance cost	**(102)**	**(153)**	**(34%)**

This improvement is attributable to a 57 million euros drop in financial debt interest expenses, reflecting a decrease in principal amounts, lower euro and dollar interest rates, and the favourable exchange impact on dollar interest payments, as set out in the table below:

In euro millions	Amount
Reduction in financial debt size of 682 million euros	(30)
Reduction in interest rates to 3.7% from 4.4%	(19)
Favourable exchange impact of $US denominated debt	(8)
Total	**(57)**

In addition, 2003 dividend income was significantly down on the previous fiscal year, following the disposal of the Group's shares in Société Générale.

Net exceptional income

The Group generated net exceptional income of 60 million euros in 2003, detailed as follows:

In euro millions	Amount
Fixed asset disposals and exceptional writedowns and provision charges, including:	78
- disposal of Société Générale shares	*133*
- reversal of litigation provisions (Seagram opening balance)	*31*
- disposal losses and disposal provisions	*(41)*
- Wyborowa brand writedown	*(29)*
- various	*(16)*
Restructuring (Martell, Pernod Ricard North America…)	(11)
Other	(7)
Net exceptional income	**60**

The average income tax rate was 24.0%. Profit from ordinary activities was taxed at a rate of 26%, generating an income tax charge of 165.9 million euros, while net exceptional income was taxed at a rate of 2.7%, generating an income tax charge of 1.6 million euros.

Group net profit

2003 Group net profit amounted to 463.8 million euros, up 12.3% as compared to 2002. The Group posted a net current profit of 463.6 million euros, which excludes exceptional items and acquisition goodwill amortisation.

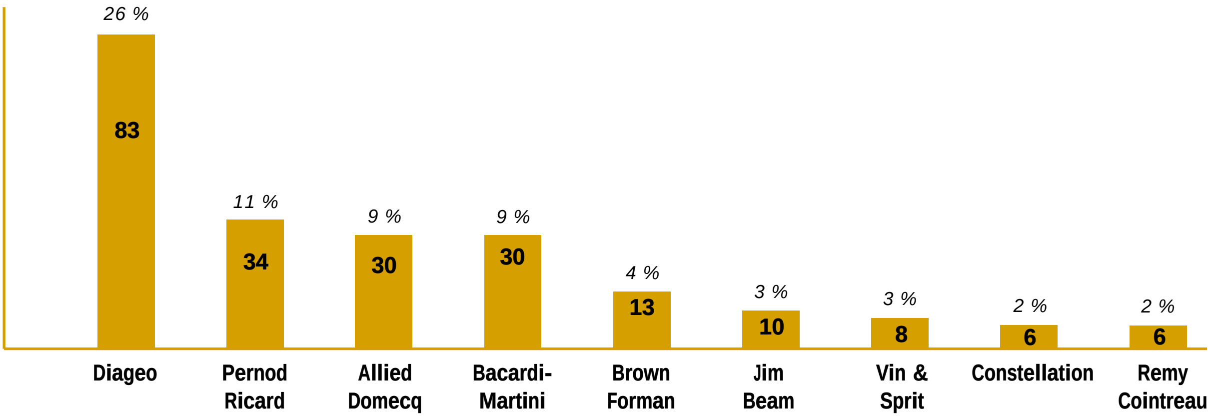
Market
and competition

IWSR's survey [1] of the global Spirits market estimates its size at 2,742 million 9-litre cases (excluding Duty Free in 2002), up 2.1% from 2001.

International Western Style Spirits (gin, vodka, whisky…) increased their global volumes by 1.0% between 2001 and 2002 to 319 million 9-litre cases, with Pernod Ricard holding a 11% share of this market.

International Western style spirits global market

In millions of 9-litre cases



This same survey revealed the following geographic regional breakdown of global spirits consumption: North America (42%), Europe (40%), Asia-Pacific (7%), Latin America (6%) and rest of world/Duty Free (5%).

(1) IWSR 2003/Pernod Ricard analysis.

Changes
in accounting principles

The Group changed some of its accounting policies in 2003.

These changes were primarily motivated by a decision to converge to IAS/IFRS standards within the framework of opportunities currently made available by French accounting standards. These changes are described in Note 1.2 to the Consolidated Financial Statements, and relate to:
- the application of the preferred method for retirement and similar benefits;
- the modification of the method for calculating diluted earnings per share (application of the share purchase method) ;
- reclassification of the OCEANE convertible bonds as financial debt.

Conversion
of accounts to IAS/IFRS standards

In application of the European Regulation on international standards and IFRS 1, first application of IFRS, Pernod Ricard will prepare its consolidated accounts for the fiscal year ending 30 June 2005 [1] in accordance with these international accounting standards.

(1) Contingent on the Extraordinary General Meeting of 17 May 2004 approving the change in year-end date to 30 June.

Against this background, Pernod Ricard has implemented an IAS/IFRS Convergence Plan managed by the Group Finance Department. The first phase of this plan focused on a detailed assessment of the differences between current accounting practices and IAS/IFRS standards.

Following this assessment, the Group decided to make use of certain options available under French accounting standards for convergence to IAS/IFRS standards, beginning in 2003, regarding the following matters:

- IAS 19: accounting for retirement benefits;
- IAS 33: calculation of diluted earnings per share.

The impact of these changes in accounting methods is discussed in Note 1 to the consolidated financial statements.

Other divergences identified during this assessment will be taken into account during the preparation of the initial IAS/IFRS set of accounts. To the best of our knowledge, the accounting principles likely to have an impact on Group equity at 1 July 2004 and/or the future results of Pernod Ricard are the following:

- **Calculation of deferred income tax on intangible assets.** The applicable French accounting standard requires that taxable temporary differences, arising from the revaluation of non-amortisable intangible assets that cannot be disposed of separately from the acquired company, must not result in the accounting of any deferred tax liability. In compliance with this standard, Pernod Ricard presently recognises deferred tax on only a minority of brands accounted for on its balance sheet pursuant to a corporate acquisition. As IAS 12 does not allow for any exception for these types of temporary difference, so that deferred taxes will be reviewed when preparing the opening balance sheet using IAS/IFRS.
- **Marketable securities available for sale.** IAS 39 prescribes that marketable securities available for sale be accounted for at their market value in the balance sheet with the difference between their historical cost and market value deferred to shareholders' equity until the date of their disposal. The applicable French accounting standard requires that marketable securities be valued at their historical cost and written down should the latter exceed their value in use.
- **Pernod Ricard SA shares held by the Group for allocation to holders of share subscription options.** SIC Interpretations 16.4 and 16.8 of norm IAS 32 require that treasury shares be deducted from Group shareholders' equity, regardless of the acquisition/holding objective and their recording in the accounts of the individual companies holding these shares. The applicable French standard requires that treasury shares be recorded as marketable securities in the individual company accounts and that this accounting be maintained in the consolidated accounts. Hence, Pernod Ricard presently accounts as marketable securities treasury shares held for the purposes of stock option plan allocations.
- **Accounting for expenses arising from share subscription option allocations to beneficiaries.** IFRS 2 requires that stock subscription options be valued at their market value at issue, then amortised to the income statement during the period of acquisition of rights by employees. Currently no such charges are recorded to the income statement except those relating to treasury shares held by Pernod Ricard for the purposes of allocation to holders of stock options, when their acquisition price exceeds their exercise price (Note 1.12 to the consolidated financial statements).
- **Biological assets: accounting for vineyards and harvests.** IAS 41 requires that biological assets and their output (harvests) be accounted for at fair value when it is possible to obtain a reliable reference price, for example by reference to an active market. The applicable French standard requires that the assets be accounted for at their historical cost and depreciated over their useful life. For Pernod Ricard, the application of IAS 41 will likely result in the adjustment of the value of its vineyards held as part of its wine activity and which is essentially located in Australia.
- **Writedown of intangible assets and amortisation of acquisition goodwill.** As revised standards concerning accounts consolidation and assets writedowns have yet to be published by the IASB and approved by the European Commission, Pernod Ricard is not able to accurately assess the potential impact of the application of the resulting provisions in relation to the methodology presented in Note 1.5 to the consolidated financial statements.

In 2004, the major phases in the IAS/IFRS Convergence Plan will be:

- the establishment of revised accounting documentation;
- the training of personnel in the new standards;
- the modification of Group consolidation and reporting systems.

The successful completion of these phases will enable Pernod Ricard to quantify the financial impact of the transition to IFRS on the publication of its 2004 (1) fiscal year accounts for the 18-month period ending 30 June 2005, which will be prepared in accordance with applicable French standards.

(1) Contingent on the Extraordinary General Meeting of 17 May 2004 approving the change in year-end date to 30 June.

Risk management

Market risks

The Group Finance Department's Treasury Unit is responsible for the monitoring and management of all the Group's exchange, interest rate and liquidity risks. Employing a staff of seven, it prepares a monthly report for senior management from its centralised database. Financial instruments are used solely for the purpose of hedging existing and budgeted transactions and investments. They are contracted with a limited number of counterparts that have been awarded premium status by a specialised rating agency.

LIQUIDITY, INTEREST RATE AND EXCHANGE RATE RISKS

These risks are discussed in full in Notes 1.20, 13 and 15 to the consolidated financial statements.

EQUITY RISK

Following the disposal of our Société Générale shares during 2003, no significant equity risk exists, other than that associated with Pernod Ricard SA shares held by the Group for the exclusive purpose of allocation to stock option programs.

Legal risks

LEGAL CLAIMS INVOLVING BRANDS

Other than insignificant legal claims arising from the general running of the business, the following legal claims were in progress at 31 December 2003:

Havana Club

The “Havana Club” brand, which is jointly owned worldwide by Pernod Ricard and a public Cuban company, is facing legal claims from a competitor in the United States and Spain.

In the United States, this competitor filed a claim before the United States Patents Trademark Office (USPTO) seeking the cancellation of the Havana Club trademark registration. On 29 January 2004, the USPTO dismissed the claim, thereby recognising the validity of the trademark. However, the rights to the Havana Club brand in the United States remain severely constrained by a law preventing legal recourse for trademark infringement. The World Trade Organisation (WTO) has condemned this law. The US government has until 31 December 2004 to amend its laws to comply with the WTO decision.

Additional proceedings have been underway in Spain since 1999 relating to the ownership of the brand and a judgment could be given in 2004.

Becherovka

This brand has been subject to trademark infringement in the Czech Republic, Slovakia and Russia. Numerous cases before the civil and criminal courts in these countries are pending, which aim to confirm the Group's ownership rights of the Becherovka brand, as well as punishing the offending parties.

Champomy

In 2001, the Institut National des Appellations d'Origine (INAO) and the Comité Interprofessionnel des Vins de Champagne (CIVC) commenced proceedings against Pernod Ricard and its subsidiaries before the Paris tribunals, in order to seek cancellation of the Champomy brand on the grounds that they violate the Champagne appellation of origin. Pernod Ricard has since sold the brand in its major markets to the Cadbury Schweppes Group and has provided an indemnity to Cadbury Schweppes in the event of cancellation of the Champomy brand by the French courts.

REGULATORY MATTERS

Pernod Ricard's production and sales of alcoholic drinks is subject to specific legislation and regulations, which vary from country to country.

Fully recognising its social responsibilities concerning alcohol, the Group has always been at the forefront of developments in this area. Pernod Ricard is a founding member of Entreprise & Prévention in France and the Amsterdam Group at the European level and is an active member of the Portman Group in the UK, the MEAS in Ireland and the Century Council in the US. This reflects our commitment to develop and finance concrete social initiatives to combat alcohol abuse and to promote a responsible policy in terms of marketing.

The Group also supports the health recommendations issued by the World Health Organisation on alcohol consumption.

Furthermore, in France, the Group helped to set up the Institut de Recherches et d'Etudes sur les Boissons (IREB), which finances independent research in the bio-medical sector and the human sciences to better understand the causes of alcoholism. IREB's scientific expertise in these matters is widely acknowledged. Finally, the Group and its French subsidiaries have signed a partnership charter with the French Road

Safety Authority under the headline “Do not drink and drive”, encouraging, in particular, driving only while sober and the reduction of risks when driving on company business. The positive results arising from the application of this charter have been welcomed by public authorities, and are the subject of rigorous internal monitoring.

OTHER

The Group is not technically or commercially significantly dependent on other companies nor is it subject to any specific confidentiality restrictions. It has the necessary resources to carry out its business activities.

Social risks

The Group is not aware of any particular social risks, other than those that may arise during the normal course of business.

Industrial and environmental risks

The Group’s risk management policy has as its priority:

- the control of industrial processes in order to ensure the delivery to the market place of products of undisputed quality;
- the maximum possible reduction of risks relating to explosion and fire stemming from the inflammable nature of our products, and the consequences for both the environment and the Group’s industrial capabilities.

Accordingly, each subsidiary is gradually implementing a QSE (Quality, Security, Environment) integrated management information system that has been certified in accordance with recognised international standards (ISO 9001, ISO 14001). These systems require the training and sensitisation of teams at all levels. At 31 December 2003, more than 50% of the sites had been ISO 9001 certified and 15% ISO 14001 certified.

In addition, the Group QSE Department coordinates and assists in the implementation of these systems and verifies their effectiveness using a set of standard indicators. A risk manager at Group level is responsible for the management of fire risks and their consequences, in partnership with insurers.

Action plans in progress include:

- prevention and sensitisation measures;
- confinement, retention and sprinkler measures that limit the domino effect of incidents;
- the development of response plans to emergency situations;
- implementation of backup plans in the event of loss of production assets.

In August 2003, Pernod Ricard signed up to the Global Compact international charter, instituted by Kofi Annan, UN Secretary General, demonstrating its long term commitment to human rights and the preservation of the environment.

SEVESO CLASSIFIED SITES

Pernod Ricard operates 5 'high level' SEVESO sites in Europe: 1 site in Ireland and 4 sites in Scotland.

These sites are classified as 'high level' given the high volumes of alcohol stored (volumes in excess of 50,000 tonnes), with this alcohol (ageing whisky) essentially stored in oak casks ranging in capacity from 200 to 500 litres.

The major risk is essentially linked to the inflammable nature of alcohol. There is little risk of a major explosion since whisky is stored in relatively small containers.

All of our SEVESO classified sites conform to the requirements of the corresponding European Directive. Furthermore, we have implemented complementary measures for risk prevention and accident consequence minimisation:

- ➜ internal contingency plan;
- ➜ environment and security management system;
- ➜ sites fully equipped with sprinkler systems and fire extinguishers;
- ➜ sparks inhibited electrical equipment;
- ➜ fire permit system.

Insurance – risk coverage

Pernod Ricard's recourse to insurance represents a financial solution for transferring the major risks faced by the Group. This is supplemented by a policy of risk prevention that focuses on maximum risk reduction. Pernod Ricard carefully monitors risk in order to effectively adjust its risks coverage.

The Group has taken out two types of coverage: Group insurance programs and local insurance policies. Group insurance programs are monitored by an insurance manager, who coordinates the insurance policy and the management of risks, as well as by a risk prevention control manager.

INSURANCE POLICIES

For the purposes of covering its major risks, Pernod Ricard has implemented major international insurance programs that all Group subsidiaries belong to, except for companies that are prevented from doing so due to local regulations or cases where more cost-effective coverage is available locally. These programs offer the following types of coverage:

- ➜ property damage and consequential loss of profit;
- ➜ operating/products/executive officer public liability;
- ➜ Group costs and losses arising from accidental/criminal contamination;
- ➜ damages during transport (stopover);
- ➜ credit insurance for trade receivables.

Certain subsidiaries have contracted additional insurance for specific needs (examples: vineyards insurance in Argentina and Australia, vehicle fleet insurance, etc.).

2003 COVERAGE

Insurance type	Coverage and maximum limits per subscribed policy [1]
Property damage and loss of profit	Coverage: all risks (except exclusions) **Cover:** - replacement value for property and movable assets, - cost or sales price depending on the products and their stage in the ageing process, - loss of profit with a period of indemnification between 12 and 24 months depending on the companies. **Cover limits:** General limit of 300 million euros for 9 sites and 100 million euros for other sites. In addition, a captive insurance company provides maximum coverage of 0.8 million euros per claim up to a maximum amount of 3 million euros per year.
General public liability operations and products	75 million euros coverage per insured year. Disengagement costs and loss of profit arising from an accidental/criminal contamination are subject to a maximum individual indemnification of 6 million euros.
Public liability executive officers	65 million euros coverage.
Transport	Cover of between 1 million euros and 5 million euros, depending on the company.

(1) Figures reported are for main limits. Different contracts carry specific limits for certain guarantees.

Evolution of insurance budgets (Group programs excluding group employee benefits programs)

In euro millions **Pre-tax premiums and mandatory extra premiums**	**2003**	**2002**
Group programs excluding group employee benefits programs	10,5	12,2

This decrease is essentially attributable to changes in consolidation scope and insurance rate reductions.

Ability of the Group to cover its public liability *vis-à-vis* property and persons pursuant to the operation of its sites

The Group Public Liability Program provides for a maximum comprehensive coverage of 75 million euros per claim and per insured year for all property damage and loss that Group companies may cause to third parties. This comprehensive coverage also provides separate cover for environmental accidents up to a maximum of 22.5 million euros (maximum limit of 7.6 million euros for North American companies).

Management of claims

In the event of a technological accident for which responsibility is assigned to Pernod Ricard SA and/or one or more of its subsidiaries, Pernod Ricard will rely on its insurers and insurance brokers to constitute a crisis unit in order to bring together all necessary parties, who have the expertise and the means to manage exceptional situations.

Human resources

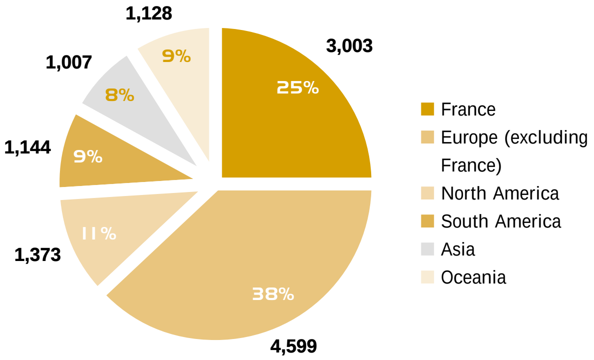
Pernod Ricard is committed to developing its people throughout the world through the implementation of a two-fold strategy: firstly, a decentralised approach that respects different cultures and allocates responsibilities to the local level and secondly, a more personalised management of employees.

Our employees throughout the world

WORKFORCE SIZE

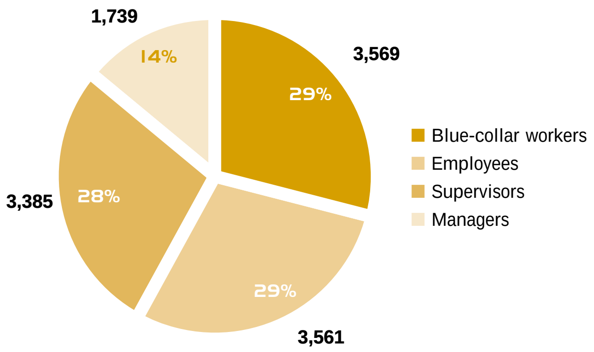
At 31 December 2003, the Group employed 12,254 employees on permanent or fixed-term contracts in some 80 subsidiaries, compared to 12,526 at 31 December 2002. Furthermore, the Group continued its international development, with more than 75% of its workforce employed outside France. The Group's average workforce size in 2003 was 12,381.

Distribution of workforce by geographic region



Total : 12,254 persons

Distribution of workforce by job type



The number of people employed on fixed-term contracts decreased by 13.3% between 31 December 2002 and 31 December 2003, at which date they only represented 5.7% of the Group's global workforce.

The average age of Group employees is 40 years (men: 40 years and 5 months, women: 39 years and 1 month), while the average length of service is 10 years and 7 months (men: 10 years and 10 months; women: 10 years and 1 month).

HIRINGS AND DEPARTURES

Cost controls have led the Group to reduce its external hirings. The number of internal transfers was also down on 2002, when the integration of Seagram subsidiaries required greater internal mobility. Moreover, departures of all types were significantly down for permanent contract employees (resignations, internal transfers, redundancies, retirements and deaths) relative to 2002.

Hirings (1)

	France	Europe (excluding France)	Americas	Rest of world	Total
Permanent contract	190	377	451	284	1,302
Fixed contract	283	368	273	444	1,368
Total	**473**	**745**	**724**	**728**	**2,670**

(1) External recruitments and internal transfers.

Departures

	France	Europe (excluding France)	Americas	Rest of world	Total
Resignations	*51*	*238*	*77*	*209*	*575*
Transfers	*85*	*14*	*12*	*5*	*116*
Business redundancies	*40*	*147*	*61*	*12*	*260*
Other redundancies	*72*	*107*	*103*	*16*	*298*
Retirements	*57*	*31*	*29*	*5*	*122*
Deaths	*9*	*1*	*0*	*0*	*10*
Total - Permanent contract	314	538	282	247	1,381
Total - Fixed-contract	259	317	189	411	1,176
Total	**573**	**855**	**471**	**658**	**2,557**

In 2003, 85 positions in a number of different departments were made redundant at Chivas Brothers' Scottish operations. All redundancies were on a voluntary basis, with the company providing career development assistance to the employees concerned.

Information concerning the Workforce Size Reduction, Employment Preservation and Regional Employment Development Plan for Martell & Co

An agreement was signed on 10 June 2003 with four representative trade unions providing for the implementation of a new Employment Preservation Plan. By the end of 2003, of the 149 proposed redundancies, 35 employees were able to find work elsewhere in the company, whilst 3 relocated to new positions in the Group. At this date, accompanying measures had enabled 81% of redundant employees to find a satisfactory solution. In addition, Martell & Co put in place a plan to revitalise the local zone of employment, which should result in the creation of 106 new jobs over the next three years, positions to which existing Martell & Co employees may apply.

GENDER EQUALITY

The Group is committed to strengthening the representation of women in its workforce. In 2003, the number of women employed in sales, logistics and distribution increased. There was significant reduction in the number of women employed in production, reflecting certain business disposals during the year.

	Men		Women	
	Number	Change 2003/2002	Number	Change 2003/2002
Production	3,264	(12.6%)	1,143	(15.1%)
Distribution & logistics	612	14.8%	240	29.7%
Sales	2,843	0.2%	919	8.5%
Head office and other	1,515	6.9%	1,718	5.6%
Total	**8,234**	**(3.4%)**	**4,020**	**0.4%**

EMPLOYMENT OF DISABLED PEOPLE IN FRANCE

The Group employed 97 disabled people in France, up 10.2% on 2002, and noted that 11 disabled people work for sub-contractors.

Optimisation of work organisation

WORKING HOURS

The average workyear for employees consists of a theoretical number of hours worked, excluding overtime hours, which corresponds to the number of hours prescribed by law, or a lower number. French subsidiaries have virtually eliminated all overtime pursuant to the 35-hour week. Overtime is also limited at other Group locations, particularly in Europe.

Average annual hours worked

France	1,583
Europe (excluding France)	1,779
Americas	1,945
Rest of world	1,950
Group average	**1,795**

Overtime as a percentage of total hours worked

France	0.2%
Europe (excluding France)	1.6%
Americas	4.6%
Rest of world	3.1%
Group average	**2.2%**

Number of part-time employees

France	104
Europe (excluding France)	142
Americas	7
Rest of world	20
Total	**273**

In 2003, the Group employed 273 part-time employees against 319 who were primarily based in France and Europe. This represented 169 full-time equivalents for the year, down 14% from 2002 (down 10.5% on the 2002 number).

TEMPORARY AND SUB-CONTRACTED PERSONNEL

Pernod Ricard favours continuous employment. Temporary workers only accounted for 2% of the total average workforce in 2003.

Similarly, sub-contracted workers are only used either for the production of limited series or when a plant does not have the specific technology.

Employee development: remuneration, charitable works, and training

REMUNERATION

Pernod Ricard's remuneration policy has always focused on attracting and retaining skills and talents. In order to achieve this, the policy aims to be both competitive in the market-place and stimulating for employees. Pernod Ricard promotes variable remuneration packages based on individual and/or company performance, enabling personnel to share in the growth of their organisation. In addition, a stock option program directly links senior management remuneration to the performance of their company and shareholder value creation.

SOCIAL SECURITY CONTRIBUTIONS

Pernod Ricard discharges its social security obligations in conformity with legal obligations, amounting to 21.9% of payroll and 24.7% of employer costs as a global average. In addition, the Group is particularly pro-active with regard to employee's future retirement benefits in France and internationally.

PROFIT SHARING AND SIMILAR PLANS

Most subsidiaries have in place a variable remuneration package based on individual and/or company performance. In particular, 43% of Group employees benefit from a "profit-sharing" scheme. All French subsidiaries have profit sharing and stock investment plans("intéressement and "participation"). In addition, the Company Savings Plans continue to develop, with Pernod Ricard's French subsidiaries making "top-up" contributions of 1.5 million euros during 2003.

CHARITABLE CONTRIBUTIONS

Pernod Ricard donated 3.3 million euros towards charitable causes in 2003. Outside France, certain charitable work was for the benefit of employees. Additional contributions were made to AIDS and cancer charities, grants were made for building free health clinics and contributions towards the funding of educational scholarships.

TRAINING

The development of workforce skills is a priority for Pernod Ricard. Significant training programs were implemented in 2003, particularly for former Seagram employees.

Employees at all Group subsidiaries can benefit from local training programs. In addition, Pernod Ricard operates its own Training Centre, which, in 2003, organised 32 training seminars attended by 310 Group managers from around the world.

	Training expenditure (in euro millions)	Number of beneficiaries	Expenditure per beneficiary	% of payroll	Change 2003/2002
France	3.4	1,514	2,213	2.8%	20.2%
Europe (excluding France)	3.6	2,592	1,379	1.9%	17.0%
Americas	0.6	1,440 (1)	860	0.8%	113.7%
Rest of world	0.8	946	1,714	1.5%	36.2%
Total/average	**8.4**	**6,492**	**1,288**	**1.9%**	**25.1%**

(1) The number of beneficiaries was 2.3 times greater in 2003 than 2002.

Average number of training hours per employee

	Workers		Employes		Supervisors		Managers		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	All
France	7.7	3.8	5.8	11.4	6.7	16.8	19.5	25.2	10.3	14.2	11.5
Europe (excluding France)	5.0	3.3	12.1	17.1	8.4	20.9	12.1	26.8	8.6	15.3	10.9
Americas	16.7	18.5	14.5	11.9	8.6	11.2	14.7	9.4	14.3	14.2	14.2
Rest of world	8.7	5.3	32.7	24.0	18.4	22.7	13.2	41.5	18.1	21.5	19.2
Average	**9.7**	**8.4**	**15.9**	**16.5**	**10.1**	**18.4**	**15.5**	**26.2**	**11.9**	**15.9**	**13.2**

Health and safety – our priorities

ABSENTEEISM

Total days of absenteeism in 2003 and their causes are listed in the table below:

(in days) Absenteeism days	Illness	Maternity leave	Workplace accidents	Transport accidents	Other	Total	Absenteeism rate (1)
France	26,241	2,012	3,515	509	3,589	35,866	6.1
Europe (excluding France)	28,929	9,026	1,923	NA (2)	2,409	42,287	4.1
Americas	9,923	902	1,058	NA	4,732	16,615	2.9
Rest of world	5,983	3,432	2,130	NA	1,378	12,923	2.3
Total/average	**71,076**	**15,372**	**8,626**	**NA**	**12,108**	**107,691**	**3.8**

(1) Absenteeism rate: [number of working days absent/(number of working days x annual average workforce)]x100.
(2) NA: Not available.

HEALTH AND SAFETY

Workplace safety and the prevention of workplace illnesses are priorities for all Group companies. Workplace accident standard indicators have been put in place at all of the Group's industrial sites with the objective of continuous improvement

Training and employee information initiatives regarding safety and compliance with legal and regulatory obligations continue. Group subsidiaries ensure that all employees receive appropriate training covering their obligations, as well as on the conditions of use of products, equipment and services relating to their jobs.
The number of lost days due to work accidents dropped by 3.6% between 2002 and 2003, for the Group's worldwide operations.
The implementation of a partnership in 2003 between Pernod Ricard, its French subsidiaries and the French Road Safety Ministry focusing on strict compliance with driving laws has yielded positive results, with Pernod Ricard's French operations reporting a 37% drop in 2003 in the number of accidents for which they were liable.

WORKPLACE ACCIDENTS

	Number of accidents resulting in lost days		Frequency rate (1)		Seriousness level (2)	
	2003	Change 2003/2002	2003	Change 2003/2002	2003	Change 2003/2002
France	102	(25.0%)	22.1	(9.3%)	0.76	23.0%
Europe (excluding France)	61	3.4%	7.6	15.1%	0.24	72.7%
Americas	77	(24.5%)	16.6	(23.9%)	0.23	(54.9%)
Rest of world	57	(52.1%)	12.8	(54.1%)	0.48	29.7%
Total/average	**297**	**(28.6%)**	**13.6**	**(22.2%)**	**0.40**	**5.0%**

(1) Frequency rate: (Number of accidents with work stoppage divided by the number of hours worked) x 1,000,000.
(2) Level of seriousness: (Number of lost working days arising from an accident divided by the number of hours worked) x 1,000.

Production sites
and investments

Open social dialogue

LABOUR RELATIONS AND COLLECTIVE AGREEMENTS

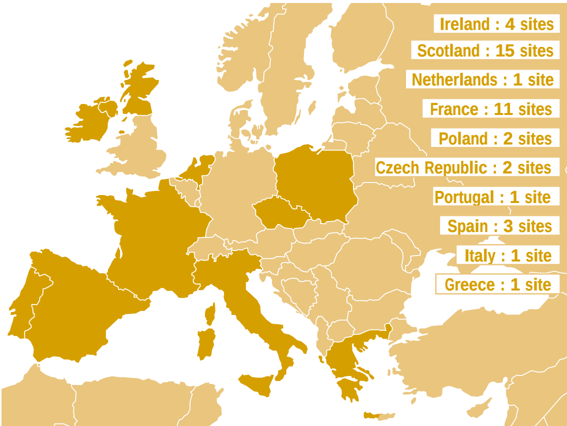
Social dialogue with employee representatives is one of Pernod Ricard's global priorities. In line with this, 21 subsidiaries signed collective agreements in 2003 covering a wide range of areas including working time organisation, remuneration and fringe benefits, working conditions and employee representation.

	Number of union representatives	Number of collective agreements signed	Number of meetings between employer and union representatives
France	22	22	229
Europe (excluding France)	45	21	164
Americas	15	16	103
Rest of world	10	2	31
Total	**92**	**61**	**527**

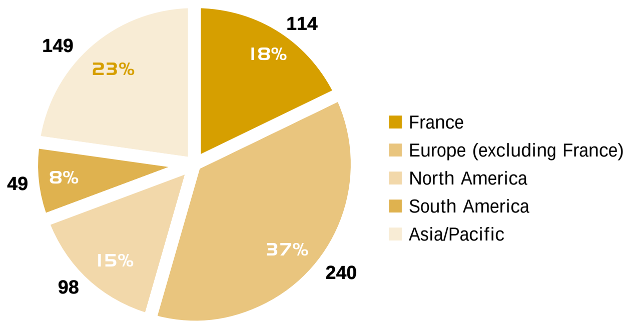
Major production sites

Pernod Ricard owns production facilities in the countries where its brands are produced. The Group operates 66 major wine & spirits business production and distribution facilities in the world, 47 of which are based in Europe (including 11 in France), 3 in North America, 6 in South America and 10 in Asia-Pacific.
In Europe, these production facilities are located at 41 industrial sites.

WINE AND SPIRITS BUSINESS IN THE EXPANDED UNION



The Group's wine & spirits business produces some 650 million equivalent litres, broken down as follows:



Total : 650 million litres

Investment policy

Group subsidiaries prepare their own investment plans, taking into account anticipated changes in volumes, productivity improvement objectives and QSE policies (Quality, Security, Environment) set by the Group Production Department.

Subsidiaries' capital expenditure is discussed and authorised by the Group Production Department. The Group incurred 116 million euros in capital expenditure in 2003, including significant investments in Ireland in response to the growth of Jameson Whiskey, and in Australia to align with the success of the Jacob's Creek wine range. Other significant investments were also made in the United States with regards to the integration of Seagram brands. The Group's capital expenditure in 2003 can be broken down as follows on a business segment and geographic region basis:

Wine & Spirits - France	24%
Wine & Spirits - Europe	39%
Wine & Spirits - Americas + Rest of world	29%
Other businesses	8%

The Group predicts a similar amount of capital expenditure for 2004, in order to accompany the growth of the Jameson and Jacob's Creek brands, the restructuring of the Martell & Co production capabilities, and more generally, the maintenance of production facilities' performance.

Capital expenditure represents 3.3% of consolidated net sales in 2003.

Research and development

This activity is covered in the Corporate Section of the Annual Report.

Environment - substainable development

The scope of activity presented below has been extended to cover the enlarged European Union, where production amounts to 347 million litres, accounting for 53% of the worldwide total. Pernod Ricard operates 41 industrial sites in the enlarged European Union, excluding sub-contracted logistics and transport activities.

Group policy on environmental protection matters is based on Pernod Ricard's Quality and Environment charters, which are implemented by the subsidiaries and controlled by the Group's Quality, Security and Environment Department. These charters provide for the establishment of common standards, which enabled the presentation of an extended scope.

Natural resource management

WATER AND ENERGY CONSUMPTION

Eau-de-vie distillation represents the Group's major water and energy requirements. Energy requirements are primarily covered by natural gas combustion (82% of requirements), with the remaining energy consumption coming from electricity. This breakdown of energy requirements enables optimal use of energy resources.

Consumption		Per 1,000 litres of finished products
Water	1,501,506 m^3	4.32 m^3 of water
Electricity	55,225 MWh	0.16 MWh electricity
Natural gas	268,090 MWh	0.77 MWh natural gas
Fuel	57,811 MWh	0.17 MWh fuel
Indirect energy purchase (hot water - steam) (1)	25 351 MWh	

(1) Concerns 3 sites in Poland and the Czech Republic.

RAW MATERIALS CONSUMPTION

All raw materials used in the production process are widely available and renewable.

Impact of operations on the environment

Based on our current knowledge, Pernod Ricard's operations do not discharge into the air or water significant amounts of toxic metals, radioactive or carcinogenic or mutagenic substances or substances that are harmful to reproduction.

Waste and effluents		Per 1,000 litres of finished products
CO_2 emissions relating to combustion	70,640 tonnes	200 kg of CO_2
CO_2 emissions relating to fermentation	27,722 tonnes	80 kg of CO_2
Clean water discharged into natural environment	679,167 m^3	1.96 m^3 clean water
Waste water externally treated	383,316 m^3	1.10 m^3 waste water
Organic waste reused	159,869 tonnes	0.46 tonne reused
Organic waste externally treated	17,097 tonnes	50 kg treated
Solid waste recycled	6,306 tonnes	20 Kg recycled
Solid waste externally treated	2,277 tonnes	7 kg treated
Special Industrial Waste externally treated	114 tonnes	0.3 kg treated
Dismantling waste externally treated (1)	414 tonnes	

(1) Not related to production.

FLOOR

The only significant risks that have been identified relate to accidental leaks into the water table of fuel and products stored underground at a limited number of sites. The Group is currently in the process of eliminating the latter of these two risks.

WATER

Cooling waters that do not require treatment before being discharged into waterways account for one-half of all waste water. A further 20% of waste water is treated internally before being discharged into the environment. The remaining 30% of waste water is piped to external treatment stations, enabling the Group to eliminate all acidification and eutrophication.

AIR

The significant use of natural gas as an energy source enables the Group to limit any greenhouse effects associated with its operations. In particular, the fermentation activities generate insignificant levels of carbon dioxide.

NOISE POLLUTION AND NUISANCE ODOURS

The Group complies with regulatory noise pollution and nuisance odour levels and generates insignificant emissions.

WASTE RECYCLING

For 2003, the Group achieved the following recycling rates:

- ➜ 90% for organic waste ;
- ➜ 73% for solid waste.

Non-recycled waste is treated externally.

Sustainable development and Group QSE policy

ENVIRONMENTAL ASSESSMENT AND CERTIFICATION INITIATIVES

Since 2000, Pernod Ricard has committed to a voluntary policy of certification of its production sites in accordance with recognised international standards, in particular ISO 14001 on environmental protection. Of the Group's 41 European sites, 10 have been certified and 6 are in the process of being ISO 14001 certified. For its remaining sites, an environmental impact study has been conducted and an environmental management system is being set up.

OPERATING COMPLIANCE MEASURES

Each subsidiary carries out its own monitoring to ensure regulatory compliance with local laws. In particular, the operating licences are updated periodically to take account of technical and regulatory changes.

EXPENDITURE INCURRED

In 2003, the Group spent 6.9 million euros to reduce risks and prevent the harmful impact of its operations on the environment.

MANAGEMENT OF THE ENVIRONMENT

The Group QSE Department is responsible for communicating, promoting and controlling its integrated risk management policy. It communicates best practices and assists subsidiaries in their continuous improvement measures. The Group's Training Centre organises and provides specific QSE and risk management training seminars. This training is available to all Pernod Ricard employees throughout the world, complementing existing awareness and internal training plans.

ENVIRONMENTAL RISKS PREVENTION, PROVISIONS AND GUARANTEES

The Group has identified fire-explosion as the major risk from its industrial operations. In cooperation with its insurers, a fire prevention improvement policy has been put into place. It has resulted in a strengthening in confinement and retention measures that will enable the Group to limit the impact of a potential catastrophe on the environment.

Although the Group is currently not a party to any such litigation, it has nevertheless established a provision amounting to 21.4 million euros for compliance costs incurred by its industrial sites (including 18.6 million euros for Chivas Brothers and 2.8 million euros for Martell & Co). In the area of prevention, the Group has acquired insurance for most environmental risks relating to its operations.

FINES, PENALTIES AND FINANCIAL AWARDS FOR DAMAGES CAUSED

The Group incurred none in 2003.

INVOLVEMENT OF INTERNATIONAL SUBSIDIARIES

Pernod Ricard's QSE policy requires that all subsidiaries throughout the world:

➜ adopt common standards from 2003,
➜ achieve ISO 14001 certification for their environment management systems.
This has already been achieved in Australia and is in the process of been achieved in Brazil and India.

Recent developments and 2004 outlook

Recent developments

Pernod Ricard's net sales performance for the first two months of 2004 was in line with the good performance it posted during the second half of 2003.

These two months represent a low sales activity period, with the Chinese New Year being the most significant business-related event occurring during this period. Our performance in the 2004 Chinese New Year was satisfactory, with Chivas and Martell enjoying very strong growth on the previous year.

2004 Outlook

2004 represents a new year of initiatives for Pernod Ricard. Several new products will be launched, including Royal Salute 38 year-old in Asia and Wyborowa Single Estate in the United States. Several brands will see their packaging change to increase consumer impact (Chivas Regal, The Glenlivet, Martell, Ricard and Pastis 51). New advertising campaigns will be launched, notably for The Glenlivet, Royal Salute and Havana Club.

In the wine & spirits industry, promising trends for premium brands and high-growth countries should be confirmed and even strengthened. Pernod Ricard's strong position in this segment and these markets gives us a real competitive advantage over many of our competitors.

Unlike most of the competition, Pernod Ricard will also be able to depend upon a fully global distribution network driven by motivated people. This will enable the Group to exploit growth opportunities worldwide and to spread risk.

All of the above means that Pernod Ricard looks forward to 2004 with both confidence and optimism.

The 2004 Agenda of financial communication is presented in the Shareholders pages of the Corporate Section.

Other information

Increase in share capital following exercise of stock subscription options

The Board of Directors, at its meeting of 28 January 2003, noted a 1,875.50 euros increase in share capital from 174,798,646.00 euros to 174,800,521.50 euros, following the exercise of 605 stock options in 2002 allocated to personnel.

Increase in share capital through incorporation of reserves and the distribution of a stock dividend

Using the powers conferred to it pursuant to the second resolution of the Combined General Meeting of 3 May 2001 (Extraordinary session resolution), at its 28 January 2003 meeting the Board of Directors decided to increase the Company's share capital by 43,700,129.60 euros, to 218,500,651.10 euros from 174,800,521.50 euros, by way of a transfer of the same amount from a long-term special capital gains reserve, which resulted in the creation and free distribution of 14,096,816 new shares to shareholders, on the basis of one new share for every four existing shares held.

These new shares were created and distributed to shareholders on 14 February 2003, with rights to the 0.90 euro interim dividend per share for the 2002 fiscal year, that was previously paid on 14 January 2003. The payment of this dividend was made from 5 March 2003. Fractional rights not exercised were not listed on the stock exchange, but instead were paid in cash. The OCEANE convertible bonds and stock subscription and purchase options ratios were adjusted. The Company's bylaws were updated.

Delisting of Pernod Ricard shares on the Frankfurt Stock Exchange

The Pernod Ricard shares were delisted from the Frankfurt Stock Exchange on 14 March 2003, following a notice filed with the Exchange authorities, due to the minimal trading volumes in the shares.

Implementation of share buyback plan

The Company did not hold any of its own shares at 1 January 2003, following the implementation of previously authorised share buyback programs.

Pursuant to a share buyback program authorised by the Annual General Meeting of 7 May 2003 for the sole purpose of allocation to a stock option plan, 700,000 shares were purchased on the Stock Market at an average price of 80.81 euros, of which 636,199 shares were subsequently allocated. The unallocated treasury shares, numbering 63,801, were subsequently resold on the Stock Market at an average price of 95.47 euros.

Using the authorisations conferred by the Extraordinary General Meeting of 3 May 2001, the Board of Directors implemented a Company stock purchase plan for the benefit of senior managers of the Group on 18 December 2003.

The plan provides for the distribution of 636,199 shares to 418 beneficiaries through the exercise of a number of stock options with an exercise price of 87.73 euros. The exercise price corresponds to the average price of Pernod Ricard shares during the twenty trading days immediately preceding the date on which the Board decided to make this allocation. No discount was applied to the average figure.

At 31 December 2003, the Group held 2,186,976 treasury shares for allocation to existing stock option programs, amounting to 3.1% of the Company's share capital.

OCEANE convertible bond

On 13 February 2002 and bearing interest from that date, Pernod Ricard issued bonds with an option to convert into new shares or be exchanged for existing shares, otherwise known as OCEANE. No notice of conversion or exchange was filed during 2003, with all OCEANE bonds remaining in circulation at 31 December 2003.

Major shareholders

Paul Ricard SA and SIFA SA each own more than 10% of the voting rights in Pernod Ricard SA. SIFA SA's major shareholder is the Kirin Brewery Company, which owns 47.5% of its share capital. Among other shareholders, Pernod Ricard has a minority interest stake in this company, through the Santa Lina subsidiary of Pernod Ricard SA.

The General Information section of the Annual Report sets out a table showing changes in the share capital, as well as any legal and statutory declarations relating to share capital thresholds made in 2003.

At 31 December 2003, Group personnel held 2.1% and 2.8% of Pernod Ricard SA's share capital and voting rights, respectively.

Corporate governance matters

During 2003, no subscription options were exercised.

The Corporate Governance section of the Annual Report lists the individual details of all outstanding stock purchase and subscription plans at 31 December 2003.

This same section lists the total gross amount of remuneration and benefits paid to each member of the Board of Directors during the year.

Report of the Chairman - Chief Executive Officer

on internal controls

Report of the Chairman - Chief Executive Officer

on the preparation and organisation of the Board and the internal control procedures set up by the Company

Year ended 31 december 2003

In accordance with Article L.225-37 of the Commercial Code, based on Article 117 of the Financial Security Law and the recommendation issued by the Autorité des Marché Financiers, the present report explains the preparation and organisation of the duties of the Board of Directors, the powers invested in the Chief Executive Officer by the Board of Directors, as well as the internal control procedures set up by Pernod Ricard SA.

Corporate Governance and preparation and organisation of the duties of the Board of Directors

Information in respect of the preparation and organisation of the duties of the Board of Directors can be found in the section on Corporate Governance.

Limitation of Chief Executive Officer's powers

On 31 May 2002, the Board of Directors decided not to split the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company.

The limits imposed by the Board of Directors on the powers of the Chairman and Chief Executive Officer are described below.

The Chairman and Chief Executive Officer must ensure before committing the Company that the Board of Directors agrees with transactions that are outside the ordinary course of business and in particular before:

- ➜ granting charges, sureties or guaranties, subject to an express delegation by the Board of Directors pursuant to Article L225-35 of the Commercial Code and Article 89 of the Decree of 23 March 1967;
- ➜ making acquisitions, ownership transfers and asset and property right exchanges and individual investment commitments exceeding 1,524,490 euros per transaction;
- ➜ concluding any joint investment or operation with other companies, either French or foreign;
- ➜ undertaking any investments or shareholdings in any companies, partnerships or investment vehicles, established or to be established, by way of subscription or contribution in cash or in kind, by the purchase of shares, corporate rights or other securities and in general by any form whatsoever for an amount exceeding 1,524,490 euros per transaction;
- ➜ disposing of shares, whatever their value;
- ➜ issuing loans, credit and advances in excess of 304,900 euros per borrower, except for subsidiaries where the limit is raised to 1,524,490 euros and only in respect of loans granted for more than one year;
- ➜ contracting, with or without a mortgage, or granting any other guarantee on corporate assets, any loans in excess of 1,524,490 euros in the same year, except with subsidiaries in which case there is no limit.

Internal control procedures

DEFINITION OF INTERNAL CONTROL

Internal control procedures in force within the Group are designed to:
- ensure that management actions, transaction undertakings and personal conduct comply with guidelines overseeing the conduct of Group business, as set by the Group's executive bodies, applicable law and regulations, and the values, standards and rules of Group companies.
- verify that the accounting, financial and management information provided to the executive bodies of Group companies fairly reflects the operation and general situation of the Group.

One of the objectives of the internal control system is to prevent and control risks arising from the Group's business and the risk of error or fraud, in particular in the areas of accounting and finance. As with all control systems, it cannot provide an absolute guarantee that such risks have been fully eliminated.

GENERAL ORGANISATION OF THE GROUP

The general organisation of the Group is based around Pernod Ricard SA (henceforth known as the 'Holding Company') which holds directly, or indirectly through Regional holding companies (henceforth known as 'Regions'), companies referred to as 'Brand Owners' and 'Distributors', with some companies assuming both the Brand Owner and Distributor roles.

The **Holding Company** is exclusively responsible for:
- Group strategy, particularly organic growth and growth through acquisition;
- management of investments and any mergers, acquisitions or disposals of assets that would be appropriate;
- management of the Group financial policy including financing means;
- tax planning;
- setting of remuneration policies, management of international executives and development of skills;
- 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 such as volume grouping for purchasing;
- major applied research programs.

The Holding Company also monitors the performance of subsidiaries, as well as the preparation and presentation of Group accounting and financial information.

Senior Management ("Direction Générale") comprises the Chairman - Chief Executive Officer and two Deputy Chief Executive Officers, whose powers are set by law and bylaws, as well as by the Board of Directors.

Regions are autonomous subsidiaries that have been delegated powers by the Holding Company, with responsibility for operational and financial control of the subsidiaries reporting to them, namely subsidiaries located in the same geographic region (Asia, South Asia, North America, South America and Europe).

Brand Owners are autonomous subsidiaries that have been delegated powers by the Holding Company or by a Region, with responsibility for managing brands' strategy, development and production.

Distributors are autonomous subsidiaries that have been delegated powers by the Holding Company or by a Region, with responsibility for managing the distribution and development of brands in local markets.

DESCRIPTION OF THE INTERNAL CONTROL ENVIRONMENT

KEY INTERNAL CONTROL FUNCTIONS

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

At Group level

The **Group Executive Committee** comprises the Group's Senior Management (Chairman - CEO and Deputy CEOs), the Chairmen - CEOs of major subsidiaries, the General Secretary and the Holding Company's Chief Financial Officer, Marketing and Human Resources Directors.
This committee met 11 times in 2003 to review the Group's business and financial performance, as well as to consider matters of importance to the Group and its subsidiaries.

The **Holding Company Management Committee** comprises the Group's Senior Management and the Holding Company's senior functional managers. It met 7 times in 2003 to ensure the correct application of decisions taken by the Group's Senior Management, and to ensure that information prepared and given to them is reliable and relevant.

Group Internal Audit is a unit of the Holding Company's Finance Department and reports directly to the Group's Senior Management and the Audit Committee, as necessary and by mutual initiative. It comprises staff from the Holding Company and the Regions. Audit assignments and work programs are prepared based on an analysis of risk and are approved by Senior Management and the Audit Committee. The review principle is based on a regular audit cycle for each subsidiary. Internal audit work is communicated to the Audit Committee, the Group's Senior Management and the Statutory Auditors for review and analysis. In 2003, 16 internal audits were carried out and areas of improvement identified resulted in detailed action plans approved by Senior Management and the Audit Committee.

Statutory Auditors
The selection of Statutory Auditors is made by the Board of Directors pursuant to a recommendation from the Audit Committee.

The Group has selected Statutory Auditors in order to ensure that there is global and comprehensive coverage for Group risks.

At subsidiary level

The subsidiary's **Management Committee** is appointed by the Holding Company or by a Region and comprises the subsidiary's Chairman - Chief Executive Officer and its senior functional managers.

The subsidiary's **Chief Financial Officer** reports to the subsidiary's Chairman-Chief Executive Officer on the establishment of proper internal control systems for the prevention and control of risks arising from the subsidiary's operation, as well as for error and fraud prevention, particularly in the areas of accounting and finance.

Risk identification and management: 2003 Activity Report

2003 provided a very short period in which to adapt to the requirements of the Financial Security Law.

The Company proceeded with a review of its overall situation and committed resources to progressively respond to this new law with:

- the creation of a project team reporting to a steering committee comprising the Holding Company's financial management and the Statutory Auditors;
- the establishment of an action plan approved by the Board of Directors and the Audit Committee;
- the selection of subsidiaries for review, ensuring that over 80% of Group sales and net profit were covered;
- the conduct of a review in 2003 of risks and related controls through a self-evaluation internal control questionnaire that was sent to the aforementioned subsidiaries. This questionnaire incorporated:
  - consideration of the specificities of each business, based on whether the subsidiary was a Brand Owner, a Distributor, or a Region;
  - systematic identification of risks and a follow up of internal audits carried out;
  - organisation of questions using key identified processes that covered both operating procedures and accounting and financial procedures (relating to the control environment, operations and support functions):
    - control environment: corporate governance and ethics, sustainable development and legal environment;
    - operations: production, purchasing, inventories, sales, research and development, investments, advertising expenditure, tax matters, treasury, control functions and the preparation of financial statements and off-balance sheet items;
    - support functions: human resources, information systems, brand management and litigation management.
- the conduct of meetings by the Holding Company, on the basis of completed questionnaires, with the Chairman- Chief Executive Officers and Chief Financial Officers of every subsidiary or their regional representatives, enabling the Group to specifically focus on identified risks and internal control matters arising from the questionnaires and internal audits carried out.

The above work led to:
- ➜ the preparation of a summary report by subsidiary that was presented to each subsidiary and the Audit Committee;
- ➜ the preparation of a Group summary report that was presented to the Audit Committee;
- ➜ the issuance of a confirmation letter sent to the Chairman - Chief executive Officer of the Company, with a copy to the Audit Committee, committing the senior management of the selected subsidiaries to maintaining adequate internal control procedures in relation to identified risks.

Key features of internal control procedures

The key features are as follows:

An **Organisation Charter** sets out the rights and duties of every employee in relation to values promoted by the Group. A copy of the charter is given to each employee at the moment of their hiring, and when updated.

A formal procedure to **delegate power**, issued by the Board of Directors, sets out the powers of the Chairman-Chief Executive Officer, the Deputy Chief Executive Officers, the Chief Financial Officer and the General Counsel of the Holding Company.

The Quality and Environmental Charters detail the rules to be complied within these areas. The Holding Company's Production Department is vested with the responsibility for ensuring compliance by the Group with these charters and presents an annual report to the Group Executive Management Committee to this effect.

Budgetary control is exercised through three processes: the annual budget (revised during the year), monthly reporting to compare actual with budgeted performances, and a three-year strategic plan.

Budgetary control is exercised by the Holding Company and the Regions' Finance Department management control teams, and operates as follows:
- ➜ precise budget preparation instructions (principles, timetable) are issued by the Holding Company and sent to all subsidiaries. The final budget is approved by the Group's Senior Managment;
- ➜ reporting is on the basis of data from the subsidiary in line with a precise timetable provided at the start of the year;
- ➜ the monthly performance analysis is carried out as part of the reporting process and is presented by the Finance Department to the Holding Company's Management Committee, Group Senior Management, the Group Executive Committee and the Board of Directors and Audit Committee at their meetings;
- ➜ a three year strategic plan is prepared every year using the same procedures as for the budget;
- ➜ a unique management and consolidation tool enables the direct input by each subsidiary of its accounting and financial data.

Centralised treasury management is under the responsibility of the Treasury Unit of the Holding Company's Finance Department

Holding Company's legal and operational control of subsidiaries

Subsidiaries are for the most part fully owned, on a direct or indirect basis.

The Holding Company is represented directly or indirectly through a Region on the subsidiaries' Board of Directors.

The Organisation Charter defines the level of autonomy of each subsidiary particularly in respect of strategic decisions.

The role of the Holding Company, as described in the section "Group General Organisation" of the present report, is an important factor in the control of subsidiaries.

INTERNAL CONTROLS IN THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

Preparation of consolidated financial statements of Pernod Ricard

The Group, in addition to the matters detailed above, prepares interim and annual consolidated financial statements. This process is handled by the Consolidation Unit of the Holding Company's Finance Department, as follows:

- preparation and issuance by the Consolidation Unit of detailed instructions to the subsidiaries prior to a consolidation, together with a detailed timetable;
- consolidation by layer;
- preparation of the consolidated financial statements on the basis of information provided by a document pack completed by every subsidiary;
- use of a single software package available to all group subsidiaries. The maintenance of this package and user training is carried out by the Holding Company's Finance Department with occasional use of external consultants;
- the consolidation process and the software package were reviewed by internal audit in 2003, which confirmed the reliability of the information produced;
- in addition, consolidated subsidiaries sign a confirmation letter addressed to the Statutory Auditors, and the Holding Company. This letter commits the senior management of each consolidated subsidiary to the accuracy and completeness the financial information sent to the Holding Company as part of the consolidation process.

Preparation of Pernod Ricard parent company financial statements

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

2004-2005 OUTLOOK

The deployment of the aforementioned resources should progressively lead to the:

- establishment of a reliable management tool to assess the adequacy and effectiveness of internal control procedures;
- spread of identified standard practices;
- updating of Group management principles;
- formalisation of Group accounting and financial principles through a procedures' manual.

Paris, 17 March 2004

Patrick Ricard
Chairman
and Chief Executive Officer

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

Statutory Auditors' report

prepared in accordance with Article L.225-235 of the Commercial Code on the report prepared by the Chairman of the Board of Directors describing the internal control procedures relating to the preparation and processing of financial and accounting information

Year ended 31 December 2003

To the shareholders,

In our capacity as Statutory Auditors of Pernod Ricard Company, and in accordance with article L.225-235 of the Commercial Code, we report to you on the report prepared by the Chairman of your company in accordance with article L.225-37 of the Commercial Code for the year ended 31 December 2003.

Under the responsibility of the Board, it is for management to determine and implement appropriate and effective internal control procedures.
It is for the Chairman to give an account, in his report, of the conditions in which the tasks of the Board of Directors are prepared and organised and the internal control procedures in place within the company.

It is our responsibility to report to you our observations on the information and assertions set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

In accordance with the professional guidelines applicable in France we have obtained an understanding of the objectives and general organisation of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the Chairman's report.

On the basis of the procedures we have performed, we have no matters to report in connection with the description of the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the Commercial Code.

Neuilly-sur-Seine and Paris, 18 March 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS Alain PENANGUER

MAZARS & GUÉRARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

Consolidated financial statements

Consolidated Income Statement

For the years ended 31 December 2003, 2002 and 2001

In euro millions	Notes	2003	2002	2001	2003/2002
Net sales excluding duties and taxes		**3,533.7**	**4,835.7**	**4,555.2**	**(26.9%)**
Cost of goods sold		(1,229.8)	(2,374.5)	(2,721.6)	(48.2%)
Gross profit		**2,303.9**	**2,461.2**	**1,883.6**	**(6.4%)**
Advertising & Promotion costs, distribution costs		(888.6)	(962.5)	(735.5)	(7.7%)
Contribution after Advertising & Promotion		**1,415.3**	**1,498.7**	**1,098.1**	**(5.6%)**
Structure costs and selling costs		(676.1)	(748.4)	(647.6)	(9.7%)
Operating profit		**739.2**	**750.3**	**450.5**	**(1.5%)**
Net finance cost	3	(101.6)	(153.3)	(39.5)	(33.7%)
Profit before tax		**637.6**	**597.0**	**411.0**	**6.8%**
Net exceptional income	4	60.1	9.6	220.0	-
Income tax	5	(167.5)	(156.9)	(235.7)	6.7%
Net profit before income from associates		**530.2**	**449.7**	**395.3**	**17.9%**
Income from associates		0.1	1.0	0.7	-
Net profit before goodwill amortisation		**530.3**	**450.7**	**396.0**	**17.7%**
Goodwill amortisation	7	(58.3)	(30.0)	(31.4)	94.0%
Net profit before minority interest		**472.0**	**420.7**	**364.6**	**12.2%**
Minority interest		(8.2)	(7.9)	(6.4)	4.9%
Group net profit		**463.8**	**412.8**	**358.2**	**12.3%**

Euros	Notes	2003	2002	2001	2003/2002
Earnings per share [(1)]					
Profit before tax		9.05	8.47	5.83	6.8%
Group net profit		6.58	5.86	5.08	12.3%

Euros	Notes	2003	Pro forma 2002	Pro forma 2001	2003/2002
Fully diluted earnings per share [(1)]	6				
Profit before tax		8.63	8.07	5.83	6.9%
Group net profit		6.25	5.57	5.08	12.3%

(1) 2002 and 2001 were restated to take account of the stock dividend of 1 free share for every 4 existing shares made on 14 February 2003.

Breakdown of operating profit
by business segment

Wine and Spirits business

In euro millions	2003	2002	Change 2002/2003	Organic growth [1]	
Sales volume [2]	616	584	32		
Net sales excluding duties and taxes	3,418.6	3,407.9	10.7	275.4	8.1%
Gross profit	2,275.7	2,220.9	54.8		
Contribution after Advertising & Promotion	1,396.9	1,357.6	39.3		
Operating profit	**736.5**	**709.8**	**26.7**	**103.0**	**14.5%**

Other businesses

In euro millions	2003	2002	Change 2002/2003	Organic growth [1]	
Net sales excluding duties and taxes	115.1	1,427.8	(1,312.7)	(8.7)	(0.6%)
Gross profit	28.3	240.3	(212.0)		
Contribution after Advertising & Promotion	18.5	141.1	(122.6)		
Operating profit	**2.7**	**40.5**	**(37.8)**	**(2.1)**	**(5.1%)**

Total

In euro millions	2003	2002	Change 2002/2003	Organic growth [1]	
Net sales excluding duties and taxes	3,533.7	4,835.7	(1,302.0)	266.7	5.5%
Gross profit	2,303.9	2,461.2	(157.2)		
Contribution after Advertising & Promotion	1,415.3	1,498.7	(83.4)		
Operating profit	**739.2**	**750.3**	**(11.1)**	**101.0**	**13.5%**

(1) Organic growth corresponds to annual growth excluding the impact of changes to consolidation scope and foreign exchange rate.
(2) Volumes expressed in millions of litres, excluding bulk and premix alcohol, restated for changes in consolidation scope (brands not carried for the full year).

Analysis of Wine and Spirit's

operating profit by geographic region

France

In euro millions	2003	2002	Change 2002/2003	Organic growth	
Sales volume[1]	96	102	(6)		
Net sales excluding duties and taxes	580.7	592.4	(11.7)	(6.4)	(1.1%)
Gross profit	453.9	454.8	(1.0)		
Contribution after Advertising & Promotion	272.4	277.5	(5.0)		
Operating profit	**114.2**	**120.0**	**(5.8)**	**(9.5)**	**(7.9%)**

Europe (excluding France)

In euro millions	2003	2002	Change 2002/2003	Organic growth	
Sales volume[1]	224	224	-		
Net sales excluding duties and taxes	1,359.7	1,330.0	29.7	61.9	4.7%
Gross profit	878.3	835.6	42.7		
Contribution after Advertising & Promotion	541.8	512.2	29.6		
Operating profit	**293.9**	**276.8**	**17.2**	**18.2**	**6.6%**

Americas

In euro millions	2003	2002	Change 2002/2003	Organic growth	
Sales volume[1]	136	122	14		
Net sales excluding duties and taxes	770.2	834.5	(64.3)	103.2	12.4%
Gross profit	483.1	513.6	(30.5)		
Contribution after Advertising & Promotion	305.8	318.0	(12.2)		
Operating profit	**179.1**	**176.0**	**3.2**	**55.8**	**31.7%**

(1) Volumes expressed in millions of litres, excluding bulk and premix alcohol, restated for changes in Group structure (brands not carried throughout the year).

Rest of world

In euro millions	2003	2002	Change 2002/2003	Organic growth	
Sales volume[1]	160	136	24		
Net sales excluding duties and taxes	708.0	651.0	57.0	116.8	17.9%
Gross profit	460.4	416.9	43.5		
Contribution after Advertising & Promotion	276.9	249.9	27.0		
Operating profit	**149.2**	**137.0**	**12.2**	**38.4**	**28.0%**

Total

In euro millions	2003	2002	Change 2002/2003	Organic growth	
Sales volume[1]	616	584	32		
Net sales excluding duties and taxes	3,418.6	3,407.9	10.7	275.4	8.1%
Gross profit	2,275.7	2,220.9	54.8		
Contribution after Advertising & Promotion	1,396.9	1,357.6	39.3		
Operating profit	**736.5**	**709.8**	**26.7**	**103.0**	**14.5%**

(1) Volumes expressed in millions of litres, excluding bulk and premix alcohol, restated for changes in Group structure (brands not carried throughout the year).

Consolidated Balance Sheet

At 31 December 2003, 2002 et 2001

Assets

In euro millions	Notes	2003 Gross Value	2003 Depreciation, amortisation & provisions	2003 Net Value	2002 Net Value	Pro forma (1) 2002 Net Value	2001 Net Value
Fixed assets							
Intangible assets		*2,085.4*	*129.8*	*1,955.6*	*2,092.8*	*2,092.8*	*2,023.4*
Acquisition goodwill		*393.0*	*194.0*	*199.0*	*242.5*	*242.5*	*239.8*
Intangibles and acquisition goodwill	7	2,478.4	323.8	2,154.6	2,335.3	2,335.3	2,263.3
Property, plant and equipment	8	1,642.9	821.4	821.6	819.7	819.7	1,122.5
Investments	9	597.7	449.5	148.2	363.6	363.6	782.5
Equity investment	9	24.2	0.0	24.2	0.0	0.0	3.5
Total fixed assets		**4,743.2**	**1,594.7**	**3,148.5**	**3,518.6**	**3,518.6**	**4,171.7**
Current assets							
Inventories	10	2,072.4	45.1	2,027.3	2,105.5	2,105.5	2,461.0
Receivables	11	1,199.5	67.8	1,131.7	1,438.0	1,438.0	1,671.3
Deferred tax asset	5	336.6	0.0	336.6	184.6	206.6	133.8
Marketable securities		158.2	2.2	156.1	90.4	90.4	152.0
Cash and equivalents		152.4	0.0	152.4	89.4	89.4	932.7
Currency translation adjustment		**3,919.2**	**115.1**	**3,804.1**	**3,907.9**	**3,929.9**	**5,350.8**
Prepaid expenses and deferred charges		50.8	0.0	50.8	60.3	60.3	92.1
OCEANE bond redemption premiums		59.1	18.9	40.2	50.3	50.3	0.0
Currency translation adjustment		0.0	0.0	0.0	1.2	1.1	7.2
Total assets		**8,772.3**	**1,728.7**	**7,043.6**	**7,538.3**	**7,560.3**	**9,621.8**

(1) The 31 December 2002 Pro forma financial statements include the OCEANE convertible bonds in net financial debt and reflect the impact on provisions for contingencies, deferred income tax and shareholders' equity of the change in accounting method for retirement and related benefits.

Equity and liabilities

In euro millions	Notes	2003	2002	Pro forma (1) 2002	2001
Share capital		218.5	174.8	174.8	174.8
Share premium		37.7	37.7	37.7	37.7
Reserves		2,029.9	1,957.5	1,903.5	1,915.8
Group net profit		463.8	412.8	412.8	358.2
Others		(19.1)	(14.1)	(14.1)	(34.7)
Shareholders' equity		**2,730.8**	**2,568.7**	**2,514.7**	**2,451.8**
Minority interests		**24.9**	**24.0**	**24.0**	**61.1**
including minority interest in profit		8.2	7.9	7.9	6.4
Provisions for contingencies	12	519.0	509.1	585.1	518.1
Deferred tax liability	5	118.4	-	-	-
OCEANE convertible bond	13	-	547.9	-	-
OCEANE convertible bond		547.9	-	547.9	-
Other financial debt		1,910.0	2,473.4	2,473.4	4,779.2
Total Financial debt	13	**2,457.9**	**2,473.4**	**3,021.3**	**4,779.2**
Operating liabilities		1,034.1	1,066.1	1,066.1	1,411.3
Other liabilities		148.2	339.8	339.8	395.9
Total operating and other liabilities		**1,182.3**	**1,405.9**	**1,405.9**	**1,807.3**
Accrued charges and deferred income		10.4	9.3	9.3	4.4
Total equity and liabilities		**7,043.6**	**7,538.3**	**7,560.3**	**9,621.8**

(1) The 31 December 2002 Pro forma financial statements include the OCEANE convertible bonds in net financial debt and reflect the impact on provisions for contingencies, deferred income tax and shareholders' equity of the change in accounting method for retirement and related benefits.

Consolidated Statement of Changes
in Shareholders' Equity

In euro millions	Share Capital	Share premiums	Consolidated reserves	Group net profit	Translation adjustment	Treasury shares	Total
At 31 December 2001	**174.8**	**37.7**	**1,764.2**	**358.2**	**133.1**	**(16.1)**	**2,451.8**
Allocation of 2001 Group net profit to reserves			358.2	(358.2)			0.0
Acquisition/(disposal) of treasury shares						16.1	16.1
Share capital increase							0.0
2002 Group net profit				412.8			412.8
Cash dividend distribution by parent company			(98.4)				(98.4)
Currency translation adjustment					(295.1)		(295.1)
Foreign exchange gains on investments related financial debt					71.7		71.7
Other			9.8				9.8
At 31 December 2002	**174.8**	**37.7**	**2,033.8**	**412.8**	**(90.3)**	**0.0**	**2,568.7**
Allocation of 2002 Group net profit to reserves			412.8	(412.8)			0.0
Acquisition/(disposal) of treasury shares							0.0
Share capital increase (1)	43.7		(43.7)				0.0
2003 Group net profit				463.8			463.8
Cash dividend distribution by parent company			(118.0)				(118.0)
Currency translation adjustment					(196.5)		(196.5)
Foreign exchange gains on investments related financial debt					49.3		49.3
Impact of change in accounting method for retirement and related benefits			(54.1)				(54.1)
Other (2)			17.6				17.6
At 31 December 2003	**218.5**	**37.7**	**2,248.4**	**463.8**	**(237.5)**	**0.0**	**2,730.8**

(1) Allocated stock dividend of 1 free share for every 4 existing shares.

(2) Accounting adjustment arising from the consolidation of the equity accounted SIFA company.

Consolidated Cash Flow Statement

For the years ended 31 December 2003, 2002 et 2001

In euro millions	2003	Pro forma [3] 2002	2002	2001
Group net profit	463.8	412.8	412.8	358.2
Minority interest	8.2	7.9	7.9	6.4
Income from associates (net of dividends received)	(0.6)	0.0	0.0	(0.7)
Property, plant and equipment depreciation	108.1	112.9	112.9	96.6
Intangibles and acquisition goodwill amortisation	90.4	33.5	33.5	145.5
Change in provisions and deferred taxes [1]	(61.7)	(44.6)	(44.6)	104.8
Gains on disposals of fixed assets and other items	(135.5)	(42.3)	(42.3)	(339.3)
Cash flow	**472.7**	**480.2**	**480.2**	**371.5**
Decrease/(increase) in working capital requirements [3] [4]	12.9	(42.7)	(33.9)	122.4
Acquisition on PPE and intangibles (net of disposals)	(104.1)	(142.5)	(142.5)	(116.6)
Net change in fixed assets related receivables and liabilities	1.6	(13.0)	(13.0)	10.3
Free cash flow	**383.1**	**282.0**	**290.8**	**387.6**
Acquisition of financial assets (net of disposals)	288.7	107.9	107.9	50.6
Impact of changes in consolidation scope	(0.4)	396.3	396.3	(3,151.2)
OCEANE 2002-2008 convertible bond issue			488.8	
Dividends paid (including withholding tax)	(122.4)	(102.0)	(102.0)	(108.1)
Decrease/(increase) in financial debt before foreign exchange impact	**549.0**	**684.2**	**1,181.8**	**(2,821.1)**
Foreign exchange impact	133.0	219.1	219.1	0.5
Net decrease/(increase) in financial debt after foreign exchange impact	**682.0**	**903.3**	**1,400.9**	**(2,820.6)**
Net financial debt at the beginning of the year [2]	(2,791.2)	(3,694.5)	(3,694.5)	(873.9)
Net financial debt at the end of the year	(2,109.2)	(2,791.2)	(2,293.6)	(3,694.5)

(1) Excluding writedowns of current assets, as detailed in Note 16.

(2) These are detailed in Note 16.

(3) The 2002 Pro forma cash flow data includes the restatement of the OCEANE bonds as financial debt. Thus, the movement between the 2002 and the 2002 Pro forma on the line "decrease/(increase) in working capital requirements" relates to the amortisation of the OCEANE redemption premium of 8.8 million euros.

(4) In 2002, the decrease/(increase) in "working capital requirements" includes an outflow of 139 million euros for payment of tax due on the disposal of Orangina in 2001. Restated for this, the free cash flow was 429.8 million euros.

Notes to the consolidated financial statements

Note 1 – Accounting principles and methods

1.1 CONSOLIDATION PRINCIPLES

The consolidated financial statements of Pernod Ricard Group (hereafter "Pernod Ricard" or "the Group") have been prepared in accordance with French Generally Accepted Accounting Principles and in compliance with the Law of 3 January 1985, and its Application Decree, as well as in compliance with French Accounting Committee (FAC) Regulation N° 99-02.

Pernod Ricard has not opted for an early application of FAC Regulation N° 2002-10 concerning the depreciation and amortisation of fixed assets, particularly with regard to intangible assets where the Group does not apply the component approach.

1.2 CHANGES IN ACCOUNTING PRINCIPLES AND FINANCIAL STATEMENTS PRESENTATION

In order to converge with IAS/IFRS standards, the Group opted as early as 2003 for the application of certain standards by availing itself of opportunities offered by French accounting standards. In particular Pernod Ricard has elected to apply the preferred method for accounting for retirement and similar benefits. In the same manner, the Group decided to modify its diluted earnings per share calculation method.

In order to provide comparable results, pro forma figures have been provided in the financial statements. Hence, the 31 December 2002 Pro forma balance sheet incorporates the impact of the change in retirement and similar benefits accounting, as well as the change in presentation of the OCEANE convertible bonds.

1.2.1 Change in accounting method for retirement and similar benefits

From 1 January 2003, Pernod Ricard has opted for the preferred method prescribed in FAC Regulation N° 99-02 concerning the accounting for retirement and similar benefits. The calculation principles for these commitments, in compliance with the FAC recommendation of 1 April 2003, are listed in Note 1.16. Pernod Ricard previously partially accounted for retirement commitments, in particular:

- French retirement plans (excluding Martell & Co company): a retirement provision was only established for employees aged over 45 years with more than 10 years of seniority ;
- Foreign retirement plans: these were accounted for in accordance with local accounting standards, meaning that contributions to funded plans were charged as an expense and no provision was established in the balance sheet for the difference in value between the company's total retirement obligations and the value of investments from contributions.

This change has the following consequences:

- 76 million euros [(1)] increase in provisions for contingencies at 1 January 2003;
- 22 million euros increase in deferred tax assets at 1 January 2003;
- 54 million euros decrease in shareholders' equity at 1 January 2003.

Otherwise there is no significant impact on the profit of the presented fiscal years.

1.2.2 Change in diluted earnings per share calculation method

Effective from 1 January 2003, Pernod Ricard uses a different dilutive earnings per share calculation method, whose principles are described in Note 1.19.

The difference with the previous method specifically concerns the treatment of stock-option subscriptions. The previous method took into account the potential number of new shares to be issued, without putting a value on the funds that would be received at the exercise date of these options. The "share purchase" method is now used in order to determine the theoretical number of shares to be taken into account.

This change has no impact on Pernod Ricard's balance sheet or income statement.

1.2.3 Change in presentation of OCEANE convertible bonds

From 1 January 2003 and in order to conform to the accounting practices of major groups, Pernod Ricard has modified its presentation of OCEANE convertible bonds, which are now classified as financial debt instead of being separately presented between financial debt and shareholders' equity.

(1) Including 77 million euros in retirement and similar benefits provision charge offset by a (1) million euros restructuring provision reversal.

1.3 CONSOLIDATION SCOPE AND METHODS

The Group's consolidated financial statements incorporate, using the full consolidation method, the financial statements of significant subsidiaries that are directly or indirectly controlled by Pernod Ricard, either through the ownership of more than 50% of a subsidiary's share capital or through the exercise of defacto control.

The Group does not consolidate its investments in less significant companies (net sales and total assets of less than 10 million euros), other than those relating to its wine and spirits business, given the importance and projected growth of markets in which these companies evolve.

Companies in which the Group exercises a significant influence but no control are accounted for using the equity method.

A list of the consolidated companies is provided in Note 20. For purposes of simplification and to avoid any serious harm to the Group that could thereby result, only the names and addresses of the main companies included in the consolidation scope are listed.

1.4 FOREIGN CURRENCY TRANSLATION

Financial statements prepared in foreign currencies have been translated using the following principles:

- balance sheet items have been translated at official year-end rates;
- income statement items have been translated using the yearly average rate for each currency;
- differences in currency translation resulting from the effect of fluctuations in the exchange rates between 31 December 2002 and 31 December 2003 on opening shareholders' equity and from the use of different exchange rates in translating the balance sheet and income statement have been included in consolidated reserves.

Foreign currency denominated transactions are translated at the transaction date's prevailing exchange rate. The exchange gains and losses resulting from the translation of the balances at the 31 December 2003 exchange rate are recorded in the income statement.

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1.5 INTANGIBLE ASSETS

Intangible assets are recorded at their acquisition cost, and are written down to their value in use when they are less than their net book value.

Acquired brands

The book value of an acquired brand is determined on the basis of an actuarial computation of discounted, projected, future after-tax operating profit streams.

The excess fair market value assigned to acquired brands during a corporate acquisition may not exceed the remaining excess fair market values following their initial allocation to all other balance sheet assets and liabilities.

The individual value of all brands appearing on the balance sheet is subject to an annual review. Exceptional writedowns are detailed in Note 7.

Profit projections are made over a 20-year period using management forecasting systems for the first three years and an assessment of brand prospects for the following years. In the case of the valuation of strategic brands with significant market value, a residual value corresponding to an estimate of their disposal price is taken into account in the assessment of their value in use.

The discount rate used takes into account the geographic spread of profits.

1.6 RESEARCH AND DEVELOPMENT COSTS

Research and Development costs are posted in the fiscal year in which they are incurred.

1.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment assets are valued at their acquisition cost.

Depreciation is calculated using the straight-line method or, where applicable, the declining balance method, over the estimated useful life of the assets.

The average depreciation periods for the main asset categories are as follows:

Buildings	15 to 50 years
Machinery and equipment	5 to 15 years
Other fixed assets	3 to 5 years

Property assets of significant value acquired through a finance lease are capitalised and depreciated over their economic life.

Sale and leaseback assets are treated similarly, with any resulting capital gains eliminated in the year in which they occur.

Obsolescence is reflected in the depreciation calculations.

1.8 INVESTMENTS

Equity investments in unconsolidated companies are valued at acquisition cost.

A provision for writedown is established if the value in use falls below the net book value, with market value generally based on the company's stock price, the Group's prorata share of the company's equity and the company's development and profitability prospects.

1.9 GOODWILL

Since 1 January 1986, acquisition goodwill has been reflected in assets and assigned by brand name if appropriate.

Acquisition goodwill is amortized on a straight-line basis over a period appropriate to the acquisition but not exceeding 40 years.

Recent acquisition goodwill (since 1996) is amortised over a period not exceeding 20 years.

At the end of each financial year, the value of acquisition goodwill is reassessed using the methodology prescribed in Note 1.5, which may result in an exceptional writedown if the value in use thus determined is lower than its net book value.

1.10 INVENTORIES

Inventories are valued at the lower of cost and market value, with cost primarily calculated using the weighted average cost method.

A provision for writedown is established when an inventory's market value is less than its net book value.

Long-term inventory costs are calculated using a standard method, which includes distilling and ageing costs but excludes interest expense. These inventories are classified in current assets in accordance with the prevailing business practice, although a large part remains in inventory for more than one year before being sold.

1.11 MARKETABLE SECURITIES

Marketable securities are recorded in the balance sheet at their historical cost. A provision for writedown is established when the year-end market value of a marketable security is less than its historical cost.

1.12 TREASURY SHARES

Pernod Ricard shares specifically held for the purpose of their allocation to holders (employees or senior management) of stock purchase options are recorded as marketable securities. A provision for writedown is established when their acquisition price exceeds their exercise price.

Other treasury shares held are reported at the cost of acquisition as a deduction from shareholders' equity.

1.13 FOREIGN CURRENCY DENOMINATED LOANS

Translation differences arising from loans in currency different from the operating currency of the borrowing entity are treated as follows:

- for a loan relating to an investment in a legal entity whose reporting currency is the same as that of the financial debt, the resulting translation difference is recorded, net of tax, in shareholders' equity;
- for a financial debt relating to an asset whose value fluctuates with the borrowed currency, the resulting translation difference is recorded, net of tax, in shareholders' equity;
- for a loan that cannot be related to a specific asset, the resulting translation difference is recorded as an exchange gain or loss in the income statement.

Translation differences recorded in the income statement are disclosed in Note 3, while those recorded in equity are disclosed in the consolidated statement of changes in shareholders' equity.

1.14 CONVERTIBLE BONDS

Convertible bond redemption premiums are capitalised as an asset and amortised over the term of the bonds.

Issue costs are amortised on a prorata basis over the term of the bonds.

1.15 PROVISIONS FOR CONTINGENCIES

1.15.1 Nature of provisions

Provisions for contingencies are established to provide for the probable outflow of resources arising from obligations relating to past events.

These provisions are properly assessed by taking into account the most probable assumptions and by relying on statistical methods given the nature of the obligations.

Provisions for contingencies notably comprise the following contingencies:

- provision for retirement and similar benefits;
- provision for restructuring;
- provision for litigation (tax, legal, corporate).

1.15.2 Opening Balance Sheet provisions pursuant to an acquisition

The accounting of an acquisition may lead to the recording of provisions (restructuring, litigation) in the opening balance sheet. These provisions constitute liabilities that increase the excess fair market value amount, potentially leading to the creation or increase in value of any resulting acquisition goodwill.

Reversals of unused provisions are offset against acquisition goodwill exceptional amortisation without any impact on net profit.

When there is no acquisition goodwill resulting from an acquisition, the reversal of unused provisions is taken to income.

1.16 PROVISION FOR RETIREMENT AND SIMILAR LONG TERM BENEFITS

1.16.1 Description and accounting of commitments

Pernod Ricard's commitments are comprised of:

- employment long-term benefits granted to employees;
- post-employment long-term benefits granted to employees (retirement benefits and bonus, pensions, medical plan coverage etc.).

The liability arising from the Group's net commitment to its workforce for retirement and similar benefits is accounted for as a provision for contingencies in the balance sheet.

1.16.2 Determination of provision for retirement and similar benefits at year-end

Pernod Ricard's year-end provision amount is equal to the sum of differences for each retirement plan, between the current value of retirement commitments to employees and the current value of investments funded from retirement plan contributions.

The current value of commitments to personnel is calculated using the projected benefit method based on projected end-of-career salary (credit unit projection method). The calculation is made at the end of each fiscal year and individual employee data is revised at least every three years.

This calculation takes into account economic assumptions (inflation rate, discount rate, projected return on investment) and personnel assumptions (primarily: average salary inflation rate, personnel turnover rate, life expectancy).

Investments funding the Group's retirement commitments are valued at their year-end closing market values.

1.16.3 Treatment of actuarial differences

Actuarial differences arise from differences between estimates and reality (such as the difference arising from the projected value of investments and their actual closing market value), and from modifications to long-term actuarial assumptions (such as discount rate and salary inflation rate modifications).

Long-term benefits arising during employment (such as seniority bonuses) are provided for in full at year-end.

In all other cases, these differences are only provided for from the moment, for each specific plan, they represent more than 10% of the greater of the commitment gross amount and the market value of corresponding investment assets (corridor principle). The establishment of the provision is realised on a straight-line basis over the remaining years of service for employees of the plan concerned (amortisation of actuarial differences).

1.16.4 Increases and decreases to provisions for retirement and similar benefits

Long-term provision for retirement and similar benefits increases and decreases arise from the following charges and income:

- ➜ charge corresponding to the acquisition of a year of supplementary rights;
- ➜ charge corresponding to a change in the discounting of existing rights at the start of the year, taking into account the passing of the year;
- ➜ income corresponding to the projected return from investments;
- ➜ charge/income corresponding to the amortisation of positive/negative actuarial differences;
- ➜ charge/income corresponding to the modifications of retirement plans or the establishment of new retirement plans;
- ➜ charge/income corresponding to a retirement plan reduction or liquidation.

1.17 EXCEPTIONAL INCOME AND EXPENSES

Pernod Ricard records as exceptional income certain non-recurring income and expenses realised during the fiscal year, primarily comprising:

- ➜ capital gains/losses and provisions on fixed asset disposals (property, plant and equipment, investments, etc.);
- ➜ brand writedowns pursuant to valuation tests;
- ➜ provision for restructuring charges;
- ➜ provision for litigation charges.

Net exceptional income is detailed in Note 4.

1.18 INCOME TAX

Deferred tax assets or liabilities resulting from temporary differences between taxable income and accounting income are accounted for using the liability method.

Temporary differences relating to brands that cannot be sold independently from the acquired company to which they belong do not result in any deferred tax accounting.

Deferred tax assets on tax losses carried forward and long-term capital losses have been recorded only if there is a high probability of offsetting them in the short-term against future taxable profits.

For the first time consolidation of the Seagram acquisition, deferred tax was recorded on temporary differences, acquisition goodwill and brands, except for acquired brands that cannot be sold independently from the companies to which they belong.

1.19 DILUTED EARNINGS PER SHARE

The calculation of diluted earnings per share takes into account the potential impact for that fiscal year of all dilutive instruments (such as stock subscription options and convertible bonds) on the theoretical number of shares.

The purchase method is used to determine the theoretical number of shares to use when funds are generated from the exercise of options/rights attached to these instruments.

When funds are generated at the issue date of dilutive instruments, the net profit is restated for the finance cost, net of tax, relating to these instruments.

1.20 MANAGEMENT OF FINANCIAL RISKS AND ACCOUNTING FOR INTEREST RATE HEDGING CONTRACTS

1.20.1 Management of financial risks

Pernod Ricard applies a non-speculative risk coverage policy through the use of derivative financial instruments to manage its exposure to market risks. These off-balance sheet instruments are used to cover risks arising from firm commitments or highly likely future transactions on the part of the Group.

1.20.1.1 Management of exchange risk

Equity risks:
The use of foreign currency financial debt to finance the acquisition of an asset in the same foreign currency provides a natural hedge.

This principle was notably used to finance the acquisition of Seagram assets.

Operating risks:
Recorded foreign exchange exposure, notably on internal transactions, is subject to monthly offset. Residual exposure is generally hedged by 2 to 6 month term purchases and sales contracts.

A portion of external flows, which have been budgeted as highly probable, are subject to fixed or optional hedging over a maximum 24-month period.

All these hedging operations are reviewed and approved in advance by the Group Financing and Treasury Department, within the framework of a program authorised by Group Senior Management.

1.20.1.2 Management of interest rate risk

Pernod Ricard has complied with a request by the banks for interest rate risk coverage protection on their syndicated loan.

This obligation extended to two-thirds of the syndicated loan amount for a period of 4 years.

The Group has had recourse to interest rate swaps and options.

The notional and market values of these off-balance sheet financial instruments are presented in Note 15.

1.20.2 Accounting for interest rate hedging contracts

Income and expenses relating to interest rate hedging contracts entered into are recorded in the Pernod Ricard income statement on a prorata basis over the term of these contracts:

- Premiums paid are spread, for accounting purposes, over the duration of the contract;
- Interest rate differentials received or paid from time to time are recorded in the fiscal year in which they occur.

1.21 OFF-BALANCE SHEET COMMITMENTS

The Group monitors its off-balance sheet commitments centrally through a monitoring report system, with periodic reporting to the Board of Directors.

The Group certifies that it has not omitted to report the existence of any significant off-balance sheet commitments in the presentation of its financial statements.

Note 2 – Consolidation scope

The major impacts of company acquisitions and disposals on consolidated financial results are set out below:

In euro millions	2002	Other business changes in consolidation scope [1]	Wine & Spirits changes in consolidation scope [2]	Pro forma 2002
Net sales excluding duties and taxes	4,836	(1,303)	19	3,551
Operating profit	**750**	**(36)**	**7**	**722**
Net finance income/(cost)	(153)	7	(5)	(151)
Profit before tax	**597**	**(28)**	**2**	**570**
Net exceptional income/(expenses)	10	(4)	1	7
Income tax	(157)	10	0	(146)
Income from associates	1	(1)	0	0
Goodwill amortisation	(30)	1	0	(29)
Minority interest	(8)	0	0	(8)
Group net profit	**413**	**(21)**	**2**	**394**
Profit after tax [3]	**440**			**419**

(1) Details of changes in consolidation scope as regards processed fruits and distribution companies:
- *Disposal of SIAS on 23 May 2002;*
- *Disposal of various non-strategic Agros businesses during 2002;*
- *Disposal of BWG on 24 August 2002;*
- *Disposal of CSR (grouping cider operations, including the Loïc Raison brand) on 4 December 2002.*

(2) Details of changes in wine and spirits structure:
- *First time consolidation of the subsidiaries GWS (Georgia), Pernod Ricard Minsk, Pernod Ricard Ukraine, Pernod Ricard Estonia, Pernod Latvia, Pernod Ricard Hungary and Pernod Ricard Romania;*
- *Technical impact of Seagram brands' acquisition.*

(3) Profit after tax: net profit before exceptional items and goodwill amortisation, net of tax income from associates and minority interests.

Pro forma consolidated results' changes are set out below:

2002 PRO FORMA VERSUS 2003 ACTUAL

In euro millions	Pro forma 2002	2003	Pro forma Change 2003/2002
Net sales excluding duties and taxes	3,551	3,534	(18)
Operating profit	**722**	**739**	**18**
Net finance costs	(151)	(102)	50
Profit before tax	**570**	**638**	**67**
Net exceptional income	7	60	53
Income tax	(146)	(168)	(21)
Income from associates	0	0	0
Goodwill amortisation	(29)	(58)	(29)
Minority interest	(8)	(8)	0
Group net profit	**394**	**464**	**70**

2002 PRO FORMA VERSUS 2003 AT CONSTANT EXCHANGE RATES

In euro millions	Pro forma [(1)] 2002	2003	2003 at constant exchange rates	Change 2002 Pro forma/ 2003 at constant exchange rates	
Operating profit	722	739	822	101	
Net finance cost	(151)	(102)	(110)	41	
Profit before tax	570	638	712	142	
Income tax - ongoing activities	(143)	(166)	(185)	(42)	
Minority interest	(8)	(8)	(10)	(1)	
Profit after tax [(2)]	**419**	**464**	**517**	**99**	**23.5%**

(1) At 2003 consolidation scope.
(2) Profit after tax: net profit before exceptional items and goodwill amortisation, net of tax income from associates and minority interests.

Note 3 - Net finance cost

In euro millions	2003	2002	2001
OCEANE convertible bonds' interest expenses	*(12.2)*	*(10.8)*	-
Redemption premium amortisation	*(10.1)*	*(8.8)*	-
Other net interest expenses	*(73.2)*	*(133.2)*	*(56.2)*
Finance cost net of interest income	(95.5)	(152.8)	(56.2)
Equity investment income	8.1	15.8	16.2
Exchange gains/(losses)	(7.1)	(8.3)	2.8
Other finance cost	(7.1)	(8.0)	(2.3)
Net finance cost	**(101.6)**	**(153.3)**	**(39.5)**

The average cost of financial debt improved to 3.7% for 2003 from 4.4% in 2002. The average cost of financial debt for 2003 was 3.5% when the OCEANE convertible bonds are excluded.

Note 4 - Net exceptional income

In euro millions	2003	2002	2001
Seagram net transition expenses	*0.0*	*(14.4)*	*(15.9)*
Fixed asset disposals, provisions for contingencies and exceptional writedowns	*78.0*	*36.7*	*292.1*
Restructuring charges	*(10.9)*	*(1.9)*	*(37.3)*
Other	*(7.0)*	*(10.8)*	*(18.9)*
Exceptional income before tax	60.1	9.6	220.0
Related income tax	(1.6)	(7.0)	(124.9)
Net exceptional income	**58.5**	**2.6**	**95.1**

2003 fixed asset disposals, provisions for contingencies and exceptional writedowns amounted to 78 million euros, consisting of the following items:

- 133.3 million euros capital gain on Société Générale shares' disposal;
- (41.5) million euros capital loss and provision charges relating to the disposal of diversification activities;
- 30.5 million euros in unused litigation provision reversals arising from the Seagram acquisition (1) ;
- (28.7) million euros exceptional writedown of the Wyborowa brand, as explained in Note 7;
- various provisions amounting to 15.6 million euros, comprising notably a litigation provision established regarding the ownership of the Becherovka brand in certain markets.

(1) As the acquisition of Seagram did not result in any excess fair market values or acquisition goodwill, the reversal of unused provisions was recorded directly to income in accordance with the provision accounting principle disclosed in Note 1.15.2.

Note 5 – Income tax

Pernod Ricard benefits from a Tax Consolidation for French companies that are more than 95% owned.

5.1 BREAKDOWN OF INCOME TAX

In euro millions	2003	2002	2001
Income tax payable	(194.3)	(158.6)	(245.8)
Deferred income tax	26.8	1.7	10.1
Total	**(167.5)**	**(156.9)**	**(235.7)**

5.2 BREAKDOWN OF NET DEFERRED TAX

In euro millions	2003	2002	2001
Deferred tax assets	336.6	302.3	271.9
Deferred tax liabilities	(118.4)	(117.7)	(138.1)
Net deferred tax asset	**218.3** (1)	**184.6**	**133.8**

(1) From 2003, deferred tax assets and liabilities are no longer netted in the balance sheet.

Deferred tax assets and liabilities are set out below by nature:

In euro millions	Amount
Unrealised inventory holding gains	36.4
Fixed assets revaluations	96.7
Retirement provisions	39.3
Deferred tax asset on other provisions	164.3
Deferred tax assets at 31 December 2003	**336.6**
Special depreciation charge	53.2
Fixed asset writedowns	18.8
Deferred charges	7.0
Other	39.4
Deferred tax liabilities at 31 December 2003	**118.4**

5.3 TAX PROOF

In euro millions	On ordinary activities	On exceptional items	On net profit (1)
Theoretical income tax expense at French tax rate (35.43%)	**(225.9)**	**(21.3)**	**(247.2)**
Impact of differences in tax rates	33.9	(3.1)	30.8
Impact of tax losses used	4.8	0.8	5.5
Impact of reduced tax rate	12.1	23.3	35.4
Other impacts	9.2	(1.3)	8.0
Actual income tax liability	**(165.9)**	**(1.6)**	**(167.5)**
Actual income tax rate	**26.0%**	**2.7%**	**24.0%**

(1) Net profit before goodwill amortisation, income from associates and income tax.

The 2003 actual tax rate was 24.0% against 25.9% at 2002. Excluding exceptional items, the 2003 actual tax rate was 26.0% against 25.1% for 2002.
The positive impact of differences in tax rates relates primarily to profits taxed in the Republic of Ireland, and to a lesser extent those taxed in the United Kingdom and Australia.
The positive impact relating to reduced tax rates primarily concerns the 20.2% capital gain tax rate applied on gains arising from the disposal of Société Générale shares.

5.4 UNRECOGNISED TAX LOSSES

The Group had unrecognised tax losses at 31 December 2003 of 36 million euros (194 million euros loss base), primarily from its Asian operations.

Note 6 – Diluted earnings per share

As indicated in Note 1.2.2, the earnings per share (EPS) calculation method has been revised. The following table presents the 3pro forma EPS calculations for 2002 and 2001, as well as historical data. The impact of this change in method is relatively insignificant.

	Earnings per share calculation	Pro forma [1]		Historical method Published [1]	
	2003	2002	2001	2002	2001
Profit data (in euro millions)					
Profit before tax	637.6	597.0	411.0	597.0	411.0
Group net profit	463.8	412.8	358.2	412.8	358.2
Neutralisation of OCEANE interest expenses	22.3	19.6	0.0	19.6	0.0
Income tax effect of OCEANE interest expenses	(7.9)	(6.9)	0.0	(6.9)	0.0
Restated profit before tax	**659.9**	**616.6**	**411.0**	**616.6**	**411.0**
Restated Group net profit	**478.2**	**425.5**	**358.2**	**425.5**	**358.2**
Share data					
Number of shares in circulation	70,484,081	70,484,081	70,483,325	70,484,081	70,483,325
Dilutive impact of stock options	262,586	175,927	0	1,818,563	832,073
Dilutive impact of OCEANE [1]	5,709,696	5,709,696	0	5,709,696	0
Diluted number of shares in circulation	**76,456,364**	**76,369,704**	**70,483,325**	**78,012,340**	**71,315,398**
Diluted EPS [2] - profit before tax [3]	**8.63**	**8.07**	**5.83**	**7.90**	**5.76**
Diluted EPS - Group net profit	**6.25**	**5.57**	**5.08**	**5.45**	**5.02**

(1) The number of shares in 2001 and 2002 has been restated to reflect the stock dividend allocation (1 for 4) of 14 February 2003.
(2) Earnings per share.
(3) The 2002 Diluted EPS – profit before tax was calculated by restating the OCEANE interest expenses net of income tax effects. This adjustment has been incorporated in the above data.

Note 7 – Intangible assets, goodwill and goodwill amortisation

In euro millions	At 31.12.2002	Changes during the year: Acquisitions/ amortisation	Disposals	Translation Adjustment	Other movements	At 31.12.2003
Goodwill	374.1	13.3		2.6	3.0	393.0
Brands	2,124.0	0.9		(136.7)	(0.8)	1,987.4
Other intangible assets	61.4	27.3	(0.5)	(4.7)	14.4	97.9
Gross book value	**2,559.5**	**41.5**	**(0.5)**	**(138.8)**	**16.6**	**2,478.3**
Goodwill	131.6	61.7		0.7	(0.0)	194.0
Brands	59.6	32.0		(0.3)	0.6	91.9
Other intangible assets	33.0	6.7	(0.5)	(1.0)	(0.4)	37.8
Amortisation	**224.2**	**100.4**	**(0.5)**	**(0.6)**	**0.2**	**323.7**
Net intangible assets	**2,335.3**	**(58.9)**	**0.0**	**(138.2)**	**16.4**	**2,154.6**

EXCEPTIONAL WRITEDOWNS IN 2003

Impairment tests conducted in 2003 led to an exceptional writedown of the Wyborowa brand and acquisition goodwill of 28.7 million euros and 25.6 million euros respectively, as well as the exceptional writedown of Jan Becher acquisition goodwill in the amount of 15.5 million euros.

The methodology used to conduct impairment tests is described in Note 1.5. The average discount rate used in 2003 was 7.8%.

- ➜ The Wyborowa writedowns result from the significant deterioration of the Polish market in 2003, leading to revised lower future profit forecasts, from which the initial valuations were derived.
- ➜ The Jan Becher writedown results from the realisation of business performances inferior to those forecast at the time of acquisition.

OTHER INFORMATION ON INTANGIBLE ASSETS

70% of brands relate to Seagram brands, in particular Chivas, Martell, Seagram's and The Glenlivet, which were recognised at acquisition.
The Group is not dependent on any specific patent or licence.

Note 8 – Property, plant and equipment

In euro millions	At 31.12.2002	2003 fiscal year Acquisitions/ amortisation	Disposals	Translation Adjustment	Other movements	At 31.12.2003
Land	63.4	0.7	(3.3)	0.5	21.6	82.9
Buildings	487.3	13.5	(8.5)	(17.1)	(4.4)	470.8
Machinery and equipment	790.2	43.0	(19.1)	(20.5)	39.4	833.0
Other	224.4	11.4	(9.2)	(11.5)	1.8	216.9
Assets under construction	43.0	45.3	(0.2)	(0.3)	(50.1)	37.7
Advances	0.4	2.1	(2.3)	0.0	1.4	1.6
Gross book value	**1,608.7**	**116.0**	**(42.6)**	**(48.9)**	**9.7**	**1,642.9**
Land	12.6	2.5	(0.1)	0.6	0.1	15.7
Buildings	187.6	18.7	(3.0)	(6.1)	0.5	197.7
Machinery and equipment	473.6	52.6	(16.4)	(14.2)	(0.8)	494.8
Other	114.9	10.3	(7.8)	(5.0)	0.4	112.8
Assets under construction	0.3					0.3
Advances	0.0					0.0
Amortisation	**789.0**	**84.1**	**(27.3)**	**(24.7)**	**0.2**	**821.4**
Property, plant and equipment	**819.7**	**31.9**	**(15.3)**	**(24.2)**	**9.5**	**821.6**

Other property, plant and equipment movements essentially relate to transfers between accounts and insignificant changes in consolidation scope.

Note 9 - Investments

In euro millions	At 31.12.2002	2003 fiscal year Acquisitions/ amortisation	Disposals	Translation adjustment	Other movements	At 31.12.2003
Other investments	656.5	1.8	(173.6)	0.8	(6.7)	478.8
Related receivables	37.9	0.0	(5.0)	(0.3)	0.4	33.0
Other shareholdings	16.5	0.7	(12.5)	(0.8)	1.6	5.5
Loans	84.8	2.1	(10.6)	(1.2)	5.3	80.4
Gross book value	**795.7**	**4.6**	**(201.7)**	**(1.5)**	**0.6**	**597.7**
WP - other investments	407.9	13.0	(9.5)	(0.3)	2.5	413.6
WP - related receivables	20.6	1.1	(0.2)	0.0	0.0	21.5
WP - other shareholdings	0.2	0.0	(0.1)	0.0	0.0	0.1
WP - loans	3.4	0.0	(1.0)	0.0	11.9	14.3
Writedown provisions (WP)	**432.1**	**14.1**	**(10.8)**	**(0.3)**	**14.4**	**449.5**
Net investments	**363.6**	**(9.5)**	**(190.9)**	**(1.2)**	**(13.8)**	**148.2**

Breakdown of other investments at 31 December 2003

In euro millions	% Owned	Net book value	Equity	Net profit
Portugal Venture Limited (1)	30.0%	9.2	0.01	0.1
Mc Guigan-Simeon Wines (2)	6.7%	14.0	160.00	19.0
Shareholdings in companies in liquidation (3)	-	32.4	-	-
Other unconsolidated shareholdings (4)	-	9.6	-	-
Total		**65.2**		

(1) Financial results at 31 December 2002, corresponding to 6 months of activity.
(2) Company listed on the Australian market in which Pernod Ricard holds a minority interest (6.7%) and has no significant influence. Financial results (equity and net profit) correspond to the fiscal year ending 30 June 2003.
(3) Shareholdings arising from Seagram acquisition, for the most part jointly owned with the Diageo Group.
(4) Including 5.5 million euros in minority interest holdings (<5%) and 4.1 million euros in unconsolidated shareholdings due to their insignificance for consolidated financial reporting purposes.

Disposals essentially relate to the sale of Kirin Seagram and Société Générale shares.
Other movements primarily relate to transfers between accounts and changes in consolidation scope (in particular those relating to the first time consolidation of some European companies, as discussed in Note 2).

EQUITY INVESTMENTS

The Group had a 24.2 million euros equity investment in SIFA at 31 December 2003, which it accounted for using the equity method.

In euro millions	Shareholdings NBV	Contribution to Group equity	Contribution to Group net profit
SIFA	24.2	17.7	0.1

Note 10 – Inventories and work in progress

The breakdown of inventories and work in progress in net value at closing date is set out below:

In euro millions	31.12.2003	31.12.2002	31.12.2001
Raw materials	66.6	87.0	183.3
Work in progress	1,688.3	1,744.1	1,890.1
Merchandise	164.5	145.2	177.3
Finished goods	107.9	129.2	210.3
Total	**2,027.3**	**2,105.5**	**2,461.0**

87% of work in progress relates to ageing stocks for whisky and cognac production.

Pernod Ricard is not significantly dependent on any of its suppliers.

Note 11 – Receivables

In euro millions	31.12.2003	31.12.2002	31.12.2001
Trade and related receivables	986.3	998.1	1,347.1
Tax and social security receivables	88.0	322.7	296.6
Other receivables	57.4	117.2	27.6
Total	**1,131.7**	**1,438.0**	**1,671.3**

Note 12 – Provisions for contingencies

12.1 BREAKDOWN BY NATURE

The breakdown of provisions for contingencies at closing date is set out below:

In euro millions	31.12.2003	31.12.2002	31.12.2001
Provision for retirement and similar benefits	179.8	87.5	77.2
Provision for restructuring	23.3	68.6	65.3
Other provisions	315.9	353.0	375.6
Total	**519.0**	**509.1**	**518.1**

12.2 VARIATIONS OF PROVISION FOR CONTINGENCIES

In euro millions		2003 fiscal year					
	31.12.2002	Charges	Utilisations	Unused reversals	Translation adjustment	Other movements	31.12.2003
Provision for restructuring	68.6	0.0	(22.2)	(1.6)	(2.2)	(19.3)	23.3
Other provisions	353.0	43.2	(38.8)	(44.4)	(8.2)	11.1	315.9
Total	**421.6**	**43.2**	**(61.0)**	**(46.0)**	**(10.4)**	**(8.2)**	**339.2**

The (8.2) million euros “Other Movements” amount essentially relates to balance sheet reclassifications.

Unused provision reversals include 30.5 million euros in unused litigation provisions arising from the Seagram acquisition, which were reversed during the course of 2003 and recorded as exceptional income.

The Group is not aware of any facts or litigation that could have a significant adverse impact on the Group’s financial results, financial position or equity.

12.3 PROVISION FOR RETIREMENT AND SIMILAR BENEFITS

As of 1 January 2003, all retirement and related long-term benefits granted to employees are accounted for using the preferred method recommended in Regulation 99-02, whose main features are discussed in Note 1.16.
The change in method did not have a significant impact on Group results.

The implementation of this change in method resulted in a 77.2 million euros increase in the Group’s provision for retirement and similar benefits.

The provision was calculated at 1 January 2003 as follows:

In euro millions	Amount
Provision at 31 December 2002	**87.5**
Reclassification of social security debt items at 31 December 2002	23.4
Impact of change in accounting method	77.2
Provision at 1 January 2003	**188.1**

12.3.1. Retirement provision movements during the 2003 fiscal year:

In euro millions	Off-balance sheet				Balance sheet
	Actuarial liability	Amount funded	Unrecognised past services	Actuarial differences	Retirement provision
1 January 2003	**388.4**	**(200.4)**	**0.0**	**0.0**	**188.1**
Acquired rights	*19.6*				*19.6*
Discounting	*20.0*				*20.0*
Return on funds invested		*(12.8)*			*(12.8)*
Amortisation of actuarial differences			*(0.4)*	*0.4*	*0.1*
Reduction/liquidation of plans	*(0.2)*				*(0.2)*
Fiscal year charge	39.4	(12.8)	(0.4)	0.4	**26.6**
Benefits paid	2.3	(18.3)			(16.0)
Contributions paid	(23.2)	12.3			(11.0)
Actuarial differences	2.9	(11.4)	3.6	5.4	0.4
Change in consolidation scope	0.1				0.1
Translation adjustment	(17.2)	9.8	(0.8)	(0.2)	(8.4)
31 December 2003	**392.7**	**(220.8)**	**2.4**	**5.6**	**179.8**

Retirement provision breakdown by country:

In euro millions	Off-balance sheet				Balance sheet	
	Actuarial liability	%	Amount funded	%	Retirement provision	%
31 December 2003	**392.7**	**100%**	**(220.8)**	**100%**	**179.8**	**100%**
France	103.8	26%	(10.8)	5%	91.7	51%
United States	61.0	16%	(37.9)	17%	32.2	18%
Ireland	111.2	28%	(91.5)	41%	19.9	11%
United Kingdom	57.6	15%	(39.4)	18%	17.8	10%
Netherlands	24.6	6%	(20.6)	9%	3.9	2%
Other countries	34.5	9%	(20.6)	9%	14.4	8%

Principal assumptions by country:

	Discount rate		Return on funds invested		Salary inflation rate	
	2003	2002	2003	2002	2003	2002
Euro zone	5.1%	5.3%	6.4%	6.6%	3.9%	3.9%
United States	6.4%	6.5%	7.3%	5.8%	3.0%	3.4%
United Kingdom	5.5%	5.5%	6.8%	6.8%	3.5%	3.5%

Information provided for 2002 in the above table was used in the calculation of retirement commitments at 1 January 2003.

Principal types of retirement commitments and other information by country

- In France, retirement benefit commitments essentially comprise unfunded retirement benefits and complementary benefits that are partially funded. The impact of the Fillon Law on the calculation of the retirement benefits amounted to 4.6 million euros and was recorded as a cost of prior years' unrecognised services. They will be amortised over the average remaining years of service of the employees concerned.
- In the United States, these commitments comprise funded retirement plans as well as unfunded retirement medical plans.
- In Ireland, United Kingdom and the Netherlands, these commitments generally relate to the retirement plans provided to employees, which are funded.

In general, funded retirement plans are invested in publicly quoted bonds and shares, cash and equivalents, and occasionally stakes in real estate properties.

The year-end value of funded retirement plans corresponds to the 31 December 2003 market values of the investments in which the contributions were invested.

Note 13 – Financial debt

13.1 BREAKDOWN OF GROSS FINANCIAL DEBT BY PAYABILITY DATE

In euro millions	31.12.2003	31.12.2002	Pro forma (1) 31.12.2002	31.12.2001
Short-term (within 1 year)	882.6	365.4	365.4	794.6
Medium-term (1 to 5 years)	1,572.4	2,108.0	2,655.9	3,968.3
Long-term (more than 5 years)	2.9	0.0	0.0	16.3
Total	**2,457.9**	**2,473.4**	**3,021.3**	**4,779.2**

(1) Pro forma data include OCEANE.

The increase in short-term loans in comparison to 2002 results from the issuance of commercial paper and the first instalments of the syndicated loan that are repayable in 2004.

All short-term loans are covered by unused lines of credit of at least equal maturity.

OCEANE convertible bonds represent 34.8 % of the Group's medium term financial debt at 31 December 2003.

13.2 BREAKDOWN OF NET FINANCIAL DEBT BY CURRENCY AND NATURE

Net financial debt at 31 December 2003 amounted to 2,109 million euros, consisting of 2,458 million euros in financial debt partially offset by 309 million euros in marketable securities and cash and equivalent balances and 40 million euros in OCEANE bond redemption premiums.

Breakdown of hedged net financial debt by currency and nature

In euro millions	Total	Syndicated loan	OCEANE	Finance paper	Other
Euro	996	26	508	570	(108)
US Dollar	799	784			15
Japanese Yen	229	226			3
Other currencies	85				85
Total	**2,109**	**1,036**	**508**	**570**	**(5)**

Details of currency hedging are provided in Note 15.

The Group used proceeds from the disposal of fixed assets and increased issuance of commercial paper to partially repay its syndicated loan.

These repayments were made in relation to the EURO tranche in 2003.

In 2003, unused lines of credit were established in order to secure the financial debt arising from the issuance of commercial paper.

Breakdown of hedged net financial debt by currency and maturity

In euro millions	Total	Within 1 year	1 to 5 years	Over 5 years
Euro	996	355	638	3
US Dollar	799	0	799	0
Japanese Yen	229	138	91	0
Other currencies	85	82	3	0
Total	**2,109**	**575**	**1,531**	**3**

Breakdown of types of interest rate cover by currency:

In euro millions	Net financial debt	Amount hedged	Of which fixed rate hedges	Of which variable rate capped hedges	Variable rate no hedges	% hedged
Euro	996	929	929		67	93%
US Dollar	799	471	328	143	328	59%
Japanese Yen	229	215	215		13	94%
Other currencies	85				85	0%
Total	**2,109**	**1,615**	**1,472**	**143**	**493**	**77%**

At 31 December 2003, the Group had 1,472 million euros in fixed rate hedges, consisting of 676 million euros in fixed interest rate borrowings (including OCEANE), and 796 million euros in borrowings covered by fixed interest rate hedges, as discussed in Note 15.

On the basis of the debt at 31 December 2003, a 1% rise in interest rates would increase the Group's interest expenses by 6 million euros.

Syndicated loan covenants

Pernod Ricard has undertaken to comply with financial ratios set in the syndicated loan agreement that it concluded in order to finance its acquisition of Seagram.

The Group's financial results at 31 December 2003 indicate that it enjoys significant margin for manoeuvre in relation to these ratios

Financial ratios	At 31.12.2003	Covenant at 31.12.2003
Total Net Interest Cover (1)	9.43	Must exceed 2.75
Cash flow cover (2)	6.40	Must exceed 1.00
Net Senior Debt/EBITDA (3)	1.95	Must be less than 4.00

(1) EBITDA /net finance cost.
(2) Cash flows/interest expenses.
(3) Net financial debt/ EBITDA.

Mazars & Guérard provides assurance to the Syndicated Loan Agent of the Group's compliance with these covenants

Syndicated loan pledges

The execution of Pernod Ricard SA's obligations, and where appropriate, those of other Group companies, following the setting up of a syndicated loan to finance the Seagram acquisition, have been guaranteed by charges made on the Group's financial instruments, shareholdings and brands, as well as by joint and several guarantees. These sureties guarantee in general the obligations of Pernod Ricard SA and those of other Group companies

The charges on the Pernod, Ricard and Pastis 51 brands were terminated in December 2003 following the achievement of objectives set in the syndicated loan.

Other information on debt

On 20 March 1992, Pernod Ricard issued financial debt outside France in the form of Perpetual Subordinated Notes (TSDI) for a total nominal amount of 61.0 million euros. These Notes were "repackaged" following the signing of an agreement with a third party company at the time of the issue, and are reported as financial debt. Their net value at 31 December 2003 amounted to 30.7 million euros, consisting of its principal amount at issue reduced by payments made since that time, which have been capitalised.

13.3 OCEANE convertible bonds

Pernod Ricard SA issued 4,567,757 bonds on 13 February 2002 at a nominal value of 107 euros each for 488,749,999 euros, bearing interest from that date at 2.5% per annum payable in arrears on each 1 January. These bonds have a duration of 5 years and 322 days from the date of issue, and are redeemable in full on 1 January 2008, at a price of 119.95 euros.

These bonds may be converted into new shares and/or exchangeable for existing shares (OCEANE) from 13 February 2002 until the seventh trading day preceding their repayment date.

Following the increase in share capital on 14 February 2003 achieved through the incorporation of reserves and the issuance of a stock dividend of one new share for every four existing shares held, the OCEANE conversion ratio was adjusted, with each bond now exchangeable or convertible into 1.25 Pernod Ricard shares. On a per share basis, the conversion rate is 95.96 euros.

All OCEANE bonds remained in circulation at 31 December 2003. If exercised in full, they would result in the issuance through conversion or exchange of 5,709,697 Pernod Ricard shares (after adjustment for the increase in share capital effective from 14 February 2003).

Note 14 – Financial instruments

In euro millions	Book value at 31.12.2003	Market value at 31.12.2003
Assets		
Listed securities recorded as investments	14	18
Cash and equivalents	152	152
Marketable securities	156	230
Liabilities		
TSDI	18	18
OCEANE	508	605
Other fixed rate financial debt	150	159

Off-balance sheet financial instruments and related market values are presented in Note 15.

Note 15 – Interest rate and exchange rate financial instruments (hedges)

15.1 INTEREST RATE HEDGES

In euro millions	Hedge notional value			Market value
	Within 1 year	1 to 5 years	Total	
Variable rate swaps		267	267	16
Fixed rate swaps	186	657	843	(19)
Purchase caps		329	329	(3)
Sales caps		186	186	(0)
Collar		221	221	(5)
Index swaps	61	143	203	(0)
			Total	**(12)**

The hedge nominal value represents the nominal value of the contracts.

Hedge notional values denominated in foreign currencies are expressed in euros at year-end rates.

Estimated market values are partly based on valuations provided by banking counterparts, by using information available on the financial markets and valuation methods according to the types of financial instruments.

15.2 EXCHANGE RATE HEDGES ON FOREIGN CURRENCY DENOMINATED FINANCIAL DEBT

Pernod Ricard uses exchange rate swaps within the framework of its centralised treasury function.
These financial instruments have an average duration of one and a half months and do not represent any significant market value.

Following the disposal of GBP assets in 2002, the Group converted a medium-term GBP financial debt into EUR, which now is currently valued at 51 million euros, repayable in half-year instalments by July 2007.

15.3 EXCHANGE RATE HEDGES ON FOREIGN CURRENCY DENOMINATED TRANSACTIONS

The Group primarily uses hedge contracts to cover exchange risks arising from foreign currency denominated operating receivables and liabilities on its balance sheet.

Hedges covering 30 million euros in future transactions are in the form of term contracts, valued at 6.2 million euros at 31 December 2003.

Note 16 – Cash flow statement

16.1 CHANGE IN WORKING CAPITAL REQUIREMENTS

Net change in working capital requirements (WCR), calculated net of current asset writedown provisions, can be broken down as follows:

In euro millions	31.12.2003	Pro forma 31.12.2002	31.12.2002	31.12.2001
Net inventories	11.2	(30.0)	(30.0)	2.0
Net operating receivables	(33.2)	(160.1)	(160.1)	(70.8)
Operating liabilities	(21.1)	172.1	172.1	214.1
Other	56.0	(24.7)	(15.9)	(22.9)
Total	**12.9**	**(42.7)**	**(33.9)**	**122.4**

The difference between 2002 WCR and 2002 Pro forma WCR arises from the 8.8 million euros amortisation of the OCEANE convertible bonds redemption premium.

16.2 CURRENT ASSET WRITEDOWN INCLUDED IN WCR

In euro millions	31.12.2003	Pro forma 31.12.2002	31.12.2002	31.12.2001
Variation in current asset writedown	1.7	9.1	9.1	28.0

16.3 BREAKDOWN OF NET FINANCIAL DEBT

In euro millions	31.12.2003	Pro forma 31.12.2002	31.12.2002	31.12.2001
OCEANE convertible bonds	(547.9)	(547.9)		
Other financial debt	(1,910.0)	(2,473.4)	(2,473.4)	(4,779.2)
Cash and equivalents	156.1	89.4	89.4	152.0
Marketable securities	152.4	90.4	90.4	932.7
OCEANE net redemption premium	40.2	50.3		
Total	**(2,109.2)**	**(2,791.2)**	**(2,293.6)**	**(3,694.5)**

16.4 IMPACT OF CHANGES IN CONSOLIDATION SCOPE

The impact of changes in consolidation scope primarily relate to the first consolidation of certain Eastern European subsidiaries (Georgia, Belarus, Ukraine…), 2001 and 2002 acquisition/disposal price adjustments (Seagram, Polish assets, BWG, Orangina, CSR), the Busnel disposal, as well as the acquisition of minority interests in India.

Note 17 – Off-balance sheet financial commitments

In euro millions	Total	Within 1 year	1 to 5 years	Over 5 years
Guarantees given	**1,221,498**	**240,146**	**896,136**	**85,216**
Irrevocable procurement contracts	603,984	102,774	308,509	192,701
Operating lease contracts	90,438	19,528	61,073	9,837
Other contractual commitments	16,812	5,437	6,044	5,331
Contractual commitments	**711,234**	**127,739**	**375,626**	**207,869**

SUMMARY OF MAIN COMMITMENTS

GUARANTEES GIVEN

- In 2001, Pernod ricard guaranteed its subsidiaries Pernod Ricard Finance SA, Pernod Ricard Larios, E.V.C., Pernod Ricard Newco 1 and Austin Nichols, for a syndicated loan set up to finance the acquisition of some of seagram's wine and spirits business. The amount currently guaranteed is 965 million euros.
- In 2000, Pernod Ricard guaranteed its subsidiary IDG for bank loans with an outstanding balance of £ 36 million (equivalent to 51 million euros).
- In 1998, Pernod Ricard guaranteed loans taken out by its subsidiary Pernod Ricard Finance SA, in the amount of 51 million euros.
- Pernod Ricard, within the framework of Section 17 of the "Companies (Amendment) Act, 1986 (Republic of Ireland), irrevocably guaranteed the 2003 liabilities for the following subsidiaries: Comrie Ltd, 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.
- Specific guarantees for the syndicated loan are disclosed in Note 13.

CONTRACTUAL COMMITMENTS

- Within the framework of its wine production activity, the Group's Australian subsidiary, Orlando Wyndham, entered into 552 million euros in grape procurement contractual commitments.

Note 18 – Analysis of fixed assets and workforce size by business segment

FIXED ASSETS BY BUSINESS SEGMENT

In euro millions	31.12.2003	%	31.12.2002	%
Wine & Spirits business	3,125	99%	3,489	99%
Other businesses	24	1%	30	1%
Total	**3,149**	**100%**	**3,519**	**100%**

AVERAGE WORKFORCE SIZE BY BUSINESS SEGMENT

	2003		2002	
	Number	%	Number	%
Wine & Spirits business	12,351	98%	11,544	62%
Other businesses	270	2%	7,107	38%
Total	**12,621**	**100%**	**18,651**	**100%**

Note 19 – Analysis of fixed assets by geographic area

FIXED ASSETS BY AREA

In euro millions	31.12.2003	%	31.12.2002	%
France	512	16%	608	17%
Europe	2,001	64%	2,182	62%
Americas	354	11%	378	11%
Rest of World	281	9%	350	10%
Total	**3,149**	**100%**	**3,519**	**100%**

Note 20 – Principal consolidated companies

Company	Country	Finance companies	Wine & Spirits	Other activities	% Owned 31.12.2003	% Owned 31.12.2002	Consolidation method
Pernod Ricard SA	France	✓			Parent Company	Parent Company	
Pernod Ricard Finance	France	✓			100	100	Full
Santa Lina	France	✓			100	100	Full
- JFA	France			✓	100	100	Full
- Distillerie Busnel	France		✓			100	
- Foulon Sopagly	France			✓	100	100	Full
- Marmande Production	France			✓	100	100	Full
Ricard	France		✓		100	100	Full
- Galibert & Varon	France		✓	✓	99.98	99.98	Full
Pernod	France		✓		100	100	Full
- Cusenier	France		✓		100	100	Full
- Société des Produits d'Armagnac	France		✓		100	100	Full
Pernod Ricard Europe	France		✓		100	100	Full
- Pernod Ricard Larios	Spain		✓		100	100	Full
- Pernod Ricard Swiss	Switzerland		✓		99.65	99.65	Full
- Ramazzotti	Italy		✓		100	100	Full
- Pernod Ricard Portugal	Portugal		✓		94.63	94.63	Full
- Pernod Ricard Deutschland	Germany		✓	✓	100	100	Full
- Pernod Ricard Austria	Austria		✓		100	100	Full
- Pernod Ricard Nederland	Netherlands		✓		100	100	Full
- Pernod Ricard Hellas	Greece		✓	✓	99.98	99.98	Full
- Pernod Ricard Minsk	Belarus		✓		100		Full
- Pernod Ricard Ukraine	Ukraine		✓		100		Full
- Pernod Ricard Romania	Romania		✓		100		Full
- GWS	Georgia		✓		83.45		Full
- Pernod Ricard Latvia	Latvia		✓		100		Full
- Pernod Ricard Hungary	Hungary		✓		100		Full
- Pernod Ricard Belgium	Belgium		✓		100	100	Full
- Pernod Ricard Rouss	Russia		✓		100	100	Full
- Pernod Ricard Sweden AS	Sweden		✓		100	100	Full
- Brand Partners A/S	Norway		✓		50	50	Full
- Pernod Ricard Denmark	Denmark		✓		100	100	Full
- Pernod Ricard Finland	Finland		✓		100	100	Full
- Tinville	France		✓		100	100	Full
- Yerevan Brandy Company	Armenia		✓		100	100	Full
- Jan Becher	Czech Republic		✓	✓	100	100	Full
- SALB	Czech Republic		✓		100	100	Full
- Pernod Ricard UK	United Kingdom		✓		100	100	Full

Company	Country	Finance companies	Wine & Spirits	Other activities	% Owned 31.12.2003	% Owned 31.12.2002	Consolidation method
Pernod Ricard Asia	France		✓		100	100	Full
- Pernod Ricard Japan K.K.	Japan		✓		100	100	Full
- Casella Far East Ltd	Hong Kong		✓		100	100	Full
- Casella Taiwan	Taiwan		✓		100	100	Full
- Pernod Ricard Thailand	Thailand		✓		100	100	Full
- Pernod Ricard Korea Distribution Ltd	Korea		✓		100	100	Full
- Perising Pte Ltd	Singapore		✓		100	100	Full
- Pernod Ricard Malaysia	Malaysia		✓		100	100	Full
- Martell Far East Trading Ltd	Hong Kong		✓		100	100	I.G
- Shangai Yi Jia	China		✓		100	100	I.G
- Seagram Thailand Co. Ltd	Thailand		✓		100	100	I.G
Établissements Vinicoles Champenois (EVC)	France	✓			100	100	Full
Pernod Ricard North America	France		✓		100	100	Full
- Pernod Ricard Caraïbes Diffusion	Caribbean		✓		100	100	Full
- Pernod Ricard Canada	Canada		✓		100	100	Full
- Pernod Ricard Mexico	Mexico		✓		100	100	Full
- Seagram do Mexico	Mexico		✓		100	100	Full
- JDC S.A de C.V	Mexico		✓		100	100	Full
- JDCServices S.A de C.V	Mexico		✓		100	100	Full
- Austin Nichols	United States		✓		100	100	Full
- Boulevard Distillers	United States		✓		100	100	Full
- Pernod Ricard USA (Lawrenceburg Distillers and Importers)	United States		✓		100	100	Full
Pernod Ricard CESAM (Central and South America)	France		✓		100	100	Full
- Pernod Ricard Argentina	Argentina		✓		100	100	Full
- Pernod Ricard Venezuela	Venezuela		✓		100	100	Full
- Pramsur	Uruguay		✓		100	100	Full
- Pernod Ricard Chile	Chile		✓		100	100	Full
- Pernod Ricard Colombia	Colombia		✓		100	100	Full
- Pernod Ricard Brasil	Brazil		✓		100	100	Full
- Pernod Ricard Uruguay	Uruguay		✓		100	100	Full
- Seagram do Brasil	Brazil		✓		100	100	Full
Agros	Poland				98.6	97.9	Full
- Agros Investments S.A	Poland		✓	✓	98.6	97.9	Full
- Agros Trading Sp.zo.o	Poland		✓	✓	98.1	97.4	Full
- Agros Fortuna Sp.zo.o	Poland			✓		88.1	Full
Wyborowa	Poland		✓		99.9	80	Full
World Brands Duty Free	United Kingdom		✓		100	100	Full

Company	Country	Finance companies	Wine & Spirits	Other activities	% Owned 31.12.2003	% Owned 31.12.2002	Consolidation method
Chivas Brothers	United Kingdom		✓		100	100	Full
- Chivas 2000	Scotland		✓		100	100	Full
- Chivas Brothers Americas Ltd	Scotland		✓		100	100	Full
- Chivas Brothers Europe Ltd	Scotland		✓		100	100	Full
- Chivas Brothers Japan Ltd	Scotland		✓		100	100	Full
- The Glenlivet Distillers Ltd	Scotland		✓		100	100	Full
- Hill Thomson & Co Ltd	Scotland		✓		100	100	Full
- Campbell Distillers	Scotland		✓		100	100	Full
- White Heather Distillers	United Kingdom		✓		100	100	Full
- Aberlour Glenlivet Distillery	United Kingdom		✓		100	100	Full
- Chivas Brothers Holding Ltd	United Kingdom		✓		100	100	Full
- Pernod Ricard Newco 2 Ltd	United Kingdom		✓		100	100	Full
- Pernod Ricard Newco 3 Ltd	United Kingdom		✓		100	100	Full
- Pernod Ricard Newco 4 Ltd	United Kingdom		✓		100	100	Full
Irish Distillers Group Ltd	Ireland		✓		100	100	Full
- Irish Distillers Limited	Ireland		✓		100	100	Full
- The Old Bushmills Distillery Co Ltd	Northern Ireland		✓		100	100	Full
- Fitzgerald & Co. Ltd	Ireland		✓		100	100	Full
- Dillon Bass Limited	Northern Ireland		✓		63	63	Full
- Watercourse Distillery Ltd	Ireland		✓		100	100	Full
- Pernod Ricard South Africa Ldt	South Africa		✓		100	100	Full
Comrie Plc	Ireland	✓			100	100	Full
Martell	France		✓		100	100	Full
- Augier Robin Briand	France		✓		100	100	Full
- Société des Domaines Viticoles Martell	France		✓		100	100	Full
- Martell and cie Pty Ltd (South Africa)	South Africa		✓		100	100	Full
- I.C.H	France		✓		100	100	Full
- Renault Bisquit	France		✓		100	100	Full
- SICA UVPC	France		✓		20	0	Full
Pernod Ricard Australia	Australia		✓		100	100	Full
- Orlando Wyndham Group Pty Limited	Australia		✓		97.9	97.9	Full
- Two Dogs	Australia		✓	✓	100	100	Full
- Orlando Wyndham New Zealand Limited	Australia		✓		100	100	Full
Compagnie Financière des Produits Orangina	France	✓			100	100	Full
Peri Mauritius	Mauritius		✓		100	100	Full
United Agencies Limited	India		✓		96.7	96.7	Full
Havana Club	Cuba		✓		50	50	Full
Seagram India Ltd	India		✓		100	100	Full

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

Statutory Auditors' report
on the Consolidated Financial Statements
Year ended 31 December 2003

To the shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Pernod Ricard Company, for the fiscal year ended 31 December, 2003.

The 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.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall the financial statements presentation. We believe our audit provides a reasonable 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 companies in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw attention to Note 1.2 to the financial statement which sets out changes of accounting policies in respect of recognition of pension and similar commitments, balance sheet presentation of OCEANE convertible bonds and calculation of diluted earnings per share.

JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L.225-235 of the Commercial Code relating to the justification of our assessments, which came into effect for the first time this year, we bring to your attention the following matters:

- In the context of our assessment of your Company's accounting policies, we have satisfied ourselves as to the appropriateness of both the changes in accounting policy referred to in the first section of this report and the presentation of these changes made in notes to the consolidated financial statements.
- As described in Note 1.5 to the consolidated financial statements, the individual value of each of the brands recognised in assets is reviewed annually by the Company. In accordance with the French auditing standard applicable to accounting estimates, we notably assessed the figures and the assumptions used by the Company to perform this review and verified the calculations made. We carried out our assessment of the reasonableness of these estimates on this basis.

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Our assessments on these matters were made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the development of the unqualified audit opinion expressed in the first part of this report.

SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report with regard to its fair presentation and conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 18 March 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS Alain PENANGUER

MAZARS & GUERARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

Corporate Governance

Presentation of the management
and supervisory bodies

Board of Directors and Senior Management

Name	Age	Date first appointed	Current appointment expiry date (1)	Number of shares held at 31.12.2003	Appointments held outside the Group
Chairman - Chief Executive Officer					
Mr Patrick Ricard	58	15.06.1978	2003	632,876	**Chairman:** F.E.V.S. (Fédération des Exportateurs de Vins & Spiritueux) **Director:** Altadis (Spain) Provimi SA Société Générale Société Paul Ricard SA Société Paul Ricard & Fils SA Société Immobilière et Financière pour l'Alimentation SA (SIFA)
Vice-Chairman					
Mr Thierry Jacquillat	65	10.05.1989	2003	29,626	**Chairman:** Association École Normale de Musique de Paris Alfred Cortot **Vice-Chairman:** Chambre de Commerce et d'Industrie de Paris **Director:** Société Immobilière et Financière pour l'Alimentation SA (SIFA)
Deputy Chief Executive Officers					
Mr Richard Burrows	57	02.05.2000	2003	18,164	**Deputy Governor :** The Bank of Ireland Group Plc **Director:** Development Consultants International Ltd Irish Management Institute The Entreprise Trust
Mr Pierre Pringuet	53	02.05.2000	2003	26,271	
Executive Directors					
Mrs Françoise Hémard	72	09.06.1983	2007	49,016	
Mrs Danièle Ricard	65	16.06.1969	2004	75,205	**Chairman-CEO:** Société Paul Ricard **Vice-Chairman - CEO:** Société Paul Ricard & Fils **Managing Director:** Société Presqu'île de Cassis
Mr Jean-Claude Beton	78	11.06.1987	2004	12,685	**Chairman - CEO:** Forbees SA **Managing Director:** GFA Grand Ormeau **Director:** Somecin
Mr Francois Gérard	63	10.12.1974	2005	42,625	

(1) Appointment expires following the end of the General Meeting convened to approve the accounts of the fiscal year indicated.

Name	Age	Date first appointed	Current appointment expiry date [1]	Number of shares held at 31.12.2003	Appointments held outside the Group
Mr Rafaël Gonzalez Gallarza	69	05.05.1998	2007	50	**Chairman of the Board of Directors:** Prensa Malaguena SA. Société Immobilière et Financière pour l'Alimentation SA (SIFA) **Director:** Endesa
Société Paul Ricard represented by Mrs Béatrice Baudinet [2]	62	09.06.1983	2008	8,445,466	
Independent Directors					
Mr Jean-Dominique Comolli	55	06.05.1997	2008	63	**Chairman-CEO:** SEITA **Co-Chairman:** Altadis (France) **Director:** Altadis (Spain)
Lord Douro	58	07.05.2003	2008	275 [3]	**Chairman:** Framlington Group (United kingdom). Richemont Holding UK Ltd (United Kingdom) **Director:** Compagnie Financière Richemont AG (Switzerland). Global Asset Management Worldwide (United Kingdom). Sanofi-Synthélabo (France)
Mr Jean-Jacques Laffont	56	31.05.2002	2007	100	**Member of the Board of Directors:** Société Internationale d'Économie (IEA)
Mr Gérard Théry	70	04.05.1999	2004	225	**Chairman:** Société Génération Numérique BFT **Chairman of the Board:** Fondation Mécénat Musical (Société Générale) **Director:** ERAP
Mr Didier Pineau-Valencienne	72	07.05.2003	2008	710	**Honorary Chairman:** Schneider Electric SA Square D **Senior Advisor :** Crédit Suisse First Boston (London) **Member of the Supervisory Board:** Lagardère SA Aventis **Director:** Fleury Michon SA Wendel Investissement SA
Mr William Webb	64	07.05.2003	2008	1,200 ADR (equivalant to 300 common shares)	**Chairman:** Foreign Policy Association. Elie Wiesel Foundation for Humanity. American Australian Association **Member of the Executive Committee:** International Tennis Hall of Fame

(1) Appointment expires following the end of the General Meeting convened to approve the accounts of the fiscal year indicated.
(2) Béatrice Baudinet is Vice-Chairman of the Board of Directors of Société Paul Ricard.
(3) At the date of the present Meeting.

OTHER APPOINTMENTS HELD WITHIN THE GROUP

Mr Patrick Ricard
Chairman - Chief Executive Officer

French companies	Director	Martell & Co SA Pernod Ricard Europe SA Pernod Ricard Finance SA
	Permanent representative of Pernod Ricard Company on the Board of Directors	Cusenier SA JFA SA Pernod SA Santa Lina SA Ricard SA Compagnie Financière des Produits Orangina SA (CFPO)
	Member of the Executive Committee	Pernod Ricard Asia SAS. Pernod Ricard North America SAS (permanent representative of the Pernod Ricard company)
	Permanent representative of International Cognac Holding	Renault Bisquit SA
Foreign Companies	Chairman of the Board of Directors	Comrie plc World Brands Duty Free Ltd
	Vice-Chairman of the Board of Directors	Austin Nichols and Co Inc
	Director	Peri Mauritius Ltd Chivas Brothers Ltd The Glenlivet Distillers Ltd Aberlour Glenlivet Distillery Ltd Boulevard Export Sales Inc Peribel SA Distillerie Fratelli Ramazzotti Spa Duncan Fraser and Company Ltd Glenforres Glenlivet Distillery Ltd House of Campbell Ltd Irish Distillers Group Ltd Larios Pernod Ricard SA Muir Mackenzie Ad Company Ltd Pernod Ricard Swiss SA Polairen Trading Ltd Sankaty Trading Ltd Pernod Ricard Nederland BV Populous Trading Ltd White Heather Distllers Ltd W. Whiteley and Company Ltd Pernod Ricard Acquisition II Corp
	Permanent representative of Société Pernod Ricard on the Board of Directors	Campbell Distillers Ltd
	Chairman	Austin Nichols Export Sales Inc
	Supervisory Board member	Wyborowa SA

Mr Thierry Jacquillat
Vice-Chairman

French companies	Chairman - CEO	Pernod Ricard Finance SA Santa Lina SA
	Permanent representative of Pernod Ricard Company on the Board of Directors	Pernod Ricard Europe SA Compagnie Financière des Produits Orangina SA (CFPO) Établissements Vinicoles Champenois SA (EVC) Galibert et Varon SA
	Director	Pernod SA Ricard SA JFA SA
	Member of the Executive Committee	Pernod Ricard Asia SAS Pernod Ricard North America SAS (Santa Lina representative)

Foreign Companies	Chairman of the Board of Directors	Austin Nichols and Co Inc
	Director	Irish Distillers Group Ltd Larios Pernod Ricard SA Distillerie Fratelli Ramazzotti Spa Treat Venture LLC Peribel SA Pernod Ricard Acquisition II Corp Boulevard Export Sales Inc Austin Nichols Export Sales Inc (Vice-Président) Periceyl LLC Fenchurch Securities Pte Ltd Campbell Distillers Ltd House of Campbell Ltd Aberlour Glenlivet Distillery Ltd Duncan Fraser and Company Ltd Lothbury Holdings Pte Ltd Glenforres Glenlivet Distillery Ltd Muir Mackenzie Ad Company Ltd Comrie plc Populous Trading Ltd White Heather Distllers Ltd W. Whiteley and Company Ltd Polairen Trading Ltd Sankaty Trading Ltd
	Chief Executive Officer	World Brands Duty Free Ltd
	Member of the Supervisory Board	Wyborowa SA

Mr Richard Burrows
Deputy Chief Executive Officer

French companies	Chairman	Lina 3 SAS Lina 5 SAS Lina 7 SAS
	Director	Pernod Ricard Europe SA Pernod SA Ricard SA Martell & Co SA
	Deputy CEO	Pernod Ricard Finance SA
Foreign Companies	Chairman	Irish Distillers Group Ltd Irish Distillers Ltd
	Director	Austin Nichols and Co Inc Peri Mauritius Ltd Chivas Brothers (holding) Ltd Pernod Ricard Newco 2 Ltd Pernod Ricard Newco 3 Ltd Pernod Ricard Newco 4 Ltd Pernod Ricard Newco 5 Ltd Dillon Bass Ltd Pernod Ricard Australia Pty Ltd Chivas Brothers Ltd Chivas Brothers (Americas) Ltd Chivas Brothers (Europe) Ltd Chivas Brothers (Japan) Ltd The Glenlivet Distillers Ltd Treat Venture LLC Populous Trading Ltd Polairen Trading Ltd Sankaty Trading Ltd Watercourse Distillery Ltd Gallwey Liqueurs Ltd Irish Distillers Trustees Ltd Proudlen (NI) Ltd Pernod Ricard Trinidad Ltd Proudlen Distillery Ltd Seagram India Pte Ltd
	Vice-Chairman of the Supervisory Board	Wyborowa SA

Mr Pierre Pringuet
Deputy Chief Executive Officer

French companies	CEO	→ Lina 3 SAS → Lina 5 SAS
	Deputy CEO	→ Pernod Ricard Finance SA → Santa Lina SA
	Chairman	→ Lina 6 SAS → Lina 8 SAS
	Director	→ Pernod Ricard Europe SA → Pernod SA → Ricard SA → Martell & Co SA
Foreign Companies	Director	→ Austin Nichols and Co Inc → Pernod Ricard Asia Duty Free Ltd → Irish Distillers Ltd → Irish Distillers Group Ltd → Pernod Ricard Belgium SA → Larios Pernod Ricard SA → Distillerie Fratelli Ramazzotti Spa → Scitrium Europe Investments BV → C/O Crédit Lyonnais Trust Management → Pernod Ricard Japan KK → Taylor Burnham Industries BV C/O Crédit Lyonnais Trust Management → Pernod Ricard Australia Pty Ltd → Pernod Ricard Nederland BV → The Glenlivet Distillers Ltd → Treat Venture LLC → Seagram India Pte Ltd → Chivas Brothers Ltd → Havana Club Holding SA
	Member of the Supervisory Board	→ Georgian Wines & Spirits Company LLC → Pernod Ricard Deutschland GmbH → Agros Holding SA
	Chairman of the Board of Directors	→ Pernod Ricard Swiss SA
	Manager Category A	→ Havana Club Know-How
	Chairman of the Supervisory Board	→ Wyborowa SA

Mr Raphaël Gonzales Gallarza
Director

Foreign Companies	Director	→ The Glenlivet Distillers Ltd → Chivas Brothers Ltd → Pernod Ricard Newco 2 Ltd
	Member of the Board	→ Ruavieja SA
	Chairman of the Board of Directors	→ Larios Pernod Ricard SA

Mr Jean-Claude Beton
Director

Foreign Companies	Director	→ Austin Nichols and Co Inc

Mr François Gérard
Director

French companies	Director	→ Martell & Co SA → Pernod SA

Comments on the composition of the Board of Directors

BOARD OF DIRECTORS

The Board of Directors is composed of 14 members appointed for a term of 6 years. The Board of Directors elects from its ranks a Chairman, who must be an individual. Pursuant to the General Meeting of 31 May 2002, the Board decided not to separate the functions of Chairman of the Board from those of the Chief Executive Officer. Company bylaws stipulate that each Director must own at least 50 shares in the Company during the term of their office. A Company rule recommends the holding of a greater number of shares than specified by the bylaws and their registration.

Six Independent Directors presently sit on the Board: Jean-Dominique Comolli, Jean-Jacques Laffont, Gérard Théry, Lord Douro, William Webb and Didier Pineau-Valencienne. They meet the criteria for designation as Independent Directors as prescribed in the Corporate Governance Report, namely that: "a Director is deemed independent when he/she maintains no relation of any nature with the Company, Group or its management, which may compromise his/her independence of judgment."

With the appointment of Richard Burrows and Pierre Pringuet to the Board, the percentage of Independent Directors on the Board will move to 40%, that is 6 of 15.

There is no Director elected by employees.

EMPLOYEE REPRESENTATIVES

Pernod Ricard SA's personnel ("Délégation unique du personnel") is represented on the Board of Directors by Nathalie Hody and Julia Massies, effective from the Board Meeting of 18 March 2003.

RENEWAL OF APPOINTMENT AND APPOINTMENT OF NEW DIRECTORS

Two appointments to the Board will expire at the Annual General Meeting of 17 May 2004: Patrick Ricard and Thierry Jacquillat.
Thierry Jacquillat's mandate will not be renewed.
The renewal of Patrick Ricard's appointment will be submitted to the shareholders of the Company for their approval.

Furthermore, the shareholders will be asked to approve the appointments of Richard Burrows and Pierre Pringuet as new Directors.

Pursuant to the Bouton Report on Corporate Governance, shareholders will be asked to limit the term of office of Directors to four years. Existing appointments not expiring during the current Meeting will not be affected, and will continue for the remainder of the term, which remains at six years.

Mr Patrick Ricard

Personal: born on 12 May 1945, married with 3 children
Nationality: French
Career: Patrick Ricard joined the Ricard company in 1967. He was appointed Branch Director in 1970 and Chief Executive Officer in 1972. He became Chief Executive Officer of Pernod Ricard in 1975 and assumed the position of Chairman - Chief Executive Officer in 1978.

Principal appointments:
- ➜ Chairman of the Fédération des Exportateurs de Vins et Spiritueux (FEVS)
- ➜ Director of Société Générale, Altadis (Spain), and Provimi SA

Number of Pernod Ricard shares held at 31 December 2003: 632,876

Mr Richard Burrows

Personal: born on 16 January 1946, married with 4 children
Nationality: Irish
Career: A graduate of Wesley College (Dublin, Ireland) and a Chartered Accountant, Richard Burrows joined Irish Distillers in 1971 and was appointed its Chairman in 1991. In 2000, he was appointed as Deputy Chief Executive Officer of Pernod Ricard.

Principal appointments:
- ➜ Deputy Governor, Bank of Ireland

Number of Pernod Ricard shares held at 31 December 2003: 18,164

Mr Pierre Pringuet
Personal: born on 31 January 1950, married with 2 children
Nationality: French
Career: A graduate of Ecole Polytechnique and Corps des Mines engineer, Pierre Pringuet, among his other senior Civil Service duties, was a technical advisor to Michel Rocard and the Director of Agriculture and Food Industries in France. He joined Pernod Ricard in 1987 as Development Director before being appointed as Chief Executive Office of Pernod Ricard Europe, assuming the position of Chairman in 1997. In 2000 he was appointed as Deputy Chief Executive Officer of Pernod Ricard.
Number of Pernod Ricard shares held at 31 December 2003: 26,271

Role and operation of the Board of Directors

The Board of Directors meeting on 17 December 2002 approved its internal rulebook. The purpose of this rulebook is to complete the legal, regulatory and statutory aspects so as to specify the operating methods of the Board of Directors. It stipulates rules such as those concerning diligence, confidentiality and conflicts of interest disclosure. It summarises the different rules regarding the conditions under which Directors may trade in Company shares.
It states the principle of Directors holding their shares in registered form and declaring transactions in Company shares (compliance with COB Recommendation 2002-01).

The notes and documents supporting matters listed on the Agenda are forwarded to Directors' attention prior to the holding of Board meetings in order that each Director may effectively participate in the work and deliberations of the Board. Directors may seek all explanations or additional information they may deem necessary. More generally, Directors formulate to the Chairman all requests for information that they deem necessary for the fulfilment of their office. They may, at their discretion, communicate with the Company's Management.

The Board of Directors periodically reviews the Group's strategy and, at each meeting, proceeds with a detailed review of the Group's performance: sales evolution, profitability and net financial position.

In particular, the Board of Directors fulfilled its mission in 2003 as follows:
- approval of the 2002 parent company financial statements of Pernod Ricard SA and consolidated financial statements of the Group;
- preparation of draft resolutions presented to the Combined General Meeting of 7 May 2003;
- approval of 2003 interim accounts and setting of 2003 fiscal year interim dividend, paid in January 2004;
- decision to increase share capital through the distribution of a stock dividend (pursuant to powers vested in it by a resolution of the Combined General Meeting of 3 May 2001) ;
- adoption of the internal rulebooks of the Audit and Remuneration Committees, as well as the Pernod Ricard Organisation Charter;
- approval of the stock purchase option plan implemented on 18 December 2003 pursuant to the recommendations of the Remuneration Committee;
- authorisation of a certain number of disposals, acquisitions and regulated agreements, within the framework of deliberations on the Group's strategic orientations.

The Board of Directors met 7 times during 2003, with an attendance rate of 93%.

Committees of the Board of Directors

The Board of Directors is served by a Strategic Committee, as well as by two specialised committees, for the purposes of Corporate Governance: the Audit Committee and the Remuneration Committee.

STRATEGIC COMMITTEE

Chairman:	Mr Patrick Ricard
Members:	Mrs Danièle Ricard
	Mr François Gérard
	Mr Rafaël Gonzalez Gallarza
	Mr Thierry Jacquillat [1]

The Strategic Committee met 7 times during 2003. Its principal mission is the preparation of strategic decisions that are submitted to the Board of Directors for their approval.

(1) Until 17 May 2004, at which time his term of appointment as Director expires.

AUDIT COMMITTEE

The Audit Committee was established on 29 January 2002.

Chairman:	Mr Thierry Jacquillat [1]
Members:	Mr Gérard Théry (Independent Director)
	Mr Didier Pineau-Valencienne [2] (Independent Director)

(1) Until 17 May 2004, at which time his term of appointment as Director expires.

(2) In substitution of Mr Jean-Dominique Comolli, from the General Meeting of 7 May 2003.

In addition to its Operating Charter established in June 2002, the Audit Committee approved its internal rulebook at the Board of Directors' meeting of 18 March 2003. It met 7 times in 2003, with a 100% attendance rate.

Future composition of Audit Committee

As Thierry Jacquillat, the current Chairman of the Audit Committee, will not retain his mandate, the Board has indicated its preference for the following future composition of the Audit Committee:

Chairman:	Mr Didier Pineau-Valencienne (Independent Director)
Members:	Mr Gérard Théry (Independent Director)
	Mr François Gérard

Principal missions of the Audit Committee

The main roles of the Audit Committee are to:

- ensure the relevance and the permanence of the accounting methods adopted for preparing the consolidated and parent company financial statements, as well as the suitability of treatment of significant transactions at Group level;
- analyse the options for the preparation of financial statements;
- examine the consolidation scope and, where appropriate, the reasons for which companies are not included;
- provide advice to the Board of Directors regarding the Statutory Auditors' reappointment, the quality of their work, and their remuneration, while respecting the rules guaranteeing their independence;
- examine any financial or accounting matter referred to it by the Board of Directors;
- examine significant off-Balance Sheet risks and commitments.

2003 Activity Report

The Audit Committee met 7 times during 2003, with an attendance rate of 100%, with Statutory Auditors, and Group Finance, Accounting and Internal Audit Departments present at some or all of these meetings.

The main work of this committee, which operated in accordance with its rulebook, was as follows:

- Analysis of significant aspects of French and international legislation and regulations, concerning corporate governance and audit.
- Review of Statutory Auditors' arrangements: pursuant to a recommendation of the Audit Committee, and after a call for tenders, the Board of Directors' meeting of 18 March 2003 appointed Deloitte Touche Tohmatsu as the Company's Statutory Auditors, following the determination of the split of audit work and fees with its existing Statutory Auditor, Mazars & Guérard.
- Review of the situation at 30 June 2003 and of the consolidated financial statements for the fiscal year ended 31 December 2003. The latter issue was reviewed at its meeting of 12 March 2004. The Audit Committee met management and the Statutory Auditors several times, and discussed with them the financial and accounting statements, as well as matters entailing judgement and the accuracy of financial statements.

A positive response was given by the Statutory Auditors to the following three questions:

- if the Statutory Auditors were the sole preparers of the accounts, would they have presented them in the same way;
- if the Statutory Auditors were shareholders, would they be satisfied that they have received all the essential information necessary for a proper understanding of the financial results;
- if the Statutory Auditors were the Chairman-CEO, would they have used the same internal procedures.

- Monitoring of the Group's net financial debt: The improvement in working capital requirements and the favourable exchange impact enabled the Group to achieve financial debt ratios similar to those it enjoyed prior to the Seagram acquisition at 31 December 2003.
- Risk management: The Financial Security Law of 1 August 2003 provided the foundation for the preparation of an internal questionnaire prepared by the Company for the attention of the Chief Executive Officers and Chief Financial Officers of 34 of its subsidiaries. This questionnaire was reviewed by the Audit Committee before it was issued. Based on

responses received, follow-up interviews with Chief Executive Officers and Chief Financial Officers and the summary document issued by the AMF on 23 January 2004, letters of representation were established by the Chairmen of Pernod Ricard direct subsidiaries to the Chairman of the Board of Directors of Pernod Ricard. These were in turn submitted to the Audit Committee at its meeting of 19 February 2004, which did not issue any observations.

➜ Transition to IAS/IFRS standards :
The Group's opening balance sheet at 1 July 2004 will be used as the basis for application of IAS/IFRS accounting standards.
Ad-hoc work groups with the assistance of external auditors have identified four major areas of divergence in relation to current accounting principles used by the Group:
- retirement benefit commitments;
- deferred tax on intangible assets;
- fair value for marketable securities;
- the restatement of diluted earnings per share calculation.

Methods retained for the determination of retirement benefits' commitments have already been made to conform to the applicable IAS/IFRS standards.

➜ Review of 2003 Internal Audit Reports:
Internal audits were conducted by the Internal Audit Department in relation with the Statutory Auditors on four companies that generate a significant part of the Group's profitability: Chivas Brothers, Martell & Co, Irish Distillers and Orlando Wyndham. These four companies accounted for 78% of the Group's inventories at 31 December 2003. The internal audits focused on the accounting for ageing inventories, resulting in the adoption of standard solutions for Chivas Brothers, Irish Distillers and Martell & Co, as well as in the application of necessary inventory valuation adjustments at Orlando Wyndham.
In addition, internal audits were directly performed by Pernod Ricard's Regions:
- 5 subsidiaries in Europe;
- 4 subsidiaries in Asia;
- 3 subsidiaries in North and South America.

The tentative focus of the 2004 Internal Audit program will be on the Ricard, Wyborowa, Pernod and Pernod Ricard North America companies, as well as 17 affiliates of the four regional holdings.

2004 Outlook
The Audit Committee plans to meet 6 times in 2004. Its major focus should be risk management, the implementation of IAS/IFRS accounting standards and the review of internal audits carried out at Ricard, Wyborowa, Pernod and PR North America.

REMUNERATION COMMITTEE

The Remuneration Committees was established on 28 February 2000.

Chairman:	Mr Jean-Dominique Comolli (Independent Director)
Members:	Mme Danièle Ricard
	Lord Douro [1] (Independent Director)

(1) In substitution of Mr. Jean-Claude Beton from the General Meeting of 7 May 2003.

The Remuneration Committee met three times during 2003 with an 89% attendance rate.

Principal missions of the Remuneration Committee

The main roles of the Remuneration Committee are to:
➜ recommend to the Board of Directors the nature and amount of fixed and/or variable remuneration of Executive Officers, including any benefits in kind and retirement benefits,
➜ assess all remuneration and benefits received by Executive Officers of the Company and those of other Group companies, as warranted,
➜ monitor the annual application of the rules established by the Board of Directors, in particular relative to determining variable remuneration,
➜ examine the remuneration policy for executive managers of Group companies who are not Executive Officers,
➜ to recommend to the Board of Directors a general policy for the allocation of stock options that are granted by the Company,
➜ examine any matter referred to it by its Chairman, the Board of Directors or the Chairman of the Board of Directors concerning the above-mentioned matters, as well as any proposed capital increases reserved for employees.

2003 Activity Report

In 2003, the Remuneration Committee fulfilled its missions as follows:

- set and adopted internal rules governing its own operation,
- reviewed the 2003 stock options plan and implemented certain improvements to previous plans. The Remuneration Committee notably reviewed the harmonisation of stock option distribution with the Group's global remuneration policy approved by the Board of Directors, taking into account a study prepared by the Human Resources Department with a specialised consulting firm. In 2003, this stock option purchase plan resulted in the allocation of 636,199 shares to 418 beneficiaries. Allocation criteria related primarily to level of responsibility, individual performances, individual subsidiary results, as well as Group results.
- prepared the bases for the calculation of Senior Management bonuses for 2002;
- provided the basis for decisions by the Board of Directors concerning fixed remuneration for Senior Management in respect of the year 2003, as well as the Remuneration of the other members of the Board of Directors;
- set variable remuneration criteria for 2003 for the Group's management: twelve strategic brands' volume growth, operating profit, financial debt reduction, in addition to multiple qualitative objectives.

On 17 March 2004, the Remuneration Committee became the **Remuneration and Nomination Committee**, and was vested with the following additional missions:

- ensuring the continuation of executive bodies by establishing a succession plan for Executive Officers and Directors;
- searching and reappointing Independent Directors and conducting periodic reviews of compliance with independence criteria.

The composition of the Committee remains unchanged. The Chairman of the Board of Directors is consulted on appointments.

Assessment of the Board of Directors

Pursuant to rules prescribed governing its administration, Pernod Ricard has initiated an internal procedure assessing the operation of the Board of Directors that will be implemented in 2004. To this effect, the members of the Board have been asked to state their views on the composition of the Board as well as the quality of information with which they are provided. The questionnaire also deals with the composition and work of the specialised Committees. The purpose of this assessment is to improve the operating processes of the Board, in order that it may fulfil its missions with maximum effectiveness.

Statutory Auditors

PERNOD RICARD STATUTORY AUDITORS

- Mazars & Guérard, represented by Mr Frédéric Allilaire, headquarted at 39 rue de Wattignies, 75012 Paris, appointed by the General Meeting of 11 June 1987, and reappointed for a term that will end after the present General Meeting convened to approve the 2003 fiscal year financial statements.
  Shareholders will be asked to approve at the present Meeting the reappointment of Mazars & Guérard for a term of six years.
- Deloitte Touche Tohmatsu, represented by Mr Alain Pons and Mr. Alain Penanguer, headquarted at 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine. Deloitte Touche Tohmatsu was appointed by the General Meeting of 3 May 2003, for a term ending after the General Meeting convened to approve the accounts for the 2004 fiscal year financial statements.
- Expertise Comptable A & L Genot, société RSM Salustro Reydel, represented by Mr Xavier Delanglade, headquarted at Le Grand Pavois, 320, avenue du Prado, 13268 Marseille Cedex 08, appointed by the General Meeting of 11 June 1987, and reappointed for a term that will end after the General Meeting convened to approve the 2004 fiscal year financial statements.

FEES PAID TO STATUTORY AUDITORS AND THEIR ASSOCIATES FOR SERVICES RENDERED TO THE GROUP

In thousands euro	Mazars & Guérard				Deloitte & Touche				A&L Genot				Others			
	Amounts		%		Amounts		%		Amounts		%		Amounts		%	
	2003	2002 (1)	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Statutory Audit																
Consolidated and parent company accounts	1,714	3,286	69	43	1,668	-	84	-	121	136	59	60	373	517	50	71
Related services	308	4,327	12	56	280	-	14	-	84	92	41	40	139	213	19	29
Subtotal - Statutory Audit	**2,022**	**7,613**	**81**	**99**	**1,948**	**-**	**98**	**-**	**205**	**228**	**100**	**100**	**512**	**730**	**69**	**100**
Other services																
Legal, tax and administrative	382	39	16	1	24	-	1	-	-	-	-	-	198	-	27	
Information systems	-	-	-	-	10	-	1	-	-	-	-	-	-	-	-	-
Various	80	-	3	-	6	-	0	-	-	-	-	-	30	-	4	-
Subtotal - other services	**462**	**39**	**19**	**1**	**40**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**228**	**-**	**31**	**-**
Total	2,484	7,652	100	100	1,988	-	100	-	205	228	100	100	740	730	100	100

(1) 2002 related Statutory Audit services primarily concern acquisition audit services rendered pursuant to the purchase of Seagram by Pernod Ricard.

Directors and Executive Officers

Remuneration and Stock Option Plans

Directors and Executive Officers' remuneration

In euros	Fixed gross remuneration including subsidiaries' Directors' fees	Variable gross remuneration	% variable vs fixed	Directors' fees (1)	2003 total remuneration (1)	2002 total remuneration
Chairman and CEO						
Mr Patrick Ricard	903,228	944,311	104.55%	33,000	1,880,539	2,336,606
Vice-Chairman						
Mr Thierry Jacquillat (2)	1,588,925			33,000	1,621,925	625,084
Deputy CEOs						
Mr Richard Burrows	579,267	625,679	108.01%		1,204,946	1,412,053
Mr Pierre Pringuet	579,267	625,679	108.01%		1,204,946	1,412,140
Directors						
Mr François Gérard				33,000	33,000	29,400
Mr Jean-Claude Beton	31,475			33,000	64,475	66,441
Société Paul Ricard				33,000	33,000	29,400
Mrs Françoise Hémard				33,000	33,000	29,400
Mrs Danièle Ricard				33,000	33,000	29,400
Mr Jean-Dominique Comolli				55,333	55,333	44,100
Mr Rafaël Gonzalez Gallarza	226,556			33,000	259,556	264,088
Mr Jean-Jacques Laffont				23,000	23,000	22,050
Mr Gérard Théry				55,000	55,000	44,100
Mr Didier Pineau-Valencienne				32,000	32,000	
Mr William H. Webb				20,667	20,667	
Lord Charles Douro				32,500	32,500	

(1) Including fees paid for the exercise of Audit and Remuneration Committees duties

(2) An exceptional bonus of 1.5 million euros has been granted by the Board of Directors of 18 December 2003 to Thierry Jacquillat for his contribution to the success of the Seagran's acquisition and the disposal of Orangina.

The above schedule discloses the amount of fixed and variable remuneration paid to Directors and Executive Officers (Mandataires Sociaux), consistent with previous years' presentation.

Directors' remuneration policy

Pernod Ricard paid 528,000 euros in Directors' fees during 2003, based on the contribution of each Director to the Board, including any work performed on committees reporting to the Board of Directors.
In accordance with allocation rules, directors' fees were split into fixed and variable amounts, with the latter taking absenteeism into account.
It is proposed to pay 864,450 euros in Directors' fees for the 2004 fiscal year, which should be extended by 6 months, subject to the approval of shareholders. This represents a 1.9% increase over the previous year, once the impact of the exceptional extension of the fiscal year to 18 months and the change in the number of Directors are taken into account.

Executive Officers and Senior Management remuneration policy and allocation of stock options

REMUNERATION

Executive Officers' remuneration policy has been set by the Remuneration Committee since 2002 and approved by the Board of Directors. Variable remuneration can represent a significant portion of total remuneration, if annual objectives are achieved, or exceeded, as was the case in 2002.

STOCK OPTIONS

The rules for allocation of stock options to Executive Officers are based on different criteria, including their level of responsibility and the achievement of Group objectives. The Remuneration Committee established these allocation rules which have been validated by the Board of Directors, pursuant to the review of an external study performed by an independent specialised consulting firm.

OTHER BENEFITS

A company car is made available to the Chairman - Chief Executive Officer and both Deputy Chief Executive Officers.
In compensation for their services rendered in the discharging of their duties, the French Executive Officers benefit from membership in a supplementary defined benefits retirement plan. This plan compensates for the absence of mandatory complementary retirement coverage on the part of the individual remuneration that exceeds 8 annual social security limits. Benefits arising from this plan are contingent upon being present in the Group on the date of retirement.
This arrangement is not specific to Executive Officers and applies equally all French employees whose remuneration exceeds the aforementioned upper limit.

Mr Richard Burrows benefits from the capitalisation retirement plan of Irish Distillers' management, whose amounts are comparable to those allocated to French management.

SCHEDULE OF STOCK SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO/EXERCISED BY EXECUTIVE OFFICERS

	Number of options	Price (in euro)	Expiry date	Plan n°
Options granted during 2003 to Executive Officers				
Patrick Ricard	15,840	87.73	18.12.13	12
Pierre Pringuet	12,672	87.73	18.12.13	12
Richard Burrows	12,672	87.73	18.12.13	12
Options exercised during 2003 by Executive Officers				
Patrick Ricard	12,500	36.71	19.12.07	3
Patrick Ricard	7,500	32.44	19.12.06	2
Thierry Jacquillat	31,484	36.71	19.12.07	3
Pierre Pringuet	10,250	47.92	27.01.10	5
Pierre Pringuet	5,208	45.36	28.01.09	4
Pierre Pringuet	3,938	36.71	19.12.07	3

REGULATED AGREEMENTS

Regulated agreements concluded during 2003 or in previous years and whose execution continued in 2003 are presented in the Statutory Auditors’ Special Report on Regulated Agreements in the Parent Company financial statements section.

STOCK SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO/EXERCISED BY THE HIGHEST PAID NON-EXECUTIVE OFFICERS

	Number of options	Price (in euro)	Plan n°
Options granted in 2003 to the ten highest paid non executive officers of the Parent Company and all other companies included in the grant of options, of which the number of options granted is the highest.	52,903	87.73	12
Options exercised in 2003 by the ten highest paid non-executive officers of the Parent Company and all other companies included in the grant of options, of which the number of options exercised is the highest.	45,595	35.54	1/2/3/4

Pernod Ricard did not issue any other financial options for the benefit of executive officers or its ten highest paid non-executive officers.

STOCK PURCHASE AND SUBSCRIPTION OPTIONS OVERVIEW

Overview of stock option plans at 31 December 2003

	Plan n° 1	Plan n° 2	Plan n° 3	Plan n° 4	Plan n° 5	Plan n° 6	Plan n° 7	Plan n° 8	Plan n° 9	Plan n° 10	Plan n° 11	Plan n° 12
Date authorised by AGM	12.05.93	12.05.93	12.05.93	05.05.98	05.05.98	05.05.98	05.05.98	03.05.01	03.05.01	03.05.01	03.05.01	03.05.01
Date allocated by Board of Directors	04.10.94	19.12.96	19.12.97	28.01.99	27.01.00	27.09.00	19.12.00	19.09.01	18.12.01	11.02.02	17.12.02	18.12.03
Option type	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Subscription	Subscription	Subscription	Purchase
Total number of options allocated	968,919	1,044,760	304,422	291,427	333,604	75,000	374,953	48,346	832,202	139,004	863,201	636,199
to Executive Officers of Pernod Ricard SA	*48,825*	*70,500*	*66,058*	*26,079*	*32,275*	*75,000*	*37,640*	*0*	*104,348*	*0*	*69,370*	*41,184*
to the top 10 beneficiary salaried executives of the Group	*92,925*	*96,000*	*48,081*	*57,260*	*56,496*	*0*	*62,258*	*48,343*	*109,723*	*27,318*	*95,074*	*52,903*
First exercise date	04.10.94	19.12.96	19.12.97	28.01.99	27.01.00	27.09.00	19.12.00	19.09.01	18.12.01	11.02.02	17.12.02	18.12.03
Expiry date	04.10.04	19.12.06	19.12.07	28.01.09	27.01.10	27.09.10	19.12.10	19.09.11	18.12.11	11.02.12	17.12.12	18.12.13
Exercise price (in euro)	37.48	32.44	36.71	45.36	47.92	43.60	46.64	62.96	61.60	65.20	73.72	87.73
Number of options subscribed to at 31 December	780,362	806,087	114,439	31,834	11,274	0	0	0	757	0	0	0
Number of options cancelled during the fiscal year	5,000	0	2,988	2,656	1,464	0	1,881	0	7,349	8,523	9,503	0
Number of outstanding options at 31 December	96,144	213,457	137,547	237,174	309,821	75,000	369,487	48,346	818,376	121,416	853,698	636,199

On 18 December 2003, the Board of Directors established a Company stock purchase option plan for the benefit of Group senior executives, pursuant to an authorisation by the Extraordinary General Meeting of shareholders of 3 May 2001.
Pursuant to this plan, 636,199 stock purchase options carrying an exercise price of 87.73 euro each were granted to 418 beneficiaries. The exercise price corresponds to the average price of the Pernod Ricard share price during the last twenty trading days immediately preceding the date on which the Board of Directors decided on this allocation. No discount was applied to this average price. 41,184 options were allocated to the Executive Officers of Pernod Ricard SA.

Profit sharing plans

Pernod Ricard SA employees benefit from a three-year Profit Sharing Plan, last renewed on 13 June 2001, and based on the Group's consolidated results.

Other Group subsidiaries, both French and international, have for the most part established similar profit sharing plans based on their companies' results.

General information

General information
on the company

Company name: Pernod Ricard

Head office: 12, place des États-Unis, 75116 Paris, France

Legislation: Pernod Ricard is a French Public Limited Company (Société Anonyme (SA)), governed by a Board of Directors and regulated by the French Commercial Code.

Formation date and duration: The Company was created on 13 July 1939, for a period of 99 years, expiring on the same date in 2038.

Business purpose, as stipulated in Article 2 of its bylaws, is detailed below in its entirety:
"The Company's purpose is directly or indirectly:

- the manufacture, purchase and sale of all wines, spirits and liqueurs, as well as of alcohol and all food products, the use, conversion and trading in all forms of finished or semi-finished products, by-products and substitutes generated by the main production 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 any places in France or outside France. Storage, purchase and sale arising from the above list;
- the representation of any French or foreign manufacturers, producing, manufacturing or selling products of the same type;
- investment in any businesses or operations whatsoever, that may be related to the production or the trading in the same products in any form whatsoever, through the creation of new companies, contributions, subscriptions, purchases of securities or shareholdings, etc;
- any operations connected to the hotel industry and the leisure business in general, notably the investment by the Company in any enterprises or companies, created or to be created, businesses or operations whatsoever that may be related to the hotel industry or leisure in general, it being specified that the Company may conduct all these transactions on its own account or on behalf of third parties, either alone, or through equity investment, or partnerships or companies with any third parties or other companies, and carry them out in any form whatsoever, such as through contributions, mergers, subscriptions or the purchase of securities or shareholdings, etc;
- investments in any industrial, commercial, agricultural, property, financial or other companies, formed or to be formed, whether French or foreign;
- the acquisition, disposal, exchange and any transactions involving shares, equity interests or partnership holdings, investments certificates, convertible or exchangeable bonds, equity warrants, bonds with equity warrants and, generally, any securities and property rights whatsoever;
- any agricultural, crop growing, arboriculture, cattle breeding or wine growing operations, etc… any connected or derived agricultural or industrial operations relating thereto;
- and generally, any industrial, commercial, financial, property or securities operations related directly or indirectly to the above objects and being capable of encouraging their development."

Registration number: The Company is registered in the Paris Commercial and Companies' Register under number RCS 582 041 943 PARIS (58 B 4194).

Legal documents in respect of the last three fiscal years: legal documents (financial statements, minutes of Shareholders' Meetings, attendance lists to these meetings, list of Directors, reports of auditors, bylaws etc.) can be consulted at the head office located at 12, place des Etats-Unis, 75116 PARIS, France.

Fiscal year: the Company's fiscal year begins on 1 January and ends on 31 December.

Allocation of net profit in accordance with the bylaws: Net profit, as disclosed in the income statement, is comprised of the Company's revenues net of general overheads and other wage and social security costs, asset depreciation and amortisation, and charges relating to any provisions for commercial or industrial risks, where they exist.

After allocation of previous years' losses, where applicable, at least 5% of net profit is then transferred to the legal reserve. This transfer ceases to be required when the legal reserve reaches one tenth of the share capital and recommences, for whatever reason, when the legal reserve falls below one tenth of the share capital.

From the balance determined in accordance with law, a 6% interim dividend is paid in respect of all shares that are fully paid up and not written down.

From the available surplus, the Annual General Meeting may transfer any amount it considers appropriate, either to be carried forward to the following year or to extraordinary or special reserves, with or without special allocation.

The balance is distributed among shareholders as an additional dividend.

The Annual General Meeting is authorised to deduct from non-statutory reserves constituted in prior years any amounts that it considers should be either distributed to the shareholders or allocated to a total or partial amortisation of the shares or capitalised or allocated to the purchase and cancellation of shares.

The Meeting deliberating on the financial statements of the year has the right to grant each shareholder a cash or stock dividend, for some or for all of the dividends distributed or advanced.

General Meetings

The Shareholders meet every year for an Annual General Meeting.

The Board of Directors convenes the General Meeting.

Notice is given by the placing of an announcement in one of the newspapers authorised to carry legal announcements in the French Department where the Company's head office is located, and, furthermore, in the BALO (Bulletin of Mandatory Legal Notices).

The shareholders, who are holders of registered shares for at least one month at the date of the notice of the meeting, are convened to any General Meeting by ordinary letter.

The General Meeting is made up of all shareholders, whatever the number of shares they hold. No one can represent a shareholder at a meeting if he/she is not a shareholder himself/herself or the spouse of a shareholder him/herself.

The right to attend General Meetings or to be represented at them is subject:

- for the holders of registered shares, to the registration in a securities account of their shares at least five days before the meeting
- For the holders of bearer shares, within the same time, to the lodging, at the places indicated in the notice of the Meeting, of a certificate of an authorised intermediary recording the non-availability of their shares until the date of the Meeting.

Multiple voting rights

A voting right double that conferred to other shares, as regards the quota of authorised share capital it represents, shall be attributed to all fully paid-up shares that can be shown to have been registered in the name of the same shareholder for at least ten years commencing on 12 May 1986 inclusive. (Extraordinary General Meeting of 13 June 1986)

In the event of a share capital increase through the capitalisation of reserves, profits or share premiums, the registered shares attributed free of charge to a shareholder, on the basis of existing shares from which he/she benefits from this right, also have a double-voting right, as from their issue.

Any share converted into bearer form or the ownership of which is transferred loses the double-voting right.

Restriction on voting rights

Each member of the General Meeting has as many votes as he/she possesses and represents shares, up to 30% of the voting rights (Extraordinary General Meeting of 13 June 1986)

Declaration of statutory thresholds

Any individual or corporate body who acquires a holding greater than 0.5% of the share capital must inform the Company of the total number of shares possessed by registered letter with acknowledgement of receipt, within a period of fifteen days from the date on which this limit is exceeded. This notification must be repeated, under the same conditions, each time the limit is exceeded by a further of 0.5 % until the limit of 4.5% inclusive is reached.

In the event of non-compliance with the obligation mentioned in the previous paragraph, shares in excess of the non-declared amount are deprived of voting rights, at the request, set down in the minutes of the General Meeting, of one or more shareholders holding at least 5 % of the share capital, for any General Meeting that is held until expiry of the period stipulated by Article L. 233-14 of the Code of commerce following the date the notification is regularised (Extraordinary General Meeting of 10 May 1989).

General information
on the share capital

The conditions which the bylaws impose on changes to the share capital and the rights of shares comply in all respect with the legal provisions.
The bylaws do not provide for any exceptional treatment and do not impose any particular conditions.

Paid-up share capital

The share capital has been set at TWO HUNDRED AND EIGHTEEN MILLION FIVE HUNDRED THOUSAND AND SIX HUNDRED AND FIFTY-ONE EUROS AND TEN EUROCENTS (218,500,651.10 Euros). This is the position as from 14 February 2003 following the capital increase by capitalisation of reserves and a bonus issue of one new share for every four shares held.
It is divided into SEVENTY MILLION FOUR HUNDRED AND EIGHTY FOUR THOUSAND AND EIGHTY ONE (70,484,081) shares, fully paid-up and of the same class.

Authorised unissued share capital

The table below shows a summary of the resolutions adopted by Extraordinary General Meetings (EGM) authorising the Board of Directors to increase or reduce the share capital:

Date of EGM	Resolution	Purpose	Duration
03.05.01	1	**Authorisation to issue** shares in the Company with exclusion of pre-emption rights to subscribe in order to grant options to senior staff and executive management of the Company and related companies.	**5 years**
07.05.03	16	**Authorisation to reduce the share capital**	**24 months**
07.05.03	17	**Authorisation to increase the share capital** with exclusion of pre-emption rights to subscribe, with the beneficiaries being members of a Company Savings Plan and/or for a voluntary employee savings scheme. The total nominal value of shares that may thus be issued is 5 % of the current share capital.	**5 years**
07.05.03	18	**Authorisation to increase the share capital** with maintained pre-emption rights to subscribe up to 200 million euros (200,000,000 euros).	**26 months**
07.05.03	19	**Authorisation to issue** shares and/or securities giving access to the share capital of the Company with exclusion of the pre-emption rights to subscribe up to 200 million euros (200,000,000 euros)	**26 months**
07.05.03	20	**Suspension of previous authorisations** (Resolutions 18 and 19 of the EGM of 7 May 2003) in the event of a takeover bid for the issue of securities approved prior to the bid being filed	**Until the next AGM**

These various authorisations have not been used. The following resolutions will be submitted for approval by shareholders at the Extraordinary General Meeting of 17 May 2004 authorising the Board of Directors to increase or reduce the share capital:

- Resolution 17 authorises the Board of Directors to reduce the capital by cancelling treasury shares held by the Company and acquired in accordance with Article L. 225-209 of the Commercial Code, with the authority of an Annual General Meeting.
- Resolution 18 cancels the delegation of same nature granted by the EGM of 3 May 2001 which it replaces.
- Resolution 19 cancels the delegation of same nature granted by the EGM of 7 May 2003 which it replaces.
- Resolution 20 cancels the delegation of same nature granted by the EGM of 7 May 2003, which it replaces.
- Resolution 21 suspends the previous delegations of power at the time of a takeover bid, except for the issue of securities approved and announced to the market prior to the bid being filed.

Resolution	Purpose	Duration
17	**Authorisation to reduce the share capital**	**24 months**
18	**Authorisation to issue** shares in the Company with exclusion of pre-emption rights to subscribe in order to grant options to subscribe to senior staff and executive management as well as to any staff members, management or not, who have shown strong commitment to the Group and performed well in their functions, be they of the Company or of related companies	**38 months**
19	**Authorisation to increase the share capital** with maintained pre-emption rights to subscribe up to 200 million euros (200,000,000 euros).	**26 months**
20	**Authorisation to issue** shares and/or securities giving access to the share capital of the Company with exclusion of the pre-emption rights to subscribe up to 200 million euros (200,000,000 euros).	**26 months**
21	**Suspension of the two previous authorisations** Resolutions 19 and 20 for the present Meeting in the event of a takeover bid for the issue of securities approved and announced to the market, prior to the declaration of the bid.	**Until the next AGM**

OCEANE bonds (providing potential access to share capital)

Pernod Ricard issued 4,567,757 bonds for 488,749,999 euros convertible into new shares and/or exchangeable for existing shares (OCEANE) with a nominal value of 107 euros each, exercisable from 13 February 2002. The term of this borrowing is 5 years and 322 days as from 13 February 2002. The normal full redemption will take place on 1 January 2008, by repayment at a price of 119.95 euros per OCEANE bond. The OCEANE bonds bear interest at 2.50% per annum, payable in arrears on 1 January of each year.

The exercise period for the option to convert or exchange the OCEANE bonds is from 13 February 2002 to the seventh working day which precedes the redemption date.

Following the increase in share capital, effective 14 February 2003,through the capitalisation of reserves and creation of new shares on the basis of one bonus share for four existing shares, the allocation ratio of the OCEANE bonds has been adjusted with one bond now giving right to conversion and/or exchange for 1.25 Pernod Ricard shares.

As at 31 December 2003, all the OCEANE bonds remained in issue and may give right to conversion or exchange for 5,709,697 Pernod Ricard shares (after adjustment for the increase in share capital with effect from 14 February 2003)

Stock options

Following the increase in share capital through the capitalisation of reserves with effect from 14 February 2003, the allocation ratio of the stock options was adjusted.

No stock options were exercised during fiscal year 2003. A maximum of 1,793,490 new Pernod Ricard shares would be created if all stock options on 31 December 2003 were exercised.

Evolution of share capital

Share capital opening balance	Number of shares	Per value	Year	Nature of operation	Ratio	Date effective	New shares issued	Share premium	Number of shares	Share capital closing balance	Per value
FRF 939,777,680	46,988,884	FRF 20	1994	Stock dividend	1 for 5	01.07.94	9,397,776	NA (1)	56,386,660	FRF 1,127,733,200	FRF 20
FRF 1,127,733,200	56,386,660	FRF 20	2001	Conversion into euros	NA	31.10.01	NA	NA	56,386,660	€ 174,798,646	NA (2)
€ 174,798,646	56,386,660	NA (2)	2003	Options exercise	NA	12.08.02 (3)	605	€ 73,9	56,387,265	€ 174,800,521.5	NA (2)
€ 174,800,521.5	56,387,265	NA (2)	2003	Stock dividends	1 for 4	14.02.03	14,096,816	NA	70,484,081	€ 218,500,651.1	NA (2)

(1) NA: not applicable.
(2) Pernod Ricard deleted the par value of its shares in its bylaws when it converted its share capital into euros.
(3) Shares arising from the exercise of stock options were issued on 12 August 2002, with the Board of Directors noting the corresponding increase in share capital on 28 January 2003.

Breakdown of share capital and voting rights

Shareholders	At 17 March 2004			At 18 March 2003			At 15 April 2002		
	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights
SA Paul Ricard	8,520,671 [1]	12.1	18.9	8,435,671	12.0	18.9	6,558,537	11.6	18.6
Société Immobilière et Financière pour l'Alimentation (S.I.F.A.)	7,215,373 [2]	10.2	16.3	7,215,373	10.2	16.3	5,772,299	10.2	16.3
Pernod Ricard SA Board of Directors and Senior Management	812,761	1.2	1.7	812,428	1.2	1.7	648,697	1.2	1.7
Shares held by employees	1,472,669	2.1	2.7	1,545,532	2.2	2.8	1,300,198	2.3	3.1
FRM Corp et Fidelity International limited (USA)	1,993,785 [3]	2.8	2.4	1,993,785	2.8	2.4	2,833,687	5.0	4.2
Caisse des Dépots et Consignations (CDC Ixis)	3,488,619 [4]	4.9	4.1	2,859,992	4.1	3.4	2,851,151	5.1	4.2
Groupe Société Générale	2,424,340 [5]	3.4	2.9	3,172,483	4.5	3.7	-	-	-
Silchester International Investors Ltd (UK) [10]	-	-	-	1,342,811 [6]	1.9	1.6	-	-	-
BNP Paribas	863,076 [7]	1.2	1.0	366,620	0.5	0.4	-	-	-
Atout France Europe	400,000 [8]	0.6	0.5	400,000	0.6	0.5	-	-	-
Crédit Agricole	357,589 [9]	0.5	0.4	-	-	-	-	-	-
Pernod Ricard - Treasury shares	1,981,036	2.8	0.0	1,734,892	2.5	-	1,704,230	3.0	-
- Other	-	-	-	-	-	-	173,583	0.3	-
General public	40,954,162	58.2	49,1	40,604,494	57.5	48.3	34,544 278	61.3	51.9
Total	**70,484,081**	**100.0**	**100.0**	**70,484,081**	**100.0**	**100.0**	**56,386,660**	**100.0**	**100.0**

For a single declaring shareholder, we only report here the most recent declaration.

(1) Paul Ricard SA is wholly-owned by the Ricard family.

(2) Société Immobilière et Financière pour l'Alimentation (SIFA) is primarily-owned by Kirin Brewery Company Limited, which has a 47.5% stake in this company's share capital. Among other shareholders, Pernod Ricard SA holds a minority stake in SIFA's share capital through its Santa Lina subsidiary.

(3) Declaration of 19 February 2003 (crossing below the 5% threshold level).

(4) Declaration of 8 March 2004 (crossing below the 5% threshold level).

(5) Declaration of 5 February 2004.

(6) Declaration of 22 February 2002.

(7) Declaration of 3 June 2003.

(8) Declaration of 21 January 2003.

(9) Declaration of 14 April 2003.

(10) Acting on behalf of institutional investors and mutual funds managed by Silchester.

Furthermore, 4 declarations have been made as registered intermediaries:

- On 17 February 2003, a declaration of crossing below the 10% threshold level was made by JP Morgan Chase Investor Services, with 6,297,312 shares amounting to 8.9% of the Company's share capital.
- On 7 March 2003, a declaration of crossing above the 5% threshold level was made by the State Street Bank and Trust Company, with 3,527,150 shares amounting to 5% of the share capital.
- On 13 June 2003, a declaration of crossing above of the 1% threshold level was made by Boston Safe Deposit Trust, with 761,327 shares.
- On 6 August 2003, a declaration was made by The Northern Trust Company for 1.5% of the share capital with 1,022,866 shares.

Treasury shares are held for allocation to different stock purchase option plans. A new plan was established on 18 December 2003 for 636,199 shares.

Non-French residents owned approximately 33% of the Company's share capital on 30 June 2003, according to a survey conducted by TPI (Identifiable Bearer Shares).

The information in the table aside relates to 17 March 2004.

The most recent TPI (Identifiable Bearer Shares) survey estimates that there are approximately 60,000 shareholders in Pernod Ricard.

The total number of voting rights is 84,837,362.

There has been no significant change in the shareholding composition during the last three years.

The Company is not aware of any shareholder holding more than 0.5% of its share capital (statutory threshold) or voting rights, other than those listed in the table above.

No individual or corporate body, directly or indirectly, alone or jointly, or in concert, exercises control over the capital of Pernod Ricard.

There are no shareholder agreements.

The Group structure is presented in the Corporate Section of the present Annual Report.

Pernod Ricard is the only Group company listed on the Stock Exchange.

Market for issuer's securities

PERNOD RICARD SA SHARES

Pernod Ricard shares are currently traded on Euronext Paris Stock Exchange First Market (deferred settlement system). Volumes traded in the last eighteen months are disclosed in Shareholders part in the Corporate Section of the present Annual Report.
In 1993, Pernod Ricard entered into an ADR (American Depositary Receipt) program backed by the Bank of New York (OTC Market).

OCEANE convertible bonds
Pernod Ricard 2.50% Feb. 2002/Jan. 2008 OCEANE bonds currently trade on the Euronext Paris Stock Exchange First Market.

Traded volumes of OCEANE convertible bonds are as follows:

OCEANE CONVERTIBLE BONDS MARKET PERFORMANCE

In euros	Price			Trading volume	
	Average	High	Low	Number of shares	Trading value
2003					
January	125.11	133.00	119.14	89,137	10,840,051
February	119.44	123.20	115.00	10,541	1,254,903
March	125.22	127.00	123.38	11,926	1,474,325
April	127.12	129.00	122.00	9,067	1,158,082
May	111.96	132.50	128.75	8,774	1,153,302
June	130.95	137.00	127.87	11,546	1,491,910
July	126.97	128.00	123.50	3,478	440,722
August	125.52	126.60	124.95	27,799	3,517,671
September	127.35	130.50	124.95	24,120	3,048,155
October	128.83	132.00	125.20	37,332	4,791,358
November	132.59	134.60	129.00	53,548	7,107,058
December	132.15	133.50	130.00	35,933	4,737,146
2004					
January	130.49	131.50	128.25	18,683	2,424,457
February	134.45	144.00	129.80	1,431	191,467

Source : Euronext (Convertible bonds market: Central Market).

Dividends

The distribution of cash dividend in the previous five years is presented in the Parent Company Financial Statements section.

Historical Background

1975	Merger of Pernod and Ricard, two aniseed-based spirits companies, to create Pernod Ricard. Acquisition of the Campbell Distilleries company, a producer of Scotch whiskies.
1980	Strengthening of position in the United States with the acquisition of the Austin Nichols company, producer and distributor of Wild Turkey bourbon.
1985	Opening of the first operation in Asia and acquisition of Ramazzotti in Italy.
1988	Acquisition of Irish Distillers, a major producer of Irish whiskeys.
1989	Entrance of Orlando Wyndham (N°2 producer of Australian wines) into the Group, bringing with it the Jacob's Creek brand.
1993	Creation of Havana Club International with the Cuban company Cubaron, a joint venture for the purpose of marketing Havana Club rum, which has since experienced one of the most rapid growth rates in the world.
1997	Acquisition of the Larios company, a Spanish producer of gin, brandies and wines.
1999	Acquisition of the Yerevan Brandy Company, a producer of Armenian brandies.
2000	Acquisition of Viuda de Romero tequila in Mexico. Launch of the joint offer for the Seagram distilled spirits business
2001	Doubling of wine & spirits business size with the purchase of 39.1% of Seagram's wine & spirits business. Acquisition of Wyborowa, a Polish vodka producer, and Jan Becher, a Czech bitter producer.
2002	Successful integration of nearly 3,500 Seagram employees.
2003	Launch of new Chivas and Martell campaigns. Re-entry of Pernod Ricard into the CAC 40 Index.

Parent Company
financial statements

Pernod Ricard SA Income Statement

For the years ended 31 December 2003, 2002 and 2001

In euro thousands	2003	2002	2001
Royalties	37,935	39,608	39,282
Other income	23,615	19,860	28,048
Provision reversals	1,037	0	13
Total operating income	**62,587**	**59,468**	**67,343**
Outside services	(60,545)	(65,129)	(58,800)
Duties and taxes	(4,079)	(1,669)	(1,144)
Payroll expenses	(22,658)	(17,382)	(10,324)
Depreciation, amortisation and provision charges	(5,102)	(1,538)	(,906)
Other expenses	(528)	(358)	(318)
Total operating expenses	**(92,912)**	**(86,076)**	**(71,492)**
Operating loss	**(30,325)**	**(26,608)**	**(4,149)**
Income from equity investments	297,908	556,585	143,744
Interest and related income	7,973	16,913	6,187
Provision reversals	6,837	4,026	0
Foreign exchange gains	392	3,794	3,688
Total finance income	**313,110**	**581,318**	**153,619**
Provision charges	(14,641)	(15,424)	(4,027)
Interest and related expenses	(22,267)	(52,468)	(37,049)
Foreign exchange losses	(2,230)	(4,005)	(85)
Total finance cost	**(39,138)**	**(71,897)**	**(41,161)**
Net finance income	**273,972**	**509,421**	**112,458**
Profit before exceptional items	**243,647**	**482,813**	**108,309**
Exceptional income	83,397	240,903	2,718,029
Exceptional expenses	(93,639)	(448,148)	(2,922,754)
Net exceptional expenses	**(10,242)**	**(207,245)**	**(204,725)**
Profit before tax	**233,405**	**275,568**	**(96,416)**
Income tax credit	15,611	70,210	21,878
Net profit	**249,016**	**345,778**	**(74,538)**

Pernod Ricard SA Balance Sheet

As at 31 December 2003, 2002 and 2001

Assets

In euro thousands	Notes	2003 Gross value	2003 Depreciation & Provisions	2003 Net value	2002 Net value	2001 Net value
Intangible assets	2	**37,924**	**(2,778)**	**35,146**	**32,791**	**32,817**
Licences, brands		37,924	(2,778)	35,146	32,791	32,817
Property, plant and equipment		**10,292**	**(3,876)**	**6,417**	**9,270**	**2,942**
Land		948	0	948	1,253	960
Buildings		2,259	(1,228)	1,032	2,245	1,124
Machinery and equipment		62	(40)	22	25	3
Other		7,023	(2,608)	4,415	5,747	855
Investments	3	**1,709,773**	**(102,795)**	**1,606,977**	**1,669,511**	**2,006,307**
Equity investments		1,398,114	(102,780)	1,295,333	1,255,917	1,308,425
Equity investments related receivables		310,528	(15)	310,513	399,323	692,057
Loans		18	0	18	18	18
Other		1,113	0	1,113	13,935	37
Treasury shares		0	0	0	318	5,770
Total fixed assets		**1,757,989**	**(109,449)**	**1,648,540**	**1,711,572**	**2,042,066**
Advances and supplier prepayments		**969**	**0**	**969**	**451**	**285**
Operating receivables		**23,525**	**0**	**23,525**	**19,899**	**17,706**
Trade and related receivables		12,057	0	12,057	12,704	12,343
Other		11,468	0	11,468	7,195	5,363
Various operating receivables	9	**399,048**	**(4,154)**	**394,894**	**336,532**	**307,543**
Marketable securities	5	**122,552**	**(2,181)**	**120,372**	**73,515**	**105,504**
Cash and equivalents		**272**	**0**	**272**	**2,686**	**134,735**
Total current assets		**546,366**	**(6,335)**	**540,032**	**433,083**	**565,773**
Prepaid expenses	6	**1,043**	**0**	**1,043**	**2,317**	**1,945**
OCEANE bond redemption premiums	6	**40,225**	**0**	**40,225**	**50,281**	
Deferred charges	6	**681**	**0**	**681**	**1,123**	**865**
Currency translation adjustment	6	**5,316**	**0**	**5,316**	**5,449**	**13,707**
Total adjustment assets		**47,265**	**0**	**47,265**	**59,170**	**16,517**
Total assets		**2,351,620**	**(115,783)**	**2,235,837**	**2,203,825**	**2,624,356**

Equity and liabilities

In euro thousands	Notes	2003	Pro forma (1) 2002	2002	2001
Share capital	7	**218,501**	**174,801**	**174,801**	**174,799**
Share premium		**37,712**	**37,712**	**37,712**	**37,667**
Reserves		**397,039**	**440,739**	**440,739**	**330,858**
Legal reserves		17,480	17,480	17,480	17,480
Regulated reserves		379,559	423,259	423,259	313,378
Retained earnings		**325,568**	**97,205**	**119,878**	**402,654**
Net profit/(loss)		**249,016**	**345,778**	**345,778**	**(74,538)**
Regulated provisions	9	**129**	**136**	**136**	**144**
Total equity	9	**1,227,964**	**1,096,371**	**1,119,044**	**871,584**
Provisions for contingencies	9	**64,329**	**77,765**	**55,092**	**210,879**
Financial debt		**663,691**	**677,670**	**677,670**	**1,201,499**
OCEANE convertible bonds	13	547,902	547,902	547,902	0
Non-convertible bonds		0	0	0	60,980
Borrowings from financial institutions	14	85,067	99,313	99,313	1,108,591
Perpetual subordinated notes (TSDI)	15	30,722	30,455	30,455	31,928
Other financial debt		0	0	0	0
Operating liabilities		**46,785**	**50,660**	**50,660**	**42,968**
Trade and other accounts payable		20,773	32,999	32,999	34,157
Tax and social security liabilities		26,012	17,661	17,661	8,811
Sundry liabilities		**150,577**	**282,187**	**282,187**	**286,097**
Income tax liabilities		12,967	0	0	84,921
Other		137,610	282,197	282,187	201,176
Total liabilities		**861,053**	**1,010,517**	**1,010,517**	**1,530,564**
Deferred income	11	**48,157**	**239**	**239**	**347**
Currency translation adjustment	11	**34,333**	**18,933**	**18,933**	**10,982**
Total adjustment liabilities		**82,490**	**19,172**	**19,172**	**11,329**
Total equity and liabilities		**2,235,837**	**2,203,825**	**2,203,825**	**2,624,356**

(1) Pro forma 31.12.2002 figures take into account the change in the method for accounting for retirement and related benefits.

Pernod Ricard SA Cash Flow Statement

For the years ended 31 December 2003, 2002 and 2001

In euro thousands	Notes	2003	Pro forma 2002	2002
Operating activities				
Net profit		249,016	345,778	345,778
Fixed assets depreciation and amortisation		1,551	898	898
Change in provisions		2,464	(71,431)	(71,431)
Losses/(gains) on fixed asset disposals		(13,889)	249,047	249,047
Cash flow from operations		**239,142**	**524,292**	**524,292**
Decrease in working capital requirements		107,962	157,486	157,486
Cash provided from operating activities	1	**347,104**	**681,778**	**681,778**
Investing activities				
Acquisition of PPE and intangibles (net of disposals)		9,908	(7,458)	(7,458)
Acquisition of investments (net of disposals)		52,931	3,369	3,369
Cash provided from/(applied to) investing activities	2	**62,839**	**(4,089)**	**(4,089)**
Financing activities				
OCEANE bonds		0	0	488,750
Increase in share capital		0	47	47
Dividends paid (including witholding tax 'precompte')		(117,416)	(98,630)	(98,630)
Cash provided from/(applied to) financing activities	3	**(117,416)**	**(98,583)**	**390,167**
Change in net financial debt	1+2+3	**292,527**	**579,106,**	**1,067,856,**
Net financial debt at the beginning of the year		(440,830)	(1,019,936)	(1,019,936)
Net financial debt at year-end		(148,303)	(440,830)	47,920

Note: Composition of net financial debt

Net financial debt consists of OCEANE convertible bonds, TSDI and borrowings from financial institutions, net of Pernod Ricard Finance loan, marketable securities and cash and equivalents.

Net financial debt is broken down as follows:

In euro thousands	Notes	2003	Pro forma 2002	2002
OCEANE convertible bonds		(488,750)	(488,750)	0
TSDI and borrowings from financial institutions		(115,789)	(129,768)	(129,768)
Loan to Pernod Ricard Finance, fully-owned subsidiary		333,412	98,811	98,811
Marketable securities		122,552	76,191	76,191
Cash and equivalents		272	2,686	2,686
Net financial debt at year-end		**(148,303)**	**(440,830)**	**47,920**

The 2002 Pro forma cash flow statement incorporates the OCEANE convertible bonds in net financial debt.

Analysis of Pernod Ricard SA
financial results

Parent Company/ subsidiaries relationships

The main role of Pernod Ricard SA, the Group's Parent Company, which is hereafter referred to as the "Company", is to carry out general interest and coordination missions in the fields of strategy, financial control of subsidiaries, acquisitions, marketing, development, research, human resources and communications. Pernod Ricard SA's relationship with its subsidiaries essentially consists of billing of fees for the exploitation of brands owned by Pernod Ricard SA, the rebilling of purchased advertising space, and the collection of cash dividends.

2003 results

Operating income, which includes royalties received for brands belonging to the Company, amounted to 62.6 million euros, up 5.2% on 2002.

Operating expenses increased by 7.9% to nearly 93 million euros from 86 million euros for 2002. This increase was mainly due to changes in the consolidation scope and the restructuring of the Company following the acquisition of part of Seagram's wine and spirits business.

Accordingly, Company **operating loss** increased to 30.3 million euros from 26.6 million euros.

The decrease in dividends received from subsidiaries results from the absence of exceptional dividends received in 2002 with the disposal of Orangina-Pampryl and Compagnie Financière CSR. Hence, **net finance income** decreased to 274 million euros from 509 million euros.

Profit before exceptional items dropped to 243.6 million euros from 482.8 million euros for 2002.

Net exceptional expenses were 10.2 million euros compared to 207.2 million euros in 2002.

Finally, the Company realised an **income tax credit** of nearly 15.6 million euros, reflecting the positive effects of the Group Tax consolidation.

As a result of the above, the Company realised a **net profit** of 249.0 million euros for 2003, compared with 345.8 million euros for 2002.

Changes in accounting principle and in the presentation of financial statements

Beginning on 1 January 2003, Pernod Ricard SA elected to apply the preferred method for accounting for its retirement and related commitments. These commitments are calculated in accordance with principles recommended by the French Accounting Committee on 1 April 2003. The provision corresponding to the preferred method that was calculated at the beginning of the year of the change in accounting method was charged in full to Retained Earnings, that is 23 million euros.

Notes to the Parent Company
Financial Statements

Prior to the appropriation for the fiscal year ended 31 December 2003, the balance sheet amounts to 2,235,837 euros and the income statement shows a profit of 249,015,436 euros.

The fiscal year covers a period of 12 months, from 1 January to 31 December. Notes 1 to 23 below, which are presented in thousand of euros, form an integral part of the annual financial statements. These financial statements were approved on 17 March 2004 by the Board of Directors.

Note 1 – Accounting principles and methods

The Company's financial statements were prepared in accordance with French Generally Accepted Accounting Principles. Accounting principles and methods have been applied in conformity with the prudence principle and to provide a fair view of the business, using the following assumptions:

- ➜ going concern;
- ➜ consistency of accounting methods from one period to the next (except for the change in accounting principle explained in note 1.1 below);
- ➜ independence of accounting periods.

Balance sheet assets and liabilities were valued at their historical cost, contribution cost or market value, depending on which basis was the most appropriate.

1.1 ACCOUNTING PRINCIPLES AND PRESENTATION FORMAT CHANGES

Beginning on 1 January 2003, the Company elected to apply the preferred method for accounting for its retirement and related commitments. These commitments are calculated in accordance with principles recommended by the French Accounting Committee on 1 April 2003, which are listed in Note 9.

Previously, the Company only partly accounted for its retirement commitments: a retirement benefits provision was only established for employees with more than 10 years of seniority and aged more than 45 years old.

The provision corresponding to the preferred method that was calculated at the beginning of the year of the change in accounting method (1 January 2003), was charged in full to Retained Earnings for an amount of 23 million euros.

1.2 INTANGIBLE ASSETS

Intangible assets are primarily comprised of brands arising from the Pernod and Ricard companies' merger in 1975 and from subsequent mergers.

Computer software is amortized over 1 to 3 years, based on their probable economic lives.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment assets are valued at acquisition cost (purchase price plus ancillary costs, excluding acquisition costs). Depreciation is calculated using the straight-line or declining balance methods, based on their economic lives:

Buildings	between 20 and 50 years (straight-line)
Fixtures and fittings	10 years (straight-line)
Machinery and plant equipment	5 years (straight-line/ declining balance)
Office furniture and equipment	10 years (straight-line) or 4 years (declining balance)

1.4 INVESTMENTS

Equity investments are valued at their acquisition cost, net of ancillary costs, after legal revaluations, where applicable.

A writedown provision is established if the net book value is lower than the value in use.

Value in use is determined based on multi-criteria analysis, taking into account the prorata book value of the subsidiary's shareholders' equity, return on investment, financial and business potential and the market value of its net assets.

1.5 RECEIVABLES

Receivables are valued at their nominal value.
A writedown provision is established in the event their collection value falls below their book value.

1.6 TREASURY SHARES

Treasury shares are the shares of the Company that have been acquired by the Company for future allocation to employees and managers through a stock option plan.

In order to provide for the costs associated to the probable exercise of options, a writedown provision is established at fiscal year-end if the plan's set purchase price is less than the purchase price paid by the Company.

1.7 PROVISIONS FOR CONTINGENCIES

Provisions for contingencies are accounted for in accordance with CNC Regulation N°00-06 of 20 April 2000 on liabilities.

This Regulation provides that a liability is accounted for 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 without an equivalent counterpart expected of it. This obligation must exist at the fiscal year-end in order for it to be accounted.

1.8 TRANSLATION OF FOREIGN CURRENCY DENOMINATED ITEMS

The translation of receivables, liabilities, cash and marketable securities denominated in foreign currencies is as follows:

- ➜ translation of all liabilities, receivables, marketable securities and cash are translated at year-end rates;
- ➜ translation differences are recorded as a currency translation adjustment, asset or liability;
- ➜ establishment of a provision for deferred exchange losses, after taking into account the potential offsetting operations that are subject to foreign exchange coverage.

1.9 FINANCIAL INSTRUMENTS

Differences arising from changes in value of financial instruments that are used as hedges for covering foreign denominated items are recorded in the income statement to offset the foreign exchange gains or losses of the foreign currency denominated items covered.

Differences arising from changes in value of a financial instrument that are used in operations in organised or similar markets not defined as hedges for covering foreign currency denominated items are directly recorded into the income statement.

1.10 INCOME TAX

The Company benefits from a Group Tax consolidation as defined by the Law of 31 December 1987. Under certain conditions, this scheme allows for the offsetting of income taxes payable against losses of companies belonging to the consolidation. The applicable Scheme is governed by Articles 223 A and subsequent of the French Tax Code.

The net receivable or payable amount is recorded in the balance sheet of the Company.

Note 2 – Intangible assets

Gross value

In euro thousands	At 01.01.2003	Acquisitions	Disposals	At 31.12.2003
Business goodwill	915	0	0	915
Brands	32,635	802	15	33,422
Software licenses	1,295	2,292	0	3,587
Total	**34,845**	**3,094**	**15**	**37,924**

Accumulated amortisation

In euro thousands	At 01.01.2003	Amortisation	Reversals	At 31.12.2003
Business goodwill	(915)	0	0	(915)
Brands	(2)	(169)	0	(171)
Software licenses	(1,137)	(555)	0	(1,692)
Total	**(2,054)**	**(724)**	**0**	**(2,778)**

Note 3 – Investments

Gross value

In euro thousands	At 01.01.2003	Acquisitions	Capital operations	Disposals	Transfers	At 31.12.2003
Shareholdings in consolidated subsidiaries	*1,209,581*	*1*	*54,890*	*0*	*0*	*1,264,472*
Shareholdings in non-consolidated entities	*6,640*	*0*	*0*	*2,097*	*0*	*4,543*
Other equity investments	*132,535*	*0*	*9,619*	*13,055*	*(321)*	*128,778*
Advances on equity investments	*0*	*0*	*0*	*0*	*321*	*321*
Total equity investments	1,348,756	1	64,509	15,152	0	1,398,114
Participating loans	399,676	61,462	0	150,610	0	310,528
Other loans	18	0	0	0	0	18
Deposits and sureties	13,936	35	0	12,858	0	1,113
Treasury shares	318	0	0	318	0	0
Total	**1,762,704**	**61,498**	**64,509**	**178,938**	**0**	**1,709,773**

Provisions

In euro thousands	At 01.01.2003	Charges	Reversals	At 31.12.2003
Shareholdings in consolidated subsidiaries	*3,154*	*0*	*537*	*2,617*
Shareholdings in non-consolidated entities	*4,483*	*1,065*	*2,097*	*3,451*
Other equity investments	*85,203*	*11,188*	*0*	*96,391*
Advances on equity investments	*0*	*321*	*0*	*321*
Total equity investments	92,840	12,574	2,634	102,780
Participating loans	353	0	338	15
Total	**93,193**	**12,574**	**2,972**	**102,795**

Note 4 – Receivables and liabilities' maturity

Receivables

In euro thousands	Gross value	Due within 1 year	Due after 1 year
Fixed assets			
Loans relating to equity investments	*310,528*	*110*	*310,418*
Other loans	*18*	*18*	*0*
Other investments	*1,113*	*0*	*1,113*
Fixed assets	311,659	128	311,531
Current assets[(1)] (excluding Marketable Sécurities/Cash)	423,615	423,615	0
Total receivables	**735,274**	**423,743**	**311,531**

(1) Current asset receivables primarily consist of a loan granted to Pernod Ricard Finance SA, a fully owned subsidiary of the Company.

Liabilities

In euro thousands	Gross value	Due within 1 year	Due after 1 year	Due after 5 years
OCEANE convertible bonds	547,902	0	547,902	0
Borrowings from financial institutions	85,067	13,808	71,259	0
Perpetual Subordinated Notes (T.S.D.I.)	30,722	3,215	27,507	0
Other debt	0	0	0	0
Operating liabilities	46,785	46,785	0	0
Other liabilities	150,577	93,134	57,443	0
Deferred income	48,157	24,102	24,055	0
Total liabilities	**909,210**	**181,044**	**728,166**	**0**

Note 5 – Marketable securities

In euro thousands	At 01.01.2003		Purchased		Sold		At 31.12.2003	
	quantity	value	quantity	value	quantity	value	quantity	value
Pernod Ricard SA shares								
- gross value	1,423,346	76,474	1,700,069	108,127	915,415	62,086	2,208,000	122,515
- writedown	0	(2,676)	0	0	0	(495)	0	(2,181)
- net value	**1,423,346**	**73,798**	**1,700,069**	**108,127**	**915,415**	**61,591**	**2,208,000**	**120,334**
Other companies' shares	0	37	0	0	0	0	0	37
Total	**1,423,346**	**73,835**	**1,700,069**	**108,127**	**915,415**	**61,591**	**2,208,000**	**120,371**

The 31 December 2003 market value of other Pernod Ricard shares amounted to 88.15 euros.

Note 6 – Adjustment assets

In euro thousands	At 01.01.2003	Increases	Decreases	At 31.12.2003
Prepaid expenses	2,317	6,183	7,457	1,043
OCEANE bond redemption premiums	50,281	0	10,056	40,225
Deferred charges	1,123	61	503	681
Currency translation adjustment	5,449	5,316	5,449	5,316
Total	**59,170**	**11,560**	**23,465**	**47,265**

The main movement concerns the redemption premium relating to the bond carrying an option to convert into new shares /exchange existing shares (OCEANE), whose major features are described in Note 13. This premium, with a gross value of 50,280,963 euros was subject to an amortisation of 10,056,193 euros in 2003, based on a bond duration of 5 years and 322 days.

Note 7 – Share capital

At 31 December 2003, the Company's share capital amounted to 218,500,651.10 euros, consisting of 70,484,081 shares with a par value of 3.10 euros each.

Share capital was increased by 43,700,129.60 euros on 14 February 2003, following the incorporation of reserves and the distribution of a stock dividend of 14,096,816 shares, on the basis of one new share for every four existing shares held.

Note 8 – Shareholders' equity

In euro thousands	At 01.01.2003	2002 net profit allocation	Dividend distribution	Change in method (1)	Others	2003 net profit	At 31.12.2003
Share capital	174,801				43,700		218,501
Share premium	45						45
Merger premium	37,667						37,667
Legal reserve	16,285						16,285
PVNLT legal reserve	1,194						1,194
Regulated reserves	423,259				(43,700)		379,559
Retained earnings	119,878	345,779	(126,872)	(22,672)	9,455		325,568
Net profit	345,779	(345,779)				249,016	249,016
Regulated provisions	136					(7)	129
Total	**1,119,044**	**0**	**(126,872)**	**(22,672)**	**9,455**	**249,009**	**1,227,964**

(1) Change in the method for accounting pension and related commitments.

Note 9 – Provisions

In euro thousands	At 01.01.2003	Charges	Reversals utilised	Reversals non-utilised	Change in method	At 31.12.2003
Regulated provisions						
Special revaluation provision	136	0	(7)	0	0	129
Sub-total 1	**136**	**0**	**(7)**	**0**	**0**	**129**
Provisions for contingencies						
Exchange losses	5,356	4,097	(5,356)	0	0	4,097
Other risks	47,146	21,675	(22,787)	(16,486)	0	29,548
Deferred taxes	2,323	4,139	(1,529)	(62)	0	4,871
Retirement and similar benefits	267	2,871	0	0	22,673	25,811
Sub-total 2	**55,092**	**32,782**	**(29,672)**	**(16,548)**	**22,673**	**64,327**
Writedown provisions						
Intangible assets	914	0	0	0	0	914
Investments	93,194	13,869	(2,435)	(1,832)	0	102,796
Other	3,004	4,155	(823)	0	0	6,336
Sub-total 3	**97,112**	**18,024**	**(3,258)**	**(1,832)**	**0**	**110,046**
Grand total	**152,340**	**50,806**	**(32,937)**	**(18,380)**	**22,673**	**174,502**

PROVISIONS FOR CONTINGENCIES

Other provisions primarily include a provision for exceptional charges regarding the restructuring of the Seagram distribution network that was jointly acquired with Diageo.

Retirement benefit provisions in France essentially comprise unfunded retirement benefits and complementary benefits that are partly funded. The impact of the Fillon Law on the calculation of retirement benefits amounted to 253 thousand euros and were recorded as of prior years' unrecognised retirement benefits.
They will be amortised over the average remaining years of service by the employees concerned.

WRITEDOWN PROVISIONS

Investment writedown provisions notably include a 96.4 million euros provision relating to Seagram Group companies that will be sold or liquidated.
Other writedown provisions relate to a writedown of Seagram Group companies receivables.

Note 10 – Related party Balance Sheet items

In euro thousands **Balance sheet items**	**Subsidiaries**	**Associate companies**
Equity investments	1,264,472	133,642
Equity investment related receivables	309,021	1,507
Trade and related receivables	0	0
Other receivables	373,212	193
Long-term debt and borrowing	0	0
Trade and related liabilities	1,788	0
Other liabilities	106,767	14,684

Note 11 – Adjustment liabilities

In euro thousands	At 01.01.2003	Increases	Decreases	At 31.12.2003
Deferred income	239	48,013	95	48,157
Currency translation adjustment	18,933	34,333	18,933	34,333
Total	**19,172**	**82,346**	**19,028**	**82,490**

Deferred income relates to the factoring of future receivables to a financial institution.
The significant increase in translation adjustment relates to the depreciation of the US dollar relative to the euro.

Note 12 – Accrued income and expenses

In euro thousands **Accrued income**	**At 31.12.2003**
Accrued income amounts reported in the following balance sheet asset accounts	
Equity investments related receivables	1,833
Other investments	0
Trade and related receivables	12,057
Other receivables	2,318
Cash and equivalents	0
Total	**16,208**

Accrued expenses	
Accrued income amounts reported in the following balance sheet asset accounts	
Borrowings from financial institutions	13,978
Other financial debt	0
Operating liabilities	21,440
Other liabilities	0
Total	**35,418**

Note 13 – OCEANE convertible bonds

The Company issued 4,567,757 bonds with a par value of 107 euros each, bearing interest at 2.5% per annum and with the right to interest payments from 13 February 2002, convertible into new shares and/or exchangeable for existing shares (OCEANE) for 488,749,999 euros. No notice of option exercise was received during 2003.

These bonds have a duration of 5 years and 322 days, becoming redeemable in full on 1 January 2008 at a price of 119.95 euros.

These bonds have been recorded at their full value, redemption premium included, thus amounting to 547,902,452 euros.

Note 14 – Borrowings from financial institutions

For the Seagram acquisition, the Company partly accessed a syndicated loan, amounting to a principal amount of 1,056.0 million euros at 31 December 2001. This loan was repaid mainly by the OCEANE issue in February 2002 and the disposal of various non-strategic assets. This loan amounted to 71.3 million euros at 31 December 2003.

This financing led to the issuance of guarantees, as disclosed in Note 21.

Note 15 – Perpetual Subordinated Notes (TSDI)

On 20 March 1992, the Company issued financial debt outside France in the form of Perpetual Subordinated Notes for a total nominal amount of 61 million euros.

These Notes were “repackaged” following the signing of an agreement with a third party company at the time of the issue, and are reported as financial debt.

At 31 December 2003, their value was 30.7 million euros, comprising the principal amount at issue together with the non-deductible interest.

Note 16 – Breakdown of income tax

In euro thousands	Total	Ordinary activities	Exceptional activities
Profit/(loss) before income tax	233,405	243,647	(10,242)
Income tax credit - pre-Group Tax consolidation	2,177	(12,453)	14,630
Income tax credit - Group Tax consolidation	13,434	0	13,434
Net profit	**249,016**	**231,194**	**17,822**

Note 17 – Deferred tax liability decreases

In euro thousands Nature of timing differences	Tax amount
Decreases	
Expenses that are not tax deductible in the year they are incurred	
Organic and others	30
Retirement benefits	9,772
OCEANE convertible bond redemption premium	3,563
Receivables factoring income	17,011
Deferred tax liability decreases	**30,376**

The tax rate used is 35.43%, corresponding to the tax rate in effect for 2003.

Note 18 – Directors' remuneration

Remuneration of 6,586,887 euros was paid to the Board of Directors and Executive Officers during 2003.

Note 19 – Operating income

Operating income is primarily derived from brand royalties, which amounted to 37.9 million euros in 2003.

Other income was primarily due to 21.4 million euros in operating costs transfers relating to the rebilling of advertising space purchasing and various services costs.

The Company does not earn any income from its subsidiaries for its coordination and general services.

Note 20 – Net exceptional expenses

In euro thousands	At 31.12.2003
Operating activities	(16)
Investment activities	(12,868)
Provision reversals and cost transfers	2,642
Net exceptional expenses	**(10,242)**

The net loss from investment activities is primarily due to losses from liquidations of ex-Seagram companies.

Note 21 – Off-balance sheet commitments

In euro thousands **Commitments given**	At 31.12.2003
Guarantees for the benefit of subsidiaries	1,654,650 (1)
Operating leases	18,117
Guarantees for the benefit of third parties	1,057
Total	**1,673,824**

(1) Including a guarantee given, relating to the syndicated loan for the Seagram acquisition, for loans and commercial paper. The total value of guarantees for the Seagram acquisition concerning other Company subsidiaries at 31 December 2003 was 965 million euros.

In setting up the syndicated loan, the Company gave as guarantees to the banks the main brands it owns, as well as shares in the major subsidiaries of the Group.

Operating lease future payments relating to premises at 12 place des Etats-Unis, Paris 16th, amounted to 18.1 million euros.

The Company, pursuant to Section 17 of the Companies (Amendment) Act, 1986 (Republic of Ireland), Pernod Ricard irrevocably guaranteed for the years 1997 to 2002, the liabilities of the following subsidiaries: Comrie Ltd., 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. and Irish Distillers Holdings Ltd.

Note 22 – Average workforce size in 2003

	Company	On secondment
Managers	81	-
Supervisors and technicians	21	-
Employees (1)	15	2
Average headcount	**117**	**2**

(1) Excluding 4 apprentices.

Note 23 – Subsidiaries and associate companies at 31 December 2003

In euro thousands	Share capital	Shareholders' equity before net profit allocation	% owned	Book value of equity investment Gross	Book value of equity investment Net	Loans	Guarantees and pledges	Net sales	Net profit/ (loss)	Dividends received
EQUITY INVESTMENTS IN SUBSDIARIES EXCEEDING 1% OF PERNOD RICARD SA SHARE CAPITAL (1)										
Ricard 4 et 6, rue Berthelot, 13014 Marseille (France)	54,000	146,648	99.98	67,227	67,227	-	-	428,480	51,943	49,490
Austin Nichols 777 Westchester Avenue White Plains, N.Y. 10604 (USA)	1	174,354	100.00	168,118	168,118	-	431,957	57,277	88,084	107,371
Pernod 120. avenue du Maréchal-Foch, 94015 Créteil (France)	40,000	133,424	99.99	94,941	94,941	-	-	300,075	9,116	11,000
Compagnie Financière des Produits Orangina 17, boulevard de l'Europe, BP241 13747 Vitrolles Cedex (France)	10,000	12,402	99.97	39,587	39,587	-	-	12,406	854	12,926
Pernod Ricard Europe 2, rue de Solférino, 75340 Paris cedex 07 (France)	40,000	54,511	99.99	36,402	36,402	-	-	31,696	12,989	0
Campbell 111/113 Renfrew Road Paisley, PA3 4DY (Scotland)	10,594	32,063	95.98	40,198	40,198	-	-	0	(16)	0
Santa Lina 2 et 2 bis rue de Solférino 75007 PARIS (France)	4,158	344,854	99.98	145,274	145,274	-	-	0	66,227	0
Pernod Ricard Finance 12, place des États-Unis 75116 PARIS (France)	77,000	121,608	99.99	89,220	89,220	-	620,613	0	(1,210)	0
Résidences de Cavalière 83290 Cavalière (France)	3,140	643	99.98	3,125	739	1,454	-	62	(96)	0
Pernod Ricard Australia 33 Exeter Terrace, Devon Park SA 5008 (Australia)	128,186	128,186	100.00	151,789	151,789	-	-	0	5,175	9,188

In euro thousands	Share capital	Shareholders' equity before net profit allocation	% owned	Book value of equity investment Gross	Book value of equity investment Net	Loans	Guarantees and pledges	Net sales	Net profit/ (loss)	Dividends received
EQUITY INVESTMENTS IN SUBSIDIARIES EXCEEDING 1% OF PERNOD RICARD SA SHARE CAPITAL [1]										
Comrie Temple Chambers 3, Burlington Road DUBLIN 4 (Ireland)	64,829	266,086	99.98	64,833	64,833	271,266	-	0	49,344	52,812
Yerevan Brandy Company 2, Admiral Isakov Avenue, Yerevan 375092 (Armenia)	17,353	37,294	100.00	27,856	27,856	-	15,835	27,759	10,930	0
Pernod Ricard Acquisition II 777 Westchester Avenue White Plains, NY 10604 (USA)	593,825	594,591	20.00	167,038	167,038	-	-	0	66,343	10,780
Établissements Vinicoles Champenois 12, place des États-Unis, 75116 Paris (France)	71,675	105,336	99.99	100,955	100,955	-	281,375	0	68,305	33,135
International Cognac Holding 7, place Edouard Martell 16100 Cognac (France)	42,240	25,271	100.00	42,240	42,240	-	-	0	(5,853)	0
INFORMATION ON OTHER SUBSIDIARIES AND ASSOCIATE COMPANIES										
Subsidiaries										
- French				168	168	-	-			0
- Foreign				28,625	26,008	37,566	-			3,137
Associate companies										
- French				426	353	-	-			2
- Foreign				130,090	32,387	-	-			7,436

(1) This schedule excludes information relating to to former Seagram companies that are not consolidated.

Five-year financial results
highlights (1)

In euros	1999	2000	2001	2002	2003
Share capital at year-end					
Share capital value	171,921,818	171,921,818	174,798,646	174,800,521.5	218,500,651
Number of shares issued	56,386,660	56,386,660	56,386,660	56,387,265	70,484,081
Number of convertible bonds issued	-	-	-	4,567,757	4,567,757
February 14, 2003 stock dividend (dividend rights from January 1, 2002)	-	-	-	14,096,816	-
Operating results					
Net sales (excluding duties and taxes)	-	-	-	-	-
Profit before taxes, amortisation, depreciation and provision charges	128,015,125	55,261,384	110,838,645	292,529,799	242,631,812
Income tax	7,072,514	15,088,284	21,877,829	70,210,817	15,610,839
Net profit/(loss)	133,874,023	68,827,725	(74,537,885)	345,778,498	249,015,436
Dividends distributed	90,218,656	90,218,656	101,495,988	126,871,346	138,148,799
Earnings per share (EPS) and dividend per share					
EPS - After tax profit, but before depreciation, amortisation and provision charges	2.40	1.25	2.35	6.43	3.66
EPS - Net profit	2.37	1.22	(1.32)	6.13	3.53
Dividend per share	1.60	1.60	1.80	1.80	1.96
Dividend per share - adjusted for share capital movements (2)	1.28	1.28	1.44	1.80	1.96
Personnel					
Number of employees	49	49	56	88	117
Total payroll	4,930,059	5,729,006	7,403,821	11,891,471	15,871,787
Social security charges	2,149,730	2,267,518	2,919,785	5,490,206	6,786,216

(1) For comparative purposes, historical data in French Francs for 1999 and 2000 has been converted into Euro and rounded to the nearest euro.

(2) Dividend restated to take into account changes in Group structure between 31 December 2002 and the date of net profit allocation.

Previous five-year
cash dividend distribution (1)

In euros

Year	Payment date	Cash dividend	Tax credit	Gross dividend	Annual total
1998	12.01.1999	0.72	0.36	1.09	
	11.05.1999	0.78	0.39	1.16	2.25
1999	12.01.2000	0.75	0.375	1.125	
	10.05.2000	0.85	0.425	1.275	2.40
2000	11.01.2001	0.80	0.40	1.20	
	10.05.2001	0.80	0.40	1.20	2.40
2001	10.01.2002	0.80	0.40	1.20	
	11.06.2002	1.00	0.50	1.50	2.70
2002	14.01.03/05.03.03 (2)	0.90	0.45	1.35	
	15.05.2003	0.90	0.45	1.35	2.70
2003	13.01.2004	0.90	0.45	1.35	(3)

(1) For comparative purposes, historical data in French Francs for 1998, 1999 and 2000 has been converted into euros and rounded to the nearest euro cent.

(2) The new shares, resulting from the increase in share capital through the incorporation of reserves and the distribution of a stock dividend with effect from 14 February 2003, on the basis of one new share for every 4 existing shares held, were created with dividend rights from 1 January 2002 and on registration had the right to an interim cash dividend of 0.90 euro per share paid to holders of existing shares on 14 January 2003.

(3) The exact 2003 fiscal year dividend distribution, payable in 2004, will be decided upon by the next Annual General Meeting on 17 May 2004.

Unclaimed dividends are transferred to the Public Treasury five years after their due date.

Equity investments
at 31 December 2003

In euros French equity investments with a net book value in excess of 100,000 euros	Number of shares	Net book value
Santa Lina	20,046	145,274,185
EVC	234,992	100,955,022
Pernod	2,579,984	94,940,630
Pernod Ricard Finance	10,317,433	89,220,484
Ricard	1,749,990	67,227,023
I.C.H.	422,400	42,240,000
CFPO	11,907	39,587,134
Pernod Ricard Europe	999,989	36,401,518
Résidences de Cavalière	205,950	739,118
SCI du Domaine de Cavalière	18,820	329,775
Galibert et Varon	4,992	117,463
Sub-total		**617,032,352**
Other French companies' shares		74,075
Equity investments in unlisted foreign companies		678,226,984
Total		**1,295,333,411**

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Statutory Auditors' Report
on the Parent Company financial statements
Year ended 31 December 2003

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you for the financial year ended 31 December 2003, on:

- ➜ the audit of the accompanying parent company financial statements of the Pernod Ricard SA company,
- ➜ the specific verifications and information required by law.

The parent company 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.

BASIS OF OPINION

We conducted our audit in accordance with accepted professional standards in France. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.
In our opinion, the parent company financial statements give a true and fair view of the financial position, assets and liabilities, and net profit of the Pernod Ricard SA company for the financial year then ended.

Without prejudice to our aforementioned opinion, we would like to bring to your attention Note 1.1, which discusses the change in accounting method concerning retirement and similar benefits.

JUSTIFICATION OF AUDITORS' ASSESSMENTS

In application of the provisions of Article L.225-235 of the Commercial Code regarding the justification of our assessments, as required by the Financial Security Law of 1 August 2003, and which were applied for the first time this fiscal year, we bring to your attention the following matters.
As indicated in the first part of this report, Note 1.1 discusses the change in method regarding the accounting of retirement and related benefits. Within the framework of our assessment of accounting principles and methods used by your Company, we have ensured the appropriateness of this change in accounting method described in the first part of our report and of its disclosure in the Notes.
These assessments were made within the framework of our audit, which focus on the parent company financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of our report.

SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards in France, the specific verifications required by law.
We have no comments to make concerning the fairness of the information given in the Group Management Report and in the documents addressed to shareholders regarding the financial situation and financial statements of the company, and its consistency with the parent company financial statements.
In accordance with the law, we have assured ourselves that the information in respect of investments and control, and the identity of shareholders, is contained in the Management Report.

Neuilly-sur-Seine and Paris, 18 March 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS Alain PENANGUER

MAZARS & GUÉRARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

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Statutory Auditors' Special Report
on regulated agreements

Year ended 31 December 2003

Ladies and Gentlemen,

As Statutory Auditors, we hereby present to you our report on the regulated agreements.

1. AGREEMENTS AUTHORISED DURING THE 2003 FISCAL YEAR

Pursuant to Article L. 225-40 of the Commercial Code, we wish to inform you that we have been made aware of the existence of the following agreements that had received prior authorisation from your Board of Directors.

It is not within our mandate to conduct a search in order to determine the potential existence of such agreements but to communicate to you, on the basis of information provided to us, the key details and terms and conditions of those agreements of which we have been made aware, without having to assess on their usefulness or propriety. It is your responsibility, pursuant to the provisions of Article 92 of the Decree of 23 March 1967, to appreciate all matters concerning the conclusion of such agreements, before your decision to approve them.

We have performed our work in accordance with applicable professional standards in France. These standards require that we carry out diligence procedures in order to verify that the information provided to us agrees with the source documents from which it arises.

1.1 Loan agreement concluded with the Havana Club Holding company

Directors and senior management concerned: Mr Patrick Ricard and Mr Thierry Jacquillat.

At its meeting of 7 May 2003, your Board of Directors authorised the conclusion of two loan agreements, in the amounts of US$ 7,390,000 and US$ 834,000 respectively, for the benefit of Havana Club Holding, for a duration of five years, bearing an annual interest rate of 7.5%, as part of the takeover of its distribution activity in Cuba.

Only US$ 7,000,000 was lent by your Company during its 2003 fiscal year. `

Your Company earned 101,610 euros in interest income from this loan during 2003.

1.2 Agreements concluded with the Pernod Ricard Finance company

1.2.1 Treasury agreement

Directors and senior management concerned: Mr Patrick Ricard, Mr Pierre Pringuet, Mr Richard Burrows and Mr Thierry Jacquillat.

At its meeting of 18 December 2003, your Board of Directors authorised the conclusion of a new treasury agreement, which superseded the previous agreement dating from 1995.

The object of this new agreement is to combine, under a single agreement, all existing bilateral treasury agreements between Pernod Ricard Finance and other Pernod Ricard companies that are not integrated into the centralised automated treasury system, and to standardise, update and specify the terms and conditions relating to the charging of interest on loans and advances arising from the centralised treasury function.

This agreement took effect on 1 January 2004.

1.2.2 Acquisition of a loan agreement initially concluded between Pernod Ricard Finance and Havana Club Holding

Directors and senior management concerned: Mr Patrick Ricard, Mr Pierre Pringuet, Mr Richard Burrows and Mr Thierry Jacquillat.

At its meeting of 18 December 2003, your Board of Directors authorised the acquisition by Pernod Ricard Finance of a loan agreement concluded on 21 November 2003 between Pernod Ricard Finance and the Luxembourg company Havana Club Holding SA.

The acquisition of this loan, amounting to US$ 15,000,000, and bearing interest at an annual interest rate of 7.5% with a duration of 5 years, will enable Pernod Ricard to subscribe to a share capital increase in the Havana Club Holding SA company.

1.3 Subscription to a share capital increase in the Havana Club Holding company

Senior management concerned: Mr Pierre Pringuet.

At its meeting of 18 December 2003, your Board of Directors authorised the subscription by your Company to the share capital increase of the Havana Club Holding company in exchange for a US$ 15,000,000 receivable with this company.
This share capital increase was carried out on 19 December 2003.

1.4 Brand licensing agreements

1.4.1 Brand licensing agreements with the Ricard SA and Pernod SA companies

In January 1995 and December 1996, your Company conceded exclusive rights for the use and exploitation of multiple brands and processes to these two companies.

At its meeting of 18 December 2003, your Board of Directors authorised the following new agreements:

Directors and senior management concerned: Mr Patrick Ricard, Mr Thierry Jacquillat, Mr Pierre Pringuet, Mr Richard Burrows

➜ Conclusion of a new brand licensing agreement with the Ricard SA company from 1 January 2004 to 31 December 2008 (renewable by tacit agreement) cancelling contracts dated 11 January 1995 and 2 December 1996. The Company earned annual royalties of 25,000,000 euros (ex-VAT).

Directors and senior management concerned: Mr Patrick Ricard, Mr Thierry Jacquillat, Mr François Gérard, Mr Pierre Pringuet and, Mr Richard Burrows.

➜ Conclusion of a new brand licensing agreement with the Pernod SA company from 1 January 2004 to 31 December 2008 (renewable by tacit agreement) cancelling contracts dated 11 January 1995 and 2 December 1996. The Company earned annual royalties of 8,500,000 euros (ex-VAT).

1.4.2 Agreement concluded with the Spirit Partners company

Spirit Partners is an indirect subsidiary of Pernod Ricard (pursuant to the provisions of Articles L.233-1 and 233-3 of the Commercial Code).

At its meeting of 18 December 2003, your Board of Directors authorised the establishment of an exclusive licensing agreement with the Spirit Partners company, to be granted from 1 January 2004 for a duration of 5 years, renewable by tacit agreement.

The license will be granted subject to the payment by Spirit Partners to your Company of an annual royalty equal to 2% of the net sales realised from the exploitation of these brands.

1.5 Brand disposal agreement concluded with the Paul Ricard company

Directors and senior management concerned: Société Paul Ricard represented by Mrs Béatrice Baudinet, Mrs Danièle Ricard and Mr Patrick Ricard.

At its meeting of 17 December 2002, your Board of Directors authorised the partial disposal of the Bendor brand to the Paul Ricard company for a price of 5,000 euros (ex-VAT). Your Company will retain the ownership and exploitation right for the brand for Class 33 alcoholic beverages.

The disposal was realised during the 2003 fiscal year.

2. AGREEMENTS AUTHORISED AND APPROVED IN PREVIOUS FISCAL YEARS WHOSE EXECUTION CONTINUED DURING THE 2003 FISCAL YEAR

2.1 Agreement concluded with the Forbees company

Director concerned: Mr Jean-Claude Beton.

At its meeting of 17 December 2002, your Board of Directors authorised a draft protocol agreement whose terms require your Company to pay the Forbees company additional compensation of 457,400 euros pursuant to the disposal of 100 Orangina France shares.
In addition, pursuant to the Decree of 23 March 1967, we have been informed of the continuing execution in 2003 of the following agreements that were approved in previous fiscal years.

2.2 Joint guarantee agreements

2.2.1 Agreements concluded with the Santa Lina and Austin Nichols companies

2.2.1.1 Authorisation of a joint guarantee, for the benefit of the Butler Capital Partners company, concerning all of the commitments and bonds subscribed to by the Santa Lina and Austin Nichols companies, pursuant to the agreement regarding the disposals of the SIAS-MPA, Ramsey-SIAS, SIAS Australia et SIAS France companies.

2.2.1.2 Authorisation of a guarantee, for the full amount due by Santa Lina and Austin Nichols, pursuant to the same agreement, up to a maximum cumulative amount of 50,000,000 euros.

2.2.2 Agreements concluded with the Pernod Ricard Finance company

2.2.2.1 Your Company issued, on behalf of Pernod Ricard Finance company and for benefit of the holders of its commercial paper, an irrevocable and unconditional guarantee carrying an 0.10% annual commission. This guarantee amounted to 570,000,000 euros at 31 December 2003.

Your Company billed 595,284 euros in commission during 2003.

2.2.2.2 The issue, on behalf of Pernod Ricard Finance and for the benefit of Caisse Régionale de Crédit Agricole Mutuelle de Paris Ile-de-France, of an irrevocable and unconditional guarantee for the repayment of principal and interest on an initial loan of 12,195,921 euros, granted by this financial institution to Pernod Ricard Finance, and this until its expiry on 31 March 2005.

This guarantee carries a 0.10% annual commission on the amounts guaranteed.

Your Company billed 5,186 euros in commission during 2003 on an outstanding balance of 4,878,369 euros.

2.2.2.3 The issue, on behalf of Pernod Ricard Finance and for the benefit of Caisse d'Epargne Provence Alpes-Corse, of an irrevocable and unconditional guarantee on the repayment of principal and interest on an initial loan of 45,734,704 euros, granted by this financial institution to Pernod Ricard Finance, and this until its expiry on 14 March 2007.
This guarantee carries a 0.10% annual commission on the amounts guaranteed.

Your Company billed 45,735 euros in commission during 2003 on an outstanding balance of 45,734,705 euros.

2.2.3 Agreement concluded with the Comrie company
Your Company is a joint guarantor to Société Générale in guarantee of loan notes amounting to 43,124 euros at 31 December 2003.

2.3 Agreements regarding the pledging of brands, receivables and financial instruments

Banking finance put into place for the Seagram acquisition was contingent on the granting of collateral for the benefit of the banks. The purpose of these agreements was to guarantee the repayment of all funds made available by the banks to the Pernod Ricard SA company and to each additional borrower.

2.3.1 Agreements concluded between your Company and the Pernod Ricard Finance, Les Etablissements Vinicoles Champenois, Austin Nichols, Larios, Pernod Ricard Newco 1 and Pernod Ricard Newco 2 companies

2.3.1.1 Your Company is a joint guarantor to the Société Générale in guarantee of its companies' debts, acting as an additional borrower pursuant to an agreement signed on 28 March 2001.

2.3.1.2 Your Company also concluded a financial instruments pledging agreement regarding your Company's shareholdings in its major French and international subsidiaries.

2.3.1.3 Finally, your Company concluded a brands' pledging agreement for its major French brands on the French, European Union and international markets.

2.3.2 Agreement concluded between your Company and the Austin Nichols & Co, Santa Lina and Pernod Ricard Newco 5 companies
Your Company concluded a pledging agreement for a receivable held by your Company from the Santa Lina company. This receivable was annulled by capitalisation, with the shares thus created additionally pledged.

2.4 Loans and advances between your Company and other Group companies

2.4.1 Loan received from the Pernod Ricard Finance company
An initial loan of US$ 17,426,115, bearing interest at a rate of LIBOR + 1.125%, was granted to your Company in order to finance the purchase of various assets within the framework of the Seagram acquisition.

At 31 December 2003, your Company owed 8,193,983 euros, incurring 2003 interest charges of 177,573 euros.

2.4.2 Loan granted to the Pernod Ricard Asia company
An 83,518,931 euros interest free loan granted to this affliate Company on 31 December 2002 in relation to the acquisition of Asian assets was repaid on 15 April 2003.

2.4.3 Advance granted to the COMRIE company
Your Company granted an interest-free advance to the Comrie company, which amounted to 271,265,833 euros at 31 December 2003 (receivable balance).

2.5 Brand licensing agreements

In fulfilment of the brand licensing agreements of 11 January 1995, which took effect on 1 January 1995 for a duration of 10 years, and licensing agreements of 2 December 1996, which took effect on 1 January 1996 for a duration of 9 years, your Company earned the following royalties in 2003:

- ➜ 24,455,808 euros (ex-VAT) from the **Ricard SA** company;
- ➜ 12,005,733 euros from the **Pernod SA company**;
- ➜ 1,019,955 euros from the **Cusenier company**.

In execution of the concession to the Ricard SA company of the international exploitation rights to the Dorville brand, your Company earned 25,694 euros in royalties in 2003, equal to 3% of related net sales.

Neuilly-sur-Seine and Paris, 18 March 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS Alain PENANGUER

MAZARS & GUÉRARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

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

Statutory Auditors' special report
to the Extraordinary General Meeting of 17 May 2004

Reduction in share capital through the cancellation of treasury shares
(SEVENTEENTH RESOLUTION)

As Statutory Auditors to your Company and in execution of our assignment, as covered by Article L 225-209 paragraph 4 of the Commercial Code in the event of a capital reduction arising from the cancellation of shares purchased, we present to you our report on the reasons for and terms and conditions of the proposed share capital reduction.

We have performed our work in accordance with applicable standards in France. These standards require due diligence to ensure that the terms and conditions of the proposed share capital are ordinary in nature.

This transaction arises from your company's share buyback program, allowing it to purchase up to 10% of its share capital, in accordance with the provisions of Article L 225-209 paragraph 4 of the Commercial Code. This purchase authorisation is subject to the approval by your General Meeting of the twelfth resolution submitted before it and will be granted for a period of eighteen months beginning from the present Meeting, in cancellation and substitution of the fifteenth resolution approved by the General Meeting of 7 May 2003.

Your Board of Directors proposes that you delegate to it, for a period of two years, pursuant to the implementation of a purchase authorisation by your Company of its own shares, all powers to cancel, up to the limit of 10% of its existing share capital, that is 21,850,065.11 euros, the shares thus purchased, by implementing the authorisation for the share buyback program.

We have no comments to make on the reasons for and the terms and methods of the proposed share capital reduction, it being noted that this cannot be carried out unless the Meeting first approves the buyback by the Company of its shares.

Establishment of a stock subscription and/or purchase plan
(EIGHTEENTH RESOLUTION)

As Statutory Auditors to your Company and pursuant to the execution of our mandates as prescribed in Article L.225-177 of the Commercial Code, and Article 174-19 of the Decree of 23 March 1967, we have prepared the following report concerning the establishment of a stock subscription and/or purchase plan for the benefit of senior management, for executive officers and for other managers and employees who have demonstrated their strong loyalty to the Group and their effectiveness in fulfilling their mission, whether they be employees of the Company or companies that are linked directly or indirectly to it.

It is the responsibility of your Board of Directors to establish the motives for establishing a stock subscription and/or purchase plan, as well as the proposed methods for setting the subscription and/or purchase price. It is our duty to express our opinion on the methods proposed to set the subscription and / or purchase price.

We have performed our work in accordance with accepted professional standards in France. These standards require the performance of diligence procedures in verifying that the proposed methods for setting the subscription and/or purchase price are disclosed in your Board of Directors' report, that they conform with the provisions prescribed by law, in order to inform shareholders and to ascertain that they are not manifestly inappropriate.

We have no observations to make on the proposed methods.

Increase in share capital through the issuance of various marketable securities

(NINETEENTH AND TWENTIETH RESOLUTIONS)

As Statutory Auditors to your Company and pursuant to the execution of our mandate as prescribed in the Commercial Code and notably in Articles L.225-135, L.228-92 and L.228-95, we hereby present to you our report on the proposed issues of marketable securities, which you have been asked to approve in the nineteenth and twentieth resolutions. The aggregate nominal amount of shares susceptible to being issued by virtue of these resolutions may not exceed a maximum amount of two hundred million euros.
The aggregate nominal value of debt securities susceptible to being issued may not exceed a maximum amount of three billion euros.
Your Board of Directors recommends, on the basis of its report, that you delegate it the power to decide on the methods used for these operations, and where necessary, the waiver of your pre-emption right of subscription.
The authorisation prescribed in the nineteenth resolution does not carry a waiver of your pre-emption right of subscription.
The authorisation prescribed in the twentieth resolution does carry a waiver of your pre-emption right of subscription.
We have conducted our work in accordance with acceptable professional standards in France. These standards require the implementation of diligence procedures in verifying the methods used for establishing the issue price.
Since the issue price of the shares to be issued has not been set, we issue no opinion on the final methods through which the issue will be made, and accordingly, on the proposal submitted before you regarding the waiving of the pre-emption right of subscription, whose principle, however, falls within the purpose of the operation submitted to you for your approval.
In accordance with Article 155-2 of the Decree of 23 March 1967, we will issue an additional report when the share issue has been realised by your Board of Directors.

Neuilly-sur-Seine and Paris, 18 March 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS Alain PENANGUER

MAZARS & GUÉRARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

Presentation and text
of the resolutions presented at the general meeting

Presentation of the resolutions

Ordinary resolutions

We would ask that you approve the consolidated and parent company financial statements for 2003 and grant a formal discharge to the Board of Directors of Pernod Ricard for its management.

We also propose that you renew as Director Mr Patrick Ricard, whose term of office expires at the present Meeting.

In addition, we submit to your vote the appointment as additional Directors of Mr Richard Burrows and Mr Pierre Pringuet.

As from this renewal and these appointments, and in conformity with the recommendations of the Viénot and Bouton reports, it is proposed to limit the Directors' terms of office to four years, each your being calculated as the period between two successive Annual General Meetings.

Existing mandates that do not expire at the present Meeting are not affected and will remain in force for a six-year term.

We propose that you renew as principal Statutory Auditor Mazars & Guérard, whose term of office expires at the present Meeting. Moreover, we submit to your vote the appointment of Mr Patrick de Cambourg as substitute Statutory Auditor to replace Mr José Marette, who has resigned. It also appeared sufficient to your Board to restrict the number of substitute Statutory Auditors to two. As a result we also propose that you do not renew as substitute Statutory Auditor Salustro Reydel whose term of office ends at the present Meeting.

Subject to the approval of the fourteenth extraordinary resolution (six month extension to the current fiscal year), we propose increasing the total amount of Directors fees for 2004 to 864,450 euros. This takes into account the change in the number of Directors and has been adjusted prorata temporis due to the exceptional extension of the fiscal year.

In respect of the previous share buyback program authorised by the General Meeting of 7 May 2003, 700,000 shares were acquired with the sole aim of covering the stock option plan set up on 18 December 2003. The purchases were made on the Stock Market at a weighted average price of 80.81 euros.
As the final number of options granted was of 636,199 shares, the balance of 63,801 shares was sold on the Stock Market at an average price of 95.47 euros. The total number of treasury shares held on 17 March 2004 was 1,981,036 which corresponded exclusively to shares held for various stock options plans in progress, and represented 2.8% of the share capital.

It is proposed to renew this authorisation for a period of eighteen months with effect from the date of the present Meeting. Purchases could be made up to 10% of the share capital (7,048,408 shares, on the basis of the number of shares in issue at 31 December 2003) in order to carry out the following objectives in declining order of priority:

- granting shares to employees of the Company and the Group, in accordance with all authorised formulas and particularly by granting options to buy shares or as part of an employee profit sharing plan;
- providing shares on the exercise of rights attached to securities carrying the right by repayment, conversion, exchange, presentation of a warrant or any other manner, that grant shares in the Company;
- stabilising the share price by regularly trading against the trend;
- disposing, exchanging or transferring shares purchased in any way according to opportunity;
- possibly cancelling shares to improve earnings per share and the return on equity.

In addition, we propose that you authorise the Board of Directors to issue bonds denominated in euros or foreign currencies, on one or more occasions, for a maximum nominal value of three billion euros (3,000,000,000 euros), or its equivalent in foreign currency in the form and at the times, interest rates, conditions of issue and redemption that it considers appropriate.

Extraordinary resolutions

Most of the extraordinary resolutions submitted for your approval relate to changes in the bylaws and renewals of delegations of powers to the Board of Directors.

EXTENSION OF THE YEAR IN PROGRESS-SETTING THE OPENING AND CLOSING DATES OF SUBSEQUENT YEARS-RELATED CHANGES TO BYLAWS

The opening and closing dates of the financial year are, respectively, 1 January and 31 December of each year.

The integration of the Seagram business has, more than ever, led to a concentration of sales at the end of the year. The fourth quarter now represents approximately one third of consolidated sales. Thus, for management reasons and particularly, better budgetary control, a fiscal year-end at 30 June would be more appropriate.

The Board of Directors proposes that you extend the current year by six months, which will run to 30 June 2005 and to set the opening and closing dates of subsequent financial years at 1 July and 30 June respectively of each year.

Article 36 of Pernod Ricard's bylaws would be revised as a result.

INCREASE IN THE MAXIMUM NUMBER OF DIRECTORS PROVIDED BY THE BYLAWS AND DETERMINATION OF THEIR TERM OF OFFICE

It appears desirable to increase the maximum number of Directors provided by the bylaws, which is currently fifteen, to bring it up to the legal limit of eighteen. This increase would permit the possible appointment of additional independent Directors. We also propose to include in the bylaws that the Directors' term of office shall now be set at four years. This decision will have no effect on the term of office of current Directors.

HARMONISATION OF THE BYLAWS WITH THE FINANCIAL SECURITY LAW OF 1 AUGUST 2003

The Financial Security Law N° 2003-706 of 1 August 2003 which revised certain rules applicable to a 'Société Anonyme' (Limited Company) requires certain articles in the bylaws to be amended, in particular:

- ➜ elimination of the power given to the Chairman to represent the Board of Directors;
- ➜ requirement that every agreement between the Company and a shareholder with over 10% of the voting rights (previously 5 %) be submitted to the prior authorisation procedure of the Board of Directors;
- ➜ introduction of the requirement to invite the Statutory Auditors to all meetings of the Board of Directors that review and approve the annual or interim financial statements.

Thus, the Board of Directors proposes to harmonise the bylaws with the new law and as a result amend Articles 20, 23, 27 and 29 of the bylaws, in accordance with the draft resolution provided for this effect.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO CANCEL TREASURY SHARES PURCHASED BY THE COMPANY

In the twelfth resolution, it is proposed that you renew the authorisation for the Board of Directors to buy shares in the Company amounting to up to 10% of the share capital, in accordance with Article L.225-209 of the Commercial Code.

Among the objectives there is specifically the possible cancellation of shares thus acquired, in order to improve earnings per share and the return on equity. As a result, the Board of Directors, in the seventeenth resolution, is seeking an authorisation to reduce the share capital by cancelling all or a part of the shares acquired by the Company and not allocated to option plans to purchase shares granted to employees or salaried executive officers of the Company or related companies as defined by Article L.225-180 of the Commercial Code.

The financial effects of such a transaction are described in the information note published by the Company in accordance with regulations in force.
The authorisation sought, which would be for a period of twenty four months from the date of the present General Meeting, would replace the one of the same nature granted by the General Meeting of 7 May 2003.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE OPTIONS TO SUBSCRIBE FOR AND/OR TO PURCHASE SHARES

At the General Meeting of 3 May 2001, you authorised the Board of Directors to grant senior staff and executive officers of the Company and companies that are directly and indirectly linked to it in accordance with Article L. 225-180 of the Commercial Code, options carrying the right to subscribe for new shares in the Company, to be issued as an increase in capital, or to purchase existing shares in the Company arising from previous purchases made in accordance with the law.

We propose that you renew this authorisation in the same terms through extending the benefit of the granting of options to any staff members, management or not, who have demonstrated their strong attachment to the Group and their efficiency in accomplishing their assignments.

This delegation of power would be given for thirty eight months from the date of the present General Meeting.

The total number of options outstanding and not yet exercised may not exceed the limits set by law.

The maximum term for exercising options would be set at ten years and the price to subscribe and/or to purchase shares would be determined by the Board of Directors, to be no less than the minimum price determined by law applicable at the date of the Board's decision.

These authorisations would carry, for the benefit of share subscription option holders, the express waiver by shareholders of their pre-emption rights to subscribe for the shares that will be issued for the exercise of options.
The Board of Directors is hence asking, in the eighteenth resolution, that you authorise the above mentioned transaction as described and grant it the necessary powers.
The present authorisation would replace and cancel that of same nature granted by the General Meeting of 3 May 2001.

COMPLETION OF CERTAIN FINANCIAL TRANSACTIONS

At the General Meeting of 7 May 2003, you granted the Board of Directors the authorisation to proceed with the issue of securities that lead to an increase in the share capital in order that the Company may, if necessary, rapidly call upon the financial market.

We propose that you renew this authorisation, for a further period of twenty six months with effect from the date of this General Meeting.

The powers sought comprise:
- ➜ the right to issue shares, warrants and/or securities giving a right to shares in the Company, with the exception of priority shares and whose subscription is reserved in preference to shareholders, as well as the right to capitalise premiums, reserves and profits;
- ➜ the right to issue, with exclusion of the pre-emption right to subscribe, shares, warrants and/or securities carrying the right to shares in the Company, with the exception of priority shares; being noted that these shares may be issued as consideration for shares transferred to the Company in a public exchange offer for shares that meet the conditions of Article L.225-148 of the Commercial Code.

The total nominal value of shares which could be issued by virtue of these delegations could not exceed two hundred million euros. This ceiling would include the overall nominal value of possible additional shares to be issued to preserve the rights of holders of securities giving a right to these shares, in accordance with the law.
The maximum nominal value of securities, representative of a debt against the Company, to be issued could not exceed a limit of three billion euros.

In the event of exclusion of the pre-emption right to subscribe, the amount that the Company would receive or should receive, for each share issued after taking into account, in the event of the issue of independent warrants to subscribe for shares, the issue price of the said warrants, would be at least equal to the average of the opening price of the share noted on ten consecutive stock market trading days selected from the twenty stock market trading days preceding the issue after, where necessary, correction of this average to take account of the effective date.

The Board of Directors could also give shareholders a priority right to subscribe for securities issued, where their pre-emption right to subscribe does not apply.

The delegations sought would cancel and replace the delegations of same nature granted by the General Meeting of 7 May 2003.

SUSPENSION OF THE DELEGATIONS OF POWERS GRANTED TO INCREASE THE SHARE CAPITAL AT THE TIME OF A PUBLIC BID OR EXCHANGE OFFER

In the event that the delegations of powers proposed in the previous point are adopted by the present Meeting, we propose that you decide that they will be suspended at the time of a public bid or exchange offer involving securities issued by the Company, except if the issue or issues of securities leading to the increase in capital have been approved in principle and communicated to the market prior to the announcement of the bid.
Your decision would be valid until the date of the Annual General Meeting called in 2005 to approve the financial statements for that year.

Text of the resolutions

Ordinary resolutions

FIRST RESOLUTION
(APPROVAL OF PARENT COMPANY FINANCIAL STATEMENTS)

The General Meeting, having considered the reports of the Board of Directors, the Chairman and the Statutory Auditors for the year ended 31 December 2003, and having been presented the income statement, balance sheet and related notes for the year that disclosed a profit of 249,015,436.39 euros, approves the financial statements, balance sheet, notes and all transactions reflected therein, as they stand.

SECOND RESOLUTION
(APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS)

The General Meeting, having considered the Management Report and the Statutory Auditors' report on the consolidated financial statements at 31 December 2003, approves them.

The General Meeting grants full and final discharge to the Board of Directors for its management in the year 2003.

THIRD RESOLUTION
(ALLOCATION OF NET PROFIT)

The General Meeting approves the allocation of profit proposed by the Board of Directors and notes that the distributable earnings for the year are as follows:

Net profit for the financial year	249,015,436.39 €
Retained earnings	325,568,033.05 €
Distributable earnings	**574,583,469.44 €**

It resolves to allocate the distributable earnings as follows:

Allocation to the legal reserve	4,370,012.96 €
Allocation to the special reserve for long-term capital gains	0.00 €
Allocation to be distributed to shareholders as an interim dividend equal to 6% of the share capital, i.e. 0.186 euro per share	13,110,039.07 €
Amount to be distribued to shareholders as an additional dividend of 1.774 euro per share	125,038,759.69 €
Withholding tax on distribution	15,634,589.00 €
The balance allocated to retained earnings	416,430,068.72 €
Total amount distributed	**574,583,469.44 €**

It therefore sets the dividend for the year at 1.96 euro for each of the 70,484,081 shares, giving rise to a tax credit of 0.98 euro per share for individuals and companies that benefit from the parent-subsidiary regime.

At the time of payment, dividends accruing to treasury shares will be deducted from total dividends and allocated to "Retained Earnings".

In the same way, the withholding tax ('précompte') will be adjusted and the difference between the withholding tax provided and that effectively paid will be allocated to "Retained Earnings".

The General Meeting resolves that this dividend, corresponding to coupon N° 96, will be paid on 25 May 2004:

- by crossed cheque for shares held in "pure registered" form;
- by credit to an account at a bank, investment company or custodian financial institution for shares held in "bearer" form or "registered administered" form,

for the above-specified amount of 1.96 euro per share less the interim dividend of 0.90 euro approved on 18 December 2003 and paid on 13 January 2004.

The General Meeting formally notes that, pursuant to the provisions of Article 243 bis of the French Tax Code, the Board of Directors has given details of the amounts of the dividends distributed for the three preceding years and of the corresponding tax credit, as follows:

	Number of shares	Net dividend	Tax credit (50%)	Gross dividend
2000	56,386,660	1.60 €	0.80 €	2.40 €
2001	56,386,660	1.80 €	0.90 €	2.70 €
2002	70,484,081	1.80 €	0.90 €	2.70 €

FOURTH RESOLUTION
(Approval of regulated agreements)

The General Meeting, having considered the Special Report presented by the Statutory Auditors pursuant to the legal provisions in force, approves the agreements detailed in that Report that came into effect or continued during the fiscal year 2003.

FIFTH RESOLUTION
(Renewal of a Director)

The General Meeting renews the term of office of Mr Patrick Ricard for a period of four (4) years to expire at the end of the General Meeting called in 2008 to approve the financial statements for that financial year.

SIXTH RESOLUTION
(Appointment of a new Director)

The General Meeting appoints Mr Richard Burrows as Director for a term of four (4) years, which will expire at the end of the General Meeting, called in 2008 to approve the financial statements for that financial year.

SEVENTH RESOLUTION
(Appointment of a new Director)

The General Meeting appoints Mr Pierre Pringuet as Director for a term of four (4) years, which will expire at the end of the General Meeting called in 2008 to approve the financial statements for that financial year.

EIGHTH RESOLUTION
(Renewal of a principal Statutory Auditor)

The General Meeting renews for a period of six (6) years Mazars & Guérard, as principal Statutory Auditor. Their registered office is at 39 rue de Wattignies, 75012 Paris, and in the last two fiscal years they have not audited any transfer to or merger of the Company or companies it controls within paragraphs 1 and 2 of Article L.233-16 of the Commercial Code.

NINTH RESOLUTION
(Resignation of a substitute Statutory Auditor and appointment of a replacement substitute Statutory Auditor)

The General Meeting, noting the resignation of Mr José Marette as substitute Statutory Auditor, effective as of the date of this Meeting, decides to appoint Mr Patrick de Cambourg, who resides at 39 rue de Wattignies, Paris 75012, as substitute Statutory Auditor for a period of six (6) years. During the last two fiscal years, Mr Patrick de Cambourg has not audited any transfer to or merger of the Company or companies it controls within paragraphs 1 and 2 of Article L.233-16 of the Commercial Code.
Mr Patrick de Cambourg will be called upon to replace Mazars & Guérard, where necessary, in the events provided for by law.

TENTH RESOLUTION
(Non-renewal of a substitute Statutory Auditor)

The General Meeting, noting that the term of office of the substitute Statutory Auditor Salustro Reydel expires at the end of the present Meeting, decides not to renew it.

ELEVENTH RESOLUTION
(2004 Directors' fees)

Subject to the adoption of the fourteenth resolution in extraordinary session of the present Meeting concerning the six month extension to the fiscal year in progress, the Meeting decides to set the total of Directors' fees in respect of this period at 864,450 euros.

TWELFTH RESOLUTION
(AUTHORISATION FOR THE BOARD OF DIRECTORS TO PURCHASE THE COMPANY'S SHARES)

Acting on the proposal of the Board of Directors, the General Meeting hereby:

1/ authorises the Company, for a period of eighteen months, with effect from the date of this Meeting, to purchase its own shares, amounting to up to 10% of the share capital, equivalent to 7,048,408 shares, based on the number of shares in issue as of 31 December 2003, in order to accomplish the following, in declining order of priority:

- grant shares to employees of the Company and the Group, in any authorised form and in particular through the granting of options to purchase, or as part of employee profit sharing plans;
- transfer shares on the exercise of rights attached to securities carrying the right by repayment, conversion, exchange, presentation of a warrant or in any other manner, to the granting of shares in the Company;
- stabilise the share price by systematically trading against the trend;
- dispose, exchange or transfer shares purchased by any means according to opportunity;
- possibly cancel shares in order to increase earnings per share and return on equity.

The shares may be purchased on the market or otherwise, in particular by purchasing blocks of securities, using derivatives traded on a regulated market, or principal to principal, or setting up option strategies such as puts, in accordance with the terms and conditions set by market authorities.
The acquisition of blocks of securities may account for the entire share purchase program.
The Company reserves the right to use the program during a takeover bid by buying and selling shares, if in accordance with stock market regulations.

The maximum purchase price per share will be 150 euros, or the equivalent of this amount in any currency. This price is set subject to any adjustments pursuant to transactions on share capital.
The maximum funds that may be used to carry out this program are 1,057,261,200 euros or the equivalent of this amount in any other currency.

2/ gives all powers to the Board of Directors, within the limits defined above, to carry out, or to have carried out on its behalf, any transactions falling within this resolution, to complete all formalities required by the legislation and regulations in force, and generally take all necessary measures relating to the transactions.
This authorisation cancels and replaces the similar authorisation granted by the General Meeting of 7 May 2003.

THIRTEENTH RESOLUTION
(AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE BONDS)

The General Meeting authorises the Board of Directors and grants it all powers to proceed with the issue of bonds, denominated in euros or foreign currencies, on one or more occasions, for a maximum nominal value of three billion euros, or its equivalent in foreign currency, in the forms and at the times, interest rates, issue and repayment conditions that the Board considers appropriate.

The General Meeting grants all powers to the Board of Directors to contract such loan(s) and provide all specific guarantees, and agrees that it has full latitude to determine the features of bonds, that can be subordinated or not, and carry a variable interest rate and a redemption premium that is fixed or variable and which would be in addition to the maximal nominal amount of three billion euros mentioned above. The bonds may also carry any kind of security or marketable security in the form of a warrant or otherwise that carries a right to other bonds or other debt securities.

The authorisation, that is the subject of the present resolution, is legally valid for a period of five years from this date.

This authorisation cancels and replaces that of same nature approved by the General Meeting of 4 May 1999.

Extraordinary resolutions

FOURTEENTH RESOLUTION
(Extension of the current fiscal year - Setting the opening and closing dates of subsequent years - Related changes to bylaws)

The General Meeting, acting on the proposal of the Board of Directors:

1/ decides to extend the current financial year by six months so that, by exception, it will end on 30 June 2005.

2/ decides to set 1 July and 30 June of each year as its opening and closing dates of subsequent years.

3/ as a result, revises Article 36 of the bylaws thus:

ARTICLE 36 – FINANCIAL YEAR – FINANCIAL STATEMENTS – COMMUNICATION RIGHTS OF AUDITORS
I – The financial year begins on 1 July and ends on 30 June.
Exceptionally, the year that began on 1 January 2004 shall end on 30 June 2005.

The rest of the Article remains unchanged.

FIFTEENTH RESOLUTION
(Change to the maximum number of Directors, setting their term of office and related changes to the byelaw)

The General Meeting, having considered the report of the Board of Directors, decides to increase from fifteen (15) to the legal maximum of eighteen (18) the number of members of the Board of Directors, to set at four (4) years their term of office and to correspondingly revise the first paragraph of Articles 16 and 18 of the bylaws which will now read:

ARTICLE 16 – COMPOSITION OF THE BOARD OF DIRECTORS
"The Company is administered by a Board of Directors comprising at least three and a maximum of eighteen members, appointed by the Annual General Meeting".

The rest of the Article remains unchanged.

ARTICLE 18 – DIRECTORS' TERM OF OFFICE
"The Directors' term of office is set at four (4) years, to be calculated as periods between two successive Annual General Meetings."

The rest of the Article remains unchanged.

The terms of office of Directors that have not expired at the present Meeting will not be affected by the previous decision and will remain at six (6) years until they expire.

SIXTEENTH RESOLUTION
(Harmonisation of the bylaws with the Financial Security Law)

The General Meeting, having considered the report of the Board of Directors, decides:
- ➜ to bring the Company's bylaws into line with the Financial Security Law N° 2003-706 of 1 August 2003;
- ➜ to revise Articles 20, 23, 27 and 29 of the bylaws as a result;
- ➜ to approve the following text of these articles that cancels and replaces the previous text:

ARTICLE 20 - OFFICE
The last paragraph is revised thus:
"The Chairman of the Board of Directors organises and directs its work. He ensures that all management functions operate correctly and in particular that the Directors are in a position to carry out their assignment."

The rest of the Article remains unchanged.

ARTICLE 23 – POWERS OF THE BOARD
The third paragraph is revised as follows:
"The Board of Directors carries out the checks and controls it considers appropriate. The Chairman or the Chief Executive Officer of the Company is required to provide every Director with all documents and information required to accomplish their assignment."

The rest of the Article remains unchanged.

ARTICLE 27 – AGREEMENTS BETWEEN THE COMPANY AND AN EXECUTIVE, A DIRECTOR OR A SHAREHOLDER

The complete text is revised thus:

"Every agreement between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its Directors, one of its shareholders holding more than ten percent of the voting rights or, where it relates to a corporate shareholder, the company that controls it, must be subject to the procedure of authorisation, verification and approval set out by the Commercial Code.

The preceding provisions do not apply to agreements relating to ordinary activities and concluded on standard terms. However, these agreements are communicated by the party concerned to the Chairman of the Board of Directors unless in reason of their purpose or their financial implications, they are not significant for either party. A list and the purpose of the said agreements are communicated by the Chairman to the Board of Directors and to the Statutory Auditors."

ARTICLE 29 – FUNCTIONS (OF STATUTORY AUDITORS)

The fourth paragraph is revised thus:

"They are called to the Board meeting that approves the year end financial statements, at the same time as the Directors, as well as to all Board meetings that consider and approve the interim or year end financial statements."

The rest of the Article remains unchanged.

SEVENTEENTH RESOLUTION

(AUTHORISATION FOR THE BOARD OF DIRECTORS TO CANCEL TREASURY SHARES ACQUIRED BY THE COMPANY)

Having considered the report of the Board of Directors and the Statutory Auditors' Special Report, the General Meeting authorises the Board of Directors to reduce the share capital to cancel all or part of the shares purchased in accordance with Article L.225-209 of the Commercial Code and not allocated to option plans to purchase shares granted to employees and salaried executive officers of the Company or companies related to it in accordance with Article L.225-180 of the Commercial Code.

The maximum nominal value of the authorised share capital reduction is 21,850,065.11 euros, based on the current share capital.

The General Meeting delegates to the Board of Directors all powers necessary to carry out the authorised capital reduction.

The present authorisation, which cancels and replaces the authorisation of same nature given by the General Meeting of 7 May 2003, is given for a period of twenty four months from the present Meeting.

EIGHTEENTH RESOLUTION

(AUTHORISATION FOR THE BOARD OF DIRECTORS TO ISSUE OPTIONS TO SUBSCRIBE AND/OR PURCHASE SHARES)

Having considered the report of the Board of Directors and the Statutory Auditors' Special Report, the General Meeting:

1/ authorises the Board of Directors to grant, on one or more occasions, to beneficiaries hereafter identified, options giving the right to subscribe for new shares in the Company to be issued by way of increase in capital or the purchase of existing shares in the Company arising from prior purchases made in accordance with the law.

2/ sets at thirty eight months, with effect from the present General Meeting, the period of validity of the present delegation.

3/ decides that the beneficiaries of these options may be:

- senior executives and salaried executive officers;
- any staff members, management or not, who have demonstrated their strong attachment to the Group and their efficiency in accomplishing their assignment, who can be employees of the Company or companies directly or indirectly related to it within the provisions of Article L.225-180 of the Commercial Code.

4/ decides that the total number of options outstanding and not yet exercised may not exceed the limits set by law.

5/ decides, that the subscription and/or purchase price of shares by the beneficiaries shall be determined by the Board of Directors and may not be lower than the minimum price determined by the applicable law in force on the day the Board decides.

6// sets at ten years the maximum exercise term of the options.

7/ notes that the present authorisation carries, for the benefit of the beneficiaries of options to subscribe, the express waiver by shareholders of their pre-emption right to subscribe for shares to be issued in line with the exercise of the options.

8/ delegates to the Board of Directors all powers to carry out the present authorisation in accordance with the limits set by legal and regulatory requirements and particularly to:
- ➜ set the nature of the options offered;
- ➜ determine the conditions under which they are granted and the list of the beneficiaries;
- ➜ set the time limit for the exercise of the options within the limit set above.

9/ decides that the present authorisation cancels and replaces that granted to the Board of Directors by the Extraordinary General Meeting of 3 May 2001.

NINETEENTH RESOLUTION

(Delegation of powers to the Board of Directors to increase the share capital with maintained pre-emption right)

Having considered the Report of the Board of Directors and the Statutory Auditors' Special Report, and in accordance with paragraph 3 of Article L.225-129-III of the Commercial Code, the General Meeting:

1/ grants the Board of Directors the powers required to increase the capital on one or more occasions and in the amounts and on the dates it decides:
- ➜ by issuing shares, warrants or securities denominated in euros or foreign currency or any monetary unit established by reference to several currencies, giving access immediately or in time to the Company's shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other method, with the exception of priority shares;
- ➜ and/or by incorporating premiums, reserves, retained earnings or other items that can be converted into capital in law and in the bylaws and by allocating free shares or increasing the nominal value of existing shares.

2/ sets the duration of this authorisation at twenty six months with effect from the date of this Meeting.

3/ decides to set the amount of issues made by the Board of Directors under this authorisation as follows:
- ➜ the total nominal amount of shares that may be issued under this authorisation shall not exceed two hundred million euros (200,000,000 euros). The ceiling thus decided includes the nominal value of additional shares which might need to be issued subsequently to preserve the rights of holders of securities giving access to shares, in accordance with the law.
  Moreover, the total nominal value of shares issued, directly or not, by virtue of the twentieth resolution would count towards this ceiling.
- ➜ The maximum nominal amount of debt securities that may be issued may not exceed three billion euros or the equivalent of this amount in foreign currencies or any other unit of account established with reference to a basket of currencies.
  The nominal value of debt securities issued by virtue of the twentieth resolution would count towards this ceiling.

4/ in the event that the Board of Directors uses the current authorisation within the framework of the issues identified under 1/paragraph 1 above:
- ➜ decides that the issue(s) will be reserved in priority for shareholders who can subscribe for them on an irrevocable basis;
- ➜ nevertheless grants the Board of Directors the options to introduce revocable subscription rights;
- ➜ decides that if irrevocable subscriptions, and where applicable revocable subscriptions, fail to absorb the whole issue, the Board of Directors may, subject to the conditions set by the law and in the order it decides, use one or other of the following options:
  • limit the capital increase to the amount of subscriptions provided this amount reaches at least three-quarters of the capital increase decided,
  • freely distribute all or some of the issued shares not subscribed for,
  • offer all or some of the unsubscribed issued shares to the public on the French and/or international market(s);

- notes and decides that, as and when necessary, the current authorisation carries for the benefit of holders of the shares issued, the express waiver by shareholders of their pre-emption rights to the shares to which the shares issued grant subscription rights.

5/ decides that the Board of Directors will have all necessary powers within the conditions set by law to proceed with authorised issues of securities leading to a capital increase, to note the completion thereof and proceed with any related revisions to the Company's bylaws.
The Board of Directors is in particular authorised:

- to charge, at its discretion, costs relating to the capital increase, against the amount of corresponding premiums, and to deduct from this total the amounts required to increase the legal reserve to one-tenth of the new share capital following each capital increase;
- as regards the incorporation of premiums, reserves, profit or other items into capital, to decide, where applicable, that fractional rights will not be negotiable and that the corresponding shares will be sold, with the proceeds from the sale allocated to holders of rights within the timescale set by law;
- to delegate to the Chairman necessary powers to complete the capital increase, or to suspend it within the limits and according to the terms and conditions that the Board of Directors may set in advance.

6/ This authorisation cancels and replaces the similar authorisation granted by the Annual General Meeting of 7 May 2003.

TWENTIETH RESOLUTION

(Delegation of powers to the Board of Directors to increase share capital with exclusion of pre-emption rights)

Having considered the Report of the Board of Directors and the Statutory Auditors' Special Report, and in accordance with Article L.225-129-III of the Commercial Code, the General Meeting:

1/ delegates the necessary powers to the Board of Directors to proceed with a capital increase, on one or more occasions, in the amounts and on the dates it decides, on the French and/or international capital market, via a public offering denominated either in euros or foreign currency or in any other unit of currency of account defined with reference to a basket of currencies,

- of shares, warrants and/or securities which grant access immediately or in time, at any time or on a set date, to shares in the Company by subscription, conversion, exchange, redemption, presentation of a warrant or any other means, with the exception of priority shares, with it being specified that these securities can be issued as consideration for securities tendered to the Company in the event of a public offer for shares that meet the conditions of Article L.225-148 of the Commercial Code.

2/ sets the period of validity of this authorisation at twenty-six months from the date of this Meeting.

3/ decides to limit the amount of issues made under this authorisation to the Board of Directors as follows:

- the total nominal amount of shares that may be issued under this authorisation shall not exceed two hundred million euros (200,000,000 euros). The limit thus decided includes the nominal value of additional shares to be issued to preserve the rights of holders of securities giving access to shares, in accordance with the law.
  In addition, the total nominal amount of shares issued either directly or otherwise under the previous resolution of the present Meeting shall count towards this limit.
- the maximum nominal amount of debt securities that may be issued may not exceed three billion euros or the equivalent of this amount in foreign currencies or any other unit of account established with reference to a basket of currencies. The total nominal amount of debt securities issued under the previous resolution shall count towards to this limit.

4/ decides to cancel shareholders' pre-emption rights over securities covered by this resolution, while leaving the Board of Directors the option to grant shareholders, for periods and according to the terms and conditions that it shall set, and for all or part of a completed issue, priority subscription rights which do not give rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder and which may be complemented by a revocable subscription right; with it being specified that once the period of priority subscriptions has lapsed, the securities that have not been subscribed for will be offered to the public.

5/ notes and decides that, as and when necessary, the current authorisation carries for the benefit of holders of issued securities, the express waiver by the shareholders of their pre-emption rights to the shares to which the shares issued grant subscription rights.

6/ decides that the amount paid, or payable, to the Company in respect of each of the shares issued within the framework of this authorisation, and in the event of an issue of independent warrants, the issue price of such warrants, will at least be equal to the average opening price on ten consecutive trading days selected from the twenty trading days preceding the issue of the aforementioned securities, after adjusting this average price, where necessary, to take into account the date on which the said securities become effective.

7/ decides that the Board of Directors will have all the necessary powers within the conditions stipulated by law to proceed with authorised issues of securities leading to a capital increase, to note the completion thereof and proceed with any related revision to the Company's bylaws.
The Board of Directors is in particular authorised to:

- ➜ in the case of an issue as consideration for securities tendered to a public takeover:
  - decide on the list of securities tendered to the exchange,
  - set the terms of the issue, the exchange ratio and the amount of any balance in cash to be paid,
  - set the terms of the issue;
- ➜ to charge, at its sole discretion, costs relating to the capital increase against the amount of the corresponding premium, and to deduct from this the amounts required to increase the legal reserve to one-tenth of the new share capital following each capital increase.
- ➜ to delegate to the Chairman the necessary powers to carry out the capital increase, as well as to suspend it within the limits and in accordance with the terms the Board of Directors may set beforehand.

8/ This authorisation cancels and replaces the similar authorisation given by the Annual General Meeting of 7 May 2003.

TWENTY-FIRST RESOLUTION
(Suspension of powers granted to the Board of Directors to increase capital when a public share purchase or exchange bid is made for the company)

The General Meeting decides that the authorisations granted to the Board of Directors by the preceding two resolutions for the purpose of increasing the capital, will be suspended in the case a public bid is made to purchase or exchange the Company's shares, unless the issue(s) of securities leading to the increase in capital have been approved in principle and announced to the market prior to the bid being made. This authorisation is valid until the date of the General Meeting called in 2005 to approve the financial statements for that financial year.

TWENTY-SECOND RESOLUTION
(Power for formalities)

The General Meeting grants full powers to the bearer of a copy or extract of the minutes of this meeting to carry out any attendant legal formalities for the purposes of registration or for publication or otherwise, as required.

Persons responsible

for the reference document

Persons responsible
for the reference document

Person responsible for the reference document

Mr Patrick Ricard, Chairman and Chief Executive Officer

Certification of the person responsible for the reference document

To our knowledge, the information presented in this reference document conforms to reality; it includes all necessary information required by investors to form a judgement on the assets, business, financial situation, results and outlook for Pernod Ricard; it does not include any omissions likely to affect such a judgement.

Chairman and Chief Executive Officer
Mr Patrick Ricard

Persons responsible for the information

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Certification from the Statutory Auditors on the reference document

As Statutory Auditors of the Pernod Ricard SA company and pursuant to the application of COB Regulation 98-01, we have conducted, in accordance with professional standards in France, the verification of information concerning its financial position and historical financial statements as contained in the present reference document.

This reference document has been prepared under the responsibility of the Board of Directors. Our role is to express an opinion on the fairness of the information it contains relating to the financial position and financial statements.

The due diligence procedures we performed, in accordance with professional standards in France, consisted of assessing the fairness of the information presented concerning the financial position and financial statements and verifying their consistency with the financial statements which were already the subject of an audit report. They also consisted of reading other information contained in the reference document, in order to identify, where applicable, significant anomalies with information concerning the financial situation and financial statements, and to bring to your attention information that is clearly incorrect as a result of our general knowledge of the Company acquired during the course of our assignment.

The parent company and consolidated financial statements for the fiscal years ended 31 December 2001 and 2002 and approved by the Board of Directors were the subject of a financial audit by the audit firms Mazars & Guérard, Société d'Expertise Comptable A. & L. Genot and Compagnie Consulaire d'Expertise Comptable Jean Delquié, conducted in accordance with professional standards in France, and were certified without any qualifications or observations.

The parent company and consolidated financial statements for the fiscal year ended 31 December 2003 and approved by the Board of Directors were the subject of an audit conducted by us in accordance with professional standards in France, and were certified without any qualifications or observations.

In our report on the parent company financial statements, we highlights Note 1.1, which discusses the change in method regarding the accounting of retirement and related benefits

In our report on the consolidated financial statements, we highlights Note 1.2, which discusses the changes relating to the accounting of retirement and similar benefits, the presentation of OCEANE convertible bonds and the method used for calculating earnings per share on a diluted basis.

For the fiscal year ended 31 December 2003, in application of the provisions of Article L. 225-235 of the Commercial Code relative to the justification of our assessments, which were applied for the first time this fiscal year, we brought to your attention the following matters in our reports on the parent company and consolidated financial statements:

OUR REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

➜ Note 1.1 discusses the change in method regarding the accounting of retirement and related benefits. Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of this change in accounting method and of its disclosure in the Notes.

OUR REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

➜ Within the framework of our assessment of the accounting principles and methods used by your Company, we have ensured the appropriateness of the changes in accounting methods described in the first part of our report and of their disclosure in the Notes.

➜ As indicated in Note 1.5, the individual values of acquired brands recorded on the balance sheet are the object of an annual review by your Company. In accordance with accepted professional standards in France on accounting estimates, we have assessed the figures and assumptions used by the Company in performing this review and verified the calculations made. We have, on this basis, proceeded with an assessment as to the reasonableness of these estimates.

These assessments were made within the framework of our audit, which focused on the parent company and consolidated financial statements as a whole, and accordingly contributed to the issuance of a clean opinion in the first part of both reports.

On the basis of our due diligence procedures, we have no comments to make regarding the fairness of the information concerning the financial position and financial statements as presented in this reference document.

Neuilly-sur-Seine and Paris, 29 April 2004
The Statutory Auditors

DELOITTE TOUCHE TOHMATSU
Alain PONS   Alain PENANGUER

MAZARS & GUÉRARD
Frédéric ALLILAIRE

Société d'expertise comptable
A. & L. GENOT
GROUPE RSM SALUSTRO REYDEL
Xavier DELANGLADE

The conclusions of the three Statutory Auditors mentionned above on the report of the Chairman of the Board of Directors on the preparation and organisation of the Board and the internal control procedures set up by the Company are presented in page 23 of the present annual report.

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Reconciliation table

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

The present reference document was registered with the Autorité des Marchés Financiers on 29 April 2004 under number D.04-0616 in accordance with rule n° 98-01 / n° 95-01. It can be used for a financial operation if supported by an operation note signed by the Autorité des Marchés Financiers.

To participate and vote
in the AGM

Notice of meetings is given by placing an announcement in the BALO (Bulletin of Mandatory Legal Notices), in one of the newspapers authorised to carry legal notices, and in the French business and economic press.

Holders of registered shares who have held the shares for at least five days before the AGM may freely participate, be represented or vote by postal ballot without any formality.

Holders of bearer shares who wish to be represented or vote by postal ballot must record the non-availability of their shares with Pernod Ricard or an authorised banking establishment five days before the AGM.

Votes by postal ballot will be taken into account only if the required forms are received by Pernod Ricard or Société Générale 3 days prior to the AGM. Postal ballot vote forms can be obtained from Pernod Ricard.

Admission cards to the AGM will be sent to any shareholders having requested them from Pernod Ricard or an authorised banking establishment, and, in the case of bearer shares, having provided a record of non-availability.

Pernod Ricard

Limited company with capital of 218,500,651.10 euros
Registered office: 12, place des Etats-Unis 75116 Paris / Tel: 33 (0) 1 41 00 41 00 – Fax: 33 (0) 1 41 00 41 41
R.C.S. Paris B 582 041 943

Illustrations : Studio photo Pernod Ricard (Daniel Dewalle, Marc-André Desanges), Getty Images, Rapho (Gérard Uféras)