Strong sales and results growth, with the rapid and accretive integration of Vin&Sprit

Group share of net profit from recurring operations in excess of € 1 billion

Rapid and significant debt reduction

- **Sales: € 7,203 million (+9%, organic growth stable)**
- **Profit from recurring operations: € 1,846 million (+21%, organic growth +4%)**
- **Group share of net profit from recurring operations: € 1,010 million (+13%)**
- **Group share of net profit: € 945 million (+13%)**
- **Decline in Net Debt/EBITDA ratio to 5.3[1] at 30 June 2009**

Press release - Paris, 3 September 2009
The Pernod Ricard Board of Directors' meeting of 2 September 2009, chaired by Patrick Ricard, approved the financial statements for the 2008/09 financial year ended 30 June 2009.

Within a difficult environment, marked by a major financial and economic crisis, Pernod Ricard achieved a very good performance over the 2008/09 financial year, featuring:

- ✓ Strong sales growth, thanks to the Absolut contribution.
- ✓ Very significant increase in operating profit margin (profit from recurring operations / sales) to 25.6% (+250 bps).
- ✓ Sharp growth in group share of net profit from recurring operations (+13%), bolstered by the successful integration of Absolut and control of the average cost of borrowing.
- ✓ Strong debt reduction and significantly improved financial ratios.

Sales

2008/09 full-year sales increased by 9% to € 7,203 million (excluding tax and duties), resulting from the following factors:
● **A very slight organic sales decline** (-0.4%), within a difficult environment and despite significant destocking by distributors and retailers.
● A 2% negative foreign exchange effect, primarily due to the fall in the value of the Pound Sterling, the Korean Won, the Indian Rupee and the Australian Dollar.
● A strong 12% group structure effect, primarily due to the **integration of Vin&Sprit** from 23 July 2008.

The 14 strategic brands (excluding Absolut), declined by 4% in volume and were unchanged in value [(2)]. 5 of these 14 strategic brands continued to report organic growth in value: **Martell (+ 12%), Jameson (+ 8%), The Glenlivet (+ 7%), Mumm (+ 3%) and Havana Club (+ 3%)**. Conversely, **Perrier-Jouët (- 11%),** was severely impacted by its exposure to the US, where the champagne market proved especially difficult. **Montana** sales **(- 13%)** reflected a significant destocking effect, whereas consumption of the brand grew in its principal markets.

Otherwise there were very good successes on many local brands, the volumes of which increased significantly: **Royal Stag in India (+22%), Something Special in Latin America (+18%), Wyborowa in Poland (+17%) and Clan Campbell in France (+8%).**

Additional sales relating to Vin&Sprit totalled € 915 million over eleven months and seven days. In the US, the Absolut brand is in decline, impacted by a year of transition, including changes of distributors, destocking by retailers and the decline of the on-trade where the brand achieves a significant portion of its sales. Conversely, Absolut confirmed its strong growth in several other countries: Spain, United Kingdom, Poland, Brazil, France, Germany, Greece, Italy, Australia, and gained market share.

Over **the 4th quarter 2008/09**, consolidated **sales** amounted to **€ 1,646 million,** which is an increase of 10%, reflecting organic sales decline of 3%, positive foreign exchange effect of 2% and positive group structure effect of 11%. The limited decline of 3% [(2)] over the quarter, following a third quarter which was severely impacted by destocking by wholesalers and distributors and had declined by 12%[(2)], confirms the strength and resilience of Pernod Ricard's portfolio and commercial network. The foreign exchange effect, which turned positive by 2% over the fourth quarter, resulted mainly from the appreciation of the US Dollar and the Chinese Yuan, compared to the fourth quarter of the previous financial year.

Strong growth in the contribution margin of the portfolio

Gross margin (after logistics costs) increased by 12% to € 4,208 million, which is 3 percentage points of growth ahead of sales. **The gross margin/sales ratio**, improved strongly to **58.4% in 2008/09**, compared with 57.2% over the previous year (+120bps), mainly due to the positive effects of the integration of Absolut, a highly profitable brand, and favourable foreign exchange movements. The continued implementation of a high-value strategy across the whole portfolio enabled the Group to offset the effect of price increases on certain raw materials.

Advertising and promotion expenditures were up 5% to € 1,237 million. This is primarily due to the inclusion the Absolut. On an historic basis, we have reduced our advertising and promotion investments over the second half-year, benefiting from the fall in media cost, reduction in on-trade activities and efforts to improve the efficiency and targeting of our advertising and promotion expenditures. This enabled us to slightly reduce the **advertising and promotion expenditures / sales ratio of the Group to 17.2% in 2008/09, compared with 17.9% over the previous financial year**, while maintaining a strong commitment behind the 15 strategic brands.

Overall, the **contribution after advertising and promotion expenditures rose by 15%** to € 2,971 million and represented 41.2% of sales, an increase of 190 bps compared to the previous financial year.

Improvement in the structure costs / sales ratio

Structure costs recorded an increase of 6% to € 1,125 million, but remained stable on a like-for-like basis, confirming the control of these costs within an uncertain environment. This control, combined with the accelerated implementation of synergies relating to the Vin&Sprit acquisition, led to **a further reduction in the structure costs / sales ratio to 15.6%,** a decrease of 60 bps compared with the previous financial year.

Outstanding growth in profit from recurring operations

Profit from recurring operations rose by 21% to € 1,846 million and **the operating margin amounted to 25.6% of sales,** an improvement of 250 bps compared with the previous financial year.

All regions experienced growth in their profit from recurring operations:

- ✓ Remarkable growth of 17% in **Asia/Rest of World** (organic growth of 7%), notably resulting from dynamic sales of Martell in China and local brands in India and good performances in Australia, South Africa and the Middle East.
- ✓ Spectacular 51% growth in the **Americas** region, primarily due to the integration of Absolut and the favourable exchange rate. The US proved a difficult market, penalised by distributor and retailer destocking and declining on-trade consumption. However, Latin America and Canada reported an excellent year.
- ✓ 1% growth **in Europe** reflecting both a difficult situation in Western Europe and a good performance in Eastern Europe. However, the latter experienced a sharp trend reversal in the second half-year and an unfavourable foreign exchange effect due to the devaluation of the Rouble.
- ✓ Outstanding growth of 19% **in France**, due to the commercial performance of Ballantine's, Mumm and Clan Campbell, as well as the significant increase in operating margin, related to cost reduction and the positive foreign exchange impact on Scotch whisky costs (fall in the Pound Sterling).

Foreign exchange movements had a negative effect on sales but were positive for profitability, due primarily to the fall in the currencies of two of our main producing countries: the Pound Sterling and the Australian Dollar. **Over the full 2008/09 financial year, foreign exchange movements had a € 67 million** effect on profit from recurring operations**.**

The integration of Vin&Sprit's sales over eleven months and seven days generated **€ 272 million** in profit from recurring operations for the 2008/09 financial year, thereby greatly contributing to Group growth.

Net profit from recurring operations

Net financial expenses from recurring operations totalled € 619 million: Debt-related financial interest totalled € 581 million, plus € 15 million in finance restructuring charges, i.e. an average cost of borrowing of about 4.8%, and other financial expenses € 23 million.

Income tax on recurring operations was an expense of € 204 million, a rate of 16.6%, in line with our forecasts. Lastly, **minority interests and other** amounted to a negative € 13 million.

In total, **the Group's share of net profit from recurring operations amounted to € 1,010 million**, a 13% increase on the 2007/08 financial year.

Net profit

Other operating income/expense was an € 89 million expense, including a € 225 million net capital gain on disposals, primarily due to the sale of Wild Turkey, € 146 million in intangible asset writedowns primarily relating to the Spanish wine brands, and charges relating to the integration of Vin&Sprit, of which € 48 million related to the early exit from distribution contracts and € 117 million to acquisition and integration costs. **Net non-recurring financial expenses came to € 71 million**, primarily relating to foreign exchange effects, the impact of volatility on the time value of interest rate hedging and the accelerated amortisation of fees. Lastly, **non-recurring tax is an income of € 96 million**, primarily due to the deduction of non-recurring expenses and the favourable impact of foreign exchange movements (deductible exchange losses).

Consequently, **net profit - Group share totalled € 945 million, a 13% increase** on the 2007/08 financial year.

Debt and cost of borrowing

Net debt at 30 June 2009 amounted to € 10,888 million. The change in net debt over the financial year was primarily affected by:

● **The acquisition of Vin&Sprit** and the exit from Maxxium and Future Brands distribution contracts
● **The effects of the rise in the US Dollar** (€/$= 1.41 at 30 June 2009, compared to 1.58 at 30 June 2008)
● **The strong generation of free cash flow from recurring operations** over the period of **€ 1,275 million** including € 351 million related to the implementation of programmes for factoring receivables
● **The € 1 billion share capital increase** carried out on 14 May 2009
● **The successful launch of an asset disposal programme**
● **The payment of cash dividends** relating to the 2007/08 financial year

Note also that the Group successfully carried out an € 800 million bond issue, finalised on 15 June 2009.

The Group confirms that debt reduction remains its priority today, with the continuation of the asset disposal programme of € 1 billion (€ 700 million achieved to date, including the sale of Tia Maria for € 125 million in July 2009), and the generation of **free cash flow from recurring operations of close to € 3 billion over the three years** 2008/09 to 2010/11.

The **average cost of borrowing** came to **4.8% over the full 2008/09 financial year**. The Group's target is to reduce it to a level close to **4.5% during 2009/10**.

Dividend: € 0.50 / share – Distribution of Free Shares

As per our communication of 8 April 2009 announcing the € 1 billion share capital increase, the Board will submit for approval of the General Meeting of Shareholders of 2 November 2009, a **dividend of € 0.50 / share in respect of the 2008/09 financial year** and a **1-for-50 free share distribution** as part of a share capital increase by capitalisation of reserves to be carried out **by the end of the 2009 calendar year**
The return to the previous policy of distributing about 1/3 of net profit from recurring operations in cash is due to start with the dividend of the 2009/10 financial year.

Conclusion and outlook

The 2008/09 financial year further illustrated the strength of the Pernod Ricard strategy:

- ✓ Good sales resilience, confirming the strength of Pernod Ricard's portfolio and commercial network
- ✓ The rapid and accretive integration of Vin&Sprit and Absolut Vodka
- ✓ An outstanding increase in profit margins and results, while maintaining strong advertising and promotion investment in strategic brand/market combinations
- ✓ Rapid and significant debt reduction

For 2009/10, Pernod Ricard anticipates a general economic environment that will remain difficult and an overall stagnation of the Wines & Spirits industry, with contrasting situations depending on countries and categories. The comparison basis of the first half-year, and in particular that of the first quarter will be unfavourable, due to the very strong performance reported over the first half of the 2008/09 financial year. Conversely, the comparison basis of the second half of 2009/10 will be favourable, due to a second half-year 2008/09 adversely affected by the impact of the crisis and a strong destocking effect.

Pierre Pringuet, Chief Executive Officer of the Group, stated: "Despite a particularly difficult environment, **the Group achieved** a **very satisfactory performance** in the year just ended: this reflects the effectiveness and strength of our strategy, and also the commitment and responsiveness of our teams around the world. **We start 2009/10 with confidence and determination: our priorities are clear, continue to reduce debt and strengthen investments behind our strategic brands."**

As in the past, Pernod Ricard will communicate its **results guidance for the current year at the Annual General Meeting, which will be held on 2 November next."**

(1) According to the Syndicated Credit method
(2) Organic growth

About Pernod Ricard

Created by the merger of Pernod and Ricard (1975), the Group has undergone sustained development, based on both organic growth and acquisitions. The acquisitions of Seagram (2001), Allied Domecq (2005) and recently of Vin&Sprit (2008) have made the Group the world's co-leader in Wines and Spirits with consolidated sales of € 7,203 million in 2008/09. Pernod Ricard holds one of the most prestigious brand portfolios in the sector: ABSOLUT Premium Vodka, Ricard pastis, Ballantine's, Chivas Regal and The Glenlivet Scotch whiskies, Jameson's Irish Whiskey, Martell cognac, Havana Club rum, Beefeater gin, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek and Montana wines.

The Group favours a decentralised organisation, with 6 Brand Owners and 70 Distribution Companies established in each key market, and employs a workforce of around 19,000 people. Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption of its products.

Pernod Ricard is listed on the NYSE Euronext exchange (Ticker: RI ; ISIN code: FR0000120693) and is a member of the CAC 40 index.

Shareholders' agenda: 1st quarter 2009/10 sales – Thursday 22 October 2009

Please find the slideshow presentation for 2008/09 financial year on www.pernod-ricard.com

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ORGANIC GROWTH OF STRATEGIC BRANDS

	Volumes FY 2007/2008 (Million of 9 litre cases)	Volumes FY 2008/2009 (Million of 9 litre cases)	Volume growth (*)	Net Sales organic growth (*)
Absolut		(**) 10.2		
Chivas Regal	4.5	4.2	-5%	-2%
Ballantine's	6.4	6.2	-4%	-5%
Ricard	5.6	5.4	-3%	-2%
Martell	1.6	1.5	-6%	12%
Malibu	3.7	3.4	-9%	-7%
Kahlua	2.1	1.8	-15%	-15%
Jameson	2.6	2.7	2%	8%
Beefeater	2.4	2.3	-5%	-1%
Havana Club	3.2	3.4	5%	3%
The Glenlivet	0.6	0.6	5%	7%
Jacob's Creek	8.0	7.8	-2%	0%
Mumm	0.7	0.7	-4%	3%
Perrier Jouet	0.2	0.2	-13%	-11%
Montana	1.4	1.2	-9%	-13%
15 Strategic Brands	**42.9**	**51.5**	**-4%**	**0%**

(*) Volumes and net sales growth calculated on 14 strategic brands (excluding Absolut)
(**) Recomputed 12-month volumes (from 1 July 2008 to 30 June 2009)

SUMMARISED CONSOLIDATED INCOME STATEMENT

(€ millions)	30/06/2008	30/06/2009	Change
Net sales	**6,589**	**7,203**	**9.3%**
Gross Margin after logistics costs	**3,766**	**4,208**	**11.7%**
A&P expenditure	(1,178)	(1,237)	5.1%
Contribution after A&P expenditure	**2,588**	**2,971**	**14.8%**
Structure costs	(1,066)	(1,125)	5.5%
Profit from recurring operations	**1,522**	**1,846**	**21.3%**
Other operating income and expenses	(81)	(89)	N/A
Operating profit	**1,441**	**1,757**	**21.9%**
Financial income/(expense) from recurring operations	(333)	(619)	85.9%
Non-recurring financial items	(16)	(71)	N/A
Corporate income tax	(224)	(108)	-51.6%
Minority interests and associates	(29)	(21)	-25.5%
Discontinued activities	-	8	
Net profit - Group share	**840**	**945**	**12.5%**

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FOREIGN EXCHANGE EFFECT

Forex impact FY (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		A07/08	A08/09	%		
US Dollar	USD	1.47	1.37	-6.7%	72.7	37.3
British Pound	GBP	0.73	0.86	16.7%	(68.7)	20.9
Korean Won	KRW	1.40	1.75	24.5%	(52.6)	(14.4)
Indian Roupie	INR	59.08	65.19	10.3%	(23.6)	(6.7)
Australian Dollar	AUD	1.64	1.85	13.1%	(27.5)	5.2
New Zealand Dollar	NZD	1.91	2.28	19.1%	(20.5)	0.0
Canadian Dollar	CAD	1.48	1.59	7.4%	(13.4)	(3.4)
Thai Bath	THB	46.20	47.52	2.9%	(4.1)	(0.9)
South African Rand	ZAR	10.72	12.32	14.9%	(6.9)	(2.9)
Mexican Peso	MXN	15.80	17.39	10.1%	(14.0)	(3.0)
Brasilian Real	BRL	2.60	2.84	9.0%	(11.7)	(2.3)
Russian Rouble	RUB	35.97	40.16	11.6%	(16.9)	(10.1)
Polish Zloty	PLN	3.61	4.01	11.0%	(6.9)	(0.0)
Chinese Yuan	CNY	10.69	9.38	-12.3%	56.9	28.6
Other currencies					20.4	18.9
Total					**(116.5)**	**67.1**

CONSOLIDATED BALANCE SHEET

Assets (€ millions)	30/06/2008	30/06/2009
(Net book value)		
Non-current assets		
Intangible assets and goodwill	10,341	16,199
Property, plant and equipment and investments	1,822	1,940
Deferred tax assets	722	1,111
Total non-current assets	**12,885**	**19,250**
Current assets		
Inventories and receivables	5,125	4,926
Cash and cash equivalents	421	520
Total current assets	**5,546**	**5,446**
Assets held for sale		178
Total assets	**18,431**	**24,875**

Liabilities and shareholders' equity (€ millions)	30/06/2008	30/06/2009
Shareholders' equity	6,420	7,431
Minority interests	177	185
of which profit attributable to minority interests	29	21
Shareholders' equity – attributable to equity holders of the parent	**6,597**	**7,615**
Non-current provisions and deferred tax liabilities	3,073	3,142
Bonds	2,352	2,540
Non-current financial liabilities and derivative instruments	3,262	8,742
Total non-current liabilities	**8,687**	**14,425**
Current provisions	287	312
Operating payables and derivatives	1,910	2,096
Current financial liabilities	950	366
Total current liabilities	**3,147**	**2,774**
Liabilities held for sale		60
Total equity and liabilities	**18,431**	**24,875**

CHANGE IN NET DEBT

€ millions	30/06/2008 12 months	30/06/2009 12 months
Self-financing capacity	**1,537**	**1,782**
Decrease (increase) in working capital requirements	(533)	246
Financial income/(expense) and taxes	(501)	(794)
Acquisition of PPE, intangible assets and other	(188)	(197)
Free Cash Flow	**315**	**1,037**
Financial asset disposal/acquisition and others	(277)	373
Change in scope perimeter	-	(5,933)
Dividends, treasury shares and others	(71)	700
Decrease (increase) in net debt (before currency translation adjustments)	**(34)**	**(3,823)**
Translation adjustment	405	(922)
Decrease (increase) in net debt (after currency translation adjustments)	**372**	**(4,746)**
Initial debt	(6,515)	(6,143)
Final debt	(6,143)	(10,888)

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2008/09 FULL-YEAR SALES

(€ millions)	FY 2007/08		FY 2008/09		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	711	*10.8%*	735	*10.2%*	24	*3.4%*	17	*2.4%*	8	*1.1%*	(0)	*0.0%*
Wines & Spirits Europe excl. France	2,171	*33.0%*	2,417	*33.6%*	246	*11.3%*	(60)	*-2.9%*	396	*18.2%*	(90)	*-4.1%*
Wines & Spirits Americas	1,700	*25.8%*	2,027	*28.1%*	327	*19.3%*	(17)	*-1.1%*	308	*18.1%*	36	*2.1%*
Wines & Spirits Asia / Rest of the World	2,007	*30.5%*	2,023	*28.1%*	16	*0.8%*	34	*1.7%*	45	*2.2%*	(63)	*-3.1%*
Wines & Spirits World	**6,589**	***100.0%***	**7,203**	***100.0%***	**614**	***9.3%***	**(26)**	***-0.4%***	**757**	***11.5%***	**(117)**	***-1.8%***

(€ millions)	HY2 2007/08		HY2 2008/09		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	314	*10.9%*	331	*11.1%*	16	*5.2%*	12	*3.9%*	4	*1.3%*	(0)	*0.0%*
Wines & Spirits Europe excl. France	910	*31.6%*	920	*30.8%*	10	*1.2%*	(92)	*-10.5%*	154	*16.9%*	(51)	*-5.7%*
Wines & Spirits Americas	729	*25.4%*	846	*28.3%*	117	*16.0%*	(52)	*-8.2%*	112	*15.3%*	57	*7.9%*
Wines & Spirits Asia / Rest of the World	922	*32.1%*	893	*29.9%*	(29)	*-3.1%*	(66)	*-7.2%*	23	*2.5%*	15	*1.6%*
Wines & Spirits World	**2,876**	***100.0%***	**2,991**	***100.0%***	**115**	***4.0%***	**(198)**	***-7.2%***	**292**	***10.2%***	**21**	***0.7%***

(€ millions)	Q4 2007/08		Q4 2008/09		Variation		Organic Growth		Group Structure		Forex impact	
Wines & Spirits France	187	*12.5%*	202	*12.3%*	15	*8.0%*	13	*6.9%*	2	*1.2%*	0	*0.0%*
Wines & Spirits Europe excl. France	477	*31.8%*	510	*31.0%*	33	*6.9%*	(22)	*-4.8%*	77	*16.1%*	(22)	*-4.5%*
Wines & Spirits Americas	420	*28.0%*	499	*30.3%*	80	*18.9%*	(19)	*-5.0%*	68	*16.2%*	30	*7.2%*
Wines & Spirits Asia / Rest of the World	414	*27.7%*	435	*26.4%*	20	*4.9%*	(13)	*-3.1%*	12	*2.8%*	22	*5.2%*
Wines & Spirits World	**1,498**	***100.0%***	**1,646**	***100.0%***	**148**	***9.9%***	**(41)**	***-2.9%***	**159**	***10.6%***	**30**	***2.0%***