

REGISTRATION DOCUMENT **2012/2013**



Pernod Ricard

Créateurs de convivialité

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REGISTRATION DOCUMENT **2012/2013**



Pernod Ricard



This Registration Document was filed with the French Financial Markets Authority on 25 September 2013, in accordance with article 212-13 of its General Regulations. It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the French Financial Markets Authority. This document has been prepared by the issuer under the liability of the signatories.

KEY FIGURES

no.1

worldwide
in Premium
and Prestige
spirits

18,972

employees

80

Market
Companies in
4 Regions

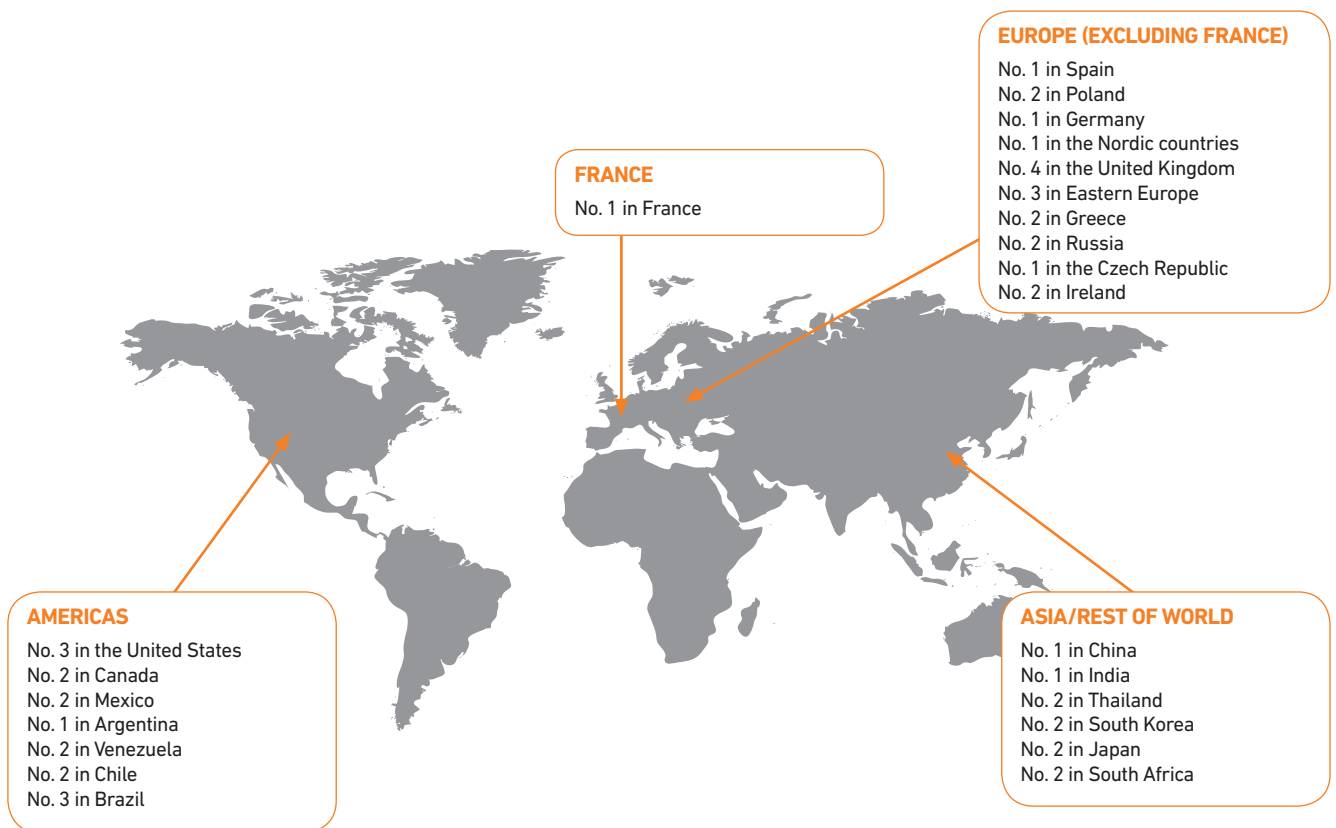
96

production sites



FOUR REGIONS FOR WORLDWIDE LEADERSHIP ⁽¹⁾

The decentralised business model which characterises Pernod Ricard is a major strategic advantage, enabling the Group to profit from growth in all countries in which it is present. This highly flexible organisation, based on proximity to consumers, has proven its effectiveness.



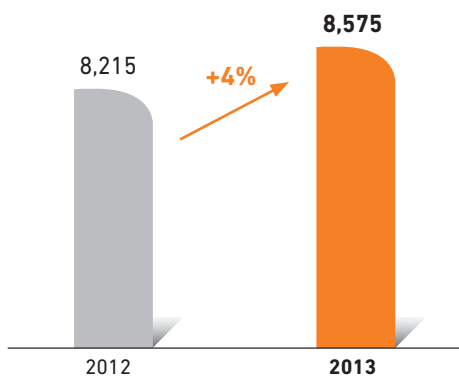
FOUR REGIONS TO PROFIT FROM GROWTH OPPORTUNITIES EVERYWHERE

The Group is present in four major regions of the world. This is a real competitive advantage, making it well positioned to benefit from future growth drivers in the sector.

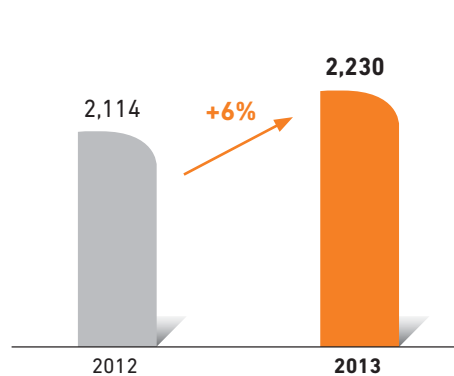
In just a few years, Pernod Ricard has become leader in its sector ⁽¹⁾ in Asia with leadership in China and India. The Group is making excellent progress in emerging markets and continues to grow in mature markets.

(1) Source: The Pernod Ricard Market View, based on IWSR, volume data at year-end 2012 — “Western-style” spirits, excluding ready-to-drink, wines and wine-based aperitifs. Ranking among international groups. Portfolio at 30 June 2013.

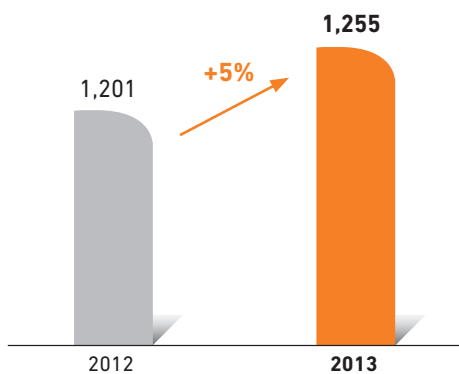
NET SALES
(In million euro)



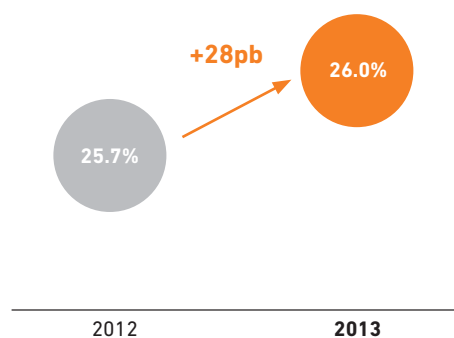
PROFIT FROM RECURRING OPERATIONS
(In million euro)



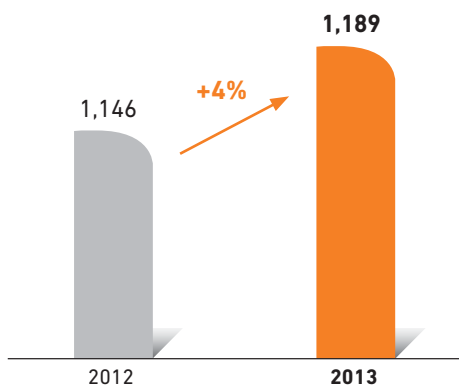
GROUP NET PROFIT FROM RECURRING OPERATIONS
(In million euro)



OPERATING MARGIN
(Profit from recurring operations/Net sales)



GROUP NET PROFIT
(In million euro)



SOLID PERFORMANCE IN LINE WITH GUIDANCE

Reflecting on 2012/2013 results, **Pierre Pringuet**, Vice Chairman of the Board of Directors and Chief Executive Officer of Pernod Ricard, commented: "Despite a less buoyant environment than that of last year, we achieved our guidance." He continued, "Our global and balanced exposure to emerging and mature markets will allow us to seize all opportunities. We therefore remain confident in our ability to pursue our growth."



 Head office: 12 place des États-Unis - 75116 Paris - France



1

PRESENTATION OF PERNOD RICARD

HISTORY AND ORGANISATION

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More than 30 years of continuous growth

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Competitive position

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Company dependence on patents, licences
and industrial agreements

15

Property, plant and equipment

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HISTORY AND ORGANISATION



Creation of Pernod Ricard
out of the merger of two French anise-based spirits companies: **Pernod**, created in 1805, and **Ricard**, founded in 1932 by Paul Ricard.



Pernod Ricard and the Cuban company Cuba Ron form **Havana Club International**, a joint venture to market and sell **Havana Club** rum.

OUR
KEY
DATES

1975

1988

1993

2001



Acquisition of the leading Irish whiskey producer, **Irish Distillers**, owner of **Jameson**.

Acquisition of **Seagram**. The Group now occupies key positions with strong brands such as **Chivas Regal**, **The Glenlivet** and **Royal Salute** in the whisky segment, and with **Martell** in the cognac segment.





Acquisition of **Allied Domecq**.
The Group doubles in size and becomes world number 2 in Wines & Spirits, with, in particular, the integration of **Mumm** and **Perrier-Jouët** champagnes, **Ballantine's** whisky, **Kahlúa** and **Malibu** liqueurs and **Beefeater** gin.

Asia/Rest of World becomes the Group's top Region

2005

2008

2010

2011
2012



Acquisition of **Vin&Sprit**, owner of **ABSOLUT** vodka, making Pernod Ricard global co-leader in Wines & Spirits.

Group refinancing and upgrade of the Group's credit rating to investment grade.

Launch of the first edition of **Responsib'All Day**, an event dedicated to promoting responsible drinking.



MORE THAN 30 YEARS OF CONTINUOUS GROWTH

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

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

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

Laying the foundations of the worldwide network

The Group continued its growth outside France with the start-up of operations in Asia, and more importantly, the creation of a dense Distribution Network in Europe. Over a period of 10 years, the Group extended its coverage to all 15 European Union member countries, establishing a strong brand presence: Pernod in the United Kingdom and Germany and Ricard in Spain and Belgium. A number of local acquisitions also helped to enhance the network’s portfolio (Mini ouzo in Greece, Zoco pacharán in Spain, etc.).

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

In 1988, the Group took over Irish Distillers, the leading Irish whiskey producer and owner of the prestigious Jameson, Bushmills, Paddy and Powers brands. Jameson provided the Group with a high potential brand. Thus, from the acquisition in 1988 through 2013, the brand has delivered average annual growth in sales volumes of 10%, rising from 0.4 million to 4.3 million 9-litre cases.

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

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

Consolidation and organisation

In 1997, the Group added to its white spirits portfolio through the acquisition of Larios gin, the no. 1 gin in Continental Europe. The company producing Larios at the time merged with Pernod Ricard’s local distributor, PRACSA, which had been well established in Spain since 1978. Pernod Ricard thereby acquired a prominent position in

Spain, one of the world’s biggest markets, allowing it to distribute both its international products and its local brands.

Following these acquisitions, the Group embarked on a reorganisation, aimed primarily at decentralising its activities. First, Pernod Ricard created a regional structure with four direct subsidiaries, each responsible for one continent. The Group’s structure also comprised “Market Company” subsidiaries (with their own sales presence in local markets) and “Brand Companies” (charged with overseeing production and global strategy of brands). The latter mainly distribute to the Group’s subsidiaries and do not generally have their own sales force. Pernod Ricard was able to ensure global coherence of its brand management, while adapting its strategy to local market specificities.

Over the period from 1999 to 2001, the Group consolidated its positions in Eastern Europe through the acquisition of Yerevan Brandy Company (the ArArAt brand of Armenian brandies), Wyborowa (Polish vodka) and Jan Becher (Czech bitter). With ArArAt to boost the Tamada and Old Tbilissi Georgian wines (the latter two of which were sold in June 2011), the Group was able to build a position in Russia where most of this brand’s sales are made, while the Group’s strong sales presence provided opportunities for Wyborowa to develop internationally.

Refocusing the business strategy

At the dawn of the new century, the Group doubled its size in the Wines & Spirits segment via the purchase of part of Seagram’s Wines and Spirits business. Pernod Ricard acquired 39.1% of these business activities for an investment of US\$ 3.15 billion. This made the Group one of the top three global Wines & Spirits operators and consolidated its position in the Americas and Asia, while remaining the leader in Europe. The year 2002 also saw the successful integration of 3,500 Seagram employees.

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

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

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

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

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

Pernod Ricard then decided to dispose of the non-core activities acquired through the purchase of Allied Domecq, mainly Dunkin' Brands Inc. and the interest in Britvic Plc. The Old Bushmills Distillery and the Bushmills brands, bought in 1988, were sold to Diageo, Glen Grant and Old Smuggler to Campari and Larios to Fortune Brands. These disposals allowed the Group to accelerate its debt reduction.

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

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

In addition to this strong financial and commercial performance, 2007/2008 will remain marked by the preparation for the acquisition of the Vin&Sprit group, owner of ABSOLUT Premium vodka, the world leader in its category (11.6 million 9-litre cases in the financial year 2012/2013).

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

- rounded portfolio of Premium brands;
- global sales network and leading position in emerging markets.

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

Organic growth and debt reduction

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

In 2009/2010, the Pernod Ricard group returned to organic growth thanks to its activities and profits despite the ongoing uncertainty in the global economic environment. This performance is even more remarkable considering the return to pre-crisis advertising

and promotional investment, continued debt reduction and the improvement in debt ratios. Furthermore, in October 2009 Pernod Ricard launched a group-wide programme named Agility, designed to boost its operational efficiency across all functions while drawing on its strengths: decentralisation, Premiumisation and its people.

Strategic refocusing continued in 2010/2011 with a series of asset disposals, particularly in the wine segment. In July 2010, the Group sold the Spanish wine brands Marqués de Arienzo and Viña Eguía, as well as the Bodega, vineyards and associated land. In August 2010, Pernod Ricard sold the Spanish company Ambrosio Velasco, whose main brands include the Zoco pacharán and Palacio de la Vega wine brands. In December 2010, the Group sold the Renault cognac brand as well as a share of the inventories of finished products to the Scandinavian group Altia. This was followed by the sale of the portfolio of New Zealand wine brands, including the sparkling wine brand Lindauer together with related inventories and production assets.

Pernod Ricard also continued with its refinancing plan and improved the profile of its balance sheet with a series of bond issues (€1 billion in March 2011 and US\$ 1 billion in April 2011).

A total of 30 initiatives were also implemented in 2010/2011 stemming from the conclusions of the Agility corporate project, including several organisational changes. In particular:

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

In May 2011, Pernod Ricard launched the first edition of Responsib'All Day, an event dedicated to fighting alcohol abuse. This first edition mobilised all the Group's employees worldwide in the fight against drink-driving. This initiative continued in the following two years, dealing with the themes "alcohol and young people" and "the promotion of responsible drinking".

In 2011/2012, Pernod Ricard completed the refinancing of its debt by:

- issuing bonds amounting to US\$1.5 billion and US\$2.5 billion, in October 2011 and January 2012 respectively;
- signing a new multi-currency revolving syndicated loan agreement for US\$ 2.5 billion.

The same year was also marked by the acceleration of the Group's debt reduction and the upgrade of Pernod Ricard's rating to investment grade.

HIGHLIGHTS OF FINANCIAL YEAR 2012/2013

Although the global economic climate remained difficult in 2012/2013, the underlying trends of Pernod Ricard's businesses remained positive throughout the year thanks, in particular, to the strategy of sustained marketing and innovation investments which facilitated an increased share of the strategic brands in the portfolio. Furthermore, growth in 2012/2013 came mainly from emerging markets, which now account for 41% of the Group's total net sales.

2012

July

■ On 13 July, the Group announced the signing of an agreement with Arcus-Gruppen for the sale of the Danish aquavit brands Aalborg and Brøndums, the German brand Malteserkreuz Aquavit and the Danish bitter brand Gammel Dansk. The transaction also included the sale of the Aalborg production site in Denmark. The sale formed part of the Group's strategy of focusing on its priority brands.

August

■ On 17 August, the Group announced the sudden passing of Mr Patrick Ricard, after which the Board of Directors unanimously made the following decisions on 29 August:

- Ms Danièle Ricard was appointed Chairwoman of the Board of Directors,
- Mr Pierre Pringuet was appointed Vice Chairman of the Board and continues to act as Chief Executive Officer,
- Mr Alexandre Ricard, on Pierre Pringuet's proposal, was appointed Deputy Chief Executive Officer and Chief Operating Officer. In addition, he was co-opted as a Director to replace Mr Patrick Ricard,

In addition, Mr Paul-Charles Ricard, by declaration of Société Paul Ricard, was nominated its permanent representative, replacing Mr Alexandre Ricard.

These appointments reflect the Board of Directors' intention to see Mr Alexandre Ricard succeed Ms Danièle Ricard and Mr Pierre Pringuet in their duties as Chairman and Chief Executive Officer in February 2015, at which time Mr Pierre Pringuet will have reached the statutory age limit for a Chief Executive Officer.

2013

January

■ On 4 January, Pernod Ricard announced the completion of the sale to Arcus-Gruppen.

April

■ Pernod Ricard acquired shares in Le Maine au Bois SAS, whose activities are distillation, storage and *eaux-de-vie* commercialisation, in AOC Cognac.

June

■ For the third edition of Responsib'All Day, Pernod Ricard mobilised all of its employees in a campaign against alcohol abuse, based on five key commitments for Pernod Ricard and other players in the Wines and Spirits industry. The commitments are:

1. reduce underage drinking,
2. reinforce and extend the marketing practices codes,
3. communicate information to consumers and develop responsible product innovations,
4. reduce drink driving,
5. win support from retailers in reducing alcohol abuse.

Some marketing and product initiatives during financial year 2012/2013

Creativity and innovation, resulting from a strategy of sustained marketing investment, continued as the watchwords during the year. Range extensions, the launch of limited editions, new consumption rituals and a proliferation of digital campaigns all played a role in improving the performance of all the brands in the Group's portfolio.

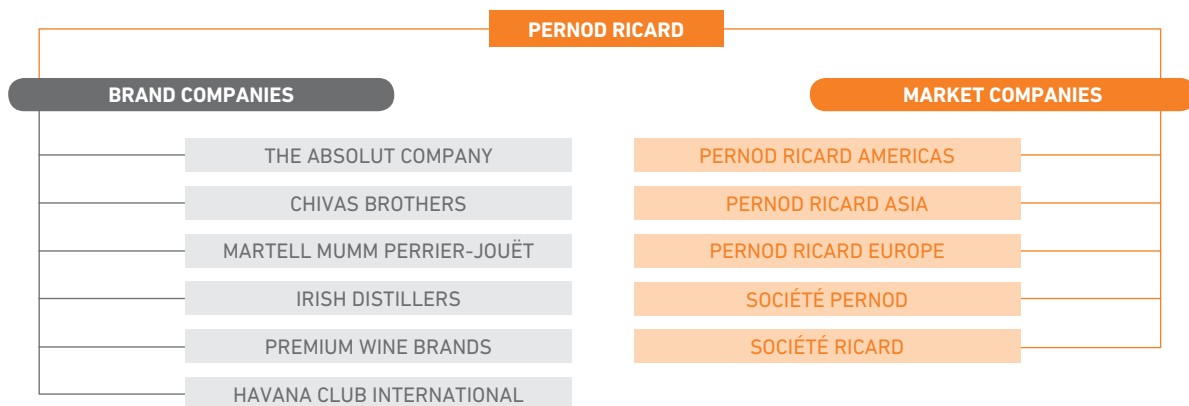
- **Ricard** unveiled the bottle designed by the modern artist Mathieu Mercier.
- **ABSOLUT** extended its range with the launch of ABSOLUT Tune, an original mix of ABSOLUT and sparkling white wine.
- **Chivas** highlighted the brand's heritage by creating Chivas Brothers Blend in homage to the brand's founders.
- **Royal Salute** reinforced its links with the British Royal Family by marking the 60th anniversary of the coronation of Her Majesty Queen Elizabeth II with the launch of The Diamond Tribute.
- **The Glenlivet** launched The Glenlivet Alpha, a very rare whisky which invites whisky lovers to use all their senses to discover its aromatic palette by taking part in a series of online experiences.
- **Beefeater** reinvented the taste of gin with its launch of Burrough's Reserve, distilled in a small still dating from the 19th century and then transferred to oak barrels.
- **Kahlúa** rejuvenated its image and introduced new occasions to enjoy the brand with the launch of Kahlúa Midnight.
- **Malibu** enriched its range and targeted new consumers with several innovations, including in particular Malibu Island Spice, a low-calorie version.
- **Havana Club** promoted the art of cocktail making and created a buzz around the brand with the "Havana Club Gap Year" competition.
- **Perrier-Jouët** continued to support artists in its collaboration with the Arbre de Dégustation, an original champagne service that reinvents the art of enjoying champagne.
- **Brancott Estate's** new range Brancott Estate Flight attracts consumers looking for a wine with slightly lower alcohol content. This wine is made from grapes harvested at the start of the season and naturally contains less alcohol.

A DECENTRALISED BUSINESS MODEL

1

Organisation chart

SUMMARY DESCRIPTION OF THE GROUP



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

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

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

In Pernod Ricard's decentralised business model, the **Holding Company** plays several roles. It manages certain specific functions such as:

- overall Group strategy, particularly organic and external growth;
- management of equity investments, in particular any merger, acquisition or resale of any appropriate assets;
- management of the financial policy of the entire Group including financing resources;
- tax policy and its implementation;
- coordination of policies, management and protection of the Group's intellectual property;

- definition of compensation policies, management of international executives and development of skills and competencies;
- approval of new advertising campaigns prior to launch;
- approval of key features of strategic brands;
- corporate communications and investor, analyst and shareholder relations;
- shared resources, notably through the Purchasing Division;
- major applied research programmes.

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

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

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

The **Chief Executive Officer** performs Group **General Management**, assisted by one **Deputy Chief Executive Officer & Chief Operating Officer** (also responsible for Distribution Network entities) and three **Managing Directors**, respectively:

- MD – Finance;
- MD – Brands;
- MD – Human Resources and Corporate Social Responsibility.

History and organisation

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

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

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

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

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

List of significant subsidiaries

The list of significant subsidiaries is presented in Note 7.2 – *List of main consolidated companies* of the Notes to the consolidated financial statements in Section 5 of this document.

OPERATION AND STRATEGY

1

MAIN BUSINESS ACTIVITIES

Main businesses

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

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

Pernod Ricard relies on a decentralised organisational structure, based around "Brand Company" and "Market Company" subsidiaries. The organisation employs nearly 19,000 people in 80 countries.

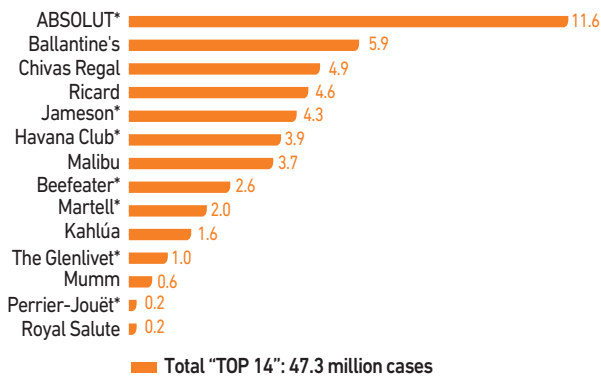
Pernod Ricard's strategy is organised around five key areas:

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

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

TOP 14: STRATEGIC BRANDS

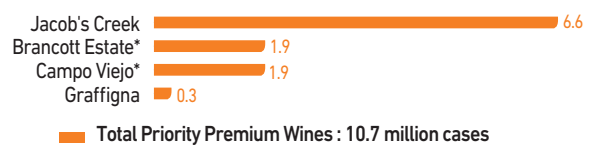
(2012/2013 volumes in millions of 9-litre cases)



*Record volumes

PRIORITY PREMIUM WINES

(2012/2013 volumes in millions of 9-litre cases)



*Record volumes

KEY MARKETS (4 STRATEGIC REGIONS)

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

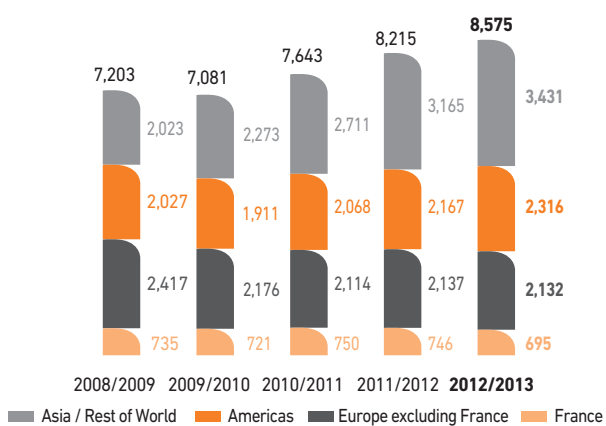
France is the Company's birthplace, with the two major anise-based spirits brands, Ricard and Pastis 51 (Pernod), which gave their name to the Group. The Group then embarked on a series of acquisitions, beginning in Europe, which became its second strategic Region. Pernod Ricard used the strength provided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

Asia/Rest of World took over as the Group's biggest Region, by net sales and profit from recurring operations in 2009/2010. In 2012/2013 this position was strengthened further and Asia/Rest of World represented 46% of the Group's profit from recurring operations.

The emerging markets of Europe, the Americas, Asia and the Rest of World are increasing their contribution to Group business (44% of Group profit from recurring operations in 2012/2013), and form a powerful growth engine for the coming years.

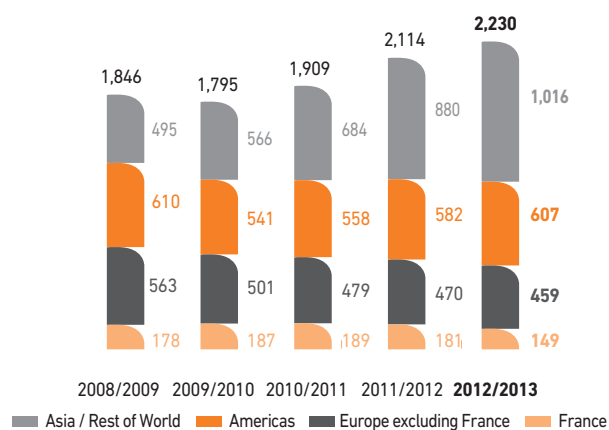
NET SALES BY GEOGRAPHICAL REGION

(in euro million)



PROFIT FROM RECURRING OPERATIONS BY GEOGRAPHICAL REGION

(in euro million)



COMPETITIVE POSITION

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

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

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

- large multinationals in the Wines & Spirits segment, such as Diageo, Bacardi-Martini, Brown-Forman, Moët-Hennessy, Beam, Constellation Brands, Campari and Rémy Cointreau for international brands;
- smaller companies or producers of local brands (for example, Sazerac in the US, Altia in the Nordic countries or Stock Spirits in Poland).

COMPANY DEPENDENCE ON PATENTS, LICENCES AND INDUSTRIAL AGREEMENTS

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

Pernod Ricard is not significantly dependent on its suppliers. In financial year 2012/2013, the Group's five main industrial suppliers are Ardagh Glass (glass bottles), Guala (closures), O-I (glass bottles), Saver Glass (glass bottles) and Verallia (Saint-Gobain – glass bottles).

PROPERTY, PLANT AND EQUIPMENT

Significant existing property, plant and equipment

At 30 June 2013, the Group's industrial scope was similar to that at 30 June 2012. The Group has 96 active production sites (excluding supplier sites able to produce for the Group's subsidiaries under contract) in 23 countries and includes bottling sites (46) and distilleries (28), as well as ageing, vinification and preparation sites.

Changes since the end of the 2011/2012 financial year include the disposal of a distillery in Denmark, that of two small wineries in Spain and the closure of a bottling site in Poland and a winery in New Zealand, following the transfer of activities to existing sites. Separately, a winery in China and a cognac distillery in Charente were acquired and a malt distillery in Scotland was put into service.

In addition to its production sites, Pernod Ricard also owns several farm estates covering nearly 6,660 hectares of vineyards, located primarily in New Zealand, Australia, Argentina, France, Spain and China.

In the 2012/2013 financial year, the volumes produced by the industrial sites covered by the Group's environmental reporting totalled 1,072 million litres of bottled finished goods or goods sent in bulk, compared to 1,182 million litres in 2011/2012. This decrease was due to the sale of certain businesses in 2012 (in particular, wine brands in Australia and New Zealand).

1

(1) Source IWSR 2012 (calendar year).

(2) International spirits above an index of 80 (index 100 – price of Ballantine's Finest). Using IWSR 2012 data.

PRESENTATION OF PERNOD RICARD

Operation and strategy

| Country | Number of industrial sites at 30.06.13 | Main industrial sites | Principal activity | Distillation | Vinification | Production and bottling | Ageing | |
|----------------|--|-----------------------|----------------------|--------------|--------------|-------------------------|--------|---|
| France | 16 | Cognac | Cognac | | | x | x | |
| | | Rouillac | Cognac | x | x | x | x | |
| | | Chanteloup | Cognac | | | | x | |
| | | Gallienne | Cognac | x | | | x | |
| | | Bessan | Anise-based spirits | x | | x | | |
| | | Lormont | Anise-based spirits | | | x | | |
| | | Vendeville | Anise-based spirits | | | x | | |
| | | Cubzac | Sparkling wines | | | x | | |
| | | Thuir | Wine-based aperitifs | | | x | x | |
| | | Marseille | Anise-based spirits | | | x | | |
| | | Reims | Champagne | | | x | x | x |
| | | Épernay | Champagne | | | x | x | x |
| Sweden | 3 | Ahus | Vodka | | | x | | |
| | | Nöbbelev | Vodka | x | | | | |
| | | Satellite | Vodka | | | x | | |
| Finland | 1 | Turku | Spirits | | | x | | |
| Scotland | 24 | Balgray | Whisky | | | | x | |
| | | Braeval | Whisky | x | | | | |
| | | Dalmuir | Whisky | | | | x | |
| | | Dumbuck | Whisky | | | | x | |
| | | Paisley | Whisky | | | x | | |
| | | Strathclyde | Whisky | x | | | | |
| | | Kilmalid | Whisky | | | x | | |
| | | Keith Bond | Whisky | | | | x | |
| | | Mulben | Whisky | | | | x | |
| | | Miltonduff | Whisky | x | | | x | |
| | | Glenlivet | Whisky | x | | | x | |
| England | 2 | Plymouth | Gin | x | | | | |
| | | Kennington | Gin | x | | | | |
| Ireland | 2 | Midleton | Whiskey | x | | | x | |
| | | Fox and Geese | Whiskey | | | x | | |
| Spain | 9 | Manzanares | Rum, liqueurs | | | x | | |
| | | Ruavieja | Liqueurs | x | | x | | |
| | | Age | Wine | | x | x | | |
| | | Logrono | Wine | | x | x | | |
| Italy | 1 | Canelli | Bitters | | | x | | |
| Greece | 2 | Pireus | Various | | | x | | |
| | | Mytilène | Ouzo | x | | x | | |
| Poland | 2 | Poznan | Vodka | x | | x | | |
| | | Zielona Gora | Vodka | | | x | | |
| Czech Republic | 1 | Bohatice | Bitters | | | x | x | |
| Armenia | 4 | Yerevan | Brandy | | | x | x | |
| | | Armavir | Brandy | x | x | | x | |
| | | Aygavan | Brandy | x | x | | x | |
| | | Berd | Brandy | x | x | | | |
| United States | 2 | Fort Smith | Spirits, liqueurs | | | x | | |
| | | Napa | Sparkling wines | | | x | x | |

| Country | Number of industrial sites at 30.06.13 | Main industrial sites | Principal activity | Distillation | Vinification | Production and bottling | Ageing |
|--------------|--|-----------------------|---------------------------|--------------|--------------|-------------------------|--------|
| Canada | 2 | Walkerville | Spirits, liqueurs | x | | x | x |
| | | Pike Creek | Spirits | | | | x |
| Mexico | 4 | Los Reyes | Brandy, coolers, liqueurs | | | x | x |
| | | Arandas | Tequila | x | | x | x |
| | | Ensenada | Wine | | x | | |
| | | Hermosillo | Tequila | x | | | |
| Brazil | 2 | Suape | Spirits | | | x | |
| | | Resende | Spirits | x | | x | x |
| Argentina | 4 | Bella Vista | Spirits | | | x | x |
| | | Cafayate | Wine | | x | x | |
| | | San Raphael | Wine | | x | x | |
| | | San Juan | Wine | | x | x | |
| Cuba | 1 | San José | Rum | x | | x | x |
| Australia | 3 | Rowland Flat | Wine | | x | x | |
| | | Morris | Wine | | x | | |
| | | Richmond Grove | Wine | | x | | |
| New Zealand | 3 | Brancott | Wine | | x | | |
| | | Church Road | Wine | | x | | |
| | | Tamaki | Wine | | | x | |
| India | 6 | Daurala | Whisky | | | x | |
| | | Berhor | Whisky | x | | x | |
| | | Kolhapur | Whisky | | | x | |
| | | Nashik (2 sites) | Whisky and wine | x | x | x | |
| | | Rocky Punjab | Whisky | | | x | |
| China | 1 | Helan Mountain | Wine | | x | | |
| South Korea | 1 | Echon | Whisky | | | x | |
| TOTAL | 96 | | | | | | |

Investments

During 2012/2013, the Group's total capital expenditure on production sites rose to €228 million (excluding IT, administrative infrastructures and visitor centers). This represents a 20% increase on the previous year.

The biggest investment was the Midleton site in Ireland. The extension of the distillery began in 2011/2012 and continued in 2012/2013; a total of €110 million has been invested in the project. The new facility will be put into service gradually throughout 2013 and will eventually

double Irish Distillers' distillation capacity so that it can supply the fast-growing demand for the Jameson brand.

As in previous years, a large part of the Group's capital expenditure was dedicated to extending the *eaux-de-vie* ageing capacities for whiskies and cognac. The investments, totalling approximately €50 million, notably involved the renewal of storage casks and the construction of new cellars in Ireland, Scotland and France.

RESEARCH AND DEVELOPMENT

Since its creation, the Group has been equipped with a specialised Research and Development structure, the Pernod Ricard Research Centre (CRPR). The activities of the CRPR are grouped into three missions:

- involvement in protecting strategic brands by ensuring their compliance with the Group's quality criteria and the continuity of their organoleptic profiles;
- proposal and coordination of research projects, in collaboration with Brand Companies. The purpose of this work is to develop new expertise in strategically-defined areas, giving the Group a competitive advantage. These research projects are focused on the following issues:
 - understanding and management of the organoleptic profiles of products,
 - breakthrough innovation (content and packaging),
 - understanding of product/consumer interaction;
- organisation of the sharing of scientific and technical knowledge through various publications, training programmes, communications and the coordination of networks of experts, and the organisation of subsidiary meetings (Science and Technology for Innovation Community). It also manages the Group's patents, in conjunction with the Holding Company's legal department.

The CRPR, which has technical expertise and material resources (analysis equipment, pilot workshop) unrivalled in the spirits industry, is also available to provide direct technical support for subsidiaries and the Holding Company on the development of new products, improving processes and food safety.

The Brand Companies and some Market Companies have their own structures, responsible for the development of their new products and the permanent optimisation of processes. Teams shall essentially focus on the optimisation of processes reducing the environmental impact of our businesses: reduction of energy and water consumption, reduction of agricultural inputs and packaging.

The Pernod Ricard group employs the equivalent of about 100 full-time employees in R&D. The Group also finances various research projects at public research institutions in France (Bordeaux, Dijon, Montpellier, Paris) and abroad: Scotland (Edinburgh), New Zealand (Auckland, Christchurch), Australia (Adelaide), Italy (Genoa), most notably through the financing of doctoral theses. The Group also supports the R&D work of several professional bodies worldwide such as the Australian Wine Research Institute in Australia and the Cognac producers' organisation (*Bureau National Interprofessionnel du Cognac*) in France, etc.

CORPORATE GOVERNANCE AND INTERNAL CONTROL

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY ON THE COMPOSITION OF THE BOARD AND THE IMPLEMENTATION OF THE PRINCIPLE OF BALANCED REPRESENTATION OF WOMEN AND MEN WITHIN THE BOARD, AS WELL AS ON THE CONDITIONS GOVERNING THE PREPARATION AND ORGANISATION OF THE WORK PERFORMED BY THE BOARD OF DIRECTORS

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REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL AND RISK MANAGEMENT

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STATUTORY AUDITORS' REPORT

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This section includes the Report of the Chairman of the Board of Directors as required by article L. 225-37 of the French Commercial Code, in two parts: the "Report of the Chairman of the Board of Directors of the Company on the composition of the Board and the implementation of the principle of balanced representation of women and men within the Board, as well as on the conditions governing the preparation and organisation of the work performed by the Board of Directors" and the "Report of the Chairman of the Board of Directors on Internal Control and risk management".

It describes, in the context of the preparation of the financial statements for the 2012/2013 financial year, the conditions governing the preparation and organisation of the work performed by the Board of Directors and its Committees, the powers entrusted to the Chief Executive Officer and Deputy Chief Executive Officer & Chief Operating Officer, the principles and rules used to determine the compensation and benefits of any kind granted to Corporate Officers, as well as the Internal Control procedures implemented by Pernod Ricard.

We inform you that, the principles and rules used to determine the compensation and benefits of any kind granted to Corporate Officers are detailed in Section 4 "Management Report" – Compensation policy, under the paragraph "Corporate Officers' compensation". Moreover, in accordance with article L. 225-100-3 of the French Commercial Code, the items that may have an impact in the event of a public offer are detailed in Section 8 "About the Company and its Share Capital", under the paragraph "Items likely to have an impact in the event of a public offer" of this Registration Document.

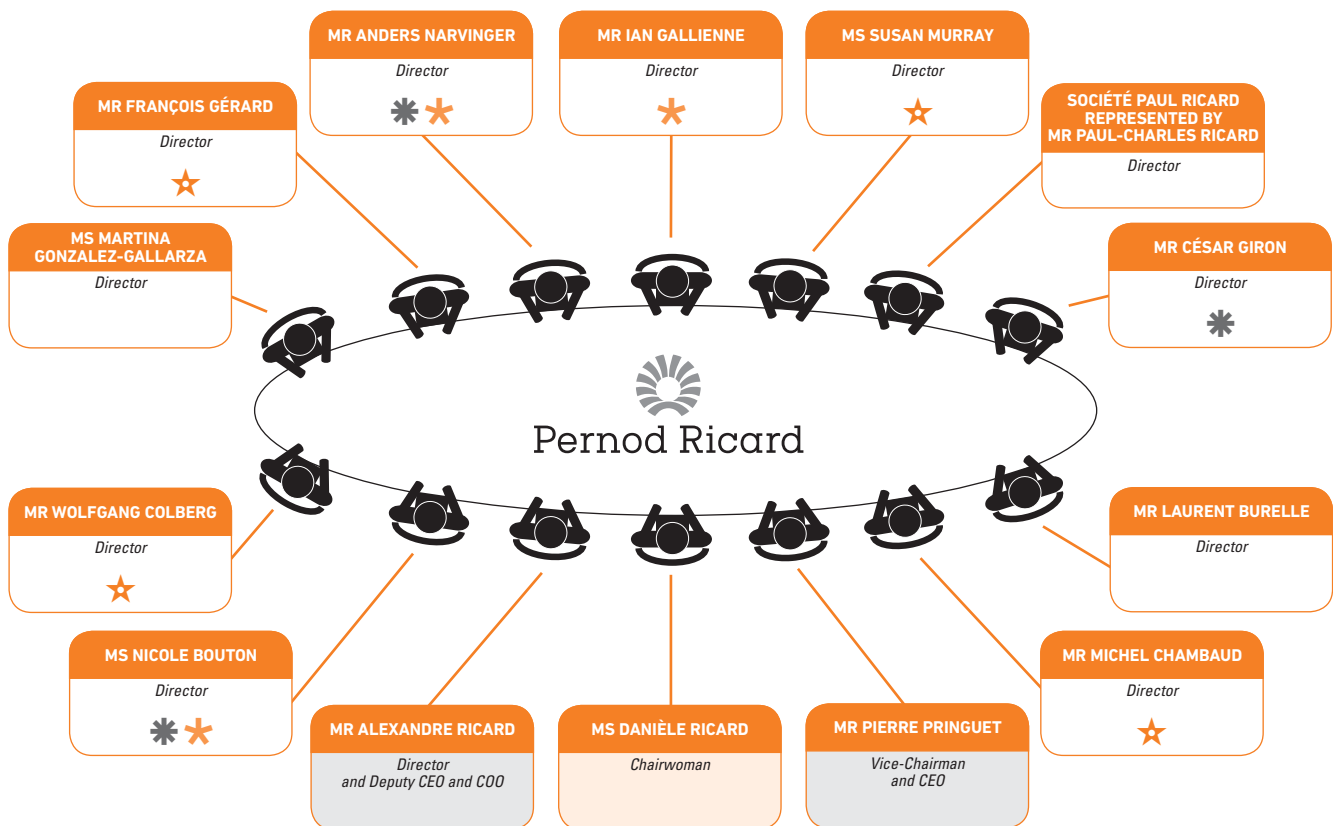
This report was prepared on the basis of work carried out by several different departments of the Company, in particular, the Legal Department and the Group Internal Audit Department.

This report was approved by the Board of Directors on 28 August 2013, after the Board's committees had each examined the sections relating to their area of competence, and was forwarded to the Statutory Auditors.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY ON THE COMPOSITION OF THE BOARD AND THE IMPLEMENTATION OF THE PRINCIPLE OF BALANCED REPRESENTATION OF WOMEN AND MEN WITHIN THE BOARD, AS WELL AS ON THE CONDITIONS GOVERNING THE PREPARATION AND ORGANISATION OF THE WORK PERFORMED BY THE BOARD OF DIRECTORS

2

COMPOSITION OF THE BOARD OF DIRECTORS



- ★ AUDIT COMMITTEE
- ⚙️ NOMINATIONS AND GOVERNANCE COMMITTEE
- 🌸 COMPENSATION COMMITTEE

DUTIES PERFORMED BY THE DIRECTORS

**MS DANIÈLE RICARD**

Chairwoman of the Board of Directors

74 years old

French citizen

► **BUSINESS ADDRESS:**

Pernod Ricard
12 place des États-Unis,
75116 Paris (France)

► **DATE OF FIRST APPOINTMENT:**

16.06.1969

► **DATE OF LATEST RENEWAL:**

02.11.2009

► **DATE OF EXPIRY OF TERM OF OFFICE:**

AGM 2013

► **NUMBER OF SHARES HELD AT 30 JUNE 2013:**

264,542

**MR PIERRE PRINGUET**

Vice Chairman of the Board of Directors and Chief Executive Officer

63 years old

French citizen

► **BUSINESS ADDRESS:**

Pernod Ricard
12 place des États-Unis,
75116 Paris (France)

► **DATE OF FIRST APPOINTMENT:**

17.05.2004

► **DATE OF LAST RENEWAL:**

09.11.2012

► **DATE OF EXPIRY OF TERM OF OFFICE:**

AGM 2016

► **NUMBER OF SHARES HELD AT 30 JUNE 2013:**

241,000

Member of the Management team and Director of Société Ricard between 1967 and 1975, Ms Danièle Ricard has sat on the Board of Directors of Société Ricard, now Pernod Ricard, since 1969. She was Chairwoman and Chief Executive Officer of Société Paul Ricard until 2004 and became Chairwoman of Société Paul Ricard's Management Board in 2005.

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

Ms Danièle Ricard was appointed Chairwoman of the Board of Directors of Pernod Ricard by the Board of Directors on 29 August 2012.

A graduate of the École Polytechnique and the École des Mines, Mr Pierre Pringuet started his career in the French civil service. He was Advisor to government minister Michel Rocard from 1981 to 1985, before being given responsibility for the farming and food processing industries at the Ministry of Agriculture. He joined Pernod Ricard in 1987 as Development Director, playing an active role in the Group's international development and holding the positions of Managing Director of Société pour l'Exportation de Grandes Marques (1987-1996) and then Chairman and CEO of Pernod Ricard Europe (1997-2000). In 2000, he joined Mr Patrick Ricard at the Holding Company as one of Pernod Ricard's two joint CEOs, together with Richard Burrows. He was appointed Director of Pernod Ricard in 2004 and led the successful acquisition of Allied Domecq in 2005 and its subsequent integration. In December 2005, he became the Group's sole Managing Director. In 2008, he carried out the acquisition of Vin&Sprit (V&S) and its brand ABSOLUT Vodka which completed Pernod Ricard's international development. Following the withdrawal of Mr Patrick Ricard from his operational duties, Mr Pierre Pringuet was appointed CEO of Pernod Ricard on 5 November 2008, and was also appointed Vice Chairman of the Board of Directors by the Board on 29 August 2012.

Mr Pierre Pringuet is also Chairman of the Sully Committee, which promotes the French food processing industry, and was appointed Chairman of the *Association Française des Entreprises Privées* (AFEP) (French Association of Private Enterprises) on 29 June 2012. He holds the ranks of Knight of the Legion of Honour, Knight of the National Order of Merit and Officer of the *Mérite Agricole*.

**MR ALEXANDRE RICARD**

Director and Deputy Chief Executive Officer & Chief Operating Officer

41 years old

French citizen

► **BUSINESS ADDRESS:**

Pernod Ricard
12 place des États-Unis,
75116 Paris (France)

► **DATE OF FIRST APPOINTMENT:**

29.08.2012

► **DATE OF LAST RENEWAL:**

09.11.2012

► **DATE OF EXPIRY OF TERM OF OFFICE:**

AGM 2016

► **NUMBER OF SHARES HELD AT 30 JUNE 2013:**

19,659 ⁽¹⁾

**MR PAUL-CHARLES RICARD, PERMANENT REPRESENTATIVE OF SOCIÉTÉ PAUL RICARD ⁽²⁾**

Director

31 years old

French citizen

► **BUSINESS ADDRESS:**

Pernod Ricard
12 place des États-Unis,
75116 Paris (France)

Société Paul Ricard:

► **DATE OF FIRST APPOINTMENT:**

09.06.1983

► **DATE OF LAST RENEWAL:**

02.11.2009

► **DATE OF EXPIRY OF TERM OF OFFICE:**

AGM 2013

► **NUMBER OF SHARES HELD BY MR PAUL-CHARLES RICARD AT 30 JUNE 2013:**

181,304

► **NUMBER OF SHARES HELD BY SOCIÉTÉ PAUL RICARD AT 30 JUNE 2013:**

22,298,469

Mr Alexandre Ricard is a graduate of ESCP, the Wharton School of Business (MBA majoring in Finance and Entrepreneurship) and of the University of Pennsylvania (MA in International Studies). After working for seven years outside the Group, for Accenture (Management and Consulting) and Morgan Stanley (Mergers and Acquisitions Consulting), he joined the Pernod Ricard group in 2003, in the Audit and Development Department of the Holding Company. At the end of 2004, he became the Administrative and Financial Director of Irish Distillers Group, and then CEO of Pernod Ricard Asia Duty Free in September 2006. In July 2008, he was appointed as Chairman and Chief Executive Officer of Irish Distillers Group and became a member of Pernod Ricard's Executive Committee. In September 2011, he joined the Group General Management as Managing Director, Distribution Network and became a member of the Executive Board. Mr Alexandre Ricard was appointed Deputy Chief Executive Officer and Chief Operating Officer by the Board of Directors on 29 August 2012. He was the permanent representative of Société Paul Ricard (a member of the Board), from 2 November 2009 until 29 August 2012, at which time he was co-opted as Director of Pernod Ricard.

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

Mr Paul-Charles Ricard graduated from Euromed Marseille Business School, with a Masters in Management Science, and from Panthéon-Assas Paris 2 University with a Masters 2 in Communications (Media Law) as well as a Masters in Business Law. He joined Pernod Ricard in 2008 as Internal Auditor in the Audit and Business Development Department of the Holding Company. In 2010, Mr Paul-Charles Ricard was appointed G.H. Mumm International Brand Manager at Martell Mumm Perrier-Jouët.

Mr Paul-Charles Ricard is a grandson of Mr Paul Ricard, the founder of Société Ricard.

He has been the permanent representative of Société Paul Ricard (a member of the Board) since 29 August 2012.

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

(2) Unlisted company, shareholder of Pernod Ricard.



MR CÉSAR GIRON

Director

51 years old

French citizen

► BUSINESS ADDRESS:

Pernod
120 avenue du Maréchal-Foch,
94015 Créteil Cedex (France)

► DATE OF FIRST APPOINTMENT:

05.11.2008

► DATE OF LAST RENEWAL:

09.11.2012

► DATE OF EXPIRY OF TERM OF OFFICE:

AGM 2016

► NUMBER OF SHARES HELD

AT 30 JUNE 2013:

5,895



MS MARTINA GONZALEZ-GALLARZA

Director

44 years old

Spanish citizen

► BUSINESS ADDRESS:

Pernod Ricard España
C/Manuel Marañon 8,
28043 Madrid (Spain)

► DATE OF FIRST APPOINTMENT:

25.04.2012

► DATE OF LAST RENEWAL:

09.11.2012

► DATE OF EXPIRY OF TERM OF OFFICE:

AGM 2014

► NUMBER OF SHARES HELD

AT 30 JUNE 2013:

1,100

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

Since 1 July 2009, Mr César Giron has been Chairman and CEO of Pernod, a French subsidiary of Pernod Ricard.

Mr César Giron is the son of Ms Danièle Ricard, Chairwoman of the Board of Directors of Pernod Ricard.

Ms Martina Gonzalez-Gallarza is a graduate of the ICADE Jesuit Business School in Madrid and holds a PhD in Marketing from Valencia University. From 1991 to 1992, she worked in the Marketing Department of KP Foods (part of the British United Biscuits group). She then pursued her career in the academic world and held various functions in the Faculty of Business Studies at the Universidad Politecnica of Valencia, notably as Director of the Marketing Department and head of the International Bureau. In 2004, she joined the Catholic University of Valencia where she held the position of Dean of the Faculty of Business Studies until 2008. Since November 2008, Ms Martina Gonzalez-Gallarza has been researcher in consumer behaviour and a lecturer in international masters programmes (MBA) and other diplomas in the Marketing Department of Valencia University.

In addition, Ms Martina Gonzalez-Gallarza is a member of the Spanish Marketing Association, the French Marketing Association and the American Marketing Association.



MR FRANÇOIS GÉRARD

Director

73 years old

French citizen

► BUSINESS ADDRESS:

Pernod Ricard
12 place des États-Unis,
75116 Paris (France)

► DATE OF FIRST APPOINTMENT:

10.12.1974

► DATE OF LAST RENEWAL:

10.11.2010

► DATE OF EXPIRY OF TERM OF OFFICE:

AGM 2014

► NUMBER OF SHARES HELD

AT 30 JUNE 2013:

14,217

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

**MS NICOLE BOUTON***Independent Director*

65 years old

French citizen

► **BUSINESS ADDRESS:**
Friedland Gestion
10 avenue de Friedland,
75008 Paris (France)

► **DATE OF FIRST APPOINTMENT:**
07.11.2007

► **DATE OF LAST RENEWAL:**
15.11.2011

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2015

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,150

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

**MR LAURENT BURELLE***Independent Director*

63 years old

French citizen

► **BUSINESS ADDRESS:**
Compagnie Plastic Omnium
1 rue du Parc,
92593 Levallois Cedex
(France)

► **DATE OF FIRST APPOINTMENT:**
04.05.2011

► **DATE OF LAST RENEWAL:**
N/A

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2013

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,000

Mr Laurent Burelle holds a degree in engineering from the Zurich Federal Polytechnic School (Switzerland) as well as a Master of Sciences from MIT (United States). He spent his entire career with Compagnie Plastic Omnium, including as Chairman and CEO of Plastic Omnium Spain from 1977 to 1981 and Vice Chairman and CEO of Compagnie Plastic Omnium from 1981 to 2001. In 2001, Mr Laurent Burelle was appointed Chairman and CEO of Compagnie Plastic Omnium. He is also a Director of the Jacques Chirac Foundation for disabled children.

**MR MICHEL CHAMBAUD***Independent Director*

61 years old

French citizen

► **BUSINESS ADDRESS:**
Groupe Bruxelles
Lambert (GBL)
Avenue Marnix 24
1000 Brussels (Belgium)

► **DATE OF FIRST APPOINTMENT:**
02.11.2009

► **DATE OF LAST RENEWAL:**
N/A

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2013

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,050

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

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

Mr Michel Chambaud has taken part in the development of the Pargesa-GBL group since 1987, holding positions in the holding companies alternately with operational positions in subsidiaries. Until 1996 he was Deputy Managing Director in charge of equity investment at Parfinance (Holding Company listed in France, subsidiary of Pargesa), and from 1996 to 2003, he was a member of the Management Board of Imerys, in charge of finance and strategy. He is currently Investments Manager of Groupe Bruxelles Lambert.



MR WOLFGANG COLBERG

Independent Director

53 years old

German citizen

► **BUSINESS ADDRESS:**
Evonik Industries AG
Rellinghauser Str. 1-11,
45128 Essen (Germany)

► **DATE OF FIRST APPOINTMENT:**
05.11.2008

► **DATE OF LAST RENEWAL:**
09.11.2012

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2016

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,076

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

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



MS SUSAN MURRAY

Independent Director

56 years old

British citizen

► **BUSINESS ADDRESS:**
Bodicote Mill – Church Street,
Bodicote, Nr Banbury,
Oxon OX15 4DR
(United Kingdom)

► **DATE OF FIRST APPOINTMENT:**
10.11.2010

► **DATE OF LAST RENEWAL:**
N/A

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2014

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,000

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



MR IAN GALLIENNE

Independent Director

42 years old

French citizen

► **BUSINESS ADDRESS:**
Groupe Bruxelles
Lambert (GBL)
Avenue Marnix 24
1000 Brussels (Belgium)

► **DATE OF FIRST APPOINTMENT:**
09.11.2012

► **DATE OF LAST RENEWAL:**
N/A

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2014

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,000

Mr Ian Gallienne has been Deputy Director of Groupe Bruxelles Lambert since January 2012. He graduated in Management and Administration, with a major in Finance, from the ESDE Business School in Paris and obtained an MBA from INSEAD in Fontainebleau. From 1998 to 2005, he was Manager of the private equity funds Rhône Capital LLC in New York and London. In 2005, he founded the private equity funds Ergon Capital Partners I, II and III, of which he was Deputy Director until 2012. He has been a Director of Groupe Bruxelles Lambert since 2009, Imerys since 2010, Lafarge since 2011 and SGS since 2013.



MR ANDERS NARVINGER

Independent Director

64 years old

Swedish citizen

► **BUSINESS ADDRESS:**
Östermalmsgatan 94
SE-114-59 Stockholm
(Sweden)

► **DATE OF FIRST APPOINTMENT:**
02.11.2009

► **DATE OF LAST RENEWAL:**
N/A

► **DATE OF EXPIRY OF TERM OF OFFICE:**
AGM 2013

► **NUMBER OF SHARES HELD
AT 30 JUNE 2013:**
1,020

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

OFFICES HELD OUTSIDE THE GROUP AT 30 JUNE 2013

The table below lists the offices outside the Group held by members of the Board of Directors at 30 June 2013.

| Director's first name and surname or Company name | Date of first appointment as Director | Date of expiry of term of office ⁽¹⁾ | Offices and main positions held outside the Group at 30.06.2013 or at the date of resignation where applicable | Offices held outside the Group that have expired during the last 5 years |
|--|---------------------------------------|---|--|--|
| CHAIRWOMAN OF THE BOARD OF DIRECTORS | | | | |
| Ms DANIELÈ RICARD | 16.06.1969 | 2012/2013 | <ul style="list-style-type: none"> ■ Chairwoman of the Management Board of Société Paul Ricard ■ Non-associate Manager of Le Garlaban ■ Chairwoman of the Board of Directors of Bendor SA (Luxembourg) ■ Chairwoman of Les Embiez ■ Non-associate Manager of Tabac des Îles de Bendor et des Embiez | ■ None |
| VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO | | | | |
| Mr PIERRE PRINGUET | 17.05.2004 | 2015/2016 | <ul style="list-style-type: none"> ■ Director of Iliad* ■ Director of Cap Gemini* | ■ None |
| DIRECTOR AND DEPUTY CEO & COO | | | | |
| Mr ALEXANDRE RICARD | 29.08.2012 | 2015/2016 | <ul style="list-style-type: none"> ■ Member of the Management Board of Société Paul Ricard ■ Chairman and CEO of Le Delos Invest II ■ Chairman and CEO of Lirix ■ Director of Le Delos Invest I ■ Director of Bendor SA (Luxembourg) | ■ Chairman and CEO of Le Delos Invest I |
| DIRECTORS | | | | |
| SOCIÉTÉ PAUL RICARD⁽²⁾ REPRESENTED BY Mr PAUL-CHARLES RICARD | 09.06.1983 | 2012/2013 | <ul style="list-style-type: none"> ■ Chairman of Le Delos Invest III (Société Paul Ricard) ■ Member of the Supervisory Board of Société Paul Ricard (Mr Paul-Charles Ricard) | ■ None |
| Mr CÉSAR GIRON | 05.11.2008 | 2015/2016 | <ul style="list-style-type: none"> ■ Member of the Management Board of Société Paul Ricard ■ Director of Lirix ■ Director of Le Delos Invest I ■ Director of Le Delos Invest II ■ Director of Bendor SA (Luxembourg) | ■ None |
| Mr FRANÇOIS GÉRARD | 10.12.1974 | 2013/2014 | ■ None | ■ None |
| Ms MARTINA GONZALEZ-GALLARZA | 25.04.2012 | 2013/2014 | ■ None | ■ None |

* Listed company.

(1) The term of office expires at the close of the Shareholders' Meeting held to approve the financial statements for the financial year mentioned.

(2) Unlisted company, shareholder of Pernod Ricard.

Report of the Chairman of the Board of Directors of the Company

| Director's first name and surname or Company name | Date of first appointment as Director | Date of expiry of term of office ⁽¹⁾ | Offices and main positions held outside the Group at 30.06.2013 or at the date of resignation where applicable | Offices held outside the Group that have expired during the last 5 years |
|---|---------------------------------------|---|--|---|
| INDEPENDENT DIRECTORS | | | | |
| Ms NICOLE BOUTON | 07.11.2007 | 2014/2015 | <ul style="list-style-type: none"> ■ Chairman of Financière Accréditée (subsidiary of Centuria Capital) ■ Chairman of Centuria Accréditation (subsidiary of Centuria Capital) ■ Chairman of the Strategy Committee of Friedland Gestion ■ Director of AMOC (Opéra Comique) | <ul style="list-style-type: none"> ■ Chairman of Groupe Financière Centuria (GFC) ■ Chairman of Centuria Luxembourg (subsidiary of GFC) ■ Chairman of Financière Centuria Asset Management (subsidiary of GFC) |
| Mr LAURENT BURELLE | 04.05.2011 | 2012/2013 | <ul style="list-style-type: none"> ■ Chairman and CEO of Compagnie Plastic Omnium SA* ■ Deputy CEO and Director of Burelle SA* ■ Deputy CEO and Director of Sogec 2 SA ■ Director of Burelle Participations SA ■ Chairman and Member of the Supervisory Board of Sofiparc SAS ■ Chairman and Member of the Supervisory Board of Plastic Omnium Environnement SAS ■ Chairman of Plastic Omnium Auto SAS ■ Chairman of Plastic Omnium Auto Exteriors SAS ■ Chairman of Inergy Automotive Systems SAS ■ Director of Lyonnaise de Banque ■ Chairman of Cie Financière de la Cascade SAS ■ Member of the Supervisory Board of Labryère Eberlé SAS ■ Manager of Plastic Omnium GmbH (Germany) ■ Chairman and Managing Director of Compania Plastic Omnium SA (Spain) ■ Chairman of Plastic Omnium Inc. (United States) ■ Chairman of Plastic Omnium Automotive Services Inc. (United States) ■ Director of Inergy Automotive Systems LLC (United States) ■ Chairman of Plastic Omnium Ltd (United Kingdom) ■ Chairman of Plastic Omnium International BV (Netherlands) ■ Director of Signal AG (Switzerland) | <ul style="list-style-type: none"> ■ Chairman of Plastic Omnium Plastiques Hautes Performances SAS ■ Chairman of Signature Holding SAS ■ Chairman of Compagnie Signature SAS ■ Legal representative of Plastic Omnium Auto Exteriors, co-Manager of Valeo Plastic Omnium SNC ■ Chairman of Epsco International Inc. (United States) ■ Chairman of Performance Plastics Products - 3P Inc. (United States) ■ Chairman of Plastic Omnium Auto Exteriors LLC (United States) ■ Chairman of Plastic Omnium Industries Inc. (United States) ■ Chairman of Plastic Omnium AG (Switzerland) |
| Mr MICHEL CHAMBAUD | 02.11.2009 | 2012/2013 | <ul style="list-style-type: none"> ■ Managing Director of GBL TC (Belgium) ■ Member of the Supervisory Board of Filhet Allard ■ Director of Steel Partners NV (Belgium) ■ Director of Ergon Capital Partners III (Belgium) | <ul style="list-style-type: none"> ■ None |
| Mr WOLFGANG COLBERG | 05.11.2008 | 2015/2016 | <ul style="list-style-type: none"> ■ Vice Chairman of the Board of Directors of STEAG GmbH (Germany) ■ Member of the Regional Board of Deutsche Bank AG (Germany) ■ Member of the Board of THS GmbH (Germany) ■ Member of the Board of Directors of Vivawest Wohnen GmbH (Germany) | <ul style="list-style-type: none"> ■ Member of the Supervisory Board of Roto Frank AG, Stuttgart (Germany) |

| Director's first name and surname or Company name | Date of first appointment as Director | Date of expiry of term of office ⁽¹⁾ | Offices and main positions held outside the Group at 30.06.2013 or at the date of resignation where applicable | Offices held outside the Group that have expired during the last 5 years |
|---|---------------------------------------|---|--|--|
| Mr IAN GALLIENNE | 09.11.2012 | 2013/2014 | <ul style="list-style-type: none"> ■ Managing Director of Groupe Bruxelles Lambert SA* (Belgium) ■ Director of Lafarge* ■ Director of Imerys* ■ Director of SGS* ■ Managing Director of Ergon Capital Partners SA (Belgium) ■ Managing Director of Ergon Capital Partners II SA (Belgium) ■ Managing Director of Ergon Capital Partners III SA (Belgium) ■ Director of Ergon Capital SA (Belgium) ■ Director of Steel Partners NV (Belgium) ■ Director of Gruppo Banca Leonardo SpA (Italy) ■ Manager of Egerton Sarl (Luxembourg) ■ Manager of Ergon Capital II Sarl (Luxembourg) | <ul style="list-style-type: none"> ■ Director of Central Parc Villepinte SA ■ Director of ELITech Group SAS ■ Director of the Fonds de dotation du Palais ■ Director of PLU Holding SAS ■ Director of Arno glass SA (Luxembourg) ■ Director of the Gardenia Beauty Spa (Italy) ■ Director of Seves Spa (Italy) ■ Director of Boeck SA group (Belgium) |
| Ms SUSAN MURRAY | 10.11.2010 | 2013/2014 | <ul style="list-style-type: none"> ■ Non-Executive Chairman of Farrow & Ball (United Kingdom) ■ Chairman of Corporate Social Responsibility of Compass Group Plc* (United Kingdom) ■ Non-Executive Director of Imperial Tobacco Group Plc* (United Kingdom) ■ Chairman of Remuneration Committee of Enterprise Inns Plc* (United Kingdom) | <ul style="list-style-type: none"> ■ Non-Executive Director of WM Morrison Supermarkets Plc (United Kingdom) ■ Non-Executive Director of SSL International Plc (United Kingdom) ■ Non-Executive Director of The Advertising Authority (Broadcast) Ltd (United Kingdom) ■ Non-Executive Director and Council Member of the Advertising Standards Authority (United Kingdom) |
| Mr ANDERS NARVINGER | 02.11.2009 | 2012/2013 | <ul style="list-style-type: none"> ■ Chairman of the Board of Directors of Alfa Laval AB* (Sweden) ■ Member of the Board of Directors of JM AB* (Sweden) ■ Member of the Board of Directors of ÅF AB* (Sweden) ■ Chairman of Coor Service Management Group AB (Sweden) ■ Deputy Chairman of the International Chamber of Commerce (ICC) (Sweden) ■ Chairman of Capió AB (Sweden) | <ul style="list-style-type: none"> ■ Chairman of the Board of Directors of Telia Sonera AB* (Sweden) ■ Chairman of the Board of Directors of Trelleborg AB* (Sweden) ■ Chairman of Swedish Trade (Sweden) ■ Chairman of Invest in Sweden Agency (Sweden) ■ Chairman of the Lund Institute of Technology (Sweden) ■ Chairman of Vin&Sprit AB (Sweden) ■ Chairman of Ireco Holding AB (Sweden) ■ Member of the Board of Directors of Volvo Car Corporation (Sweden) ■ Managing Director of the Association of Swedish Engineering Industries (Sweden) |

* Listed company.

(1) The term of office expires at the close of the Shareholders' Meeting held to approve the financial statements for the financial year mentioned.

(2) Unlisted company, shareholder of Pernod Ricard.

The Directors have no other employee positions in the Group, except for Mr César Giron, Chairman and CEO of Pernod, and Mr Paul-Charles Ricard (permanent representative of Société Paul Ricard, a Director of the Company), G.H. Mumm International Brand Manager at Martell Mumm Perrier-Jouët.

OFFICES HELD IN THE GROUP AT 30 JUNE 2013

The table below lists the offices held by members of the Board of Directors in the Group at 30 June 2013.

| Director's first name and surname | Nationality of company | Position | Company name |
|--|--------------------------------|---|--|
| Ms Danièle RICARD Chairwoman of the Board of Directors | French companies | Director | <ul style="list-style-type: none"> ■ Ricard |
| Mr PIERRE PRINGUET Vice Chairman of the Board of Directors and CEO | French companies | Chairman of the Board of Directors | <ul style="list-style-type: none"> ■ Pernod Ricard Finance SA |
| | | Chairman | <ul style="list-style-type: none"> ■ Lina 5 ■ Lina 7 ■ Lina 8 ■ Pernod Ricard Central and South America ■ Pernod Ricard North America ■ Pernod Ricard Asia |
| | | Director | <ul style="list-style-type: none"> ■ Martell & Co ■ G.H. Mumm & Cie, Société Vinicole de Champagne Successeur ■ Champagne Perrier-Jouët |
| | | Permanent representative of Pernod Ricard on the Board of Directors | <ul style="list-style-type: none"> ■ Pernod Ricard Europe ■ Pernod ■ Ricard |
| | Member of the Management Board | <ul style="list-style-type: none"> ■ Pernod Ricard Asia ■ Pernod Ricard North America | |
| | Non-French companies | Director | <ul style="list-style-type: none"> ■ Comrie Ltd ■ Irish Distillers Group ■ GEO G. Sandeman Sons & Co. Ltd ■ Pernod Ricard Pacific Holding Pty Ltd ■ Suntory Allied Ltd ■ Havana Club Holding SA ■ Havana Club International ■ The ABSOLUT Company AB |
| | | Manager | <ul style="list-style-type: none"> ■ Havana Club Know-How Sàrl |
| | | | |
| Mr ALEXANDRE RICARD Director and Deputy CEO & COO | French companies | Director | <ul style="list-style-type: none"> ■ Martell & Co ■ Pernod ■ Pernod Ricard Europe ■ Ricard |
| | | Member of the Management Board | <ul style="list-style-type: none"> ■ Pernod Ricard Asia ■ Pernod Ricard North America |
| | Non-French companies | Director | <ul style="list-style-type: none"> ■ Irish Distillers Group ■ Suntory Allied Ltd |
| Mr FRANÇOIS GÉRARD Director | French companies | Director | <ul style="list-style-type: none"> ■ Pernod ■ Martell & Co ■ G.H. Mumm & Cie, Société Vinicole de Champagne Successeur ■ Champagne Perrier-Jouët |
| Mr CÉSAR GIRON Director | French companies | Chairman and CEO | <ul style="list-style-type: none"> ■ Pernod |
| | | Permanent representative of Pernod on the Board of Directors | <ul style="list-style-type: none"> ■ Société des Produits d'Armagnac |

RENEWAL OF THE TERM OF OFFICE OF FIVE DIRECTORS

The directorships of Ms Danièle Ricard, Mr Laurent Burelle, Mr Michel Chambaud and Mr Anders Narvinger as well as of Société Paul Ricard expire at the close of the Shareholders' Meeting of 6 November 2013. In order to enable the staggered renewal of the Board of Directors and in accordance with the bylaws as amended by the Shareholders' Meeting of 15 November 2011, and following the recommendations of the Nominations and Governance Committee, the Shareholders' Meeting of 6 November 2013 will be asked to renew the terms of office of Ms Danièle Ricard, Mr Laurent Burelle and Mr Michel Chambaud, as well as Société Paul Ricard, as Directors for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year. The meeting will also be asked to renew the term of office of Mr Anders Narvinger for a term of two years expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the financial statements for the previous financial year.

CONVICTIONS, BANKRUPTCIES, CONFLICTS OF INTEREST AND OTHER INFORMATION

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

To the best of Pernod Ricard's knowledge and at the date hereof:

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

Service agreements

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

Conflict of interest

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

To the Company's knowledge and at the date hereof, there are no arrangements or agreements established with the main shareholders, clients or suppliers, under which one of the members of the Board of Directors or General Management has been appointed.

To the Company's knowledge and at the date hereof, except as described in the "Shareholders' agreements" paragraph of Section 8 "About the Company and its Share Capital", no restriction has been accepted by the members of the Board of Directors or General Management concerning the disposal of their stake in the share capital.

In accordance with the Board's Internal Regulations and in order to prevent any risk of conflict of interest, each member of the Board of Directors is required to declare to the Board of Directors, as soon as he/she becomes aware of such fact, any situation in which a conflict of interest arises or could arise, between the Company's corporate interest and his/her personal interest, either direct or indirect, or the interests of a shareholder or group of shareholders which he/she represents.

Employee representatives

The Pernod Ricard employee representation on the Board of Directors is ensured by Ms Amélie Virat and Ms Marie-Annick Pluskwa. This representation became effective at the Board of Directors' meeting of 16 February 2011.

GOVERNANCE STRUCTURE

Corporate Governance Code

On 12 February 2009, the Board of Directors of Pernod Ricard confirmed that the AFEP-MEDEF Corporate Governance Code of listed corporations published in December 2008, and last revised in June 2013 (hereinafter referred to as the "AFEP-MEDEF Code"), available on the AFEP and MEDEF websites, is applied by Pernod Ricard, notably in preparing the report required by article L. 225-37 of the French Commercial Code.

Implementation of the « Comply or Explain » rule

In accordance with the « **Comply or Explain** » rule set in article L. 225-37 of the French Commercial Code and referred to in article 25.1 of the AFEP-MEDEF Code, the Company believes that its practices comply with the recommendations of the Code. However, the Company has deviated from certain provisions for the following reasons explained in the chart hereunder:

| Provisions of the AFEP-MEDEF Code from which the Company has deviated | Explanation |
|--|--|
| <p>Criteria for the independence of Directors</p> <p>Article 9.4 states that independent Directors should not be employed by or an Executive Director of the Company, nor employed by or Director of the Parent Company or a company included in its scope of consolidation and not have held any such position with the previous five years.</p> | <p>Independence of Mr Anders Narvinger: the Swedish State appointed Mr Anders Narvinger as Non-Executive Chairman of the Board of Directors of Vin&Sprit (V&S) in March 2007. This appointment was made in the particular context of the privatisation of V&S: the Swedish State needed a neutral and independent guarantor during this phase, a role held by Mr Anders Narvinger. Mr Anders Narvinger had never been employed or held any executive position in V&S before his appointment, roles which would have impeded his independence. It was only following his resignation as Chairman of the Board of Directors of V&S that Mr Anders Narvinger joined the Board of Directors of Pernod Ricard. Having reviewed these circumstances and based on article 9.3 of the AFEP-MEDEF Code, the Nominations and Governance Committee and the Board of Directors confirmed the status of Mr Anders Narvinger as an Independent Director.</p> |
| <p>Review of the Board of Directors</p> <p>Article 10.4 recommends that non-executive Directors meet regularly without the presence of executive or internal Directors. The Code specifies that the Board of Directors' Internal Regulations should provide for an annual meeting of this nature, during which the performance of the Chairman, Chief Executive Officer and Deputy Chief Executive Officer(s) would be assessed and which would provide the opportunity for a periodic reflection on the Company's future management.</p> | <p>Questions relating to the performance of the Chairwoman of the Board of Directors, the Vice-President of the Board and Chief Executive Officer and the Deputy Chief Executive Officer are dealt with, where appropriate, by the Nominations and Governance Committee as part of the regular review of the operation of the Board of Directors, or by the Compensation Committee during the annual compensation review. For these reasons, and due to the collegiate nature of the Board of Directors (set out in article 1.1 of the AFEP-MEDEF Code), no formal meeting of non-executive directors without the presence of executive or internal directors is held, nor is it provided for in the Board of Directors' Internal Regulations.</p> |
| <p>Audit Committee</p> <p>Article 16.2.1 recommends that the financial statements should be reviewed sufficiently in advance (at least two days before they are reviewed by the Board of Directors).</p> | <p>For practical reasons, linked in particular to the fact that the Committee is comprised of a majority of members not residing in France, the Audit Committee generally examines the financial statements the day before the Board of Directors. However, the members of the Audit Committee receive the documents and information required to perform their work with sufficient time to review them satisfactorily.</p> |
| <p>Article 16.2.2 provides that the Audit Committee must regularly meet with the Statutory Auditors, including without the presence of Directors.</p> | <p>In 2012/2013, no meeting was held without the presence of company representatives since there was no potentially sensitive issue requiring this. Moreover, the Statutory Auditors answer questions of the Audit Committee during meetings. No question therefore required a separate meeting.</p> |

Dissociating the functions of Chairman and CEO

To adapt the governance of the Group and to allow for the natural and operational transition in the Company's Senior Management, the Board of Directors met following the Shareholders' Meeting of 5 November 2008 and decided to separate the functions of Chairman of the Board of Directors and CEO.

During its meeting of 29 August 2012, the Board of Directors, on the recommendation of the Nominations and Governance Committee, appointed Ms Danièle Ricard as Chairwoman of the Board of Directors, following the death of Mr Patrick Ricard, and Mr Pierre Pringuet as Vice Chairman of the Board of Directors; Pierre Pringuet retained his position as Chief Executive Officer, which was renewed during the Board meeting of 9 November 2012.

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

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

Limitation on the powers of the CEO

For internal purposes, and following the decision made by the Board of Directors on 29 August 2012 and in accordance with article 2 of the Board's Internal Regulations⁽¹⁾, prior to making a commitment on behalf of the Company, the CEO must first ensure that the Board of Directors agrees to significant transactions that fall outside the strategy announced by the Company as well as the following transactions:

- carrying out acquisitions, transfers of ownership or disposals of assets and property rights and making investments for an amount greater than €100 million per transaction;
- signing any agreements to make investments in, or participate in joint ventures with any other French or non-French companies except with a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code);
- making any investments or taking any shareholding in any company, partnership or investment vehicle, whether established or yet to be established, through subscription or contribution in cash or in kind, through the purchase of shares, ownership rights or other securities, and more generally in any form whatsoever, for an amount greater than €100 million per transaction;
- granting loans, credits and advances in excess of €100 million per borrower, except when the borrower is a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code) and with the exception of loans granted for less than one year;
- borrowing, with or without granting a guarantee on corporate assets, in excess of €200 million in the same financial year, except from subsidiaries of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code), for which there is no limit;
- granting pledges, sureties or guarantees, except with express delegation of authority from the Board of Directors, within the limits provided for by articles L. 225-35 and R. 225-28 of the French Commercial Code; and
- selling shareholdings with an enterprise value in excess of €100 million.

On 9 November 2012, the Board of Directors authorised the CEO, for a period of one year, to grant pledges, sureties or guarantees in the name of the Company within the limit of a total amount of €100 million.

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

Appointment of a Deputy Chief Executive Officer & Chief Operating Officer

On 29 August 2012, the Board of Directors, on the recommendation of the Nominations and Governance Committee, co-opted Mr Alexandre Ricard as Director; Mr Ricard was appointed Deputy Chief Executive Officer & Chief Operating Officer on the proposal of Mr Pierre Pringuet, CEO.

The Deputy Chief Executive Officer & Chief Operating Officer is granted full powers to act in the name of the Company under any circumstances. He exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted by the law to Shareholders' Meetings and to the Board of Directors, and within the limits of internal rules as defined by the Board of Directors and its Internal Regulations⁽¹⁾ (see "Limitation on the powers of the Deputy Chief Executive Officer & Chief Operating Officer" below).

Limitation on the powers of the Deputy Chief Executive Officer & Chief Operating Officer

For internal purposes and following the decision made by the Board of Directors on 29 August 2012, and in accordance with article 2 of its Internal Regulations, the Deputy Chief Executive Officer & Chief Operating Officer must first ensure that the Board of Directors agrees to significant transactions that fall outside the strategy announced by the Company as well as the following transactions:

- carrying out acquisitions, transfers of ownership or disposals of assets and property rights and making investments for an amount greater than €50 million per transaction;
- signing any agreements to make investments in, or participate in joint ventures with any other French or non-French companies except with a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code);
- making any investments or taking any shareholding in any company, partnership or investment vehicle, whether established or yet to be established, through subscription or contribution in cash or in kind, through the purchase of shares, ownership rights or other securities, and more generally in any form whatsoever, for an amount greater than €50 million per transaction;
- granting loans, credits and advances in excess of €50 million per borrower, except when the borrower is a subsidiary of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code) and with the exception of loans granted for less than one year;
- borrowing, with or without granting a guarantee on corporate assets, in excess of €100 million in the same financial year, except from subsidiaries of Pernod Ricard (as defined in article L. 233-3 of the French Commercial Code), for which there is no limit;
- granting pledges, sureties or guarantees, subject to a delegation of authority from the CEO, in accordance with the express delegation of authority from the Board of Directors, within the limits provided for by articles L. 225-35 and R. 225-28 of the French Commercial Code;
- selling shareholdings with an enterprise value in excess of €50 million.

(1) The Internal Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be modified by the Board of Directors at any time.

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

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

The members of the Board of Directors are listed in the section "Composition of the Board of Directors and duties performed by the Directors".

The Board of Directors of the Company is comprised of no fewer than three and no more than 18 members, unless otherwise authorised by law. In accordance with the Company's bylaws, each Director must own at least 50 Company shares in registered form. However, the Board's Internal Regulations⁽¹⁾ recommend that Directors acquire and hold at least 1,000 Company shares.

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

Two representatives from the Company's sole employee representative body attend meetings of the Board of Directors in an advisory role.

On the date hereof, the Board of Directors comprises 14 members, of which four are female. In this respect, Pernod Ricard exceeds the minimum requirements set out in the law of 27 January 2011 on parity (for the Board to comprise a minimum of 20% women before the Shareholders' Meeting in 2014) and the AFEP-MEDEF Code (a minimum of 20% women as from the Shareholders' Meeting in 2013).

The Board has seven Independent Directors. Moreover, four Directors are of foreign nationality.

The Board of Directors may, upon proposal of its Chairman, appoint one or more censors, who may be either individuals or legal entities and may or may not be shareholders.

The term of office of each Director is four years. However, on an exceptional basis, the Shareholders' Meeting may, on the Board of Directors' proposal, appoint Directors or renew their term of office for a period of two years so as to enable a staggered renewal of the Board of Directors.

The Shareholders' Meeting of 6 November 2013 will be called upon to amend the bylaws relating to the composition of the Board of Directors (article 16) with the purpose of determining, in accordance with the law of 14 June 2013 on the protection of employment, the conditions for the appointment of Directors representing employees: the first Employee Director will be nominated by the group committee (France) and, given the Group's international profile, the second Employee Director will be nominated by the European Works Council. As the Board is comprised of 14 members, these 2 Directors representing employees by law must be appointed and take up their posts within six months following the Shareholders' Meeting of 6 November 2013.

Changes in the composition of the Board of Directors during the 2012/2013 financial year

During the 2012/2013 financial year, the Shareholders' Meeting of 9 November 2012 ratified the co-option of Ms Martina Gonzalez-Gallarza as Director by the Board of Directors on 25 April 2012 and of Mr Alexandre Ricard by the Board of Directors on 29 August 2012; it then renewed the Directorships of Ms Martina Gonzalez-Gallarza, Mr Pierre Pringuet, Mr Alexandre Ricard, Mr Wolfgang Colberg and Mr César Giron. Moreover, the same meeting appointed Mr Ian Gallienne as Director.

At its meeting of 29 August 2012, following the death of Mr Patrick Ricard, the Board of Directors appointed Ms Danièle Ricard as Chairwoman of the Board of Directors and Mr Pierre Pringuet as Vice Chairman of the Board of Directors, with the latter retaining his position as CEO. This position was renewed by the Board of Directors on 9 November 2012. At the meeting of 29 August 2012, Société Paul Ricard, a Director of the Company, notified the Company that it would henceforth be represented by Mr Paul-Charles Ricard.

Independence of Directors

The Company applies criteria of independence as expressed in the AFEP-MEDEF Code. A member of the Board of Directors is considered "independent" when he/she has no relations of any kind with the Company, its Group or its Management, which could impair the free exercise of his/her judgement (article 3 of the Internal Regulations) of the Board of Directors⁽¹⁾.

This is the basis used by the Board of Directors and the Nominations and Governance Committee in their annual review to assess the independence of Directors and also whenever appointments are proposed or renewed. The Board of Directors and the Nominations and Governance Committee consider whether the Director:

- performs any management duties in the Company or the Group or has any special ties with its Executive Directors;
- is or has been at any point in the past five years:
 - an employee or Corporate Officer or Director of the Company or of a Group company,
 - Corporate Officer of a company in which the Company, an employee or Corporate Officer of the Company holds the office of Director (currently or in the past five years);
- is a major client, supplier or banker of the Company or its Group or for which the Company or its Group represents a significant share of its business;
- has close family ties with a Corporate Officer;
- has been a Statutory Auditor of the Company in the past five years;
- has been a member of the Company's Board of Directors for more than 12 years;

(1) The Internal Regulations can be consulted on the Company's website (www.pernod-ricard.com). They may be modified by the Board of Directors at any time.

- is a major or majority shareholder in the Company or the Parent Company controlling the Company. If this shareholder owns more than 10% of the share capital or voting rights in the Company, the Nominations and Governance Committee and Board will systematically review his/her independence in consideration of the Company's share ownership structure and the potential conflict of interest.

Based on the above criteria, the meeting of the Board of Directors held on 24 July 2013 confirmed that seven out of the 14 members of the Board of Directors are Independent Directors: Ms Nicole Bouton, Ms Susan Murray and Messrs Laurent Burelle, Michel Chambaud, Wolfgang Colberg, Ian Gallienne and Anders Narvinger.

Directors' Code of Conduct

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

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

Operation and activity

The method of operation of the Board of Directors is provided for by the legal and regulatory provisions, by the bylaws and by Internal Regulations adopted by the Board of Directors at its meeting on 17 December 2002, as amended and supplemented in 2008, 2009, 2011 and most recently, on 29 August 2012. The Internal Regulations of the Board of Directors specify the rules and methods of operation of the Board, which supplement the law, regulations and the bylaws. In particular, they remind Directors of the rules on diligence, confidentiality and disclosure of conflicts of interest.

The Internal Regulations also outline the various rules in force with regard to the conditions for trading in the Company's shares on the stock market, the obligations to make declarations, and publication requirements relating thereto.

On a regular basis and at least once a year, the Board of Directors includes on its agenda a discussion on its operation, and notably the following areas:

- a review of its composition, operation and structure;
- a verification that significant issues are adequately prepared and discussed.

Furthermore, at least once every three years, it performs a formal review of its work or has one carried out. A review was conducted during financial year 2011/2012 and the main conclusions from this are presented in the section on the Board of Directors' review of this report.

Board of Directors' meetings

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

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

Information to the Directors

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

A Director may ask for any explanations or the production of additional information and, more generally, submit to the Chairman any request for information or access to information which he or she deems appropriate.

As the Directors have insider information on a regular basis, they must refrain from using this information to buy or sell shares of the Company and carry out stock market transactions in the 30 days prior to publication of the annual and half-year results and 15 days prior to publication of quarterly net sales. They are also asked to seek the advice of the Ethics Committee before all stock market transactions on the Company's securities.

Responsibilities of the Board of Directors and activity in 2012/2013

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

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

Report of the Chairman of the Board of Directors of the Company

- approves the report of the Chairman of the Board of Directors on the composition of the Board and the implementation of the principle of balanced representation of women and men within the Board, the conditions governing the preparation and organisation of the work performed by the Board of Directors together with the Internal Control procedures implemented by the Company.

During the financial year ended 30 June 2013, the Board of Directors met eight times with an attendance rate of 97%. Meetings lasted approximately three hours on average.

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

The Board of Directors discussed the current state of the business at each of these meetings: operations, results and cash flow, and the progress of the Company's shares and the main ratios for market capitalisation were noted.

The Board of Directors approved the annual and interim financial statements and the terms of financial communications, reviewed the budget, prepared the Combined (Ordinary and Extraordinary) Shareholders' Meeting and, in particular, approved the draft resolutions.

As recommended, and following the termination of the operation of the Strategic Committee, the Board of Directors became more closely involved in discussions regarding the Group's strategy, including examining a strategic analysis of the Group in its competitive environment and reviewing the strategic plan and its implementation.

The Board of Directors dedicates a significant part of its agenda to reporting and debating on projects entrusted to the different Committees and their recommendations.

On the proposal of the Compensation Committee and in accordance with the recommendations of the AFEP-MEDEF Code, the Board established the compensation of the Chairwoman of the Board of Directors, the Vice Chairman and Chief Executive Officer and the Deputy Chief Executive Officer & Chief Operating Officer.

The Board also examined governance issues, including the composition of the Board of Directors with respect to the recommendations of the AFEP-MEDEF Code and new legislation (appointment of one or more Directors representing employees). It also decided to rename the Nominations Committee as the Nominations and Governance Committee, formalising the importance of these issues for the Board of Directors.

The Board of Directors carried out an annual review of its operations at its meeting of 24 July 2013, the conclusions of which are set out below.

Self-review of the Board of Directors

In accordance with the AFEP-MEDEF Code and with its Internal Regulations, during the first quarter of 2012 the Board carried out the review of the conditions governing its operation, which it conducts formally every three years. The study was conducted by an external consultant and was based on a questionnaire and interview with each of the Directors.

Although it is widely considered that the Board is very dynamic and that its operation is on the whole satisfactory, the Directors did suggest the following recommendations in the way of constructive criticism:

- more documents should be translated into English so that meetings can be prepared more efficiently;

- more time should be given to Committee reports;
- increased participation of Directors in Corporate Social Responsibility;
- collective review of the Group's Corporate Risk Management policy.

Some Directors also expressed their desire for more involvement in discussions regarding strategy and for such debates to further engage the collective responsibility of the Board. Duality with the Strategic Committee was thus highlighted. The Board agreed with this recommendation and the Strategic Committee was dissolved with effect from 25 April 2012.

As part of its annual self-review, and whilst emphasising that its members believe that the Board is still very dynamic and functions harmoniously, professionally and transparently, the Board of Directors of 24 July 2013 reviewed the actions undertaken with respect to the areas for improvement identified by the Directors during the formal assessment. Since that date, the Board of Directors has become more involved in discussions regarding the Group's strategy and the collective review of risk management and has strengthened the role of the Nominations and Governance Committee in issues relating to governance.

Shareholders' Meetings and attendance procedures

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

CORPORATE GOVERNANCE BODIES

Committees of the Board of Directors

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

Three Committees handle subjects in the area for which they have been given responsibility and submit their opinions and recommendations to the Board: the Audit Committee, the Compensation Committee and the Nominations and Governance Committee.

Audit Committee

At 28 August 2013, the Audit Committee was made up of:

Chairman:

Mr Michel Chambaud (Independent Director)

Members:

Ms Susan Murray (Independent Director)

Mr Wolfgang Colberg (Independent Director)

Mr François Gérard

The members of the Audit Committee were specifically chosen for their expertise in accounting and finance based on their training and professional experience.

In addition to the operational charter adopted in June 2002, the Audit Committee adopted its Internal Regulations at the Board of Directors' meeting of 18 March 2003. During the 2012/2013 financial year the Audit Committee met four times, with an attendance rate of 94%.

Main roles of the Audit Committee

The main roles of the Audit Committee are as follows:

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

Report on the work carried out during the 2012/2013 financial year

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

- review of the main provisions of French and foreign legislation or regulations, reports and commentaries with regard to Corporate Governance, risk management, Internal Control and audit matters;
- review of the interim financial statements at 31 December 2012 during the meeting of 12 February 2013;
- review of the consolidated financial statements at 30 June 2013 (these financial statements were reviewed at the Audit Committee meeting on 27 August 2013): the Audit Committee met with Management and with the Statutory Auditors in order to discuss the financial statements and accounts and their reliability for the whole Group. It notably examined the conclusions of the Statutory Auditors and the draft presentation of financial reporting;
- monitoring of the Group's cash flow and debt;
- risk management: the Group's main risks are regularly assessed in a detailed presentation to the Audit Committee (the meetings on 10 December 2012 and 13 June 2013 were mainly dedicated to risk management). In addition, the Group's Internal Control Principles were updated in 2013, involving the main subsidiaries and main Holding Company Management. The new redrafted Internal Control Principles were presented in detail to the Audit Committee;

- approval of the Group Internal Audit plan for 2013/2014 at the meeting of 13 June 2013. The audit plan was prepared and approved taking into account the Group's main risks;
- review of Internal Control: the Group sent its subsidiaries a self-assessment questionnaire making it possible to evaluate whether their Internal Control system was adequate and effective. Based on the Group's Internal Control Principles and in compliance with the French Financial Markets Authority (AMF) reference framework for risk management and Internal Control ("*Cadre de référence de l'Autorité des Marchés Financiers (AMF) sur le dispositif de gestion des risques et de Contrôle Interne*") and the latter's Application Guide published in 2007 and updated in July 2010, this questionnaire covers corporate governance practices, operational matters and IT support. Responses to the questionnaire were documented and reviewed by the Regions and the Group's Internal Audit Department. An analysis of the returned questionnaires was presented to the Audit Committee at the meeting on 27 August 2013;
- examination of the Internal Audit reports: in addition to the audits and controls carried out by the different subsidiaries on their own behalf, 28 Internal Audits were performed in 2012/2013 by the audit teams of both the Holding Company and the Regions. A full report was drawn up for each audit covering the types of risks identified – operational, financial, legal or strategic – and their management. Recommendations are issued when deemed necessary. The Audit Committee approves the recommendations of all the audit reports issued and checks the progress in implementing the recommendations from previous audits.

Outlook for 2013/2014

In 2013/2014, the Audit Committee will pursue the mission it is carrying out for the Board of Directors in line with current regulations. In addition to the risks associated with preparing financial information, 2013/2014 will notably be dedicated to reviewing the management of the Group's major risks, as well as analysing reports on Internal Audits and the cross-business themes set out in the 2013/2014 audit plan.

The Nominations and Governance Committee

At 28 August 2013, the Nominations and Governance Committee comprises:

Chairman:

Ms Nicole Bouton (Independent Director)

Members:

Mr Anders Narvinger (Independent Director)

Mr César Giron (replacing Ms Danièle Ricard)

The Chairwoman of the Board of Directors, Ms Danièle Ricard, is associated with the work of the Committee in matters relating to the appointment of Directors.

During the financial year 2012/2013, the Nominations and Governance Committee met five times, with an attendance rate of 100%.

Main roles of the Nominations and Governance Committee

The roles of this Committee, formalised in its Internal Regulations of 22 July 2009, include:

- drawing up proposals concerning the selection of new Directors and proposing research and renewal procedures;

Report of the Chairman of the Board of Directors of the Company

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

Report on the work carried out during the 2012/2013 financial year

In 2012/2013, the activities of the Nominations and Governance Committee have included:

- organisation of the Board of Directors following the passing away of Mr Patrick Ricard on 17 August 2012 and the nomination of new Directors;
- proposal of the composition of specialist Board committees;
- study and proposal of the renewal and appointment of Directors;
- study and proposal of the change in the Committee's name to "Nominations and Governance Committee" on the decision of the Board of 23 January 2013 in order to better reflect the Committee's duties relating to governance;
- review of the Group's Talent Management policy and presentation of the succession plans for the Group's main Directors;
- examination of the Group's work on developing diversity and in particular the representation of women in managerial positions within the Group;
- comparative study of the duties and responsibilities of the Nominations Committees of the different groups in the CAC 40;
- in-depth analysis of the impacts on the Board's composition of the "Copé-Zimmerman" law and the AFEP-MEDEF recommendations on the representation of women in Directors' positions;
- annual examination of the independence of Board members;
- study and proposal to implement the appointment of Employee Directors based on the draft law on the protection of employment;
- self-assessment of the Board and proposal of areas for improvement.

Outlook for 2013/2014

- Appointment of two Directors representing employees to the Board of Directors following the enactment of the law of 14 June 2013 on the protection of employment;
- Renewal of members with a view to further enhancing the Board's diversity and female representation.

Compensation Committee**At 28 August 2013, the Compensation Committee comprised:****Chairman:**

Ms Nicole Bouton (Independent Director)

Members:

Mr Anders Narvinger (Independent Director)

Mr Ian Gallienne (Independent Director), replacing Mr Gérald Frère

In 2012/2013, the Compensation Committee met just once, due to the postponement of the date of stock option and performance-based share allocation plans to the second half of 2013, with an attendance rate of 100%.

Main roles of the Compensation Committee

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

- reviewing and proposing to the Board of Directors the compensation to be paid to the Executive Director(s), their retirement schemes and any other benefits granted to them;
- proposing rules to this effect, and assessing them on an annual basis, to determine the variable portion of the compensation of Executive Director(s) and ensure that the criteria applied are in line with the Company's short-, medium- and long-term strategies;
- recommending to the Board of Directors the total amount of Directors' fees to be submitted for approval to the Shareholders' Meeting, as well as how they should be distributed:
 - for duties performed as Board members,
 - for duties carried out on specialised committees of the Board of Directors;
- being informed, in the presence of the Executive Director(s), of the compensation policy of the senior managers of Pernod Ricard group companies;
- ensuring that the compensation policy for senior managers is consistent with the policy for Executive Director(s);
- proposing the general policy for allocation of stock options and performance share plans, in particular the terms applicable to the Company's Executive Directors;
- approving the information provided to shareholders in the annual report on the compensation of Executive Directors and the policy for allocation of stock options and allocation of performance-based share plans as well as, more generally, the other work of the Compensation Committee.

Report on the work carried out during the 2012/2013 financial year

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

Outlook for 2013/2014

- Determination of the terms and conditions governing the allocation of performance-based shares and the attribution of stock options or subscription options and in particular the performance criteria applicable to Executive Directors;
- Ongoing examination of the compensation policy for Executive Directors with respect to the AFEP-MEDEF Code recommendations updated in June 2013 and, in particular, preparation of elements of compensation due or granted in respect of financial year 2012/2013 to each Executive Director and to be submitted to the shareholders' advisory vote at the Shareholders' Meeting of 6 November 2013 ("Say on Pay").

MANAGEMENT STRUCTURE

General Management

General Management of the Group is carried out by the Chief Executive Officer, Mr Pierre Pringuet, assisted by the Deputy Chief Executive Officer & Chief Operating Officer and three Managing Directors at 30 June 2013. These form the Group's permanent body for coordinating the Group's management.

The Executive Board is comprised of the Group General Management and the General Counsel.

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

Composition of the Executive Board:

- **Chief Executive Officer**, Pierre Pringuet, Corporate Officer;
- **Deputy Chief Executive Officer & Chief Operating Officer**, Alexandre Ricard, Corporate Officer (from 29 August 2012), also responsible for the Distribution Network entities;
- **three Managing Directors**, respectively:
 - **Thierry Billot**, Managing Director, Brands,
 - **Gilles Bogaert**, Managing Director, Finance,
 - **Bruno Rain**, Managing Director, Human Resources and Corporate Social Responsibility;
- **Ian FitzSimons**, General Counsel.

The Communication Department also reports to the Chief Executive Officer.

Executive Committee

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

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

In this capacity, the Executive Committee:

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

The Executive Committee meets 8 to 11 times a year.

The Executive Committee is made up of:

- the Executive Board;
- the Brand Companies:
 - Chivas Brothers, Christian Porta, Chairman and CEO,
 - Martell Mumm Perrier-Jouët, Philippe Guettat, Chairman & CEO (from 1 October 2012, replacing Mr Lionel Breton, who retired),
 - Premium Wine Brands, Jean-Christophe Coutures, Chairman and CEO,
 - Irish Distillers Group, Anna Malmhake, Chairman and CEO,
 - The ABSOLUT Company, Paul Duffy, Chairman and CEO (from 1 October 2012, replacing Mr Philippe Guettat, see above);
- the Market Companies:
 - Pernod Ricard Americas, Philippe Dréano, Chairman and CEO,
 - Pernod Ricard Asia, Pierre Coppéré, Chairman and CEO,
 - Pernod Ricard Europe, Laurent Lacassagne, Chairman and CEO,
 - Pernod, César Giron, Chairman and CEO,
 - Ricard, Philippe Savinel, Chairman and CEO.

Significant post-balance sheet events

Laurent Lacassagne, Chairman and CEO of Pernod Ricard Europe, was appointed Chairman and CEO of Chivas Brothers from 1 July 2013. On the same date, Christian Porta, Chairman and CEO of Chivas Brothers was appointed Chairman and CEO of Pernod Ricard Europe.

Mr Laurent Lacassagne now reports to Mr Thierry Billot and Mr Christian Porta to Mr Alexandre Ricard.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL AND RISK MANAGEMENT

The Group's Internal Control and risk management policies and procedures follow Corporate Governance guidelines which are compliant with the AMF (French Financial Markets Authority) reference framework for risk management and Internal Control.

DEFINITION OF INTERNAL CONTROL

The Internal Control policies and procedures in effect within the Group are designed:

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

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

DESCRIPTION OF THE INTERNAL CONTROL ENVIRONMENT

Components of the Internal Control system

The principal bodies responsible for Internal Control are as follows:

At Group level

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

The **Executive Committee** is comprised of the Group General Management, the General Counsel and the CEOs of the Brand and Market Companies. The Executive Committee ensures that the

Group's operations are carried out and that its main policies are applied. The Executive Committee meets 8 to 11 times a year.

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

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

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

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

At subsidiary level

The **Management Committee** is appointed by the Holding Company or by a Region and is composed of the subsidiary's Chairman and CEO and its senior managers. The Management Committee is notably responsible for managing the main risks that could affect the subsidiary.

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

Identification and management of risks

The 2012/2013 financial year focused on:

- updating the Group's Internal Control Principles, completed in March 2013, following a process which involved the main subsidiaries and the main Holding Company Management;
- action to raise awareness among Group employees of the risks of fraud, with a view to reinforcing the prevention of these risks;
- implementing the self-assessment questionnaire on Internal Control and risk management. This questionnaire, which was updated during the 2012/2013 financial year, complies with the AMF reference framework for risk management and Internal Control, together with its application guide, itself updated in July 2010;

- performing audits: 28 Internal Audits were conducted in 2012/2013. The purpose of these audits was to ensure that the Group's Internal Control Principles were properly applied at its subsidiaries. They also reviewed the processes in place, best practices and the potential for improvements based on two cross-business areas: monitoring of commercial expenses and monitoring our clients' stocks.

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

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

Key components of Internal Control procedures

The key components of Internal Control procedures are as follows:

The **Pernod Ricard Charter** specifies the rights and commitments of each employee with regard to the Group's fundamental values, in particular its sense of ethics: compliance with law, integrity and the application of rules and procedures in force within the Group. A copy of the Charter is given to each employee when they are recruited and is always available on the Group Intranet site.

A formal **Delegation of authority** procedure, issued by the Board of Directors, sets out the powers of the CEO, the Deputy Chief Executive Officer & Chief Operating Officer, as well as those of the Managing Directors, and those of the Group General Counsel.

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

The **Internal Control Principles**, updated during the year, outline the common ground of all the principles and rules applying to all of the Group's subsidiaries with respect to Internal Control, for each of the 16 main operational cycles identified.

The **self-assessment questionnaire**, regularly updated notably to comply with the AMF reference framework for risk management and Internal Control. In particular, it covers Corporate Governance practices, operational activities and IT support. Submitted to the Group's subsidiaries, it enables them to assess the adequacy and the effectiveness of their Internal Controls. Responses to the questionnaires are documented and reviewed by the Regions and Group Internal Audit Department. All of this work is covered by:

- a summary by subsidiary and an overall Group summary, which are both provided to the General Management and the Audit Committee;

- a letter of representation from each subsidiary sent to the Chairman and CEO of their Parent Company and a letter of representation from the various parent companies sent to the CEO of Pernod Ricard. This letter engages subsidiary management as regards the adequacy of their control procedures in the light of identified risks.

The **Pernod Ricard Quality, Safety and Environment Standards** set out the rules to be complied with in these areas. The Industrial Operations Department of the Group is in charge of ensuring that they are followed.

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

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

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

Legal and operational control of the Holding Company over its subsidiaries

Subsidiaries are mostly wholly-owned, either directly or indirectly, by Pernod Ricard SA.

Pernod Ricard is represented directly or indirectly (through an intermediate subsidiary) on its subsidiaries' Boards of Directors.

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

The role of the Holding Company, as described in the "A decentralised business model" paragraph of Section 1 "Presentation of the Pernod Ricard Group" of this document, is an important component of the control of subsidiaries.

FINANCIAL AND ACCOUNTING REPORTING

PREPARATION OF THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

PREPARATION OF PERNOD RICARD PARENT COMPANY FINANCIAL STATEMENTS

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

Paris, 28 August 2013

Danièle Ricard

Chairwoman of the Board of Directors

STATUTORY AUDITORS' REPORT

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF PERNOD RICARD

To the Shareholders,

In our capacity as Statutory Auditors of Pernod Ricard and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*) for the financial year ended June 30th, 2013.

The Chairman is responsible for preparing and submitting to the approval of the Board of Directors, a report presenting the internal control and risk management procedures implemented by the Company and disclosing other information as required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) dealing in particular with corporate governance.

Our own responsibility is to:

- notify you of any observations we may have as to the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information; and
- attest that the report includes the other disclosures required by Article L. 22537 of the French Commercial Code (*Code de commerce*). It should be noted that we are not responsible for verifying the fair presentation of those other disclosures.

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

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

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

Those procedures involve in particular:

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

Based on the procedures performed, we have nothing to report on the information relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information contained in the report of the Chairman of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

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

CORPORATE SOCIAL RESPONSIBILITY

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SHARING A TANGIBLE COMMITMENT

Declaration by Pierre Pringuet, Chief Executive Officer and Vice Chairman of the Board of Directors; Communication on our progress, United Nations Global Compact

"Founded in 1975, Pernod Ricard is the global co-leader in Wines & Spirits. However, we believe that there cannot be leadership without Corporate Social Responsibility, which is why the Group has always placed Sustainable Development at the heart of its strategy. Pernod Ricard has been committed to Sustainable Development for more than 40 years, in the spirit of continued improvement. Well before the Group was created, Pernod and Ricard were pioneers in this field, notably through the creation of the Oceanographic Institute in 1966 by Ricard and the creation of the IREB (Institut de Recherches Scientifiques sur les Boissons) in 1971 by Pernod.

In 2009, the Group wanted to give a new dimension to its Sustainable Development Strategy with the creation of its Corporate Social Responsibility (CSR) platform. This gave fresh impetus to the Group's CSR policy and reaffirmed the boundaries of its strategy around one prerequisite, respect for all stakeholders and four priorities: responsible drinking, respect for the environment, the promotion of entrepreneurship and the sharing of cultures. Each priority is in harmony with Pernod Ricard's values and helps maintain a strong corporate culture.

And, since we recognise that Sustainable Development cannot be taken for granted, we are constantly looking to strengthen our CSR vision. Therefore, in 2012 Pernod Ricard decided to become the pilot company for a new experimental French standard: the credibility standard. This standard evaluates the credibility of CSR actions with regard to ISO 26000, notably by examining CSR strategy and dialogue with stakeholders. This measure has led to a credibility report, which highlights the strong commitment of both the Group and its Directors and the reality of its actions, and has enabled Pernod Ricard to identify areas for improvement.

Further, as a co-leader in the wines and spirits sector, we need to set an example in terms of CSR and work in close collaboration with the industry. Proof of this state of mind, during the International Center for Alcohol Policies (ICAP) conference in October 2012, Pernod Ricard and the main beer, wines and spirits producers worldwide announced the industry's five commitments to reducing alcohol abuse. This five-year action plan will be monitored and controlled annually by an independent third party.

These CSR measures are completely in line with the 10 principles of the United Nations Global Compact. I would also like to take advantage of this key moment in the life of the Group, the publication of our Registration Document, to renew our commitment to the Global Compact, of which we have been a member since 2003 and to the CEO Water Mandate, which we have supported since 2010, both of which are in keeping with the Group's vision and culture".

Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer



A HISTORIC STEP ROOTED IN THE GROUP'S CULTURE

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

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

- employee shareholding in Ricard since 1938;
- creation of the Oceanographic Institute by Paul Ricard in 1966;
- creation of Institute for Scientific Research on Beverages (IREB) in 1971;
- founding of Pernod Ricard in 1975, while preserving the personality of the two founders, Pernod and Ricard;
- creation of Pernod Ricard Research Centre in 1975, with the aim of developing local production of anise flavours in France from the cultivation of fennel;
- in 1981, joint development of Inipol EAP 22 by the Paul Ricard Oceanographic Institute and Elf Aquitaine. This product accelerates the natural process of offshore hydrocarbon breakdown, and made a significant contribution to the clean-up of the coast of Alaska in 1989 following the Exxon Valdez disaster;
- introduction of a process for employees to express their collective views directly in France in 1982;
- first "Environment Symposium" organised by the Oceanographic Institute in 1987 on Les Embiez Island;
- creation of Enterprise & Prevention (E&P) association in 1990, which was co-founded by Pernod Ricard. Today, this association brings together the principal French producers of wines, beers and spirits. This organisation is responsible for advertising self-regulation in France, in association with the ARPP (*Autorité de Régulation Professionnelle de la Publicité* – French Advertising Standards Authority). E&P works with the public authorities on issues related to alcohol and offers preventative programmes on alcohol abuse;
- in 1990 the Group was a founding member of the European Forum for Responsible Drinking (EFRD), now SpiritsEUROPE, which promotes responsible drinking and encourages companies in the industry to adopt self-regulatory standards for commercial communications;
- cultural sponsorship of the Georges Pompidou Centre since 1997;
- every year since 1999, the Prix Fondation d'Entreprise Ricard has been awarded to an emerging young artist on the French arts scene;
- signatory of the United Nations Global Compact since 2003;
- integrated "Quality, Safety and Environment policy" (QSE) since 2004;
- Pernod Ricard has been a member of the ICAP (International Center for Alcohol Policies) since 2005;
- Pernod Ricard has been included in the FTSE4Good extra-financial analysis index since 2005;
- Sustainable Development Charter since 2006, with tangible commitments in relation to shareholders, employees, consumers, the environment, suppliers and partners. This charter was updated in 2013 and became "the Pernod Ricard Commitments to Sustainable Development" (www.pernod-ricard.com);
- introduction of the pictogram for the prevention of alcohol consumption by pregnant women in 2006 in all European Union countries; decision to extend to all countries in which Pernod Ricard is present in 2013 (notwithstanding any regulatory constraints);
- in 2007 Pernod Ricard adopted a Code for Commercial Communication;
- participation in Environment Summit (*Grenelle de l'Environnement*) in 2007 and 2008;
- ISO 14001 and ISO 9001 certification for over 80% of industrial production sites in 2009, covering 90% of production volume;
- in 2010, the Group joined the CEO Water Mandate;
- in 2010, as part of the Group-wide project (Agility) Pernod Ricard reviewed and formalised its CSR policy, leading to the creation of the CSR platform. In Spring 2011, more than 80% of its employees received face-to-face training on this platform and the Group's CSR challenges and strategy. They are able to build on their knowledge through e-learning;
- 2011: introduction of the annual global social responsibility event to mobilise the Group's 18,000 employees: Responsib'All Day;
- 2013: became a member of Transparency International;
- 2013: new environmental policy.

AN APPROPRIATE GOVERNANCE⁽¹⁾

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

In 2009, the Group launched a Group-wide project called Agility, designed to update the corporate model and thus improve the Group's performance.

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

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

(1) In accordance with the first principle of the United Nations Global Compact: "to support and respect the protection of internationally proclaimed Human Rights".

Sharing a tangible commitment

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

- **to designate a high level organisation dedicated to CSR:**
 - responsibilities of the Managing Director, in charge of Human Resources, extended to include CSR,
 - a Group CSR Advisory Committee created, gathering people from all Regions and functions. Its main roles are to facilitate the implementation of Corporate Social Responsibility, initiatives to offer support to subsidiaries and provide analyses and recommendations on strategic CSR issues,
 - a network of CSR leaders was developed, comprising employees from more than 75 countries, who operate under the management of their subsidiary and whose main role is to introduce the CSR strategy locally;
- **to implement a CSR strategic platform founded on three fundamentals:**
 - CSR activities should be linked with the Group's business,
 - they should be rooted in the Group's culture and identity,
 - they should involve all employees.

This platform has one prerequisite and four priorities:

- **one prerequisite:** respect of all stakeholders: in particular our employees, consumers, shareholders, partners, clients, and suppliers, and local communities;
- **two principal priorities:**
 - responsible drinking: Pernod Ricard aims, in particular, to set an excellent example on the issues of drink driving and education,
 - environment: to reduce its environmental impacts, the Group has defined five issues to be addressed, namely environmental management, sustainable farming, water use, energy use/CO₂ emissions and eco-design of packaging;
- **two optional priorities:**
 - actions that favour entrepreneurship and its innovative, energetic and responsible values,
 - cultural initiatives.

This platform has been cascaded through team training from the CSR leaders to the employees. In May 2011, more than 15,000 employees had already been trained in CSR. The CSR training module describes the concepts of Sustainable Development and Corporate Social Responsibility, explains the Corporate Social Responsibility issues for Pernod Ricard, develops each area of the Corporate Social Responsibility strategy in detail and encourages employees to become involved.

In order to reinforce and increase the knowledge of employees about Corporate Social Responsibility, an e-learning module of around 40 minutes was launched on 26 April 2011.

In 2012, three years after the development of its new CSR platform and with a view to continuous improvement, Pernod Ricard wished

to evaluate the relevance and effectiveness of its CSR strategy. The Group therefore decided to act as the pilot company for a new experimental French standard. This standard evaluates the credibility of CSR measures with regard to ISO 26000. Over a period of five months, independent experts conducted internal interviews in different subsidiaries and with external stakeholders to assess the Group's CSR strategy.

This pioneering approach led to the creation of a credibility report, which highlights the strong commitment of the Group and its Directors and the reality of its actions, and has enabled Pernod Ricard to identify areas for improvement (<http://pernod-ricard.fr/49/la-rse/strategie>).

CSR governance

Pernod Ricard puts CSR at the heart of its vision and values (entrepreneurial spirit, mutual trust and sense of ethics), summed up in its slogan "*Créateurs de convivialité*". Its 18,972 employees are ambassadors and actors in its CSR policy.

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

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

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

Operational and CSR risks are covered by the Company's audit and Internal Control systems.

Internal QSE standards are a key reference for Internal Control procedures.

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

External benchmarks

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

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

HUMAN RESOURCES

CHALLENGES AND POLICY

Leadership culture

Leadership culture is inherent in Pernod Ricard's values and history and drives its performance. In order to accelerate their adoption, since 2010 the Group has been committed to creating and deploying common tools and processes across all its subsidiaries. Several of these were introduced into the subsidiaries in 2011 and form part of the Group's local practices since 2012.

Collective and individual performance

As a result of its decentralised economic model, Pernod Ricard's culture is based on three core values shared by all 18,972 employees: entrepreneurial spirit, mutual trust, sense of ethics. It is accompanied on a day-to-day basis by a collective attitude, which drives commitment: conviviality and team spirit, which can be seen in the ease of interactions and the recognition of success.

Performance is encouraged throughout the Group via favourable profit-sharing policies. Moreover, the policies governing the allocation of performance-based shares and stock options are generous and democratic. This year, for reasons of governance, the allocation has been slightly deferred until after the balance sheet date.

Ambitious HR tools and processes

Pernod Ricard's culture drives its creativity and permanent innovation. The Group has formalised the main principles of its culture, in terms of work organisation, attitude, leadership and talent development, in its Charter which was updated in early 2011 and sent to all employees. This year, the Charter was translated into a large number of languages and is now available in German, Armenian, Chinese, Korean, Danish, Dutch, Japanese, Polish, Portuguese, Russian, Swedish, Turkish, and it will soon be available in Greek.

In order to support and optimise this dynamic model, effective HR management tools and processes common to the entire Group were developed, based on work carried out in consultation with all the subsidiaries. Pernod Ricard was awarded the *Trophée du Capital Humain* (Human Capital Trophy) for all its HR work in the following five areas: "Young people: Recruitment and Integration policy", with regional Graduate Programmes, "Display of Management Model Values" with Pernod Ricard's Leadership Model, "Social Relations as part of International Development" with the European Committee, "Corporate Agility: Managerial and Organisational Innovations" with Pernod Ricard Chatter® (Corporate social network) and "Training: Corporate Transformation Tool" with Pernod Ricard University.

Concertation⁽¹⁾

The Company has a tradition of concertation and promotes freedom of association, believing in the importance of providing a working environment which recognises working conditions. The Group's corporate report has a section which assesses the quality of concertation.

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

In France, the group committee (France) meets at least once a year. The Committee brings together employees' representatives appointed by the largest trade union organisations in the French subsidiaries. The Group's financial statements are presented during meetings of the group committee (France), and employment and its forecasted change over the year to come are analysed.

3

NOTE ON THE METHODOLOGY USED TO COMPILE SOCIAL INDICATORS

Tools used

The Hyperion Financial Management (HFM) consolidation software has been used to gather and process corporate data for 2012/2013, supplied by local entities. Controls are performed by combining the HFM package with the query editor features of the Smart View data retrieval tool.

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

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

Consolidation scope for data retrieval

Corporate data and their level of detail are expressed within a scope which has been slightly modified compared to 2012, following the integration of Cusenier into Pernod, the addition of two entities in the Asia Region (Pernod Ricard Helan Mountain and Pernod Ricard Singapore Representative Offices in Cambodia), and the removal of the consolidated sub-group Pernod Ricard Benelux.

(1) In accordance with Principle 3 of the United Nations Global Compact: "to uphold the freedom of association and the effective recognition of the right to collective bargaining".

Human Resources

The Asia-Pacific Region covers the Distribution Networks activity in Asia and the Group wines business, including the subsidiary Domecq Bodegas, which is based in Spain (342 employees at 30 June 2013). Pernod Ricard's African activities are managed by the Europe Region and the related data are therefore included in the data for Europe. This Region also includes the workforce of the Pernod Ricard Maroc subsidiary created this year.

The indicators are mostly given for a global consolidation scope. However, for some indicators, such as the absenteeism rate including maternity, paternity and parental leave, which are difficult to standardise at a global level, it was preferred to report for two different scopes: France and World.

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

The requests made to subsidiaries in respect of social indicators are influenced by a number of reference texts to which Pernod Ricard refers: the list of information required by the "Grenelle 2" law, which provides a list of indicators to which Pernod Ricard is subject from the 2012/2013 financial year (in accordance with article L. 225-102-1 of the French Commercial Code) and ISO 26000, have provided a working framework.

Method of consolidation of indicators

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

To improve the reliability of the reporting process, a glossary is updated every year, providing precise definitions of each indicator, illustrated by real examples. A user guide for the reporting tool is also available for contributors. Automatic consistency controls (which sometimes have a blocking effect) also exist since 2010, with additions in 2012 and 2013.

Internal training has been provided for the key users (Regions, direct subsidiaries of the Holding Company) in 2012.

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

All of the corporate data is consolidated by aggregation.

Additional information

Professional categories are a specifically French concept which Pernod Ricard group companies in other countries find hard to apply. With the aim of improving the reliability of data, the Group has expanded this concept by retaining the four categories used in

the French Group scope and allocating two categories for the World scope: Managers and non-Managers. The Group entities have been explicitly notified of the categories.

Recruitment and departures, age and seniority are calculated based on staff with indefinite-term contracts.

Average headcount is calculated on a full-time equivalent basis, without taking into account long and short-term absences.

Pernod Ricard China employees are accounted for as staff with indefinite-term contracts (893 at 30 June 2013). Chinese employment contracts actually comprise a statutory duration and are only transformed into indefinite-term contracts after several years. However, given the specificities of employment legislation in China, the Pernod Ricard group considers its personnel to be staff with indefinite-term contracts.

In 2012, it was specified that expats and transferred employees are accounted for by the host company, including all corresponding costs (training, salary etc.); this category is accounted for in the same way this year. This explains significant variations with previous years, for the Holding Company, for example.

In the accounting rule for remuneration data, the way in which employer and employee expenses should be recognised in the data supplied was specified in 2012. This explains significant variations compared with previous years.

Maternity/paternity/parental leave are included in the absenteeism rate.

Under French legislation, apprentices are accounted for as staff with definite term contracts for issues such as the absenteeism rate, but are not accounted for as such in threshold calculations. Pernod Ricard has elected to fully integrate apprentices into staff with definite term contracts, as in the 2011/2012 financial year.

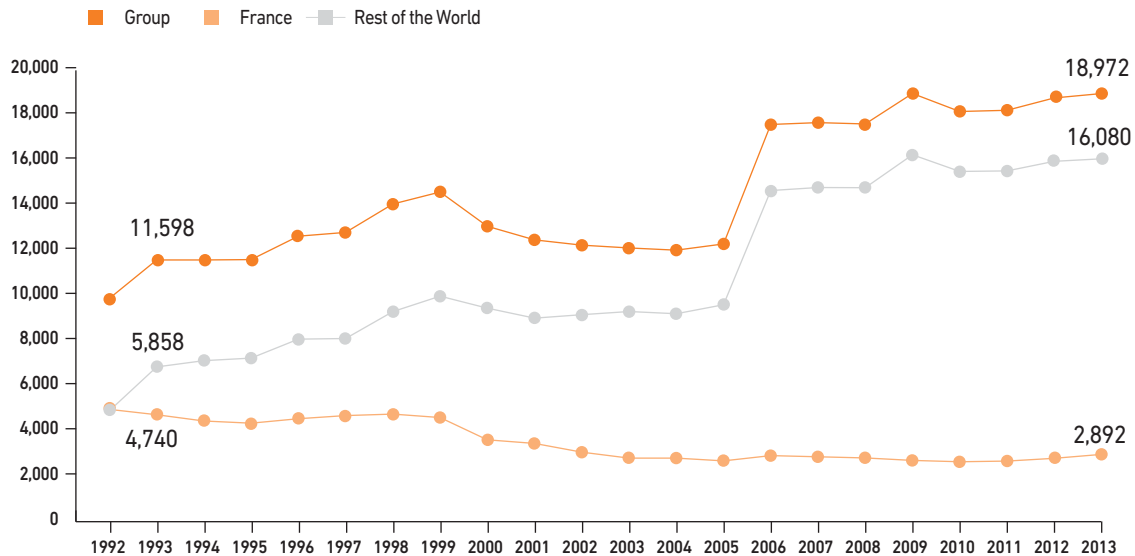
Working time, the absenteeism rate and the frequency and severity rates of accidents at work are calculated on the basis of the theoretical number of hours or days worked per year and in working days.

All training hours completed by employees (not uniquely those invoiced) are recognised, including both face-to-face training and e-learning hours. They are all included in the same indicator.

THE GROUP'S SOCIAL REPORT

The Group's social report, drawn up annually using contributions from the subsidiaries, reveals Pernod Ricard's social profile. To improve the transparency and reliability of the corporate data communicated, starting in 2010, the Statutory Auditors have verified certain Group data on headcount (global, definite-term contracts and indefinite-term contracts), the ratio of men/women, voluntary turnover, average workforce by Region and staff movements. From 2013, the Group's data for all indicators are verified. Their report, detailing the work performed as well as their comments and conclusions, appears on page 82.

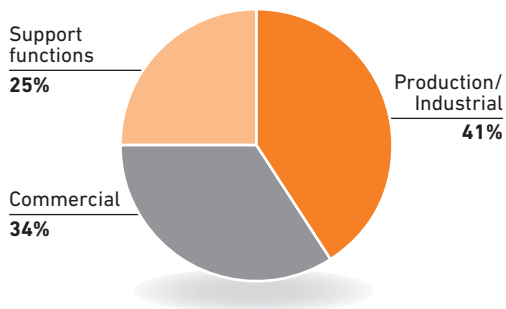
Trends in worldwide workforce at 30 June



This end-of-year snapshot shows 1% growth in the workforce between 2011/2012 and 2012/2013. Against an uncertain economic backdrop, this slight growth suggests that the Group's headcount is stabilising.

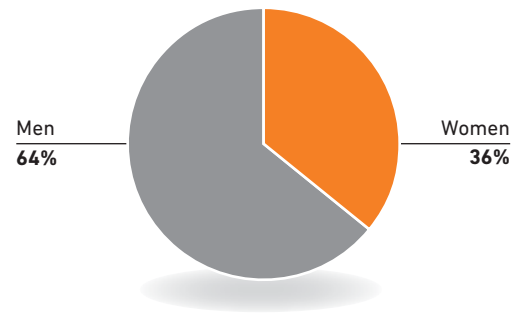
Group employee numbers increased 64% between 1993 and 2013, symbolising, through its development, the global ambitions of the Group and the relevance of its business model.

Breakdown of average workforce by sector of activity



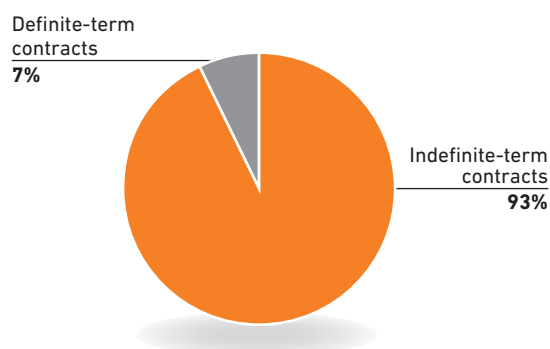
The employee breakdown by sector of activity shows that 41% work in the industrial sector (distilleries, bottling sites, logistics centres, ageing warehouses, wine making, procurement, supply chain, QSE), 34% in the sales function and 25% in support functions. The growth in sales positions should be noted, accounting for 34% of the workforce in 2012/2013 compared to 30% in 2008/2009. Support function positions remained stable and industrial activities account for 41% of positions compared to 47% in 2008/2009.

Breakdown of workforce by gender at 30 June 2013



Women represent more than one third of the Pernod Ricard group workforce and their numbers have been growing since 2010 (6,760 women compared to 6,553 in 2011/2012). In 2012/2013, external female recruits accounted for more than 40% of hirings and 37% of employees moving between subsidiary companies were women.

Breakdown of workforce by type of employment contract at 30 June 2013



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

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

In France, definite-term contracts account for 7% of employment contracts compared with 8% in the Asia-Pacific Region, due mainly to the large numbers of seasonal workers employed in the wine industry.

Across the Group, 5% of the workforce work part time.

The average number of hours worked per employee in 2012/2013 was 1,840. The number of theoretical hours worked per day in the Group averages 8 hours per day over 230 days worked per year (excluding weekends, public holidays, legal or contractual annual leave, additional holidays and compensation days for reduction in working hours legislation (RTT)).

Average workforce by Region

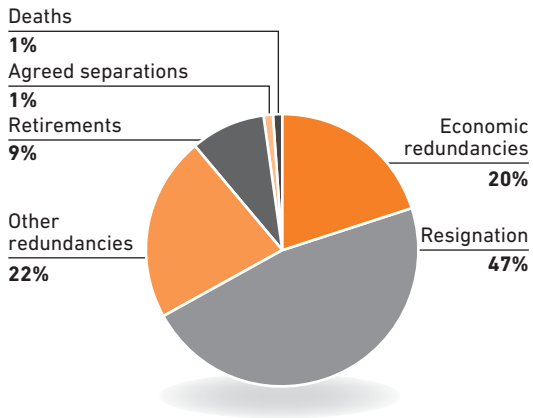
| | 2010/2011 | | 2011/2012 | | 2012/2013 | |
|--------------------------------|--------------------------|------|--------------------------|------|--------------------------|------|
| | Average annual workforce | In % | Average annual workforce | In % | Average annual workforce | In % |
| | Total all categories | | Total all categories | | Total all categories | |
| Group | 17,926 | 100% | 18,308 | 100% | 18,608 | 100% |
| Europe | 9,263 | 52% | 9,397 | 51% | 9,673 | 52% |
| <i>France</i> | 2,616 | 15% | 2,713 | 15% | 2,865 | 15% |
| <i>Europe excluding France</i> | 6,647 | 37% | 6,683 | 36% | 6,808 | 37% |
| Americas | 4,129 | 23% | 4,236 | 23% | 4,207 | 23% |
| Asia-Pacific | 4,534 | 25% | 4,675 | 26% | 4,728 | 25% |

The Group is present internationally via subsidiaries located in 75 countries (52% of staff are located in Europe, 23% in the Americas and 25% in the Asia-Pacific Region). This diversity contributes to the Group's performance and reflects its capacity to integrate employees from different cultural backgrounds. France, birthplace of Pernod Ricard, boasts 15% of Group total staff numbers.

Variations in the workforce mainly occurred in:

- Asia (integration of Helan Mountain in China, growth of technical and industrial activities in India);
- Africa (growth of sales network in sub-Saharan Africa, creation of a subsidiary in Morocco);
- the Pacific Region (reduction in the workforce in New Zealand following the sale of vineyards, closure of a warehouse in Australia, effective from 1 July 2012);
- Europe, where movements stabilised (growth of the sales network in Russia and the Ukraine, global growth of the workforce at Martell Mumm Perrier-Jouët, reduction of the workforce in Denmark and Italy and the closure of a site in Poland);
- America (reduction in the workforce in Mexico and in Venezuela balanced by a rise in average workforces in Argentina and Chile).

Employee departures by reason (employees with indefinite-term contracts)



The balance between recruitments (2,352) and departures (2,126) is positive. Resignations are the main reason for departure from the Group but account for a decreasing share of departures over the period (47% of departures compared to 51% in 2011/2012). Individual departures (excluding resignation) increased slightly in 2012/2013, representing 494 departures (compared to 437 in 2011/2012). The number of economic redundancies increased between 2011/2012 and 2012/2013, from 16% to 20%. Against a difficult economic backdrop, the Group was able to limit restructuring with few collective redundancies for economic reasons, particularly since the perimeter remained almost stable this year.

Only staff with indefinite-term contracts are accounted for in recruitments and departures. This allows the Group to have an accurate view of the reasons leading to an employee leaving the Group, since it excludes employment contracts reaching their contractual end.

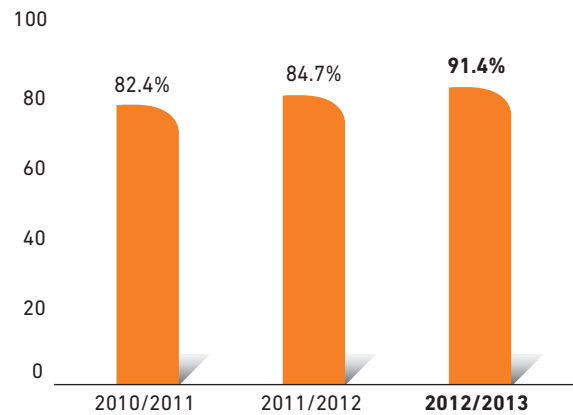
Staff movements

| | Resignations | Annualised workforce on indefinite-term contracts | Rate of voluntary departures |
|--------------|--------------|---|------------------------------|
| Managers | 195 | 4,260 | 4.6% |
| Non-Managers | 811 | 13,227 | 6.1% |
| TOTAL | 1,006 | 17,487 | 5.8% |

1,006 resignations were recorded during the period, compared to 959 last year. The rate of voluntary departures remained low, despite a rise over the last two years (5.6% in 2011/2012 and 5.8% in 2012/2103).

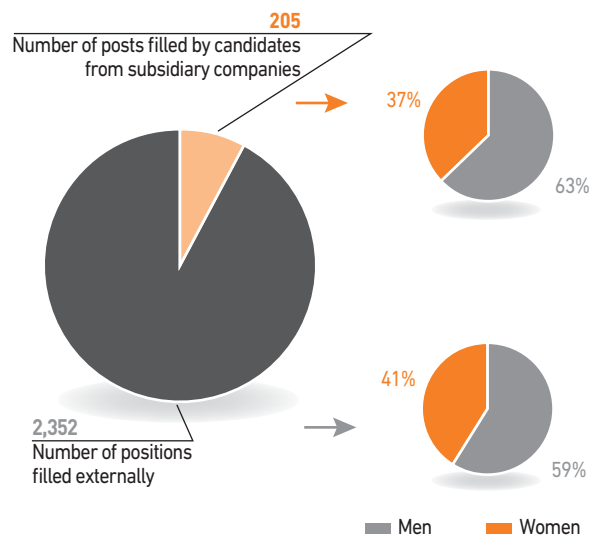
Recruitment and annual performance review

CHANGE IN ANNUAL PERFORMANCE REVIEW RATE



Pernod Ricard is improving the evaluation of employee performance and the compilation of development goals with the rate of annual Manager/employee interviews reaching 91.4% in 2012/2013, up 6.7 points compared to 2011/2012.

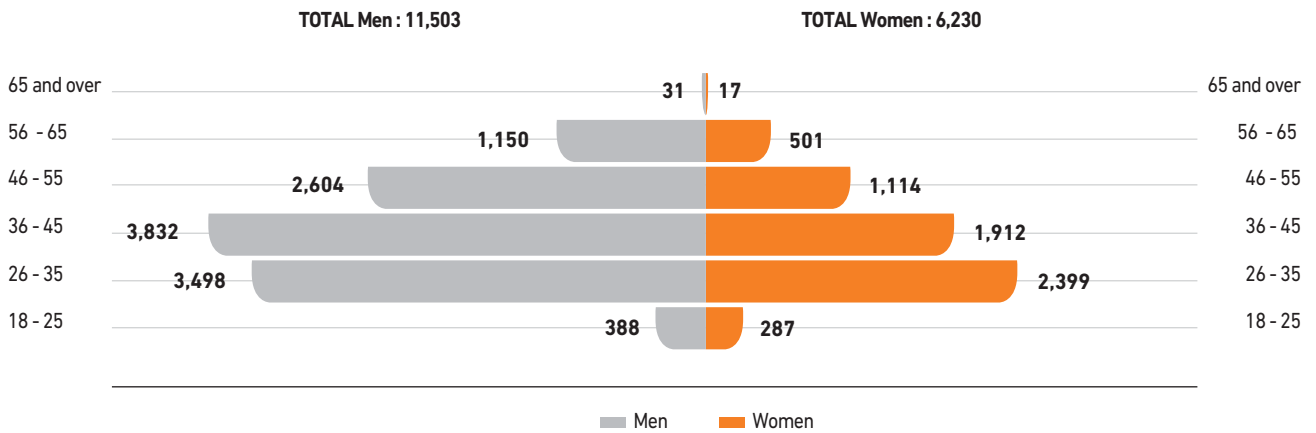
BREAKDOWN OF POSITIONS FILLED IN 2012/2013



205 positions were filled by candidates from subsidiary companies (i.e. 8% of new indefinite-term contracts during the period). A total of 2,352 external recruitments were reported over the period. 49 international moves (from one country to another) were recorded in the expatriate population during the period.



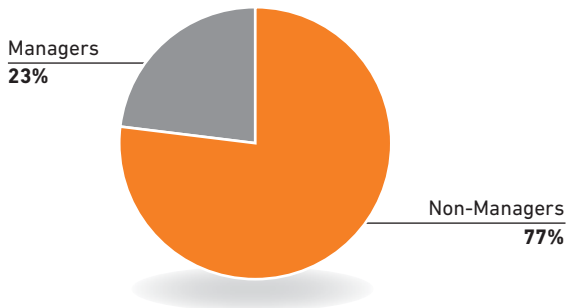
Average age and seniority



The average length of service of Group employees is 9.8 years. This figure is stable compared to the previous period. In France, the average length of service reported is 16 years, a slight fall.

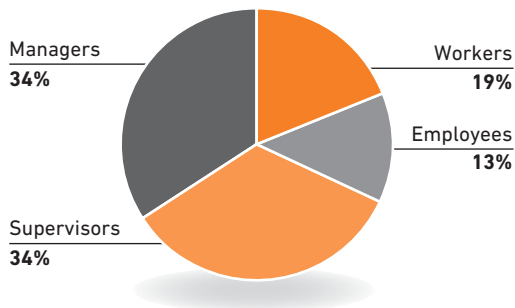
The average age of Group employees is 40.6 years. In France, the average age is slightly less than 44.

Breakdown of Group average workforce by category



Worldwide, 23% of employees hold a Managerial position (internal definition: notions of autonomy, responsibility and strategic level of the employee's post).

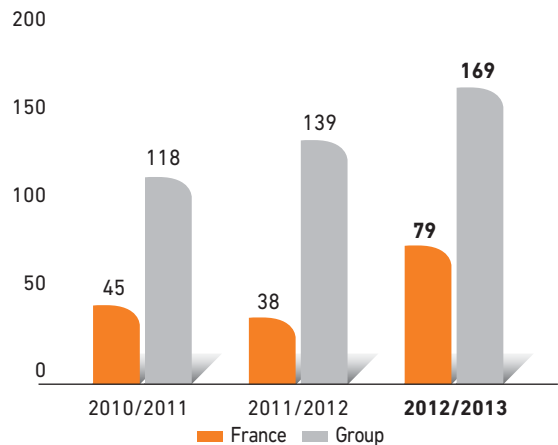
Breakdown of average workforce in France by category



Of the 2,865 employees (average workforce) in France, 66% are workers, employees or supervisors.

Company Agreements ⁽¹⁾

CHANGE IN THE NUMBER OF COMPANY AGREEMENTS SIGNED



The Group favours the enhancement of concertation, with 169 agreements signed with different social partners worldwide during the past year, i.e. 30 more than the previous year. In France, 79 Company Agreements were signed by Group subsidiaries in 2012/2013, double the number in the previous period. The agreements covered issues such as profit-sharing, salaries, health cover, equal opportunities, profit-sharing Premium, employment of seniors and stress.

In total, trade unions are present in 33% of the Group's entities. There are also non-union employee representation groups in the majority of the Group's subsidiaries: 34 Group subsidiaries signed at least one Company Agreement during the year.

(1) In accordance with Principle 3 of the United Nations Global Compact: "to uphold the freedom of association and the effective recognition of the right to collective bargaining".

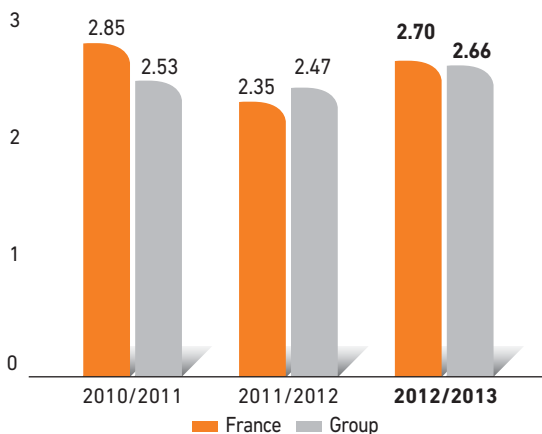
Outside France, negotiations covered such issues as profit-sharing (Brazil) and equal opportunities (Spain).

Occupational Health and Safety is regularly discussed within Group subsidiaries. This year, 14 subsidiaries signed at least one agreement in this area.

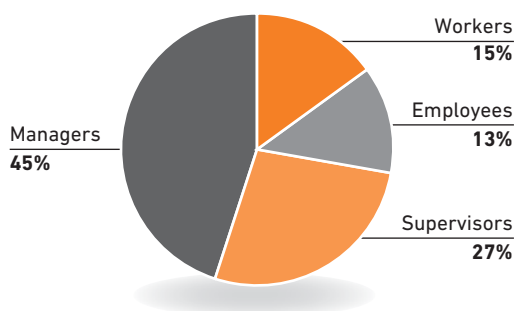
Training

TRENDS IN TRAINING INVESTMENT

(as a percentage of total payroll)



BREAKDOWN OF TRAINING HOURS IN FRANCE BY PROFESSIONAL CATEGORY



With 494,837 training hours this year, the Group was able to offer training to over 14,900 employees (i.e. 80% of the total average workforce). This figure, up 3% on the previous year, was backed by a 7% increase in training spend compared to 2011/2012.

Training hours also increased in France and the funding allocated equalled 2.70% of payroll, i.e. an increase of 0.35 points, which is slightly higher than the Group trend of 2.66% this year (compared to 2.47% in 2011/2012).

The employees trained received on average 33 hours of training, a slight increase on the previous year.

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

The Group created Pernod Ricard University in 2011 in order to support talent development and train its future leaders while encouraging diversity. Through long-term training programmes, it supports employees throughout their professional careers.

Pernod Ricard University offers a wide range of training courses, open to all Managers worldwide (27 programmes, 48 sessions taught in French, English and Spanish, offered to 645 people in 2011/2012). This year Pernod Ricard University launched dedicated Leadership training with INSEAD. 140 people took part in the first programmes which aim to be transformational experiences. 105 people completed the Mixers programme and 35 people the Shakers programme.

A partnership for senior Managers has also been put in place with INSEAD since 2007. This year around 30 employees took part in this specific programme.

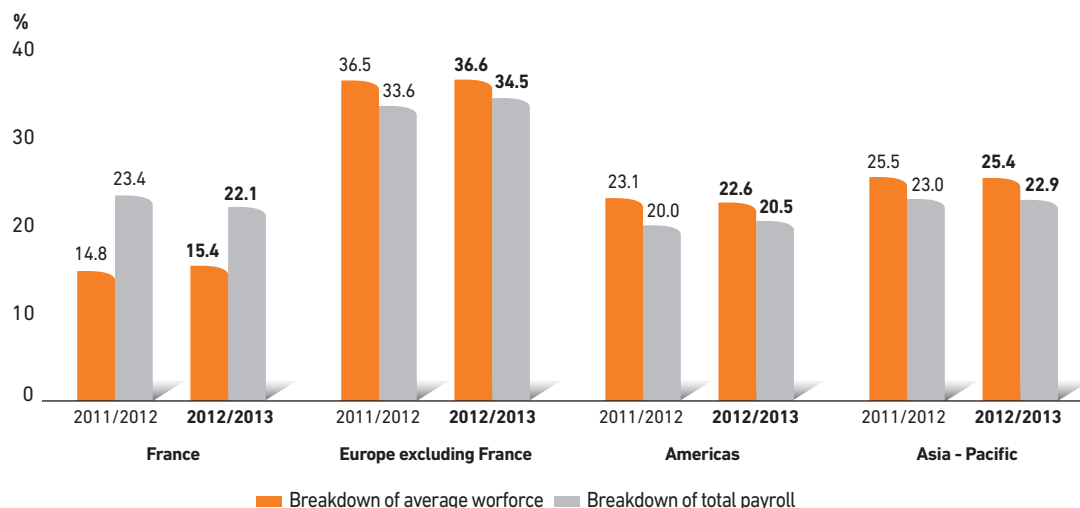
Recognising and developing employee potential

With an integration policy, annual development and performance reviews, and training sessions, etc. Pernod Ricard's HR procedures encourage employees' personal and professional development. In 2011, the Group introduced a talent promotion scheme called iLead. This initiative, which is common across the Group, is based on a leadership model defined by a set of skills and formalised by a talent evaluation tool. Together with management reviews and succession planning for key Group posts, it is an essential mechanism for recognising and selecting prospective talent.

The set of skills has been updated throughout the year with the definition of key Functional Skills for each of the Pernod Ricard business lines (Sales, Operations, Finance, Marketing, etc.), as well as the distribution of the Leadership Model skills for all Group Managers. These skills are explained and detailed to all of the Group Managers.

Payroll and workforce by Region

BREAKDOWN OF AVERAGE WORKFORCE AND PAYROLL BY GEOGRAPHICAL REGION FOR 2012/2013



Several headquarters are located in France, the Group's birthplace, representing a significant proportion of the payroll.

Total payroll is included in paragraph 3.5 – *Expenses by type of Section 5* "Annual consolidated financial statements".

Workplace accidents and absenteeism ⁽¹⁾

Pernod Ricard made a formalised commitment to health and safety issues in its Sustainable Development Charter (now "Pernod Ricard's Sustainable Development Commitment"). This commitment applies throughout the Group, and is supported by Senior Management.

The Company has allocated resources to address these issues, including a certified health and safety system involving training and awareness-raising programmes, internal monitoring, Internal H&S Audits and OHSAS 18001 certification. Pernod Ricard has been a signatory to the European Road Safety Charter since 2007, a European Community initiative.

Pernod Ricard monitors the accident frequency rate and accident severity rate throughout the Company. Health and safety is among the aspects covered by Internal Audits. 96% of the Group's production sites operate under OHSAS 18001 certification.

GROUP WORKPLACE ACCIDENTS

| | 2010/2011 | 2011/2012 | 2012/2013 |
|-------------------------------|-----------|-----------|-----------|
| Number of lost-time accidents | 278 | 245 | 199 |
| Frequency rate | 9 | 7 | 6 |
| Severity | 0.19 | 0.21 | 0.12 |

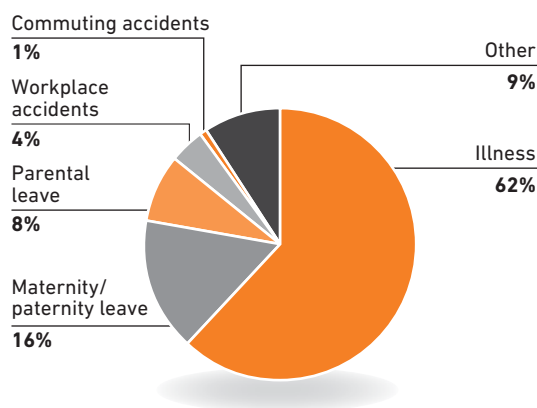
GROUP ABSENTEEISM

| | 2010/2011 | 2011/2012 | 2012/2013 |
|------------------|-----------|-----------|-----------|
| Absenteeism rate | 3.27% | 3.45% | 3.37% |

At Group level, 90% of employees are covered by health insurance (social security cover is defined as the regime which is compulsory at local level, with or without a company plan) and 86% have major risks protection (death and invalidity).

BREAKDOWN OF REASONS FOR ABSENTEEISM IN FRANCE IN 2012/2013

(as a percentage)



Occupational illnesses are included in illnesses for the purposes of calculating the absenteeism rate. An illness is said to be occupational if it is the result of employee exposure to a physical, chemical or biological risk or if it results from the conditions in which the employee performs their job.

(1) In accordance with the first principle of the United Nations Global Compact: "to support and respect the protection of internationally proclaimed Human Rights".

HUMAN RIGHTS⁽¹⁾

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

Respect for Human Rights and prevention of abuses

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

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

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

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

Respect for freedom of association and the right to collective bargaining⁽²⁾

Pernod Ricard outlines freedom of association and the right to collective bargaining in its Sustainable Development Charter (now "Pernod Ricard's Sustainable Development Commitment") as a signatory company.

Non-discrimination⁽³⁾

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

In its fight against discrimination, Pernod Ricard has set up a dedicated structure to study diversity, to improve the ratio of men and women and the variety of the profiles on internal recruitment shortlists. In particular, the Group has conducted an in-depth analysis of factors affecting the development of women's careers, thus allowing the gradual implementation of measures to promote equal opportunities.

The Group's subsidiaries have also initiated a large number of practices to promote diversity. In the United States for example, the distribution company Pernod Ricard USA has undertaken a plan for specific actions, such as the appointment of a diversity officer, the creation of a diversity charter and raising awareness among its teams via e-learning.

The number of women in Management Committees in the subsidiaries is now 21.6%.

With regard to disability, although subsidiaries do comply with local legal requirements in this respect, where these exist, there is still work to be done to improve the insertion of disabled workers. In 2012/2013, 27 subsidiaries carried out work to adapt their premises for disabled people and around 15 subsidiaries conducted training and/or awareness actions for their employees. The recruitment of disabled employees was mainly reported in Eastern Europe (Ukraine, Slovenia, Austria, etc.) and in the Americas (Brazil, Canada, etc.).

Elimination of forced labour and effective abolition of child labour⁽⁴⁾

As in its fight against discrimination, Pernod Ricard is committed via the Global Compact to eliminate forced or compulsory labour and to effectively abolish child labour. The Pernod Ricard Charter sets out the Group's commitments to comply with the International Labour Organisation standards.

(1) In accordance with the first principle of the United Nations Global Compact: "to support and respect the protection of internationally proclaimed Human Rights".

(2) In accordance with Principle 3 of the United Nations Global Compact: "to uphold the freedom of association and the effective recognition of the right to collective bargaining".

(3) In accordance with Principle 6 of the United Nations Global Compact: "elimination of discrimination in respect of employment and occupation".

(4) In accordance with Principles 4 & 5 of the United Nations Global Compact: "elimination of all forms of forced and compulsory labour" and "effective abolition of child labour", respectively.

ENVIRONMENTAL MANAGEMENT

CHALLENGES, COMMITMENTS AND RESULTS ⁽¹⁾

Pernod Ricard was built on the development of brands with deep roots in the land and affords great importance to the use of high-quality agricultural raw materials in its production. As such, it has made preserving the environment a top priority. Since the 1960's, founder Paul Ricard was a pioneer and visionary in environmental protection, having created a marine observatory in 1966 which went on to become the Paul Ricard Oceanographic Institute. Almost half a century later, the Group has developed very strong relationships with the agricultural regions from where it sources its raw materials and where it produces many of its brands, thus linking the Group's development with that of the areas where the Company's roots were established.

This commitment was reflected in the introduction of a Sustainable Development Charter in 2006, updated in 2013 to become "Pernod Ricard's Sustainable Development Commitment". It was reaffirmed by the Group Executive Committee which positioned the environment as one of the Group's Corporate Social Responsibility priorities. In 2013, General Management adopted a new Environmental Policy with the aim of renewing its commitment and communicating this to all of its stakeholders, starting with its 18,970 employees as well as its numerous suppliers and partners.

PRIORITIES BASED ON THE ENVIRONMENTAL IMPACTS GENERATED ALONG THE PRODUCT LIFE CYCLE

| | Production of raw materials | Manufacture of products | Packaging | Distribution and logistics | Consumption |
|-----------------------------------|----------------------------------|---|--|------------------------------|---------------------|
| Businesses | Agricultural production | Pressing, vinification, distilling, maturing, blending | Bottling, packaging | Transport by road, sea, rail | Product end of life |
| Main environmental impacts | Irrigation water Biodiversity | Energy consumption Water consumption Organic waste Waste water Greenhouse gas emissions | Energy consumption Packaging waste Waste water | Greenhouse gas emissions | Packaging waste |

The Group's five main commitments result from the main environmental impacts and cover the following thematic areas: environmental management, promotion of sustainable agriculture, preservation of water resources, reduction in energy consumption and carbon footprint and the reduction of the impact from waste and packaging.

The table below summarises the main commitments for each of these areas, the corresponding targets for 2010-2015 and the results at the end of the 2012/2013 financial year. The actions behind these commitments are detailed in later chapters. As shown in the table, the Group is well under way to achieving the targets set for 2015: these objectives will be reviewed in 2013/2014 to redefine new targets for the years to come.

| Areas | Commitments | 2010/2015 targets | Results at 30.06.13 |
|-------------------------------------|--|--|--|
| Management | Roll out an efficient environmental management system | 100% of sites certified ISO 14001 | 96% |
| Agriculture and biodiversity | Promote sustainable agriculture and protection of biodiversity | 80% of vineyards belonging to the Group certified to environmental standards | 83%* |
| Water | Conserve water resources locally | -5% of water consumption per unit manufactured at production sites | -4% |
| Energy and greenhouse gas emissions | Reduce energy consumption Measure and reduce greenhouse gas emissions along the entire production chain | -10% of energy consumption and CO ₂ emissions per unit manufactured at production sites | -12% (energy) -22% (CO ₂) |
| Waste and eco-design | Reduce the impact of waste Promote eco-design | -40% of solid waste sent to landfill of or incinerated | -70% |

* Excluding vineyards in China, which are not yet included in the reporting scope.

(1) In accordance with Principles 7 & 8 of the United Nations Global Compact: "to support a precautionary approach to environmental challenges" and "to undertake initiatives to promote greater environmental responsibility", respectively.

An environmental roadmap details the guidelines and priority actions for each of the five major areas: the aim is to inspire all of the Group's subsidiaries, whether they are involved in production or distribution. The roadmap will be reviewed in 2013/2014 in line with the new Environmental Policy, and new targets will be fixed.

Moreover, to support this project and help employees to implement this road map, collaborative tools and awareness-raising modules are available: e-learning, training seminars, Intranet community and an inventory of Best Practices. The new corporate social network, Chatter®, provides a discussion forum for all employees actively involved in protecting the environment, encouraging all Group employees to share their practices and experience in this area, thus raising the awareness of as many employees as possible and promoting the emergence of new ideas.

The following paragraphs detail the commitments and actions in each of the different areas and comment on the results achieved for each of the five areas.

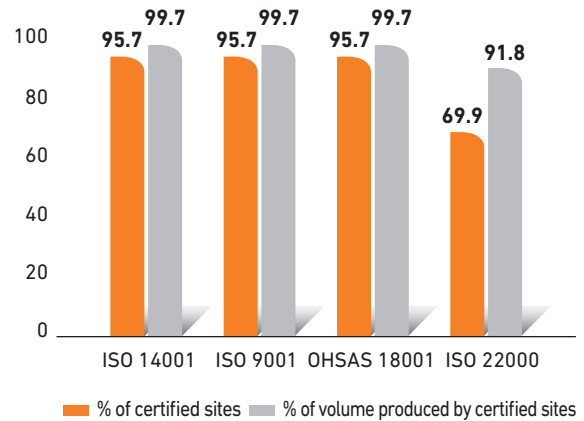
ENVIRONMENTAL MANAGEMENT⁽¹⁾

Organisation and certification

In accordance with the principles outlined in its Environmental Policy, Pernod Ricard has rolled out dedicated environmental management systems in each of the countries in which it has production sites. These systems are based on the following principles:

- promoting the responsibility of subsidiaries: each subsidiary is fully responsible for determining how to reduce its own environmental footprint and how to apply the Group's policy locally. The Holding Company's Technical Division oversees and coordinates measures at Group level, notably by performing regular audits and sharing of best practices;
- the ISO 14001 (Environmental Management) certification policy: at 30 June 2013, 95.7% of the production sites are ISO 14001 certified, representing 99.7% of the Group's production volume;
- this measure is in line with the Group's integrated Quality, Safety and Environment management policy, which is based on extending the certification of production sites in these different fields (see chart). At 30 June 2013, 100% of the production subsidiaries and 95.7% of the Group's production sites have a Quality Management System certified to ISO 9001, the common ground for risk management and continued improvement for industrial subsidiaries throughout the Group. The ISO 14001 certification is complemented by the ISO 22000 certification (Food Safety) and OHSAS 18001 (Occupational Health and Safety).

PERCENTAGE OF CERTIFIED SITES AT 30 JUNE 2013



Although the Environmental Policy is primarily concerned with the Group's industrial activities, it also applies to all of its businesses, including those linked to market distribution. A tool has been made available for Market Companies with no industrial activity to help them identify their environmental impacts and prepare action plans tailored to their specific businesses. At present, 22% of Market Companies have identified or partially identified their environmental impacts and 30% have formalised or partially formalised an environmental action plan, covering, for example, reduction of the carbon footprint of administrative headquarters or the optimisation of waste management.

Scope of environmental reporting 2012/2013

The Pernod Ricard environmental reporting relates to production sites under operational control at 30 June of the financial year in question and which have been in operation throughout the entire year. It does not cover administrative offices (headquarters or sales offices) nor logistics warehouses when these are located outside industrial sites (this corresponds to only a few isolated warehouses), since their environmental impact is not significant compared to those located at industrial sites. Further, farm estates operated directly by subsidiaries have been subject to reporting for the first time this year. The results have not been included in the general tables at the end of the present chapter, but are included in the "agriculture" section.

For 2012/2013, this reporting covers the activity of 93 industrial sites, compared to 98 the previous year. This figure results from the discontinuation of activity or sale of five sites (see Section 1 "Presentation of the Pernod Ricard group" under the paragraph

(1) In accordance with Principles 7 & 8 of the United Nations Global Compact: "to support a precautionary approach to environmental challenges" and "to undertake initiatives to promote greater environmental responsibility", respectively.

Environmental management

“Property, plant and equipment”). Three new sites integrated or put into service during the year will only be included in the reporting the following year: these include the Helan Mountain wine production site in China, the Maine au Bois distillery acquired in Spring 2013 by Martell in Charente and finally a malt distillery recently opened by Chivas in Scotland. The industrial scope taken into account for this financial year therefore covers a production volume of 1,072 million litres (bottled or bulk finished products) compared to 1,182 million in 2011/2012 and a volume of distilled alcohol of 235 million litres (measured as pure alcohol) compared to 237 million in 2011/2012. The farm estates cover approximately 6,660 hectares of vineyards, of which 6,259 hectares are included in the reporting scope, located mainly in Australia, New Zealand, Spain, Argentina and France.

Methodology

The chosen indicators make it possible to monitor the Group's environmental performance on the basis of indicators that are relevant to its industrial activity. They are drawn up based on requirements set out in the implementing decree of the Grenelle 2 Law and the recommendations and principles of the GRI (Global Reporting Initiative, version G3.1), and are adapted to the Group's specific activity where necessary.

The main categories of data collected concern: water management (consumption and discharge), energy consumption, the management of by-products and waste (organic, solids, hazardous, etc.), the consumption of packaging materials, direct and indirect CO₂ emissions, environmental management, sanctions and incidents reported to the authorities and complaints filed by third parties.

In order to ensure consistent results throughout the scope, a manual defining each indicator was sent to all the Environment Managers in charge of consolidating data. This manual is updated on an annual basis. Data is collected by the Environment Managers of each subsidiary. The Group then analyses these data and runs consistency checks to identify any reporting or input errors. When there are significant gaps in the data, the Group checks with the subsidiaries to ensure the data is valid. The data is then formally approved by the Industrial Directors of the subsidiaries. Finally, the Group consolidates the data by analysing the progress in environmental performance, both globally and by business line.

In the case where a significant reporting error from previous periods is identified, historical data is only readjusted if the impact on Group performance is greater than 1%, in order to enable a better interpretation of results and trends. This was not the case this year. An uncertainty was identified for water consumption at the Walkerville site which has a significant impact on the Group's water consumption; this is commented on in the section on water in this chapter.

To ensure transparency and guarantee the reliability of the data communicated, since 2009/2010 the Group's has, on a voluntary basis, required its Statutory Auditors to verify some of this environmental data. This year, to meet the requirements of the Grenelle 2 Law, all of the environmental information was reviewed by the Statutory Auditors. A selection of indicators underwent detailed on-site tests. This year, in addition to the data subject to detailed tests last year, several types of additional data were verified on-site: the volumes of waste water released, the amount of COD (Chemical Oxygen Demand) released, the total quantity of organic waste produced,

complaints concerning the environment, the share of renewable energy in the consumption of electric energy, cooling gas emissions and the percentage of fluorinated gases emitted. All of the above data underwent detailed tests by the Statutory Auditors and their report detailing the work conducted and comments and conclusions, is included on page 82.

Performance monitoring ⁽¹⁾

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

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

At Group level, consolidated performance is expressed based on:

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

This distinction is sometimes complex, as some sites have several activities. Similarly, as the time frames involved in bottling may sometimes be very different from those for distilling (aged spirits: whiskies, cognac, etc.), these figures may be difficult to interpret from one year to the next. Both calculation methods are therefore presented for some indicators. Setting overall Group quantitative targets for the quantity of water or energy consumed per unit produced, for example, becomes complex as the consolidation of targets depends on the business mix during the year and the consolidated indicator chosen. For that reason, the results expressed by the indicators should be used with care and interpreted over the long term.

Environmental compliance

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

No administrative non-conformity was identified this year.

However, four environmental incidents were reported to the local authorities:

- three concern accidental discharges: the first related to 14 m³ of whisky released into the waste water network on a bottling site in Scotland, while the second concerned 200 l of wash water released into a stream on a distillation site in Scotland; the third related to 150 m³ of treated waste water (normally used for irrigation purposes) released into a river on a vinification site in Australia;
- the fourth relates to a fuel leak on a road outside a bottling site in Australia.

(1) In accordance with Principles 7 & 8 of the United Nations Global Compact: “to support a precautionary approach to environmental challenges” and “to undertake initiatives to promote greater environmental responsibility”, respectively.

These incidents had no significant impacts on the environment; all were analysed and action plans were drawn up to correct the consequences and eliminate the causes, with a view to continued improvement.

Nuisances to neighbours

During 2012/2013, the Group's production sites received three complaints from neighbours due to noise pollution. In general, noise pollution generated by the Group's industrial sites is limited. Distillation, vinification and bottling generate little noise for neighbours and are subject to preventative measures where necessary. Only distillation activities are generally performed in continuous 24 hour cycles, however these processes do not generate significant noise. In addition, two complaints concerning the development of mould on buildings close to the whisky maturing cellars in Canada were received.

Provisions for environmental risk

The amount of provisions for environmental risk was €5.1 million at 30 June 2013. In addition, some subsidiaries had to provide guarantees when applying for operating permits from the authorities. These do not correspond to specific amounts but ensure the subsidiaries' solvency to deal with any consequences of pollution or any other environmental accident.

PROMOTING SUSTAINABLE FARMING ⁽¹⁾

Challenges and targets

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

In 2012/2013, direct purchases of agricultural products represented 965,000 tonnes, principally in the form of grapes, must and wines (380,000 tonnes) and grain for distilling (585,000 tonnes).

Including transformed products (alcohol, wines, sugar, aromatic plant extracts, etc.) the Group buys the equivalent of 2.3 million tonnes of raw agricultural products, representing in total more than 210,000 hectares of cereals, vines, sugar cane, sugar beet and other crops.

Pernod Ricard is committed to developing and promoting environmentally-friendly farming practices, both through its own farming activities (mainly vineyards) and in the products it buys

from its suppliers. As such, the Group acts in accordance with local standards with the following requirements:

- reduced use of fertilisers, selection and use of pesticides that are less hazardous for the environment;
- control of water consumption, in particular using drip irrigation techniques where possible;
- preservation of soil and biodiversity;
- training and assistance in sustainable farming practices provided for farmers.

Application of sustainable agriculture standards

The Group's vineyard estates cover 6,660 hectares in six main countries: New Zealand (41%), Australia (23%), Argentina (12%), France (11%), Spain (7%) and China (6%). The majority of these vineyards are certified to environmental standards (representing 83% of surfaces covered by reporting – excluding the Chinese vineyards):

- in New Zealand, all the vineyards run by Brancott Estate are certified to "Sustainable Wine Growing New Zealand", of which Pernod Ricard New Zealand was one of the founding members in 1995; 147 hectares are managed in line with organic standards, 64 hectares have the organic label and 83 hectares are in the process of obtaining it;
- in Australia, Orlando Wines is a member of "EntWine Australia", an environmental assurance programme for vineyards and winemaking sites. Since 2002, all of its vineyards are ISO 14001 certified;
- in France, the Martell & Co and Mumm Perrier-Jouët vineyards follow the integrated viticulture principles developed by Cognac and Champagne industry bodies. The Martell vineyards are ISO 14001 certified and those of Mumm Perrier-Jouët will obtain this certification in 2015;
- in Spain, management of the vineyards is carried out according to the guidelines of the Sinergia standard, developed under the European Life programme. 22 hectares are managed according to organic farming principles;
- in the United States, Mumm Napa has applied the principles of sustainable agriculture based on ten key initiatives, which include the regular monitoring of insects and disease, reduction of risks caused by pesticides, protection of natural vegetation and its properties, installation of bird refuges, erosion control measures and construction of weather stations. The vineyard has the "Fish friendly farming" certification, certifying the practices put in place to restore the habitats of wild fauna, particularly fish, and to improve water quality. This Californian certification aims to protect coho salmon and rainbow trout in particular, which are in danger of extinction.

(1) In accordance with Principle 9 of the United Nations Global Compact: "to encourage the development and diffusion of environmentally friendly technologies".

Environmental management

Certain practices have been imposed due to their positive impact on the environment and are now a benchmark for sustainable viticulture in the different climatic regions in which the Group operates vineyards:

- all vineyards practice green cover between rows, either spontaneous or planted, on variable ground. This practice reduces the use of herbicides and the risk of soil erosion. It also promotes the development of beneficial organisms which protect the vines from pests;
- in New Zealand, sheep are used instead of chemical or mechanical weeding over 1,700 hectares, thus allowing the removal of weeds as well as better stripping of excess leaves;
- use of the technique called “sexual confusion” – which consists of disrupting the reproduction of vine parasites by using pheromones – limits the need for sanitary treatments in France and Spain. Further, crop protection products are used in a very localised manner to ensure the correct dose is applied;
- controlling fertilisation by soil and plant analysis allows fertiliser doses to be adapted to the exact plant requirements. In Australia, this allows Orlando Wines to optimise plant nutrition while minimising the risk of washout in the soil;
- drip irrigation is the preferred technique; this significantly reduces the water supplied to the plant and also optimises the fertiliser supply and reduces the need for weeding. It is used in Australia, New Zealand, California, Argentina and Spain.

The study conducted in 2012 to collect information on vineyard farming practices and quantify their consumption of inputs was completed and the results have been shared with all the vineyards. The global footprint of the vineyards was measured in this way, and allowed the nature of the main environmental impacts to be measured, in particular water consumption and the use of crop protection products. In order to create a dynamic of continuous improvement but also to promote the sharing of best practices, specific annual environmental reporting is now in place for all vineyards. This monitors their practices and measures different performance indicators, and shows that out of the 6,259 hectares of vineyards operated by the Group and covered by the reporting (excluding the Chinese vineyards):

- 81% of the land is worked using drip irrigation;
- annual energy consumption accounts for 16,300 MWh or approximately 1% of the total for the Group’s production sites;
- 71% of surfaces use green cover between rows. This reduces the quantity of herbicide used, which amounts to 16.8 tonnes of active material for all vineyards. Insecticides account for the consumption of 2.1 tonnes of active material.

Partnership with suppliers of agricultural products

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

- in Australia, 140 wine growers supplying Orlando Wines are members of the “EntWine Australia Scheme”. In 2013: 81% of Orlando Wines’ supplies are covered by membership of this programme, which requires that its members are ISO 14001 or Freshcare certified and requires reporting on the consumption of energy, water, fertilisers, and environmental management practices (biodiversity, soil and water conservation);

- in New Zealand, with all its vineyards now certified in accordance with the “Sustainable Winegrowing New Zealand” standard, Brancott Estate has helped its grape growers to obtain this certification. 100% of vineyards are accredited according to the sustainable agriculture standard;
- in Spain, Domecq Bodegas encourages its suppliers to adopt organic practices against pests, avoiding the use of pesticides, and particularly those practices which reduce the pest population by sexual confusion;
- in Armenia, the Yerevan Brandy Company helps wine growers to manage their crop protection products: the subsidiary supplies wine growers with products that comply with the environmental standards in France as well as efficient sprayers that enable them to use the precise required amount of crop protection products to treat their plants. It then collects packaging waste, which is destroyed by an approved company. Through the Planet Finance NGO, it also provides help with establishing a cooperative, the goal of which is to develop the business capacity of small producers;
- in Sweden, The ABSOLUT Company is supplied exclusively with locally-produced wheat, in line with stringent sustainable agriculture standards;
- in France, the majority of the fennel used for the production of Ricard is grown by farmers in Provence in accordance with sustainable farming principles: this very fragrant plant has favoured the development of insect populations, in particular bees, thus participating in maintaining biodiversity.

Actions for the protection of biodiversity

In addition to its sustainable agriculture practices, Pernod Ricard is committed to projects aimed at protecting and developing the biodiversity of ecosystems on the agricultural land where the Group operates vineyards. It also encourages all of its subsidiaries to undertake projects to preserve biodiversity in line with their activities. In this respect, the Group supported the French National Biodiversity Strategy in June 2011. The Group has identified 31 protected or sensitive natural areas close to its production sites throughout the world.

Some subsidiaries have been conducting particularly significant biodiversity measures for several years now:

- in New Zealand, in the humid regions of Kaituna, the Group’s subsidiary has conducted a programme to regenerate nine hectares of land, aiming to establish the original ecosystem (restoration of soil, reintroduction of local species, etc.). The subsidiary has also contributed to the protection of the falcon thanks to a fund supported by the donation of one New Zealand dollar for each bottle of wine sold from the Living Land range;
- in Australia, Jacob’s Creek has been working on the restoration of biotopes in the Jacob’s Creek river basin for ten years, in collaboration with the Natural Resources Management Board, notably by converting the old vineyards of Menge’s Island and Centenary Hill into natural conservation zones. Moreover, the garden at the Jacob’s Creek visitors’ centre, which includes many endemic plants, was recognised by the Botanical Gardens of Adelaide as one of the 26 sustainable native gardens of South Australia;
- in France a detailed map of the biodiversity of the vineyards operated by Martell was undertaken. This highlighted the importance of non-cultivated land (borders, groves, ditches, etc.) which represent 8 to 15% of the land and play an essential role as

a habitat for many wildlife species. This study identified specific measures to reinforce the land's biodiversity. This subject was also discussed with the brand's wine suppliers, i.e., 1,200 wine growers who could potentially deploy scaled versions of the measures on their plots;

- also in France, the culture of yellow gentian, whose root is a key ingredient in the Suze recipe, has been the subject of research programmes to enable its production in specialised farms, thus ensuring the protection of 50,000 wild plants every year;
- with numerous sites in Scotland, Chivas Brothers wanted to identify any fragile ecosystems near its industrial sites. The Company can thus ensure that potential impacts of its activities on these areas are understood and that measures necessary to protect environmental quality and biodiversity are applied;
- finally, the Paul Ricard Oceanographic Institute would not have been able to play its essential research and public education role for the protection of marine ecosystems and aquatic biodiversity without the material and financial support of the Ricard company and the Group.

In addition to biodiversity protection, the Group is committed to ensuring complete traceability of its products in terms of GMOs (Genetically Modified Organisms) to assure consumers that the labelling regulations for products containing GMOs are strictly complied with.

PRESERVING AND SAVING WATER RESOURCES ⁽¹⁾

Challenges and strategy

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

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

In terms of production sites, the subsidiaries' actions are based on four levers put in place to optimise the management of water resources and preserve the quality and availability of water:

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

These actions are particularly important for sites located in geographical regions where water is a sensitive resource.

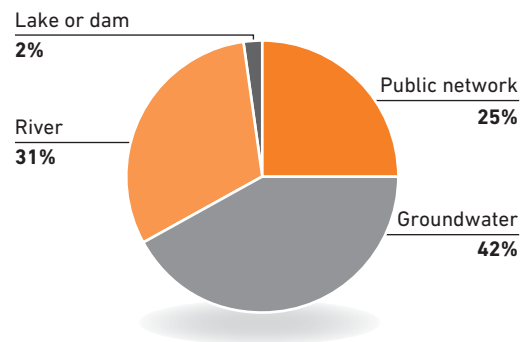
Another aspect of the impact of the Group's activities on water resources is that of indirect consumption generated by the production of agricultural raw materials, packaging materials or electricity consumed by the Group. These impacts generated by our suppliers are covered using methodologies known as the water footprint.

Water consumption and production site performance

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

42% of water consumed by the Group is sourced from the underground water table, 25% from the public network and 33% from surface water sources (rivers, lakes, etc.).

ORIGIN OF WATER CONSUMPTION

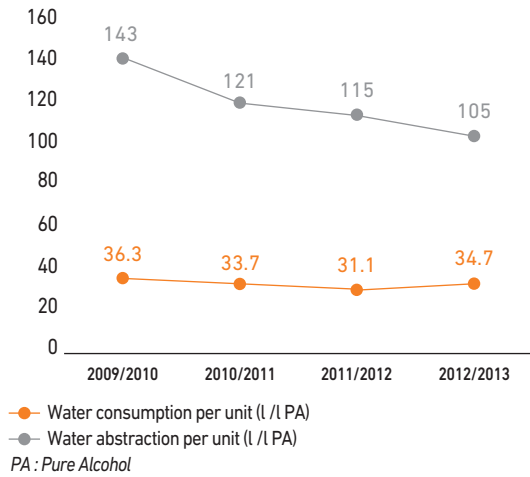


In 2012/2013, 25 million m³ of water was taken by the Group's industrial sites. Only 8.1 million m³ constitutes water consumption as defined above, the rest being exclusively used for the cooling of distilleries and returned without disturbing the environment. 79% of this volume was consumed by the distilleries, which remain the principal sites for water consumption by Pernod Ricard. Adjusted for volume produced (m³/kl PA), the quantity of water taken and the quantity consumed have been falling since 2009/2010, by 27% and 4.2% respectively. The latter figure includes an uncertainty linked to water consumption at the Walkerville site in Canada. The share of consumption in water taken from the Detroit river in the Great Lakes region is estimated and is not measured accurately using meters. In 2012/2013, this estimate rose significantly yet this has not been explained, therefore casting doubt on its reliability. If this site is excluded, the drop in water consumption per unit of distilled alcohol is 11% over the same period (performance of 92 other production sites, for which 95% of the data are measured by meters).

(1) In accordance with Principle 9 of the United Nations Global Compact: "to encourage the development and diffusion of environmentally friendly technologies".

Environmental management

TRENDS IN WATER CONSUMPTION AND WATER ABSTRACTION



Since 2011, detailed water flow mapping work has been conducted on the main production sites in order to identify new opportunities to reduce consumption: these studies list all of the input flows (collection of underground water, surface pumping, network consumption, etc.) and output flows (water added to products, waste water, evaporation, water present in by-products, etc.) in order to accurately measure each individual flow and optimisation overall consumption. Presently, these measures cover approximately 78% of the Group's water consumption, thus allowing the subsidiaries to identify areas for improvement, the most significant of which are detailed below.

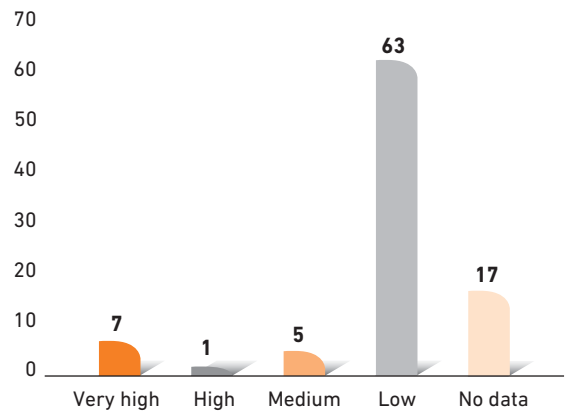
Measures to save water

The good performances for water consumption recorded by the Group are the result of efforts made by all industrial sites. The most notable are the following:

- since 2008, the Behror site has reduced its water consumption per unit produced by 38%: the production site situated in the dry region of Rajasthan in India, including a whisky distillery and a bottling plant, has been significantly modified with the aim of being able to reuse and recycle water at all stages of production. With the exception of water which is recycled for the irrigation of gardens, the site no longer emits effluent;
- in Mexico, Casa Pedro Domecq reduced its water consumption by 27% since 2007/2008 through several measures including the optimisation of the output of reverse osmosis units, high pressure cleaning of distilling equipment and the recovery of condensates;
- Pernod Ricard Brazil reduced its consumption by 20% this year by replacing its open loop cooling system with a closed loop one.

Particular attention is paid to water management on sites located in geographical regions where water is a sensitive resource. 13 of Pernod Ricard's total production units are located in or immediately next to regions with average or high water stress as measured by the Mean Annual Relative Water Stress Index and the Global Water Tool developed by the World Resource Institute. These 13 sites represent 5% of the Group's total consumption and are spread across six countries (India, Mexico, Australia, Argentina, Spain and Armenia). The other sites, accounting for 95% of Group consumption, are located in areas considered as subject to a low level of water stress (or the information is not available in some cases). Since 2007/2008, the total volume of water consumed by these 13 sites decreased from 3.57 to 2.59 litres per litre of pure distilled alcohol, i.e. a reduction of 38%.

BREAKDOWN OF NUMBER OF GROUP PRODUCTION SITES ACCORDING TO THE INTENSITY OF WATER STRESS IN THE REGION



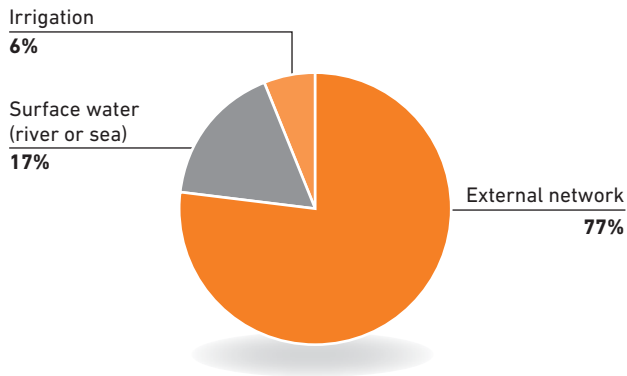
Treatment of waste water

During 2012/2013, the volume of waste water released was 5.46 million m³ compared to 4.99 million m³ in 2011/2012. More than 84% of the volume of waste water was measured accurately; the remainder was estimated.

77% of waste water was released into a public sewer system and 17% was released into the environment (rivers, lakes, seas) under permits delivered by local authorities and in accordance with the imposed release criteria. The remaining 6% of waste water was recycled after treatment and used to irrigate crops (vineyards).

The pollutant load linked to the organic matter contained in this water is expressed by the Chemical Oxygen Demand (COD) measured after treatment and before release into the natural environment. In 2012/2013, this was estimated at a total of approximately 1,167 tonnes of COD for the Group.

WASTE WATER DESTINATION



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

Water footprint

In addition to the direct consumption of the Pernod Ricard production sites, water is also a large challenge for suppliers upstream from the Group's activities: for this reason a larger study was conducted using methodologies known as the Water Footprint. These consist of identifying the water resources used not only by the direct activities of the subsidiaries concerned, but also by the products and services these purchase, such as agricultural raw materials, packaging materials used or energy. Two pilot studies were therefore conducted for the manufacture of whisky in India and the production of wine in Australia.

In light of the results obtained, the Group undertook an evaluation of the water footprint at Group level in order to identify the main challenges linked to the water resource along the production chain. The Group's water footprint is equal to 675 million m³ per year, of which 99% is related to supplies of agricultural raw materials. Other elements of the production chain – including direct water consumption on industrial sites – only represents approximately 1% of the total. Globally, the challenges for Pernod Ricard relating to the availability of water relate primarily to our agricultural suppliers: these vary significantly from one region to the other and should therefore be dealt with at local level.

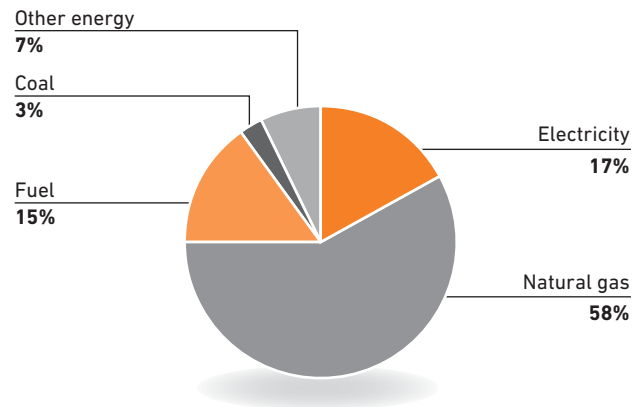
REDUCING ENERGY CONSUMPTION⁽¹⁾

Challenges and strategy

Pernod Ricard's industrial activities use energy in different forms. The majority comes from natural gas (58%), the preferred combustible for distilling due to its flexibility, high energy output and relatively low pollution compared to other hydrocarbons. It is followed by electricity (17%), fuel oil (15%) and coal (3%) as well as other sources (7%).

The overall share of renewable energies in this energy mix is 13%, of which 10% is electricity and 3% biogas, wood and other renewable energies. In 2012/2013, 57% of the electricity used by the Group's factories was renewable, compared to 51% the previous year: 23 of the production sites are exclusively supplied with "green electricity".

BREAKDOWN OF ENERGY CONSUMPTION



At production site level, actions are based on three levers to increase energy efficiency:

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

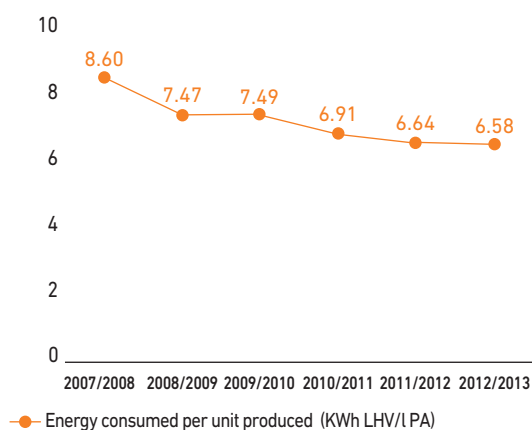
(1) In accordance with Principle 9 of the United Nations Global Compact: "to encourage the development and diffusion of environmentally friendly technologies".

Energy consumption and performance

During 2012/2013, total energy consumption of Group production sites amounted to 1,543 GWh (compared to 1,576 GWh in 2011/2012). Adjusted for production volume, the average consumption per litre of pure distilled alcohol fell from 6.64 kWh per litre of pure distilled alcohol to 6.58 kWh, representing an overall 1% improvement in the energy efficiency of installations.

For the 2009/2010 to 2014/2015 period, the Group has set a target of 10% reduction in consumption per unit produced. At the end of 2012/2013, this target has already been achieved, with an average reduction of 12%. New targets for the longer term will therefore be set during this financial year. This performance is explained mainly by the improvement in the efficiency of distilleries, which represent 83% of the total energy consumption of the Group. They have continued to benefit from several long-term programmes to improve their energy performance, in particular those involving whisky distilleries: Chivas in Scotland and Jameson in Ireland.

TRENDS IN ENERGY CONSUMPTION



Implementing projects to reduce energy consumption

The following examples illustrate the measures taken by the different subsidiaries to control energy consumption, thus contributing to reducing the Group's consumption:

- in Sweden the Nöbbelöv distillery has a certified energy management system, guaranteeing its high energy performance. Its advanced mechanical vapour recompression technology has made it one of the most efficient distilleries in the sector;
- in Scotland, since 2006 Chivas Brothers has undertaken an ambitious plan to reduce consumption at all its sites by investing in efficient equipment (third-generation thermo-compressors, etc.)

and by implementing energy recovery and recycling measures in its processes. For example, the heat given off in the distilling process is recovered and used to dry the residues from the first distilling. The efforts made since 2007/2008, particularly in malt distilleries, have allowed Chivas Brothers to reduce energy consumption in their malt distilleries by 15% per litre of alcohol;

- in Ireland, the Midleton distillery has reduced its energy consumption by 16% since 2007/2008, in large measure by installing a new evaporator equipped with a very efficient vapour recompression system;
- in France, Pernod, Martell and Mumm Perrier-Jouët conducted detailed energy audits of their installations followed by the preparation of detailed action plans covering structure, equipment and contracts with suppliers to optimise consumption.

REDUCING THE CARBON FOOTPRINT AND MINIMISING CLIMATE CHANGE⁽¹⁾

Challenges and strategy

CO₂ emissions increase the greenhouse effect and thus contribute to climate change. Pernod Ricard's businesses emit greenhouse gases in several ways:

- directly, due to the combustion of fossil fuel sources, notably at distilleries: these are so-called "Scope 1" emissions⁽²⁾;
- through the electricity consumed, which generate CO₂ emissions when produced upstream: "Scope 2" emissions⁽²⁾;
- indirectly, through products (agricultural products, packaging materials, etc.) and services (transport, etc.) purchased by subsidiaries: "Scope 3" emissions⁽²⁾.

Climate change presents several risks for Pernod Ricard's businesses, in particular the supply of agricultural raw materials and water, the consequences of exceptional meteorological events on production sites and changes in regulations. Conscious of these risks, the Group takes them into account so that it can anticipate and gradually adapt its operational activities. These risks, and measures to prevent them, are detailed in the Risk Factors section in the Management Report (Section 4 of this document).

In order to help reduce these changes, the Group continues to adopt an approach, within its sphere of influence, based on two stages:

- assessing its carbon footprint throughout its production chain;
- implementing measures to reduce greenhouse gas emissions: directly at its production sites, and indirectly with its suppliers, based on the eco-design of products and the optimisation of the logistics chain.

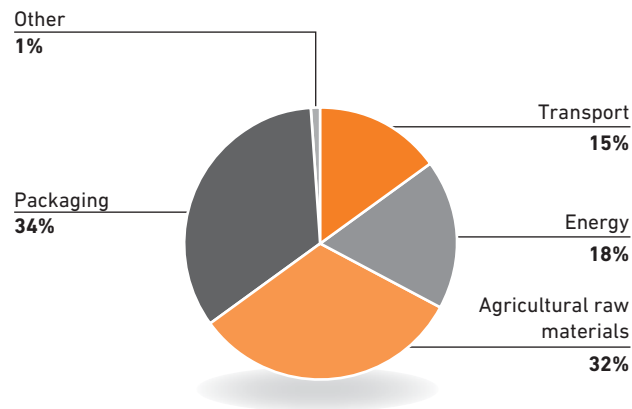
(1) In accordance with Principle 9 of the United Nations Global Compact: "to encourage the development and diffusion of environmentally friendly technologies".

(2) In accordance with the Greenhouse Gas Protocol (GHG protocol).

Measuring our carbon footprint

In 2010, a CO₂ emissions evaluation model developed for the Group was used to provide an initial estimate of the Group's carbon footprint using the GHG Protocol methodology. This covers all of the countries in which the Group has industrial activities, and represents around 95% of the volumes produced by the Group.

CARBON FOOTPRINT LINKED TO DIRECT AND INDIRECT EMISSIONS ALONG THE PRODUCTION CHAIN



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

To assess the progress made since this first measurement, the global carbon footprint was evaluated again in 2013. The results, which are expected at the end of the year, should enable the progress made to be measured but should also identify new priority actions for the years to come.

Reducing greenhouse gas emissions at industrial sites

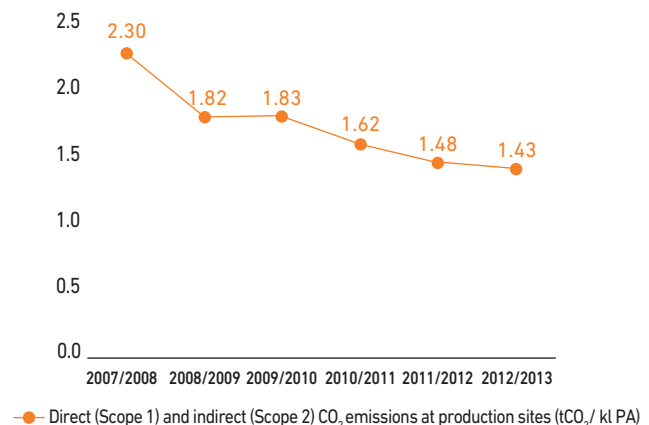
In 2012/2013, direct (Scope 1) and indirect (Scope 2) emissions from Pernod Ricard industrial sites amounted to 335,456 tonnes of CO₂ equivalent, compared to 352,060 tonnes of CO₂ equivalent in 2011/2012. Adjusted for units produced, these emissions amount to 1.43 kg of CO₂ equivalent per litre of pure alcohol, compared to 1.83 kg of CO₂ equivalent in 2009/2010. This 22% reduction is a result of the efforts undertaken to improve the energy efficiency of sites, in particular for distilleries and bottling sites. It is also due to the growth of the renewable share of electricity consumed by the industrial sites. In 2012/2013, this accounted for almost 57%, with 23 of the Group's

production sites having decided to use exclusively green electricity. It is to be noted that to assess the Group's direct emissions, the CO₂ emissions linked to the consumption of renewable energy (green electricity, biomass, etc.) is calculated based on a CO₂ emission factor equal to zero.

In Spain, for example, the Campo Viejo site chose to offset their CO₂ emissions linked to electricity consumption and the transport of its employees by participating in a United Nations project (production of hydroelectric power in the province of Gansu in China). As a result of this action, last year the site obtained the CarbonNeutral® certification awarded by The Carbon Neutral Company.

The Berhor distillery, in Rajasthan in India, uses the shells of mustard seeds and rice hulls, two agricultural residues that are widely available in the region, as fuel, thus replacing a significant share of the previously used fossil fuel. Through this initiative they have saved approximately 20,000 MWh of energy per year. The share of renewable energy used by the distillery has therefore increased from 21% in 2009/2010 to 78% in 2012/2013. The Nashik distillery has followed the example set at Berhor and now uses 20% of biomass to supply its boiler, which had previously used 100% fossil energy.

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) CO₂ EMISSIONS AT PRODUCTION SITES

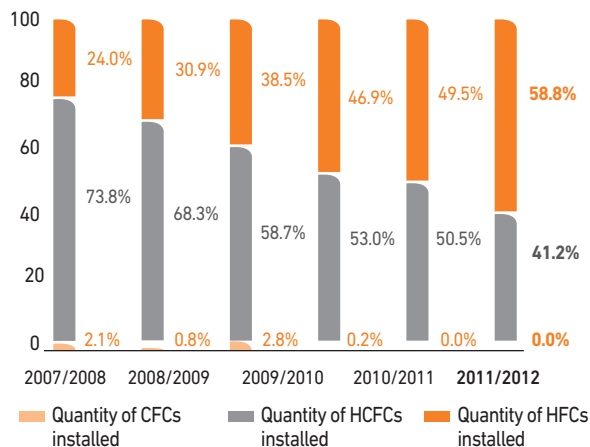


Other gas emissions in the atmosphere likely to affect our environment include those from cooling gas, some of which damage the ozone layer. A programme to eliminate these refrigerant gases (in particular CFCs and HCFCs) in favour of other products that are less harmful to the environment is underway (notably HFCs). We also know that some of these gases also increase the greenhouse effect: these were not taken into account when calculating the Group's direct emissions since they account for less than 1%.

At 30 June 2013, the CFC elimination programme came to an end. Of the 17,148 kg of fluorinated gases present on all of the industrial sites, HCFCs accounted for 41% and HFCs 59%. Moreover, the rate of emission of refrigerant gases into the atmosphere remains stable at approximately 10%.

Environmental management

CHANGES IN THE DISTRIBUTION OF CFC/HCFC/HFCS INSTALLED



Helping reduce indirect CO₂ emissions

"Indirect" emissions are those caused by the suppliers of products and services purchased (mainly packaging, raw materials and logistics services).

The eco-design of products

The Group's eco-design process, which has been in place since 2008, helps reduce CO₂ emissions linked to packaging but also those related to the logistics chain. Details of this approach are provided in the following section dedicated to this issue in the present report.

The optimisation of logistics and transport

The logistics teams are actively involved in reducing the Group's environmental impacts. They work at several levels: choosing the type of transport, planning and finally the optimisation of loads.

■ Choice of transport type

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

■ Planning

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

■ Load optimisation

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

There are a number of initiatives, which are illustrated by the following examples:

- having significantly reduced the weight of the Jacob's Creek bottle, Orlando Wines took this a stage further by organising the bottling of its main volumes for Europe in England rather than Australia. These initiatives have optimised sea and land transport, thus reducing the logistics carbon footprint by 25%;
- as a member of the Smart Way Transport Partnership programme launched by the Environmental Protection Agency, Pernod Ricard USA has collaborated closely with its transport suppliers: 99% of these are now members of Smart Way. CO₂ emissions generated by transporting subsidiary products fell 13% (17,000 tonnes per year) and multi-modal transport accounts for 45% of all transport;
- Martell Mumm Perrier-Jouët now regularly transports its champagnes and cognacs from its warehouses to export ports by river.

The Group plans to continue these initiatives in the future, particularly by strengthening its eco-design actions along the supply chain, from product development to distribution.

REDUCING THE IMPACT OF WASTE AND PACKAGING MATERIALS⁽¹⁾

Challenges and strategy

Pernod Ricard's activities produce waste at two levels: on our production sites and at the consumer level in terms of packaging end-of-life.

On our production sites, this waste is classified as follows:

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

The Group favours, above all, reduction at source and the recycling of waste generated in order to limit its impact on the natural environment (water, ground, atmosphere, landscape). Throughout the life cycle, Pernod Ricard implements eco-design principles during the development of new products or packaging materials in order to reduce and limit the impact of waste generated along the entire production chain.

(1) In accordance with Principle 9 of the United Nations Global Compact: "to encourage the development and diffusion of environmentally friendly technologies".

Reducing waste on industrial sites

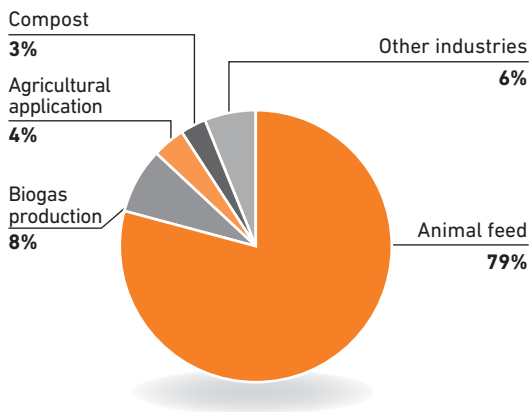
Organic by-products

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

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

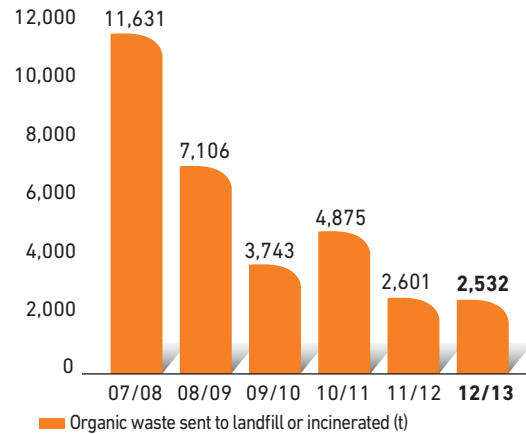
BREAKDOWN OF THE USE OF RECOVERED ORGANIC BY-PRODUCTS BY FINAL DESTINATION

(in % of total weight)



Due to these recovery processes, only 0.2% of all the organic by-products generated in 2012/2013 was sent to landfills or incinerated, i.e. a total volume of 2,532 tonnes.

QUANTITY OF ORGANIC WASTE SENT TO LANDFILL OR INCINERATED



Since 2007/2008, the quantity of organic waste sent to landfill or incinerated has been reduced by 78%, notably due to measures to recover this waste into by-products or compost:

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

Solid waste

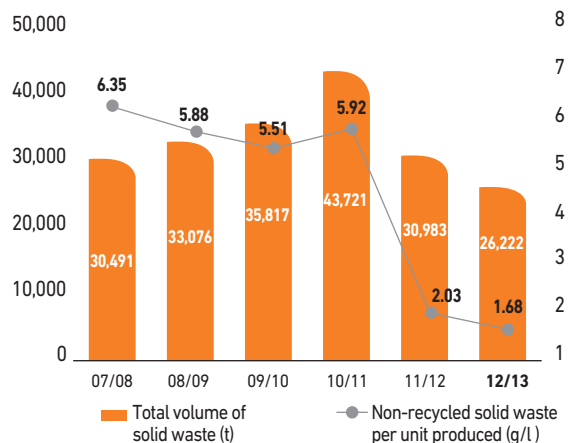
The indicator used to measure the final impact of solid waste on the environment is the quantity of non-recycled waste, sent to landfill or incinerated, per litre of finished product. Since 2009/2010, this has fallen from 5.51 g/l to 1.68 g/l, demonstrating the efforts made by the subsidiaries to reduce the quantity of such waste and identify recovery processes.

For the period from 2009/2010 to 2014/2015, the Group had set itself the target of reducing the quantity of waste per unit produced by 40%. At the end of 2012/2013, this target had been met by a comfortable margin, with an average reduction of 70%. New, longer-term targets will be set during the current financial year.



Environmental management

CHANGE IN THE PRODUCTION OF NON-RECYCLED SOLID WASTE



In 2012/2013, the Group's production sites generated 26,222 tonnes of solid waste, compared to 30,983 tonnes in 2011/2012 (waste evacuated from the sites during the year). 24,422 tonnes of this waste was recycled via different processes – a recycling rate of 93% – and 1,800 tonnes were sent to landfill or incinerated (compared to 2,406 tonnes in 2011/2012). The quantity of waste sent to landfill or incinerated per litre of finished product thus fell from 2.03 g/l to 1.68 g/l. This was due mainly to a waste recovery programme implemented on the two bottling sites in Scotland, which recycled 412 tonnes more waste than the previous year. A total of 58% of this waste was generated by bottling sites, 21% by distilling sites and 21% by other sites.

Hazardous waste

Any waste that requires a specific treatment process due to the risks it represents to the environment is considered as hazardous waste. The Group's production sites generate different types of hazardous waste: empty chemical product containers, used oils, solvents, electrical and electronic waste, neon tubes, batteries, etc. All this waste is sorted and sent to appropriate treatment facilities when they exist locally.

In 2012/2013, the volume of hazardous waste collected was 291 tonnes, compared to 545 tonnes in 2011/2012. Due to its small quantity, this waste is most often stored on site for a certain time: note that this figure corresponds to the volume of hazardous waste collected and not necessarily the quantity generated throughout the year and therefore does not necessarily constitute a performance indicator for the year. The fall in the quantity of hazardous waste observed this year was mainly due to lower destocking than the previous year on three production sites: Walkerville in Canada, Richmond Grove in Australia and Midleton in Ireland.

Promoting eco-design of packaging

The Group's eco-design project was started in 2006. Initially based on the training of Marketing and Procurement teams as well as the distribution of an internal methodology manual for subsidiaries, it was revamped in 2010 with the roll-out in the Group's main Brand

Companies of software to analyse the environmental impact of packaging using the method referred to as product life cycle analysis.

After studying the relationship between "Premiumisation" and eco-design and taking into account the different expectations of stakeholders, the eco-design implementation project was accelerated and structured around several levers: the management of the process, the development of tools, the acquisition of skills and communication.

During 2012/2013, the project was deployed based on these levers:

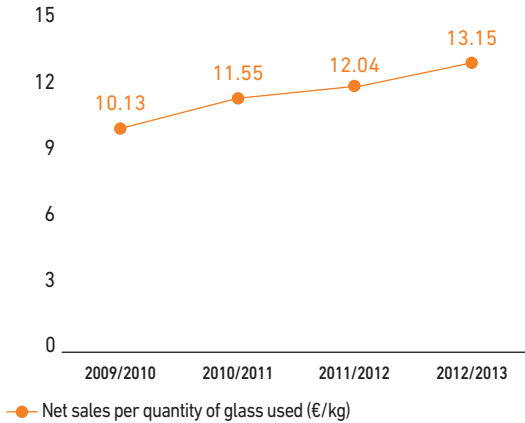
- management of the process: a steering Committee comprised of members of the main departments involved in eco-design (CSR, Operations, Marketing) was formed in order to define the Group's eco-design commitments, select key indicators to monitor their implementation and ensure that they are circulated to all subsidiaries;
- tools: a working group was formed in order to develop an interactive platform with the goal of providing the Marketing, Product Development and Procurement teams with eco-design tools. At the same time, two other methods were developed: one aimed at the Marketing teams to determine links between the brands and their environment (the brands' "environmental DNA"), the other to allow the industrial sites to carry out a diagnosis of their packaging;
- skills: a review of the various training courses available within the Group was undertaken and those that require the eco-design concept to be integrated into them were identified with a view to adapting their content. Communication: all tools created during the year will be communicated internally via existing meetings. An external communication guide for the marketing teams will also be drawn up.

In terms of the use of resources, glass and cardboard are the main materials used as packaging for the Group's products. In 2012/2013, the total quantity of glass used amounted to 652,021 tonnes, compared with 682,576 tonnes the previous year. That of cardboard/paper was 70,714 tonnes compared to 75,576 the previous year.

Meanwhile, the average ratio of packaging consumed per unit produced increased from 577 g/l to 608 g/l for glass and from 63.9 g/l to 65.9 g/l for cardboard between 2011/2012 and 2012/2013. The increase in the use of glass is explained by the change in the mix towards higher range products, whose packaging is generally heavier: this indicator does not reflect the progress made by the subsidiaries in terms of the reduced weight of the packaging, since it does not take into account the gradual change in the mix towards more Premium products. In order to gain a better understanding of the efforts made by the subsidiaries in terms of eco-design, the ratio between the quantity of glass used and net sales generated should be examined. The net sales generated by each kg of glass used increased from €10.1 to €13.2/kg of glass between 2009/2010 and 2012/2013, an improvement of 30%.

Moreover, at the end of June 2013, 70 glass weight reduction projects had been noted since 2008, representing a cumulative saving of 60,000 tonnes of glass since 2008/2009. These weight reduction projects include: -7% for the Mumm and Perrier-Jouët standard champagne bottle, -25% for Café de Paris at Pernod, -30% for Campo Viejo wine, -12% for Mumm Napa in California and -15% for Montillara in Brazil.

CHANGE IN NET SALES GENERATED BY QUANTITY OF GLASS USED



One of the major initiatives to optimise the weight of glass has been that of Orlando Wines, which has developed a lighter bottle for the Jacob's Creek brand, thus saving 9,600 tonnes of glass per year. As a result of this optimisation, it has significantly reduced the number of containers used as well as the number of lorries required for transport, thus reducing carbon dioxide emissions by around 10,000 tonnes per year.

In parallel to these reductions in the weight of glass, other eco-design initiatives are carried out to reduce the carbon footprint of products by other means. These include:

- the complete overhaul in 2011 of the logistics chain for the export of Jacob's Creek wine to the UK. Previously, these wines were bottled and packaged in the Barossa Valley, where they are produced, before transportation to the British market as finished products. Now, the wine is shipped by sea in "ISO" stainless steel containers, then bottled and packaged on site before distribution. The project has resulted in a 25% reduction in the carbon footprint linked to logistics;

- the development of the use of alternative materials: in Finland, the proportion of bottles made from PET, an ultra-lightweight recyclable plastic, has increased from 16% to 54% of the subsidiary's production volume in three years, resulting in a 20% reduction in carbon dioxide emissions and a 35% reduction in waste. In Canada, the replacement of the glass bottle for the Lamb's rum brand in Canada by a PET bottle has also reduced the weight by 88%;
- the work performed on secondary packaging: Casa Pedro Domecq in Mexico has opted for recyclable kraft cases, with single colour printing and the "Pernod Ricard, promoting environmental care" logo on the cases. Jan Becher has modified the shape of its cases with the goal of increasing the number of bottles per case and the number of cases per pallet;
- the measures undertaken by Ricard, in close collaboration with its clients and suppliers, on new gift boxes made from fully recyclable cardboard from sustainably managed forests.

Most packaging waste produced by the Group's activities is generated after the consumption of products on the markets (end-of-life waste for products sold). It is for this reason that, for 20 years, Pernod Ricard has been committed to financing the French system enabling consumers to recycle their packaging. Thanks to contributions from companies as seen in the well-known "Point Vert" (Green Point), the Eco Emballages and Adelphe organisations were able to collect and recycle more than 1.9 million tonnes of glass in 2012, representing an outstanding recycling rate of 86%. If we include all of the materials recycled (metal, paper, cardboard, plastic, etc.) the average recycling rate in France is 67%. Similar systems exist in other European Union countries, as well as in numerous other countries. Efforts are continuing to improve this figure, in particular with the development of eco-design, one of whose targets is to ensure that all packaging is fully recyclable.

SUMMARY TABLE OF ENVIRONMENTAL RESULTS

| Category | Definition | Unit | Total Pernod Ricard | | | | | 2012/ 2013 | Unit | a) Ratio for 1,000 l of pure alcohol (kl PA) b) Ratio for 1,000 l of finished product (kl) | | | | | | G3 GRI Index |
|---------------------------|---|----------------|---------------------|-----|---------------|---------------|---------------|---------------|--------------------|---|-------|---------------|---------------|---------------|---------------|-----------------|
| | | | 2005/ 2006 | ... | 2009/ 2010 | 2010/ 2011 | 2011/ 2012 | | | 2005/ 2006 | ... | 2009/ 2010 | 2010/ 2011 | 2011/ 2012 | 2012/ 2013 | |
| Number of sites | Number of reporting sites | | 99 | | 108 | 99 | 98 | 93 | - | - | - | - | - | - | - | - |
| ISO 14001 (at 30 June) | Number of ISO 14001 certified sites | % | - | | 90 | 91 | 94 | 96 | - | - | - | - | - | - | - | - |
| | Proportion of ISO 14001 certified sites in total production | % | - | | 96 | 96 | 98 | 100 | - | - | - | - | - | - | - | - |
| Investments | Amount of investment for environmental protection | € M | 13.04 | | 7.30 | 8.32 | 12.60 | 14.48 | - | - | - | - | - | - | - | EN30 |
| Business compliance | Fines or penalties related to the environment | Number | 0 | | 2 | 0 | 1 | 0 | - | - | - | - | - | - | - | EN28 |
| Production volume | Total a) distilled production alcohol | kl PA | 202,518 | | 195,689 | 211,106 | 237,371 | 234,518 | - | - | - | - | - | - | - | - |
| | b) finished product | kl | 1,145,225 | | 1,182,500 | 1,176,385 | 1,182,446 | 1,072,320 | - | - | - | - | - | - | - | - |
| Water | Total volume used | m ³ | 7,182,064 | | 7,095,145 | 7,118,930 | 7,393,874 | 8,144,210 | m ³ /kl | a) | 35.46 | 36.26 | 33.72 | 31.15 | 34.73 | EN8 |
| | | | | | | | | | b) | 6.27 | 6.00 | 6.05 | 6.25 | 7.59 | | |
| | Total volume taken (consumption and cooling water) | m ³ | - | | 28,052,000 | 25,473,000 | 27,411,000 | 24,687,000 | m ³ /kl | a) | - | 143.35 | 120.66 | 115.48 | 105.27 | |
| | | | | | | | | | b) | - | 23.72 | 21.65 | 23.18 | 23.02 | | |
| Waste water | Total volume of waste water released | m ³ | 5,460,197 | | 5,445,849 | 4,931,666 | 4,993,818 | 5,462,268 | m ³ /kl | a) | 26.96 | 27.83 | 23.36 | 21.04 | 23.29 | EN21 |
| | Quantity of COD released into the natural environment | t | - | | - | 1,932 | 1,375 | 1,167 | - | - | - | - | - | - | - | - |
| Energy | Total energy consumed | MWh LHV | 2,029,538 | | 1,465,872 | 1,459,501 | 1,575,545 | 1,543,149 | MWh/kl | a) | 10.02 | 7.49 | 6.91 | 6.64 | 6.58 | EN3 |
| | | | | | | | | | b) | 1.77 | 1.24 | 1.24 | 1.33 | 1.44 | EN4 | |
| | O/w: Natural Gas | MWh LHV | - | | 783,127 | 823,031 | 911,387 | 891,773 | MWh/kl | a) | - | - | - | - | - | - |
| | O/w: Electricity | MWh LHV | - | | 267,652 | 258,976 | 262,606 | 269,084 | MWh/kl | a) | - | - | - | - | - | - |

| Category | Definition | Unit | Total Pernod Ricard | | | | | Unit | a) Ratio for 1,000 l of pure alcohol (kl PA) b) Ratio for 1,000 l of finished product (kl) | | | | | | G3 GRI Index | |
|---------------------|--|---------------------|---------------------------|---|---------------------|---------------|---------------|---------|---|---------------|---------|---------------|--------------------|---------------|--------------|---------------|
| | | | 2005/ 2006 | ... | 2009/ 2010 | 2010/ 2011 | 2011/ 2012 | | 2012/ 2013 | 2005/ 2006 | ... | 2009/ 2010 | 2010/ 2011 | 2011/ 2012 | | 2012/ 2013 |
| | | | CO ₂ emissions | Direct emissions (Scope 1) + indirect emissions (Scope 2) | CO ₂ teq | - | | | 357,654 | 341,559 | 352,060 | 335,456 | CO ₂ a) | - | | |
| | Direct emissions (Scope 1) | CO ₂ teq | 455,222 | | 259,896 | 264,481 | 280,470 | 267,619 | CO ₂ a) | 2.25 | | 1.33 | 1.25 | 1.18 | 1.14 | |
| | Indirect emissions (Scope 2) | CO ₂ teq | - | | 97,758 | 77,078 | 71,590 | 67,837 | CO ₂ a) | - | | 0.50 | 0.37 | 0.30 | 0.29 | |
| Refrigerant gases | Quantity of fluorinated gases installed | kg | 14,394 | | 19,353 | 18,022 | 18,056 | 17,148 | - | - | - | - | - | - | - | EN19 |
| | % of HFCs amongst the fluorinated gases installed | % | 23.6 | | 37.5 | 46.9 | 49.45 | 58.75 | - | - | - | - | - | - | - | |
| | Quantity of fluorinated gases released into the atmosphere | kg | - | | 2,051 | 1,628 | 1,629 | 1,696 | - | - | - | - | - | - | - | |
| | % of fluorinated gases released into the atmosphere | % | - | | 10.6 | 9.04 | 9.02 | 9.89 | - | - | - | - | - | - | - | |
| Packaging materials | Glass consumption | t | - | | 698,948 | 661,746 | 682,576 | 652,021 | g/l b) | - | | 591 | 563 | 577 | 608 | EN1 |
| | Cardboard consumption | t | - | | 64,074 | 67,537 | 75,576 | 70,714 | b) | - | | 54.2 | 57.4 | 63.9 | 65.9 | |
| Organic waste | Quantity of organic waste dumped or incinerated | t | 66,015 | | 3,743 | 4,875 | 2,601 | 2,532 | g/l a) | 326.0 | | 19.1 | 23.1 | 11.0 | 10.8 | EN22 |
| | | | | | | | | | b) | 57.64 | | 3.17 | 4.14 | 2.20 | 2.36 | |
| Solid waste | Total quantity of solid waste | t | 36,198 | | 35,817 | 43,721 | 30,983 | 26,222 | g/l b) | 31.6 | | 30.3 | 37.2 | 26.2 | 24.5 | EN22 |
| | Quantity of solid waste sent to landfill or incinerated | t | 8,646 | | 6,510 | 6,966 | 2,406 | 1,800 | b) | 7.55 | | 5.51 | 5.92 | 2.03 | 1.68 | |
| | % of solid waste recycled or recovered | % | 1 | | 82 | 84 | 92 | 93 | - | - | - | - | - | - | - | |
| Hazardous waste | Quantity of hazardous waste treated externally | t | 363 | | 626 | 541 | 545 | 291 | g/l b) | 0.32 | | 0.53 | 0.46 | 0.46 | 0.27 | EN24 |

COMMITMENT TO SOCIETY

Commitment to society and ethics is deeply rooted in Pernod Ricard's history and culture. The Group is aware of the role it can play as a major operator in the wines and spirits industry. Pernod Ricard thus:

- participates in society with the goal of respecting stakeholders and promoting local development;
- prides itself on developing products of very high quality whilst ensuring that they are consumed in a responsible manner. This is the Group's key CSR priority;
- is aware that responsible drinking cannot exist without communication that follows high ethical standards. The Group has therefore adopted its own Code for Commercial Communication;
- conducts its activities in a fair, transparent and honest manner;
- involves all of its partners in its CSR commitments.

THE GROUP'S CORPORATE REPORT

The Group's corporate reporting is linked to its social reporting. It covers all Group subsidiaries (Brand Companies and Market Companies). The subsidiaries/entities that are attached to other entities for CSR are not included.

COMMUNITY INVOLVEMENT ⁽¹⁾

Respect for stakeholders

The prerequisite of Pernod Ricard's CSR strategy is respect for all stakeholders: employees (see "Human Resources", page 49), consumers (see "Impact on society of the Company's products and services", page 75), shareholders (see page 240), partners (see "Involvement of the Group's partners in its CSR commitments", page 79) and local communities (see below).

In 2012, in order to gain a better understanding of stakeholders' expectations and incorporate them into its CSR strategy and initiatives, Pernod Ricard developed a dedicated project. The goal is to help subsidiaries to:

- identify all of their stakeholders;
- draw up a mapping of stakeholders;
- facilitate dialogue with them;
- incorporate stakeholders' expectations into their CSR strategy.

To achieve these aims, the Group has created dedicated tools and guides, accompanied by a training course. In early 2013, four pilot countries tested these tools, which will be improved for wider rollout in 2013/2014.

Promoting social and economic development

The Pernod Ricard Charter and Pernod Ricard's Sustainable Development Commitments outline the promotion of local social and economic development.

Pernod Ricard's worldwide subsidiaries:

- provide employment to local economies, especially in agriculture, through the purchase of around 2.3 million tonnes of agricultural raw materials (around €840 million per year);
- develop the skills of their employees and provide them with a fair, just and rewarding remuneration;
- add value to the goods and services purchased from suppliers and partners;
- generate revenue for governments through taxes and royalties particularly those related to its brands, as well as for its shareholders and investors.

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

Patronage and Solidarity

A tradition of sponsorship

Pernod Ricard's commitment to all forms of art and, in particular, contemporary art, is the result of a long tradition of partnering the arts. Pernod Ricard strives to promote the culture of the countries in which it operates worldwide: sharing their traditions, art and lifestyles in order to encourage entrepreneurship, open-mindedness and respect. Moreover, Pernod Ricard is committed to promoting and showcasing art by supporting young artists.

Paul Ricard, passionate about painting and a painter himself, had already created a foundation to support young artists in the 1960's. Since then, the Prix de la Fondation d'Entreprise Ricard has been created, rewarding one of the most representative young artists of his/her generation. Each year, the Foundation buys one of the winning artist's works and donates it to the Pompidou Centre in Paris.

In 2012/2013, 37 subsidiaries held at least one culture-sharing initiative.

For example, Pernod Ricard is a major patron of the Virtual Pompidou Centre which was officially launched to the public in October 2012 with 450,000 digital works and documents.

Entrepreneurial and international solidarity

Pernod Ricard is also committed to encouraging efforts which support entrepreneurs to realise their projects. In 2012/2013, 33 subsidiaries held at least one initiative to promote entrepreneurship (in both the traditional sense of helping young entrepreneurs and by helping people without access to education through scholarships, training, etc.).

(1) In accordance with the first principle of the United Nations Global Compact: "to support and respect the protection of internationally proclaimed Human Rights".

For example, the Group supports the Appel aid association in its programme to help young company founders in Vietnam and Colombia, financing their studies and initial set-up costs.

The Pernod Ricard group has also continued its commitment to PlaNet Finance, an association for the development of micro-credit, supporting a cooperative of wine growers in Armenia.

IMPACT ON SOCIETY OF THE COMPANY'S PRODUCTS AND SERVICES ⁽¹⁾

Product health and safety (production and consumption)

Pernod Ricard aims to provide its customers with products of the highest quality, and places particular importance on consumer health and safety. This has resulted in significant commitment in terms of the prevention of risks associated with alcohol abuse (see below) but also a strict policy in terms of food safety during the manufacture of products.

The control of product health and safety is based on the implementation of the Hazard Analysis Critical Control Point (HACCP) method which aims to identify all the points for potential risks in the manufacturing process and to control these with appropriate preventive measures. Despite the fact that Wine and Spirits are less exposed to food safety risks than the products of other food-industry segments, Pernod Ricard decided to go ahead with the gradual certification of its facilities in accordance with ISO 22000 "Food safety management systems". At 30 June 2013, 70% of production sites were certified, representing 92% of volumes produced and including all the major sites.

The internal standards established by Pernod Ricard for its industrial activities include different specific guidelines, the aim of which is to control risks such as for example the accidental contamination of a product or the presence of a foreign body in a bottle. These standards are regularly audited by the Group's Technical Division.

In addition, a Group Intranet site called "Complaint Management System" has been developed to track customer complaints and any other quality problems in real time and immediately inform the subsidiary concerned for corrective action. In the case of a serious product health and safety concern, the system also informs the Holding Company instantly, and allows for very rapid reaction. Each subsidiary has a crisis management procedure that can be activated particularly in the case of a health risk caused by a product with, if necessary, a product recall. These procedures are subject to regular testing, the training of people involved and updates.

Furthermore, a Health Risk Management Committee chaired by the Group's Operations Director monitors the recognition of risks linked to product health safety and in particular the risks linked to scientific knowledge or new regulations.

Finally, to the best of our knowledge, Pernod Ricard products do not rely on nanotechnologies and do not include free nanoparticles in their manufacturing processes, ingredients or packaging.

Transparent labelling and responsible advertising/marketing practices

Through its Code for Commercial Communication (see details on page 76), Pernod Ricard assumes its main responsibilities as a producer of alcoholic beverages and includes ethics within all of its commercial communications.

The Group is also committed to transparent labelling of its products (information on risks linked to the product). The Human Resources division is responsible for informing employees and ensuring that each of them follows the Company's policy.

Pernod Ricard has allocated significant resources to:

- ensuring the public is properly informed of potential risks linked to excessive or inappropriate consumption of its products;
- providing product information on its website;
- labelling its products clearly;
- distributing its Code for Commercial Communication as well as its Internal Control procedures to employees and communication/marketing agencies;
- training its sales and marketing staff on responsible marketing and commercial practices.

With regard to transparent labelling, 100% of subsidiaries incorporate the "pregnant lady" warning logo on all bottles distributed in European Union countries. In 2013, the decision was taken to gradually extend the application of this logo to all bottles distributed by Pernod Ricard worldwide (notwithstanding any regulatory constraints).

In addition, 98.7% of subsidiaries include a responsible drinking message in advertising and promotional material.

Prevention of high-risk drinking habits

Pierre Pringuet, Chief Executive Officer and Vice Chairman of the Board of Directors, has always been firmly committed to a responsible drinking policy. The Chief Executive Officers of the subsidiaries also uphold this commitment. Their annual bonus calculation now includes a CSR criterion, proof of the strategic importance given to this policy.

The Group's strategy against alcohol abuse is focused on drink driving and education and covers the following five areas:

- advocating consumption in moderation, in particular via its Code for Commercial Communications (see hereafter);
- combating drink driving; Pernod Ricard recommends abstaining from drinking before driving and develops dedicated initiatives, for example the "designated driver" initiative;

(1) In accordance with the first principle of the United Nations Global Compact: "to support and respect the protection of internationally proclaimed Human Rights".

Commitment to Society

- education: raising awareness among young people of the risks associated with alcohol abuse. The Group strives to prevent alcohol consumption among minors by developing programmes aimed at delaying the age of first alcohol consumption and first intoxication and works with young adults to combat alcohol abuse;
- education: deterring pregnant women, for whom Pernod Ricard recommends abstinence;
- making staff aware of their responsibilities through training, awareness-raising and dedicated events, such as Responsib'All Day.

The Group has allocated significant resources to making this commitment a reality: dissemination of the results of research, support for medical research, prevention campaigns and programmes involving stakeholders.

Pernod Ricard is, for example, a founding member of IREB (Institut de Recherches Scientifiques sur les Boissons), an independent research organisation dedicated to alcohol and its social impacts, which publishes and finances studies and papers. A number of initiatives are also performed at local level by the subsidiaries. In 2012/2013, 91% of subsidiaries implemented at least one initiative to promote responsible drinking.

In 2011, the Group chose to go a step further with the introduction of a special event for the entire Group: Responsib'All Day. This event aims to promote the sharing of best practices and to undertake concrete actions, mobilising all of the Group's subsidiaries and employees around a common CSR theme during the event. The aim is to have all 18,000 employees ambassadors of Pernod Ricard's CSR policy:

- the first Responsib'All Day took place in May 2011. It was dedicated to combating drink driving, together with the simultaneous launch by the UN of the first Decade of Action for Road Safety. This day was also the starting point for new initiatives, campaigns and events to be launched throughout the world;
- the second edition took place on 7 June 2012 and dealt with alcohol and youth. The aim was to promote, both internally and externally, a clear message: no alcohol for minors and responsible drinking for young adults;
- the third edition, held on 5 June 2013, focused on promoting the industry's five commitments for responsible drinking (see below).

The industry's five commitments

At the ICAP (International Center for Alcohol Policies) conference held in October 2012, Pernod Ricard and the world's leading producers of beer, wines and spirits announced that they had undertaken five commitments covering 10 action areas, with a view to reducing harmful alcohol consumption. These five commitments are:

- reduce alcohol consumption among young people under the legal minimum age;
- strengthen and expand codes of marketing practice;
- communicate information to consumers and develop responsible product innovations;
- reduce drink driving;
- obtain the support of retailers in reducing harmful alcohol consumption.

These commitments will be implemented over a period of five years and will be reviewed annually by an independent third party.

In order to make its responsible drinking policy and good practices public and easy to access, in 2013 the Group published a brochure on the subject entitled "Wise Drinking, The Art of Conviviality", available on the website at: http://pernod-ricard.com/medias/wdoc/art-convivialite_fr/.

Stakeholders' feedback

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

RESPONSIBLE COMMUNICATION

The Pernod Ricard Code for Commercial Communication

All advertising campaigns run by Pernod Ricard throughout the world must comply with the Code for Commercial Communication. This Code was adopted in 2007 and was updated in 2010 and again in June 2012 to incorporate the use of new media. It can be accessed by all employees on the Pernod Ricard Intranet site and on the Group's website (see the Code at <http://pernod-ricard.com/734/csr/responsible-drinking/promoting-moderate-drinking/responsible-product-marketing>).

Employee training in the Code for Commercial Communication

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

The following issues are dealt with during this training: the importance of Internal Control of campaigns, the main provisions of the Code and the review procedure; particular attention is given to new media ("Digital Marketing"). At the end of each training session, an interactive training module allows the team to confirm their knowledge and understanding of the Code for Commercial Communication.

During the 2012/2013 financial year, 338 employees and 28 suppliers were trained in fifteen training sessions. For each training course, an attendance list is produced in order to monitor the names and number of people who have followed these training courses.

Internal Approval Panel

Ethical control over advertising is the responsibility of the Internal Approval Panel, which comprises five members: Audrey Yayon-Dauvet, Vice President, Legal and Public Affairs (Pernod Ricard Americas), Jenny To, Vice President, Talent and Recruitment (Pernod Ricard Asia), Rick Connor, Vice President, International Public Affairs (Chivas Brothers), Armand Hennon, Vice President, Public Affairs France (Pernod Ricard) and Tom Lalla, General Counsel (Pernod Ricard USA). The panel initially included four members. Jenny To, of Pernod Ricard Asia, joined the panel in 2012 for a better understanding of the specific characteristics of the Asian market. The Panel is independent from

the marketing department and reports directly to the Pernod Ricard Executive Committee. Its decisions are binding throughout the Group and provide "case law" for the application of the Pernod Ricard Code for Commercial Communication. This Panel is required to hand down its decisions within a maximum of seven days. Its decisions are taken in a collegiate manner.

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

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

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

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

Scope of controls

Controls are mandatory for the 14 strategic Spirits and Champagne brands⁽¹⁾ and the four Priority Premium Wine Brands⁽²⁾ (which represent 82% of media spending). Since February 2013, they have also been mandatory for the 18 local brands⁽³⁾ (which represent 12% of media spending) and are widely used in the subsidiaries. Controls encompass advertising, the Internet and sponsorship.

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

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

Reporting

The Internal Approval Panel reports directly to the Group Executive Committee. A report on all advertising campaigns is submitted to the Executive Committee at each of its meetings. Ten such reports were submitted during the 2012/2013 financial year.

Results of controls in 2012/2013

During the 2012/2013 financial year, the Panel examined 236 campaigns. Of these campaigns, only one was subject to a

modification request (orange ruling), as the campaign in question contravened the article of the Code concerning sexual success. No campaigns were refused (red ruling). The Panel also gave confidential advice (copy advice procedure) for 165 campaign proposals. In total, the Panel examined 401 advertising campaigns during financial year 2012/2013⁽⁴⁾.

Since the Panel was set up in 2005, just one of the 1,600 campaigns examined by the Internal Approval Panel has been cancelled following a complaint.

THE GROUP'S ETHICAL PRACTICES⁽⁵⁾

Prevention of corruption

Pernod Ricard's commitment to combatting corruption has historically been expressed through several documents. These documents include:

- Pernod Ricard's Charter, in particular the business model chapter, which specifies that all employees must abide by the legislation in their market and by the Group's policies and procedures;
- Pernod Ricard's Procurement Code of Ethics, which contains prohibitions on offering or giving improper inducements to public officials;
- the 10th principle of the United Nations Global Compact, which states that "Businesses should work against corruption in all its forms, including extortion and bribery".

Pernod Ricard has also adopted an anti-bribery policy that applies to all Group companies. Brand Companies and Market Companies are required to establish systems and controls to comply with this policy, which may include the adoption of local versions of the Group policy.

Pernod Ricard's Internal Control Principles, which apply to all Group subsidiaries, specify that all Pernod Ricard affiliates must comply with the Pernod Ricard Charter, the Procurement Code of Ethics and that all of the Group's suppliers must comply with the Ten Principles of the United Nations Global Compact. Pernod Ricard sends all subsidiaries a self-assessment questionnaire every year, in which they must state whether they are compliant with Group policies. The reliability of the answers to these questionnaires is confirmed in a "representation" letter signed by the CEO and Administrative and Financial Director of each entity.

Prevention of anti-competitive practices

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

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

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

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

(4) Note on methodology: advice issued between the final Executive Committee meeting of financial year 2012/2013 (18 June 2013) and the balance sheet date (30 June 2013) have not been included and will be included in financial year 2013/2014.

(5) In accordance with Principles 2 & 10 of the United Nations Global Compact: "to make sure that they are not complicit in Human Rights abuses" and "to work against corruption in all its forms, including extortion and bribery".

Commitment to Society

This policy is included in the Pernod Ricard Charter. With regards to compliance with competition laws in particular, the Charter states:

“Pernod Ricard is committed to the public policy goals of competition laws and to acting lawfully in the marketplace. It is the Group’s policy to observe both the letter and the spirit of the competition laws in all countries where we do business.

Wherever one is located in the world, competition laws will almost certainly apply to the way the Group conducts its business.

Specifically, it is prohibited to fix selling or purchase prices with our competitors or any other terms on which we trade. It is not only an explicit agreement between competitors which will amount to price fixing, but also an informal co-ordination of price level increases and the exchange of price information. Similarly, agreements or understandings with competitors to divide up markets or territories are also illegal.”

Pernod Ricard’s Internal Control Principles, which apply to all Group subsidiaries, specify that all Pernod Ricard affiliates must comply with the Pernod Ricard Charter. Pernod Ricard sends all subsidiaries a self-assessment questionnaire every year in which they must state whether they are compliant with Group policies. The reliability of the answers to these questionnaires is confirmed in a “representation” letter signed by the CEO and Administrative and Financial Director of each entity.

Transparency and integrity of strategies and practices seeking to influence

In general, all Pernod Ricard employees are subject to the provisions of the Pernod Ricard Charter and specifically its rules of ethics (in the Business model section of the Charter), which is one of the Group’s three key values. The Charter states that: “Pernod Ricard expects all its employees to have a strong sense of ethics, with “respect” and “transparency” as watchwords. All employees are required to:

- abide by the legislation in force in their market and by the Group’s policies and procedures;
- be honest and trustworthy by being sincere and open about their actions;
- treat colleagues, shareholders, customers, consumers, suppliers and competitors with the greatest respect;
- respect the environment;
- comply with our industry commitments;
- act as ambassadors for responsible drinking and behave impeccably in all professional situations”.

More specifically, the Group lobbying policy⁽¹⁾ conforms to professional (EPACA in Europe, *Association pour les Relations avec les Pouvoirs Publics* in France, etc.) and institutional codes (see: http://ec.europa.eu/civil_society/interest_groups/approche/criteres_fr.htm). Jean Rodesch, Vice President Government Affairs and Corporate Social Responsibility, is responsible for the oversight and implementation of

this policy. The main lobbying actions are approved by the Group CEO and the rest of Senior Management is kept informed of the status of the projects.

In order to promote integrity in lobbying practices within its operations, the Group organises a “public affairs” seminar every year where the main guidelines of the Codes of Conduct and Ethics are reaffirmed. In addition, a “lobbying” training course, part of which focuses on ethical issues, is deployed. This training course is now included in the Pernod Ricard University catalogue. Part of the course is delivered by Transparency International, of which Pernod Ricard has been a member since early 2013. It aims to train participants in:

- ensuring that lobbying practices are transparent and responsible;
- defining a series of recommendations for interest representatives;
- ensuring that lobbying practices comply with the Group’s CSR commitments.

Although it is open to all, this training course is primarily aimed at employees who interact with governments, specifically subsidiary CEOs, those working in public affairs, communication professionals, CSR leaders, etc.

As regards interaction with governments, the requirement for high ethical standards is enshrined in the Group’s Charter, which, as set out above, covers all of the Group’s activities and not just lobbying. Details, such as the maximum permitted value of gifts, are subject to local legislation.

Furthermore, in the European Union, Pernod Ricard has been registered in the Register of Representatives of Interests since its creation in 2008, under ID number 352172811-92. This register contains useful information about teams, budgets, areas of interest, membership of associations, etc. (see <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=352172811-92&isListLobbyistView=true>).

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

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

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

(1) Pernod Ricard uses the definition of “lobbying” established by Quebec: “any communication, written or oral, between a representative or an interest group and a public decision-maker in order to influence decision-making”.

Position on regulatory issues

Generally speaking, Pernod Ricard has no particular stance on regulatory issues, other than those taken officially and communicated by our professional associations worldwide. In some cases, the Group may take a specific position on issues of particular interest. For example, Pernod Ricard contributed to the consultation on the European Commission Green Paper on agricultural product quality, available at http://ec.europa.eu/agriculture/quality/policy/opinions_en.htm. However, in general, the policies we uphold are covered on the websites of our professional associations, for example:

- on intellectual property: European Brands Association www.aim.be;
- on marketing regulation, the World Federation of Advertisers www.wfanet.org;
- on sectoral issues: spiritsEUROPE www.spirits.eu; Comité Européen des Entreprises Vins www.ceev.be; Scotch Whisky Association www.swa.org.uk; Fédération des Exportateurs de Vins & Spiritueux de France www.fevs.com; Distilled Spirits Council of the United States www.discus.org; Winemakers' Federation of Australia www.wfa.org.au; the Industry Association for Responsible Alcohol Use in South Africa www.ara.co.za; Association of Canadian Distillers www.acd.ca; Thai Alcohol Business Association www.tabba.or.th; EU Chamber of Commerce in China, Agriculture, Food & Beverage Working Group www.europeanchamber.com.cn.

Our representatives are occasionally invited to events where they speak publicly about regulatory issues.

Example positions

Position on the WHO's global strategy to reduce alcohol abuse

- We support the WHO's global strategy aimed at reducing alcohol abuse. We are committed to working with local, national and international stakeholders in order to combat alcohol abuse. To do so, we leverage our current, long-standing efforts whilst basing our work on the following fundamental beliefs:
 - we respect the right of adults to choose whether or not to consume alcoholic beverages;
 - we believe that alcohol consumption patterns are heavily influenced by cultural and religious factors;
 - we believe that the most effective and most easily implemented measures to reduce alcohol abuse are based on evidence, take consumption patterns into account and target specific problems;
 - we firmly believe that governments, producers and other stakeholders should work together more closely to reduce the abuse of non-commercial, undeclared alcohol, which accounts for a significant proportion of all alcoholic beverages consumed worldwide, particularly in many low- and middle-income countries.

Position on freedom of communication

- We believe in the importance of the freedom to communicate, in accordance with ethical standards:
 - effective marketing cannot exist without respect for consumers and society in general;
 - we thus support high standards of self-regulation of our marketing activities in all countries in which we operate;
 - these standards are global and apply to all of our brands in all countries, even those in which regulations are non-existent or limited;
 - we require our service providers to comply with these standards;
 - we take into account complaints from consumers and advertising authorities if our marketing activities are not in line with our commitments.

Position on taxation

- Countries have a degree of flexibility to set VAT rates on spirits (in the European Union, the minimum rate is €550 per hectolitre of pure alcohol) and excise duties vary from country to country.
- Tax on spirits should not be a victim of discrimination against imports and must not contravene the rules of the World Trade Organisation (WTO). In addition, fairness of taxation between alcoholic products must form the basis of all related governmental decisions.
- Most governments use VAT and excise duty to generate revenue. However, taxation and pricing policies on alcoholic products have also been used as a public health tool to influence consumption and reduce alcohol abuse. Contrary to popular belief, an increase in tax on alcohol does not automatically affect prices. There is no proven link between a high level of taxation, a high price for the consumer and overall consumption or the harmful effects of alcohol.

INVOLVEMENT OF THE GROUP'S PARTNERS IN ITS CSR COMMITMENTS ⁽¹⁾

Sustainable relationships with suppliers and subcontractors

Pernod Ricard has had sustainable relationships with its suppliers and subcontractors for a long time, particularly via its subsidiaries, and relies upon them to convey its values and share its CSR commitments.

These commitments apply throughout the Group and are supported by Senior Management.

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

(1) In accordance with Principles 2, 4 & 5 of the United Nations Global Compact: "to make sure that they are not complicit in Human Rights abuses", "elimination of all forms of forced and compulsory labour" and "effective abolition of child labour", respectively.

Commitment to Society

In 2011, Pernod Ricard chose to increase the involvement of its suppliers and subcontractors: a working group was created to formalise Pernod Ricard's commitment to Responsible Procurement with documents and tools to consolidate the existing actions.

The following documents and tools were established by the working group:

- December 2011: Responsible Procurement Policy, for products and services, covering all purchases made by all employees;
- first half 2012: pilot testing of EcoVadis, CSR Assessment tool for suppliers and subcontractors;
- second half 2012: following the success of the pilot, gradual adoption of the supplier and subcontractor CSR assessment tool for the categories most at risk;
- second half 2012: risk analysis methodology to allow subsidiaries to identify which suppliers and subcontractors should be assessed as a priority;
- second half 2012: finalisation of the "Suppliers' CSR Commitment", for deployment in 2013. This document is also aimed at subcontractors;
- first half 2013: translation of essential procurement CSR documents, now available in English, French, Spanish and Mandarin;
- first half 2013: harmonisation of CSR audit standards for suppliers and subcontractors.

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

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

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

In addition to the results published for previous years, some recent results should be highlighted:

- in the UK, Chivas Brothers developed a Supplier Audit Checklist including around 100 criteria, 20 of which refer to Corporate Social Responsibility. This tool is used to monitor the main suppliers and to reference new suppliers.

This self-assessment tool is used as a basis for dialogue with suppliers and has been extended to other subsidiaries, in addition to being used for regional joint tenders. Parts of the Supplier Audit Checklist are repeated in Pernod Ricard's guidelines for selecting subcontracted bottling facilities;

- in 2012, Pernod Ricard Italia finalised a new product whose spices are purchased from small Indian producers. The partnership, established in liaison with PlaNet Finance, ensures high-quality

supplies whilst guaranteeing a stable, sustainable income for the producers;

- in Australia, Orlando Wines established a collaborative tool for monitoring pesticide use. This tool is used by all of its grape producers and helps eliminate the presence of residue in Jacob's Creek wines.

No allegations have been made against the Company regarding the sustainability of its partnerships with its suppliers and subcontractors.

Moreover, the Pernod Ricard Procurement Code of Ethics establishes rules for balanced and healthy relationships with suppliers and the basic CSR principles.

Integration of environmental factors in the supply chain

Pernod Ricard has made a formal commitment to include environmental factors in supply chain management into its Responsible Procurement Policy and its Procurement Code of Ethics.

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

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

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

In addition, the subsidiaries help suppliers and subcontractors achieve ISO 14001 or equivalent certification. Even though there is no formal Group-wide policy, the Pernod Ricard point of sale material (POS) procurement co-ordination team has drawn up a list of Group-wide referenced suppliers. Prior to any referencing, the suppliers have to answer the Supplier Audit Checklist covering, in particular, environmental aspects.

Integration of labour issues in the supply chain

Pernod Ricard has made a formal commitment to include labour factors in supply chain management into its Responsible Procurement Policy and its Procurement Code of Ethics.

The Group's labour requirements for suppliers and sub-contractors refer to the United Nations Global Compact and the International Labour Organisation (ILO) fundamental conventions and address the most relevant issues in the sector: trade union rights, abolition of child labour, non-discrimination and equality of remuneration.

Pernod Ricard has set up two measures for ensuring that labour issues are included in its supply chain management: supplier questionnaires and awareness-raising for employees responsible for procurement. Pernod Ricard's major suppliers have completed a questionnaire on labour issues. Buyers receive guidelines to ensure

that they comply with the Pernod Ricard Procurement Code of Ethics in their dealings with suppliers and subcontractors.

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

Although there is for the moment no Group-wide policy for performing labour audits of suppliers, for the past two and a half years the

Pernod Ricard point of sale material (POS) procurement co-ordination team has drawn up a list of Group-wide referenced suppliers, which is constantly updated. Prior to any referencing, suppliers have to complete the Supplier Audit Checklist covering, among other things, environmental and labour aspects, and systematically allow a POS co-ordination team member to perform an audit. This is the basis of further reviews.

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STATUTORY AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

Financial year ended 30 June 2013

To the Shareholders,

In our capacity as Statutory Auditors of Pernod Ricard, we hereby present you with our report on the consolidated social, environmental and societal information presented in the management report prepared for the year ended 30 June 2013, (hereinafter the "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

The Board of Directors of Pernod Ricard is responsible for preparing a management report including the CSR Information provided for in Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting criteria used by Pernod Ricard (the "Reporting Criteria") and available for consultation at the headquarters of the Company of which a summary appears in the management report (Section 3 of Pernod Ricard Registration Document).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with deontological rules, professional standards and the applicable legal texts and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITORS

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness);
- to express limited assurance on the fact that, taken as a whole, the other CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (Considered opinion on the fairness of CSR information).

Our work was conducted during the period 28 June 2013 until the issuance of our assurance report, according to the following schedule:

- end of June 2013: procedures review for social, environmental and societal data reporting at Group and branch level;
- from mid-July 2013 to early August 2013: verification work on selected sites and/or subsidiaries;
- end of July 2013: review of the consolidated social data at several regional levels;
- early August 2013 to the issuance of our assurance report: review of consolidated societal, environmental and social data at Group level.

1. ATTESTATION OF COMPLETENESS OF THE CSR INFORMATION

We conducted the following procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements), the professional guidelines applicable in France and the legal order published on 13 May 2013 determining the methodology according to which the independent third party conducts its mission:

- we got acquainted with the direction that the Group is taking in terms of sustainability, with regard to the social and environmental consequences of the company's business and its societal commitments and, where appropriate, the actions or programs that stem from it;
- we compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- we verified that the CSR Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological note presented in the management report (Section 3 of Pernod Ricard Registration Document);
- in the event of omission of certain consolidated information, we have verified that explanations are provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code.

Based on our work, we attest to the completeness of the required CSR Information in the management report (Section 3 of Pernod Ricard Registration Document).

2. CONSIDERED OPINION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of procedures

We conducted our work in accordance with ISAE 3000 (International Standard on Assurance Engagements), the professional guidelines applicable in France and the legal order published on 13 May 2013 determining the methodology according to which the independent third party conducts its mission.

We conducted the following procedures in order to provide limited assurance that the CSR Information does not contain any material misstatements likely to call into question its fairness, in all material respects, in accordance with the above-mentioned Reporting Criteria. A higher level of assurance would have required more extensive work.

We performed the following procedures:

- we identified the individuals who, within the Group, are in charge of the collection of CSR Information and, where appropriate, those who are in charge of internal control and risk management procedures;
- we assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, where relevant, the sector's best practices;
- we verified the existence within the Group of a process to collect, compile, process and check the CSR Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information. We conducted interviews with individuals responsible for the CSR Information preparation;

Statutory Auditors' report

- we selected the consolidated information to be tested⁽¹⁾ and determined the nature and scope of the tests by taking into consideration their significance with respect to the social and environmental consequences related to the Group's activity as well as its corporate commitments:
 - concerning the consolidated quantitative information that we consider to be most significant:
 - for the consolidating entity and controlled entities, we set up analytical procedures and verified, using sampling techniques, the calculations as well as the consolidation of this information,
 - at the sites that we have selected⁽²⁾ based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we:
 - conducted interviews to verify the proper application of procedures and identify possible omissions,
 - conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence.
- The selected sites' contribution to Group data equals to 24% in terms of headcount and between 19% to 66% in terms of the quantitative environmental information tested;
- concerning the consolidated qualitative information that we consider to be most significant, we reviewed the related source documents and conducted interviews to corroborate this information and assess its fairness;
- regarding the other published consolidated information, we assessed its fairness and consistency in relation to our knowledge of the Group and, where necessary, through interviews or by consulting documentary sources;
 - finally, we assessed the relevance of the explanations relating to, where necessary, the absence of certain information.

Because of the use of sampling techniques, and because of other limits inherent to the functioning of any information system and internal control system, the risk of missing out a significant anomaly in the CSR Information cannot be totally eliminated.

Expressed qualification

As mentioned in the paragraph « Water consumption and production sites performance », the water consumption indicator, which amounts to 8.1 millions of cubic meters, is affected by a lack of reliability of the estimation and extrapolation methodology for water consumption selected for the site of Walkerville in Canada, which represents 1.8 million cubic meters. This uncertainty does not concern the other sites of the Group.

Conclusion

Based on our work and subject to the above-mentioned qualification, we did not identify any material misstatement likely to call into question the fact that the CSR Information has been presented fairly, in all material aspects, in accordance with the Reporting Criteria.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

(1) Social information: Worldwide workforce at 30 June ; Breakdown of workforce by gender ; Average workforce by Region ; Breakdown of workforce by type of employment contract ; Employees departures and recruitments ; Rate of voluntary departures based on average workforce ; Percentage of the workforce working part time ; Theoretical hours worked ; Absenteeism rate ; Information relative to the organisation of concertation ; Outcome of collective agreements signed (concertation, health, safety at work, etc.) ; Frequency rate of workplace accidents ; Severity rate of workplace accidents ; Total number of training hours ; Percentage of the workforce trained ; Gender equality (only in France) ; Information relative to the compliance with the provisions of the ILO's fundamental conventions.

Environmental information: Percentage of sites ISO 14 001 certified ; Share of ISO 14001 certified sites in the Group's production volume ; Fines or penalties related to non-compliance with laws or regulations relating to the environment ; Waste water released ; Total volume of COD released ; Percentage of solid waste recycled or recovered ; Quantity of organic waste dumped or incinerated ; Hazardous wastes ; Solid wastes ; Complaints concerning the environment (noise, smell, etc.) ; Water consumption (including water abstraction) ; Quantity of packaging glass and cardboard used ; Energy consumption (including Natural gas consumption and Electricity consumption) ; Renewable energy consumption ; Percentage of renewable energies in the energy mix ; Greenhouse gas emissions from industrial sites (Scope 1) ; Greenhouse gas emissions from industrial sites (Scope 2) ; Refrigerant gas emissions CFC+HCFC+HFC ; Emission rate of refrigerant gases ; Volume of distilled alcohol ; Volume of finished product sent to bulk ; Volume of bottled finished product.

Societal information: Percentage of subsidiaries with cultural-sharing initiative Breakdown; Percentage of subsidiaries with initiatives to promote entrepreneurship ; Number of marketing campaigns examined by the Internal Approval Panel ; Breakdown of rulings given by the Internal Approval Panel on marketing campaigns ; Number of employees and suppliers trained in the Code for Commercial Communication ; Percentage of subsidiaries including a responsible drinking message in advertising and promotional material ; Percentage of subsidiaries incorporating the "pregnant lady" warning logo on bottles distributed in European Union countries ; Percentage of subsidiaries implementing at least one initiative to promote responsible drinking ; Percentage of subsidiaries with an alcohol charter.

(2) Sites having been the subject of tests on the social information: PR Americas – Forth Smith, PR Americas consolidated, IDL – Irlande, Chivas Brothers – UK, PR Rouss, PR Polska, PR Italia, PR Brazil, PR Korea, European cluster.

Sites having been the subject of tests on the environmental information : Fort Smith, Napa (refrigerant gas only), Midleton, Fox & Geese, Canelli, Janikowska, Resende, Suape, Paisley, Glenburgie, Strathclyde (renewable electricity only), Walkerville, Los Reyes (waste water discharge, COD discharge and wastes only).

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



4

MANAGEMENT REPORT

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KEY FIGURES OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

KEY INCOME STATEMENT FIGURES

| <i>In euro million</i> | 30.06.2011 | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|--------------|
| Net sales | 7,643 | 8,215 | 8,575 |
| Gross margin after logistics expenses | 4,610 | 5,047 | 5,351 |
| Advertising and promotional expenses | (1,441) | (1,571) | (1,644) |
| Contribution after advertising and promotional expenses | 3,169 | 3,476 | 3,707 |
| Profit from recurring operations | 1,909 | 2,114 | 2,230 |
| Operating profit | 1,852 | 1,969 | 2,106 |
| GROUP NET PROFIT | 1,045 | 1,146 | 1,189 |
| Group net profit per share – diluted (<i>in euro</i>) | 3.94 | 4.32 | 4.46 |
| GROUP NET PROFIT FROM RECURRING OPERATIONS | 1,092 | 1,201 | 1,255 |
| Group net profit per share from recurring operations – diluted (<i>in euro</i>) | 4.12 | 4.53 | 4.71 |

KEY BALANCE SHEET FIGURES

| <i>In euro million</i> | 30.06.2011 | 30.06.2012 | 30.06.2013 |
|---|---------------|---------------|---------------|
| Assets | | | |
| Non-current assets | 19,652 | 21,802 | 20,981 |
| of which intangible assets | 16,036 | 17,360 | 16,753 |
| Current assets | 6,066 | 6,522 | 6,499 |
| Assets held for sale | 4 | 52 | 8 |
| TOTAL ASSETS | 25,722 | 28,375 | 27,488 |
| Liabilities and shareholders' equity | | | |
| Consolidated shareholders' equity | 9,497 | 10,972 | 11,351 |
| Non-current liabilities | 13,272 | 13,689 | 11,719 |
| Current liabilities | 2,953 | 3,707 | 4,418 |
| Liabilities held for sale | - | 7 | 0 |
| TOTAL LIABILITIES | 25,722 | 28,375 | 27,488 |

Key figures of the consolidated financial statements for the year ended 30 June 2013

KEY NET FINANCIAL DEBT FIGURES

| <i>In euro million</i> | 30.06.2011 | 30.06.2012 | 30.06.2013 |
|--|--------------|--------------|--------------|
| Gross non-current financial debt | 9,386 | 9,296 | 7,712 |
| Gross financial debt from recurring operations | 405 | 880 | 1,568 |
| Non-current hedging instruments – assets | (54) | (101) | (56) |
| Hedging instruments from recurring operations – assets | - | - | (3) |
| Non-current derivative instruments – liabilities | 75 | 75 | 36 |
| Derivative instruments from recurring operations – liabilities | - | - | 67 |
| Cash and cash equivalents | (774) | (787) | (597) |
| NET FINANCIAL DEBT | 9,038 | 9,363 | 8,727 |
| Free cash flow ⁽¹⁾ | 1,001 | 955 | 924 |

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

KEY CASH FLOW STATEMENT FIGURES

| <i>In euro million</i> | 30.06.2011 | 30.06.2012 | 30.06.2013 |
|--|--------------|----------------|----------------|
| Self-financing capacity before interest and tax | 1,836 | 1,984 | 2,243 |
| Net interest paid | (478) | (516) | (519) |
| Net income tax paid | (256) | (287) | (385) |
| Decrease/(increase) in working capital requirements | 32 | (55) | (255) |
| Net change in cash flow from operating activities | 1,134 | 1,126 | 1,085 |
| Net change in cash flow from investing activities | (60) | (241) | (191) |
| Net change in cash flow from financing activities | (975) | (1,099) | (1,208) |
| Cash flow from discontinued operations | - | (11) | (0) |
| Net effect of translation adjustments | (26) | 237 | 125 |
| Cash and cash equivalents at beginning of period | 701 | 774 | 787 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 774 | 787 | 597 |

4

ANALYSIS OF BUSINESS ACTIVITY AND RESULTS

In 2012/2013, Pernod Ricard achieved its objective of organic growth⁽¹⁾ in profit from recurring operations of close to 6%, with:

- organic net sales growth⁽¹⁾ of 4%, comprising:
 - 5% for the Top 14 strategic brands (including 5% from price/mix);
 - 10% for emerging markets and overall stability in mature markets, with strong growth in the United States and decline in Western Europe;
- an increase in the organic growth⁽¹⁾ of profit from recurring operations in each of the Regions excluding France (still impacted by the increase in duties at 1 January 2012), up 14% in Asia/Rest of World, 4% in the Americas and 1% in Europe excluding France;

- the best reported growth of the operating margin in three years (+42 bp in organic growth⁽¹⁾) due to the combined effect of ongoing Premiumisation and its good cost control;
- a significant decline of €635 million in net debt due to greater cash generation compared to the previous year. The net debt/EBITDA ratio came to 3.5 at the end of June 2013;
- a proposed dividend per share of €1.64, up 4% in line with the customary cash distribution policy of approximately one-third of net profit from recurring operations.

Emerging markets⁽²⁾ are still a powerful growth engine for Pernod Ricard. They comprised 44% of the Group's profit from recurring operations in financial year 2012/2013 compared to 39% in 2011/2012.

PRESENTATION OF RESULTS

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|-------------|-------------|
| Net sales | 8,215 | 8,575 |
| Gross margin after logistics expenses | 5,047 | 5,351 |
| Contribution after advertising and promotional expenses | 3,476 | 3,707 |
| Profit from recurring operations | 2,114 | 2,230 |
| Operating margin | 25.7% | 26.0% |
| Group net profit from recurring operations* | 1,201 | 1,255 |
| Group net profit | 1,146 | 1,189 |
| Group net profit per share from recurring operations – diluted (<i>in euro</i>) | 4.53 | 4.71 |
| GROUP NET PROFIT PER SHARE FROM RECURRING OPERATIONS (EXCLUDING DISCONTINUED OPERATIONS) – DILUTED (IN EURO) | 4.32 | 4.46 |

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

(1) Organic growth at constant exchange rates and scope of consolidation.

(2) Emerging markets:

- Asia/Rest of World: Algeria, Angola, Cambodia, Cameroon, China, Congo, Egypt, Ethiopia, Gabon, Ghana, India, Indonesia, Iraq, Ivory Coast, Jordan, Kenya, Laos, Lebanon, Madagascar, Malaysia, Mozambique, Morocco, Nigeria, Persian Gulf, Philippines, Senegal, South Africa, Sri Lanka, Syria, Tanzania, Thailand, Tunisia, Turkey, Uganda, Vietnam;
- Americas: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Puerto Rico, Uruguay, Venezuela, West Indies;
- Europe: Albania, Armenia, Azerbaijan, Belarus, Bosnia, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Ukraine.

GROUP NET PROFIT PER SHARE FROM RECURRING OPERATIONS - DILUTED

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|--|-------------|-------------|
| Profit from recurring operations | 2,114 | 2,230 |
| Financial income (expense) from recurring operations | (509) | (527) |
| Corporate income tax on recurring operations | (377) | (430) |
| Non-controlling interests, profit from discontinued operations and share of net income from associates | (27) | (19) |
| Group net profit from recurring operations | 1,201 | 1,255 |
| Number of shares in circulation – diluted | 265,147,554 | 266,352,885 |

| <i>In euro</i> | 30.06.2012 | 30.06.2013 |
|--|------------|------------|
| Group net profit per share from recurring operations – diluted | 4.53 | 4.71 |

FRANCE

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Organic growth ⁽¹⁾ | |
|---|------------|------------|-------------------------------|-------------|
| Net sales | 746 | 695 | (51) | -7% |
| Gross margin after logistics expenses | 541 | 490 | (47) | -9% |
| Advertising and promotional expenses | (193) | (174) | 20 | -10% |
| Contribution after advertising and promotional expenses | 348 | 316 | (27) | -8% |
| PROFIT FROM RECURRING OPERATIONS | 181 | 149 | (28) | -15% |

EUROPE EXCLUDING FRANCE

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Organic growth ⁽¹⁾ | |
|---|------------|------------|-------------------------------|-----------|
| Net sales | 2,137 | 2,132 | 8 | 0% |
| Gross margin after logistics expenses | 1,245 | 1,251 | 16 | 1% |
| Advertising and promotional expenses | (347) | (354) | (5) | 1% |
| Contribution after advertising and promotional expenses | 898 | 897 | 12 | 1% |
| PROFIT FROM RECURRING OPERATIONS | 470 | 459 | 3 | 1% |

AMERICAS

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Organic growth ⁽¹⁾ | |
|---|------------|------------|-------------------------------|-----------|
| Net sales | 2,167 | 2,316 | 142 | 7% |
| Gross margin after logistics expenses | 1,362 | 1,490 | 109 | 8% |
| Advertising and promotional expenses | (405) | (454) | (41) | 10% |
| Contribution after advertising and promotional expenses | 958 | 1,036 | 68 | 7% |
| PROFIT FROM RECURRING OPERATIONS | 582 | 607 | 24 | 4% |

(1) Organic growth at constant exchange rates and scope of consolidation.

Analysis of business activity and results

ASIA/REST OF WORLD

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Organic growth ⁽¹⁾ | |
|---|------------|--------------|-------------------------------|------------|
| Net sales | 3,165 | 3,431 | 220 | 7% |
| Gross margin after logistics expenses | 1,898 | 2,120 | 184 | 10% |
| Advertising and promotional expenses | (625) | (663) | (20) | 3% |
| Contribution after advertising and promotional expenses | 1,272 | 1,457 | 164 | 13% |
| PROFIT FROM RECURRING OPERATIONS | 880 | 1,016 | 119 | 14% |

TOTAL

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Organic growth ⁽¹⁾ | |
|---|--------------|--------------|-------------------------------|-----------|
| Net sales | 8,215 | 8,575 | 319 | 4% |
| Gross margin after logistics expenses | 5,047 | 5,351 | 263 | 5% |
| Advertising and promotional expenses | (1,571) | (1,644) | (47) | 3% |
| Contribution after advertising and promotional expenses | 3,476 | 3,707 | 216 | 6% |
| PROFIT FROM RECURRING OPERATIONS | 2,114 | 2,230 | 118 | 6% |

(1) Organic growth at constant exchange rates and scope of consolidation.

NET SALES AND VOLUMES

| <i>In millions of 9-litre cases</i> | 30.06.2012 | 30.06.2013 | Volume growth | Organic net sales growth ⁽¹⁾ | Mix/price effect |
|-------------------------------------|-------------|-------------|---------------|---|------------------|
| ABSOLUT | 11.4 | 11.6 | 2% | 5% | 3% |
| Chivas Regal | 4.9 | 4.9 | 0% | 5% | 5% |
| Ballantine's | 6.2 | 5.9 | -4% | -6% | -2% |
| Ricard | 5.2 | 4.6 | -11% | -9% | 2% |
| Jameson | 3.9 | 4.3 | 10% | 17% | 6% |
| Havana Club | 3.8 | 3.9 | 2% | 3% | 0% |
| Malibu | 3.8 | 3.7 | -1% | -1% | 0% |
| Beefeater | 2.5 | 2.6 | 3% | 5% | 2% |
| Kahlúa | 1.7 | 1.6 | -4% | -1% | 3% |
| Martell | 1.9 | 2.0 | 5% | 15% | 10% |
| The Glenlivet | 0.8 | 1.0 | 18% | 22% | 5% |
| Mumm | 0.7 | 0.6 | -5% | -4% | 1% |
| Perrier-Jouët | 0.2 | 0.2 | 1% | 7% | 6% |
| Royal Salute | 0.2 | 0.2 | -6% | -4% | 2% |
| 14 STRATEGIC BRANDS (TOP 14) | 47.2 | 47.3 | 0% | 5% | 5% |
| Jacob's Creek | 6.9 | 6.6 | -3% | 1% | 4% |
| Brancott Estate | 1.9 | 1.9 | 3% | 3% | 0% |
| Campo Viejo | 1.7 | 1.9 | 10% | 10% | 0% |
| Graffigna | 0.3 | 0.3 | -15% | -5% | 10% |
| PRIORITY PREMIUM WINES | 10.8 | 10.7 | -1% | 2% | 3% |

(1) Organic growth at constant exchange rates and scope of consolidation.

Full-year sales were €8,575 million (excluding duties and taxes), a sustained increase of 4%, resulting from:

- organic growth⁽¹⁾ of 4%, with stability in mature markets and strong growth of 10% in emerging markets;
- a positive currency effect of €110 million, i.e. a 1% increase over the year, primarily linked to the strengthening of the US dollar and the Chinese yuan;
- and a scope effect of €(70) million, i.e. equating to an unfavourable impact of 1% primarily linked to the sale of certain Canadian businesses in 2011/2012 and certain Scandinavian and Australian businesses in 2012/2013.

With the exception of France, all Regions reported growth:

- Asia/Rest of World recorded growth of 8% (organic growth⁽¹⁾ of 7%) and remains the Group's main growth engine, mainly due to Asia (in particular China, India, Indonesia, Malaysia, Vietnam, Japan and Travel Retail). Growth is also very strong in Africa/Middle East. Martell cognac and Indian whiskies remain dynamic while Scotch whiskies declined slightly;
- Americas grew 7%, with organic growth⁽¹⁾ of 7%. In the United States, the Group's largest market, organic growth⁽¹⁾ in net sales remained strong at 8% for the year 2012/2013, with the continued success of Jameson and improved performance from ABSOLUT. Net sales also increased in almost all of the Region's other markets, except Brazil due to the more difficult macro-economic environment and the extension of fiscal reforms relating to VAT;
- in Europe excluding France, net sales remained stable, with continued strong growth in the East and a decline in the West. Eastern Europe recorded sustained organic growth⁽¹⁾ of +11% albeit a slowdown compared to the previous year. Russia remains the main driver of growth. Western Europe, in a difficult economy, saw a decline of 3%, mainly attributable to Spain. The United Kingdom was relatively stable whereas Germany and Travel Retail performed well;
- in France, net sales were down 7% due to the recessionary backdrop, the large increase in excise duty on 1 January 2012 and the non-renewal of certain promotional activities in the first half. Highly unfavourable spring weather also impacted performance. Nevertheless, certain brands, such as Havana Club, ABSOLUT and The Glenlivet performed well.

CONTRIBUTION AFTER ADVERTISING AND PROMOTIONAL EXPENSES

Gross margin (after logistics costs) was €5,351 million, up 5% (organic growth⁽¹⁾). The ratio of gross margin to net sales improved significantly to reach 62.4% in 2012/2013 compared to 61.4% the previous year (+98 bp). These results were the combination of a favourable price effect (up 4% for the Top 14) due to significant price increases, cost control (increase of less than 3% excluding mix effects) and a slightly positive foreign exchange impact.

Advertising and promotional expenditure was up 3% (organic growth⁽¹⁾) to €1,644 million. This was focused on the Top 14 which accounted for nearly 90% of the growth. Moreover, advertising and promotional expenditure showed strong growth in the United States and in the emerging markets. Advertising and promotional expenditure was optimised in certain mature markets: Western Europe down 3% and France down 10%. The ratio of advertising and promotional expenditure to net sales was stable at 19.2%.

PROFIT FROM RECURRING OPERATIONS

Profit from recurring operations grew 6% (organic growth⁽¹⁾) to reach €2,230 million. The operating margin rose to 26.0%, up 28 bp compared to the previous year, thanks to the benefits of Premiumisation and good control of advertising and promotional expenditure and structure costs. The operating margin recorded its highest organic growth⁽¹⁾ in the last three years at 42 bp.

In 2012/2013, the increase in profit from recurring operations derived mainly from organic growth⁽¹⁾ (€118 million). The foreign exchange impact on profit from recurring operations in 2012/2013 was €19 million, mainly related to the strengthening of the US dollar and the Chinese yuan. The impact of changes in the scope of consolidation amounted to €(20) million.

FINANCIAL RESULTS

Financial expense from recurring operations totalled €(527) million, compared with €(509) million the previous year. This resulted from a controlled increase in the cost of debt to 5.3% for the year, in line with the Group's forecast, compared to 5.1% for 2011/2012. A structural decline in financial expenses began in January 2013 and will continue in 2013/2014. For 2013/2014, the average cost of debt is estimated at less than 5%.

In 2012/2013 Pernod Ricard achieved all its strategic financing objectives, notably the refinancing of its debt. The debt structure at 30 June 2013 was as follows:

- the bond portion (approximately 85% of gross debt), represents a good balance between bank and bond debt in the current climate;
- a large portion of the debt was maintained at fixed rates (88%) in order to secure attractive long-term rates;
- the maturity of gross debt at the end of June 2013 was six years and five months, with later maturities, spread over a longer period. Bond maturities in 2013/2014 were covered by projected cash flows and undrawn confirmed lines of credit;
- the Group had €0.6 billion in cash and €1.7 billion in available credit facilities which increase its financial flexibility;
- debt structure by currency (USD: 57%) provides a natural hedging mechanism with debt by currency matched with cash flow by currency.

(1) Organic growth at constant exchange rates and scope of consolidation.

GROUP NET PROFIT FROM RECURRING OPERATIONS

Tax on recurring items was €(430) million, amounting to an effective tax rate from recurring operations of 25.2%, up from 23.5% in 2011/2012. Non-controlling interests amounted to €(19) million.

In total, Group net profit from recurring operations was €1,255 million, an increase of 5% compared to financial year 2011/2012. Net profit per share (diluted) from recurring operations was also up 4% to €4.71.

GROUP NET PROFIT

Other non-current operating income and expenses amounted to €(124) million. Non-current financial income (expense) totalled a net expense of €(12) million. Deferred taxes amounted to net income of €71 million.

As a result, Group share of net profit totalled €1,189 million, up 4% compared to 2011/2012.

CASH AND CAPITAL

Reconciliation of net financial debt – The Group uses net financial debt in the management of its cash and its net debt capacity. A reconciliation of net financial debt and the main balance sheet items

is provided in Note 4.9 – *Financial instruments* of the Notes to the consolidated financial statements. The following table shows the change in net debt over the year:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|--|--------------|--------------|
| Profit from recurring operations | 2,114 | 2,230 |
| Other operating income and expenses | (174) | (21) |
| ■ Depreciation of fixed assets | 172 | 185 |
| ■ Net changes in provisions, excluding investments in the pension funds acquired from Allied Domecq | (94) | 8 |
| ■ Net change in impairment of goodwill and intangible assets | 14 | 68 |
| ■ Fair value adjustments on commercial derivatives and biological assets | (10) | (17) |
| ■ Net (gain)/loss on disposal of assets | (14) | (65) |
| ■ Share-based payment | 27 | 38 |
| ■ Non-cash impact from other operating income and expenses | 29 | (103) |
| Sub-total depreciation of fixed assets, change in provisions and other | 125 | 114 |
| SELF-FINANCING CAPACITY | 2,064 | 2,323 |
| Decrease/(increase) in working capital requirements | (55) | (255) |
| Net interest and tax payments | (803) | (903) |
| Net acquisitions of non-financial assets and other | (251) | (241) |
| FREE CASH FLOW | 955 | 924 |
| Net disposals of financial assets, investments in the pension funds acquired from Allied Domecq and others | (81) | (31) |
| Change in the scope of consolidation | 0 | (8) |
| ■ Capital increase and other change in shareholders' equity | 16 | 3 |
| ■ Dividends paid | (411) | (435) |
| ■ (Repurchase)/sale agreements | (95) | 21 |
| Sub-total dividends, purchase of treasury shares and other | (490) | (411) |
| DECREASE/(INCREASE) IN DEBT BEFORE FOREIGN EXCHANGE IMPACT | 385 | 474 |
| Net effect of translation adjustments | (710) | 161 |
| DECREASE/(INCREASE) IN DEBT AFTER FOREIGN EXCHANGE IMPACT | (325) | 635 |

OUTLOOK

Pernod Ricard delivered a **solid performance** in 2012/2013, in a less favourable macro-economic environment.

In 2013/2014, Pernod Ricard expects the following macro-economic scenario:

- global economic growth generally comparable to that of 2012/2013 (source: IMF);
- emerging markets in sustained growth albeit to a lesser extent and with trends that differ per country;

- on-going good growth in the United States;
- continued difficulties in Western Europe but with initial signs of improvement.

In this context, Pernod Ricard's global and balanced exposure is an asset with which to seize growth opportunities.

Pernod Ricard therefore remains confident in its ability to pursue its growth.

COMPENSATION POLICY

CORPORATE OFFICERS' COMPENSATION

This section has been drawn up with the assistance of the Compensation Committee.

Compensation policy for members of the Board of Directors

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

Directors' annual compensation comprises a fixed portion set at €11,500 with an additional €5,500 for members of the Audit Committee and €3,000 for members of the Compensation Committee and the Nominations and Governance Committee. The Chairman of the Audit Committee receives an additional sum of €6,000, while the Chairmen of the Compensation Committee and of the Nominations and Governance Committee each receive an additional €3,000.

Directors are also eligible for a variable portion, calculated on the basis of their presence at Board and Committee meetings. The variable portion is €4,000 per meeting.

Furthermore, in order to take into account travel constraints, an additional bonus of €1,500 is paid to Directors who are not French residents when they attend Board meetings. Directors who take part in Board meetings by videoconference or conference call are not eligible for this additional sum.

The Chairman of the Board of Directors, the Vice Chairman and CEO and the Deputy CEO & Chief Operating Officer do not receive Directors' fees.

A total of €748,084 in Directors' fees was paid to members of the Board of Directors in the 2012/2013 financial year, in accordance with the rules set out above, out of the €875,000 allocated by the Shareholders' Meeting of 9 November 2012.

TABLE OF DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS* (IN EURO) (TABLE 3 AMF NOMENCLATURE):

| Members of the Board of Directors | Amounts paid in 2011/2012 | Amounts paid in 2012/2013 |
|---|---------------------------|---------------------------|
| Ms Nicole Bouton | 101,000 | 90,708 |
| Mr Laurent Burelle | 31,500 | 39,500 |
| Mr Michel Chambaud | 81,500 | 86,000 |
| Mr Wolfgang Colberg | 77,000 | 80,000 |
| Mr Gérald Frère ⁽¹⁾ | 60,500 | 26,542 |
| Mr Ian Gallienne ⁽²⁾ | N/A | 36,667 |
| Mr François Gérard | 67,500 | 74,500 |
| Mr César Giron ⁽³⁾ | 43,500 | 53,000 |
| Ms Martina Gonzalez-Gallarza | 13,875 | 55,500 |
| Mr Rafaël Gonzalez-Gallarza | 42,583 | N/A |
| Ms Susan Murray | 55,500 | 66,250 |
| Mr Anders Narvinger | 88,000 | 81,500 |
| Ms Danièle Ricard ⁽⁴⁾ | 58,500 | 14,417 |
| Mr Alexandre Ricard ⁽³⁾⁽⁵⁾ | 43,500 | 9,917 |
| Société Paul Ricard represented by Mr Paul-Charles Ricard ⁽³⁾⁽⁶⁾ | N/A | 33,583 |
| TOTAL | 764,458 | 748,084 |

* Directors' fees were paid to Ms Danièle Ricard and Mr Alexandre Ricard in respect of their positions as Director and permanent representative of Société Paul Ricard, a Director of the Company, respectively. Since their appointment as Executive Directors on 29 August 2012, they no longer receive Directors' fees.

N/A: Not applicable.

(1) Until 9 November 2012.

(2) From 9 November 2012.

(3) In addition to Directors' fees, Messrs César Giron and Paul-Charles Ricard received compensation in their respective capacities as Chairman and CEO of Pernod and International Product Manager of G.H. Mumm, and Mr Alexandre Ricard as Managing Director, Distribution Network, until his appointment as Deputy CEO and COO on 29 August 2012.

(4) Until 29 August 2012, the date on which she was appointed Chairwoman of the Board of Directors.

(5) Representative of Société Paul Ricard (a Director of the Company), until 29 August 2012.

(6) From 29 August 2012, the date on which he was nominated as permanent representative of Société Paul Ricard (a Director of the Company).

Compensation policy for the Executive Directors

1. Overall criteria of the policy

The compensation policy for Executive Directors of Pernod Ricard is established by the Board of Directors with reference to proposals made by the Compensation Committee. This policy is regularly reviewed and discussed by the Board of Directors. During the 2012/2013 financial year, the Board approved the elements of the compensation package of the Non-Executive Chairwoman of the Board of Directors, the Vice Chairman of the Board of Directors and Chief Executive Officer, and the Deputy Chief Executive Officer & Chief Operating Officer.

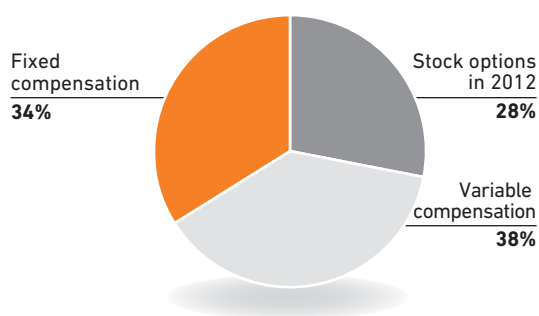
Moreover, and in accordance with the recommendations of the AFEP-MEDEF Code revised in June 2013 which the Group uses as reference, the Compensation Committee again based its proposals on the following core principles:

Overview and balance

All the elements comprising the compensation package for Executive Directors are reviewed annually and their respective weightings considered: fixed and variable compensation, volumes and value of any stock options and/or performance-based shares allocation as well as their conditions, social security benefits and deferred commitments such as the supplementary pension scheme.

This is illustrated by the structure of the compensation of the Vice Chairman of the Board of Directors and Chief Executive Officer, which is as follows (based on the IFRS valuation of stock options at June 2012):

PACKAGE STRUCTURE



Simplicity and consistency

The Board of Directors, based on the recommendations of the Compensation Committee, has always sought to put in place a compensation policy for Executive Directors that is straightforward, easy to understand and consistent over time. Thus, for example, the decision was taken several years ago not to pay Directors' fees to Executive Directors in order to ensure complete impartiality in determining all elements comprising the compensation package.

The compensation of each Executive Director is comprised of the following elements:

- the compensation of the Board's Non-Executive Chairwoman consists solely of a fixed portion, with no other elements;

- the compensation of the Vice Chairman of the Board and Chief Executive Officer and that of the Deputy Chief Executive Officer & Chief Operating Officer comprises a fixed and a variable portion, plus, where applicable, an allocation of stock options and/or performance-based shares subject to certain conditions.

Motivation and performance

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

Since the Executive Directors have had long careers in Pernod Ricard, as is the case of many of the key executives of the Group, annual salary increases and the number of stock options and performance-based shares allocated annually are relatively reasonable compared with market practice for equivalent positions in other groups. Increases in compensation within the Group are made by regularly applying the remuneration mechanisms, which also fosters loyalty. These regular increases allow the performance of each executive to be rewarded in the medium and long term, while enabling the Group to maintain its results over time. In addition, the policy relating to the variable portion is reviewed regularly in line with the Group's strategic priorities.

Moreover, the Compensation Committee and the Board of Directors regularly ensure that the elements of the compensation policy for Executive Directors are fully consistent with the policy for all members of the Group's Management. As well as ensuring the decentralisation of the Group, this identical compensation structure helps unite employees around shared criteria.

2. Fixed portion

The amount of the fixed portion is determined by taking into account the scope of the positions held by each Executive Director. This analysis of these positions is reviewed on a regular basis.

Every year, a study is carried out with the help of specialist firms on the compensation positioning of each Executive Director in relation to the practices of other CAC 40-listed French companies for similar positions.

3. Variable portion

Several years ago, the Board of Directors defined a highly incentivising method for calculating the variable portion, based on ambitious and demanding criteria in order to align the financial compensation of Executive Directors with Group performance in a consistent manner. The method and criteria used for calculating this element are applied in identical fashion to both the Vice-Chairman of the Board of Directors and Chief Executive Officer and the Deputy Chief Executive Officer & Chief Operating Officer, in accordance with the principles of collective management.

This variable portion is expressed as a percentage of the annual fixed portion. It may represent between 0% and 110% if the quantitative and qualitative targets are achieved (target level), and can rise to a maximum of 180% if the Group records exceptional financial performance in relation to its targets. The criteria, which are reviewed regularly and modified on an occasional basis, are the following:

- increase in net profit from recurring operations per share:** this criterion may vary between 0 and 20% if the target is achieved, rising to a maximum of 40% if the Group records exceptional growth compared with the previous year. This criterion, which compares all of the Group's financial income and expense over the year against the number of shares, allows the compensation of Executive Directors to be aligned with that of shareholders;

- **achievement of target for profit from recurring operations:** this criterion may vary between 0 and 30% if the target is achieved, rising to a maximum of 55% if the Group significantly exceeds the amount budgeted. This criterion, intended to foster an incentive to exceed the target for profit from recurring operations, is one of the key elements of the Group's decentralised structure. The concept of a commitment to the operating profit budget helps bring together the Group's various departments, which are themselves also rewarded in relation to the extent to which they meet their own operating profit target. This criterion rewards Executive Directors for their Group management performance;
- **reduction in Group debt (net debt/EBITDA ratio):** this criterion may vary between 0 and 30% if the target is achieved, rising to a maximum of 55% for an exceptional level of Group debt reduction. The inclusion of this criterion in the calculation of the variable portion paid to Executive Directors is in line with the Group's target. It also applies to operating subsidiaries' Management Committees by way of a net cash position target at the close of the financial year;
- **qualitative criteria:** these criteria may vary from 0 to a maximum of 30% of the fixed annual portion. The individual performance of each Executive Director is assessed annually by the Board of Directors on the recommendation of the Compensation Committee. The qualitative criteria assessed are reviewed annually according to the Group's strategic priorities.

In order to ensure complete independence and integrity in executing her duties, the Non-Executive Chairwoman of the Board of Directors does not receive this variable portion.

4. Stock option and performance-based share allocation policy

In order to avoid problems associated with allocations made before the close of the financial year, during the 2012/2013 financial year it was decided that, henceforth, stock options and performance-based shares would be deferred to a date occurring after the close of the financial year, in line with the practices of other listed French companies.

In 2012/2013, no stock option or performance-based share allocation plans were implemented.

The next allocation plan, scheduled for the second half of 2013, will be established in line with the stock option and performance-based share allocation authorisations renewed at the Shareholders' Meeting of 9 November 2012.

The Board of Directors reminds readers of the following principles, which were drawn up a number of years ago with a particular focus on allocation to the Group's Executive Directors:

- the Non-Executive Chairwoman of the Board of Directors is not eligible for any stock option plan;
- all allocations made to Executive Directors are subject to performance criteria. These conditions will be reviewed at the time of the next allocation. The conditions may be internal or external performance conditions, or a combination of the two if this is possible and appropriate;
- the economic value of the total allocation made to Executive Directors is limited to 5% of the plan's total economic value (the plan's total economic value comprises all elements distributed);
- the economic value of the allocation made to Executive Directors is proportionate to their individual compensation. This level is a maximum of 50% of their total annual compensation (fixed and variable portions);

- the Board of Directors requires the Executive Directors to retain, until the end of their term, a significant quantity of shares derived from the exercise of options allocated;
- in accordance with the Code of Conduct approved by the Board of Directors, Executive Directors have formally committed to not use hedging mechanisms for any stock options and performance shares which they receive from the Company.

During the 2012/2013 financial year and following social security and tax changes in France, a number of studies were carried out regarding potential changes to Pernod Ricard's stock option and performance-based share allocation policy. The results of these studies were shared with the Compensation Committee and the members of the Board of Directors at a meeting held on 24 July 2013 and will be used as a basis for making decisions pertaining to the terms approved for the next allocation plan.

5. Policy on deferred commitments

In accordance with the recommendations of the AFEP-MEDEF Code, Mr Pierre Pringuet resigned in February 2009 from his suspended work contract. Consequently, he also waived his right to the elements attached to the suspended contract, namely a non-compete clause and the promise of a payment in the event of his departure.

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

During the Board meeting held on 12 February 2009, Mr Pierre Pringuet was allowed to retain the benefits of the supplementary and conditional collective defined-benefit pension scheme described in the paragraph below, as well as the collective healthcare and welfare schemes he enjoyed prior to his appointment as a Corporate Officer. The Board of Directors held in February 2009 also introduced a two-year non-compete clause, linked to Mr Pierre Pringuet's officership, in exchange for an indemnity equivalent to one year's fixed and variable compensation.

At the Shareholders' Meeting of 9 November 2012 and subject to the Board of Directors' decision to renew his Chief Executive Officer's term of office, the shareholders approved, by way of a vote on the 5th resolution and in accordance with the procedure regarding regulated agreements and commitments, that all of these commitments would be maintained in favour of Mr Pierre Pringuet for the duration of his new term of office.

At Pernod Ricard's Board of Directors' meeting on 29 August 2012, Mr Alexandre Ricard was appointed Deputy CEO & Chief Operating Officer and a compensation and benefits package was granted to him.

In connection with the regulated agreements and commitments, the same Board of Directors meeting approved the commitments in favour of Mr Alexandre Ricard, in the form of a two-year non-compete clause related to his corporate mandate accompanied by an indemnity of one year's compensation (fixed and variable), and a continued membership of the supplementary defined-benefit pension scheme and the collective healthcare and welfare schemes granted by the Company under the same terms as those that apply to the category of employees he is assimilated to, as far as welfare benefits and other accessory items of his compensation are concerned. The employment contract signed between Pernod Ricard and Mr Alexandre Ricard was suspended.

Compensation policy

At the Shareholders' Meeting of 9 November 2012 and subject to the Board of Directors' decision to renew his Deputy Chief Executive Officer & Chief Operating Officer's term of office, the shareholders approved, under the 6th resolution and in accordance with the procedure regarding regulated agreements and commitments, that all of these commitments would be maintained in favour of Mr Alexandre Ricard for the duration of his new term of office.

Supplementary defined-benefit pension scheme for Executive Directors

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

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

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

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

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

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

- in excess of 16 times France's annual social security ceiling, the coefficient is 1% per year of service (capped at 20 years, i.e. 20%).

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

The supplementary defined-benefit pension scheme of which the Executive Directors benefit thus complies with the recommendations of the AFEP-MEDEF Code, revised in June 2013:

- minimum length of service: 10 years (vs. 2 years recommended);
- rate of increase: proportional to seniority limited to 20 years and around 2% to 1% per year depending on the compensation brackets (vs. maximum 5% recommended).

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

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

In addition, the rights granted under this plan, added to those of other pensions, cannot exceed two-thirds of the last annual fixed compensation of the beneficiary.

A provision is entered on the balance sheet during the build-up phase (while the Executive Director is active) and, when the beneficiary claims his or her pension, the capital is transferred to an insurer and thus entirely externalised.

6. Compensation of individual Executive Directors

MR PATRICK RICARD, CHAIRMAN OF THE BOARD OF DIRECTORS, PASSED AWAY ON 17 AUGUST 2012

During the financial year 2012/2013, Mr Patrick Ricard received compensation calculated *pro rata temporis* based on the following elements:

- gross annual fixed compensation: €850,000;
- no variable portion;
- no rights to stock options or performance-based shares;
- no Directors' fees.

SUMMARY TABLE OF COMPENSATION PAID AND OPTIONS AND SHARES ALLOCATED TO MR PATRICK RICARD (TABLE 1 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | 2012/2013 |
|---|----------------|----------------|
| Compensation due for the financial year ⁽¹⁾ | 853,569 | 109,206 |
| Value of options allocated during the financial year | N/A | N/A |
| Value of performance-based shares allocated during the financial year | N/A | N/A |
| TOTAL | 853,569 | 109,206 |

N/A: Not applicable.

(1) The compensation due for the financial year 2012/2013 is the amount due between 1 July 2012 and 17 August 2012.

SUMMARY TABLE OF COMPENSATION PAID TO MR PATRICK RICARD (BY THE COMPANY AND THE CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE AND THE CONTROLLING COMPANY OR COMPANIES) – (TABLE 2 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | | 2012/2013 | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | Amounts due | Amounts paid | Amounts due | Amounts paid |
| Fixed compensation ⁽¹⁾ | 850,000 | 850,000 | 108,612 | 108,612 |
| Variable compensation | N/A | N/A | N/A | N/A |
| Special bonus | N/A | N/A | N/A | N/A |
| Directors' fees | N/A | N/A | N/A | N/A |
| Benefits in kind ⁽²⁾ | 3,569 | 3,569 | 594 | 594 |
| TOTAL | 853,569 | 853,569 | 109,206 | 109,206 |

N/A: Not applicable.

(1) The fixed compensation due and paid for the financial year 2012/2013 was calculated *pro rata temporis* until 17 August 2012 (annual basis: €850,000).

(2) Company car.

MS DANIÈLE RICARD, CHAIRWOMAN OF THE BOARD OF DIRECTORS

At the Board of Directors' meeting held on 29 August 2012, Ms Danièle Ricard was appointed Non-Executive Chairwoman of the Board of Directors. The same Board of Directors' meeting decided to grant Ms Danièle Ricard a gross annual fixed compensation of €110,000. The amount due for the financial year 2012/2013 was paid *pro rata temporis*.

This compensation was set taking into consideration the workload Ms Danièle Ricard would be required to take on in her new position as Chairwoman of the Board of Directors. As Chairwoman, Ms Danièle Ricard oversees, with the Vice Chairman, all of the Board's preparatory work and ensures the implementation of and compliance with governance rules within the Board.

In compliance with the Policy on the Compensation of Executive Directors, Ms Danièle Ricard does not receive any Directors' fees since her appointment as Chairwoman of the Board of Directors.

Moreover, the Board of Directors' meeting of 29 August 2012 also confirmed the following compensation elements:

- no variable, annual or multi-year portion;
- no special bonus;
- no rights to stock options or performance-based shares;
- no welcome bonus or payment for termination of service.

In addition, Ms Danièle Ricard does not qualify for Pernod Ricard's supplementary defined-benefit pension scheme, nor the collective healthcare and welfare schemes offered by the Company. Ms Danièle Ricard does not qualify for a company car or the services of a chauffeur.

At the Board of Directors' meeting of 28 August 2013, the Board decided to maintain Ms Danièle Ricard's gross fixed compensation at €110,000 for the 2013/2014 financial year.

SUMMARY TABLE OF COMPENSATION PAID AND OPTIONS AND SHARES ALLOCATED TO MS DANIÈLE RICARD (TABLE 1 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | 2012/2013 |
|---|-----------|---------------|
| Compensation due for the financial year ⁽¹⁾⁽²⁾ | N/A | 92,587 |
| Value of options allocated during the financial year | N/A | N/A |
| Value of performance-based shares allocated during the financial year | N/A | N/A |
| TOTAL | - | 92,587 |

N/A: Not applicable.

(1) Prior to her appointment as Chairwoman of the Board of Directors on 29 August 2012, Ms Danièle Ricard received, for the year 2012/2013, €14,417 in Directors' fees as a Company Director (see Table 3 above).

(2) The compensation due for the financial year 2012/2013 is the amount starting on 29 August 2012.

SUMMARY TABLE OF COMPENSATION PAID TO MS DANIÈLE RICARD (BY THE COMPANY AND THE CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE AND THE CONTROLLING COMPANY OR COMPANIES) – (TABLE 2 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | | 2012/2013 | |
|-----------------------------------|-------------|--------------|---------------|---------------|
| | Amounts due | Amounts paid | Amounts due | Amounts paid |
| Fixed compensation ⁽¹⁾ | N/A | N/A | 92,587 | 92,587 |
| Variable compensation | N/A | N/A | N/A | N/A |
| Special bonus | N/A | N/A | N/A | N/A |
| Directors' fees ⁽²⁾ | N/A | N/A | N/A | N/A |
| Benefits in kind | N/A | N/A | N/A | N/A |
| TOTAL | | | 92,587 | 92,587 |

N/A: Not applicable.

(1) The fixed compensation due and paid for the financial year 2012/2013 was calculated *pro rata temporis* starting on 29 August 2012 (annual basis: €110,000).

(2) Prior to her appointment as Chairwoman of the Board of Directors on 29 August 2012, Ms Danièle Ricard received, for the year 2012/2013, €14,417 in Directors' fees as a Company Director (see Table 3 above).

STOCK OPTIONS ALLOCATED TO MS DANIÈLE RICARD BY THE COMPANY AND ALL GROUP COMPANIES DURING THE TWO LAST FINANCIAL YEARS – (TABLE 4 AMF NOMENCLATURE)

| | Date of plan | No. of shares allocated | Strike price | Performance conditions | Exercise period | Unit value under IFRS |
|-----------|--------------|-------------------------|--------------|------------------------|-----------------|-----------------------|
| 2011/2012 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2012/2013 | N/A | N/A | N/A | N/A | N/A | N/A |

N/A: Not applicable.

MR PIERRE PRINGUET, VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Fixed compensation

At its meeting held on 29 August 2012, the Board of Directors decided to grant Mr Pierre Pringuet a 6.3% rise in his fixed compensation, thus increasing his gross fixed compensation to €1,100,000 for the 2012/2013 financial year.

The reasoning behind this increase, presented by the Compensation Committee and discussed by the Board, is as follows:

- the Group has always chosen to increase the compensation paid to Executive Directors regularly and in a reasonable manner and thereby best align increases in the compensation of the CEO with those paid to all employees;
- the amount of the increase applied for the 2012/2013 financial year was set taking into consideration the new functions of Vice Chairman of the Board of Directors assigned to Mr Pierre Pringuet;
- finally, this proposed increase was confirmed after taking into consideration the compensation practices and levels of directors in other CAC 40-listed companies.

Mr Pierre Pringuet does not receive any Directors' fees in his capacity as a Director of the Company.

At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee, it was decided to increase Mr Pierre Pringuet's fixed compensation for the 2013/2014 financial year to €1,127,500, being an increase of 2.5% vs. 2012/2013.

Variable compensation

At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Pierre Pringuet's compensation for the 2012/2013 financial year.

Considering the quantitative and qualitative criteria approved by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was assessed as follows:

- with respect to the quantitative criteria (increases in net profit from recurring operations per share, operating profit and the net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of the fixed annual compensation. This percentage, lower than in previous years, is due to the highly exacting quantitative objectives set by the Board;
- with respect to qualitative criteria, the Board deemed that Mr Pierre Pringuet's performance in the 2012/2013 financial year had been excellent and granted the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult climate this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy.

The amount of variable compensation of Mr Pierre Pringuet, in his role as Vice Chairman of the Board of Directors and Chief Executive Officer for the 2012/2013 financial year, was consequently approved at €860,200, or 78.20% of his annual fixed compensation in 2012/2013.

Mr Pierre Pringuet does not qualify for any multi-year variable compensation.

Special bonus

No special bonuses were awarded or paid in respect of 2012/2013.

Grant of options and performance-based shares

As described in Point 4 above, the decision was taken to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. Accordingly, Mr Pierre Pringuet was not granted any stock options or performance-based shares in the 2012/2013 financial year.

Compensation for termination of service

No compensation for termination of service was granted to Mr Pierre Pringuet in 2012/2013.

As set out in Point 5 above, Mr Pierre Pringuet benefits from a two-year non-compete clause related to his corporate mandate accompanied by an indemnity of one year's compensation (fixed and variable).

Supplementary pension scheme

Rights under this scheme are supplementary and cannot be individualised, but are based on shared criteria measured at the time a beneficiary terminates his or her executive functions. By way of illustration, if the calculation of these rights were made on the basis of the benchmark compensation (fixed + variable) over the last three years, the annuity paid under the supplementary pension scheme would represent approximately 20% of Mr Pierre Pringuet's total 2012/2013 compensation (fixed + variable).

The defined-benefit supplementary pension scheme of which Pierre Pringuet is a member complies with the recommendations of the AFEP-MEDEF Code, revised in June 2013:

- minimum length of service: 10 years (vs. 2 years recommended);
- increase rate: proportional to the length of service, capped at 20 years, and around 2% to 1% per year depending on the compensation brackets (vs. maximum recommended level of 5%);
- total amount of the annuity: 20% of the benchmark compensation (vs. maximum recommended level of 45%).

Collective healthcare and welfare schemes

Mr Pierre Pringuet benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation.

In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution).

Other benefits

In respect of 2012/2013, Mr Pierre Pringuet qualified for a company car and the services of a private chauffeur.

Compensation policy

SUMMARY TABLE OF COMPENSATION PAID AND OPTIONS AND SHARES ALLOCATED TO MR PIERRE PRINGUET (TABLE 1 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | 2012/2013 |
|---|------------------|------------------|
| Compensation due for the financial year | 2,646,805 | 1,964,631 |
| Value of options allocated during the financial year | 897,000 | No grant |
| Value of performance-based shares allocated during the financial year | No grant | No grant |
| TOTAL | 3,543,805 | 1,964,631 |

SUMMARY TABLE OF COMPENSATION PAID TO MR PIERRE PRINGUET (BY THE COMPANY, THE CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE AND THE CONTROLLING COMPANY OR COMPANIES) – (TABLE 2 AMF NOMENCLATURE)

| <i>In euro</i> | 2011/2012 | | 2012/2013 | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | Amounts due | Amounts paid | Amounts due | Amounts paid |
| Fixed compensation | 1,035,000 | 1,035,000 | 1,100,000 | 1,100,000 |
| Variable compensation ⁽¹⁾ | 1,607,366 | 1,657,434 | 860,200 | 1,607,366 |
| Special bonus | N/A | N/A | N/A | N/A |
| Directors' fees | N/A | N/A | N/A | N/A |
| Benefits in kind ⁽²⁾ | 4,439 | 4,439 | 4,431 | 4,431 |
| TOTAL | 2,646,805 | 2,696,873 | 1,964,631 | 2,711,797 |

N/A: Not applicable.

(1) The variable compensation due in year N-1 is paid in year N.

(2) Company car.

STOCK OPTIONS ALLOCATED TO MR PIERRE PRINGUET BY THE COMPANY AND ALL GROUP COMPANIES DURING THE TWO LAST FINANCIAL YEARS – (TABLE 4 AMF NOMENCLATURE)

| | Date of plan | No. of shares allocated | Strike price | Performance conditions | Exercise period | Unit value under IFRS |
|--------------------------|--------------|---------------------------|--------------|--|------------------------------|-----------------------|
| 2011/2012 financial year | 27.06.2012 | 60,000 (purchase options) | €78.93 | <ul style="list-style-type: none"> ■ 100% of allocations are subject to the following external performance condition: Outperformance of the PR TSR > CAC 40 performance +1 pt per year, evaluated for one-half at 27 June 2015 and for the other half at 27 June 2016. ■ In addition, half of the allocation is also subject to an internal performance condition: 50% of this bears on the achievement of the budget for profit from recurring operations over the 2012/2013 financial year and 50% bears on the same condition over the 2013/2014 financial year (with a linear increase between 0.95 and 1). | 27 June 2016 27 June 2020 | 14.95 |
| 2012/2013 financial year | | | | No allocation plan in the 2012/2013 financial year, deferred to the second half of 2013. | | |

MR ALEXANDRE RICARD, DEPUTY CHIEF EXECUTIVE OFFICER & CHIEF OPERATING OFFICER

Fixed compensation

At the Board of Directors' meeting of 29 August 2012, the Compensation Committee proposed to the Board that it grant Mr Alexandre Ricard, appointed Deputy Chief Executive Officer & Chief Operating Officer, a gross fixed compensation of €700,000 for the 2012/2013 financial year. The Board approved this proposal and the compensation was paid *pro rata temporis*.

The reasoning behind this compensation, presented and discussed by the Compensation Committee, is as follows:

- the scope of the functions assigned to Mr Alexandre Ricard who, following his appointment as Deputy Chief Executive Officer & Chief Operating Officer and the suspension of his work contract as Managing Director, Distribution Networks, both of which occurred on 29 August 2012, retained his direct responsibility for the Distribution Networks;
- the level of compensation for similar positions occupied in other CAC 40-listed companies.

Mr Alexandre Ricard does not receive any Directors' fees in his capacity as Director.

At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee, it was decided to increase Mr Alexandre Ricard's fixed compensation for the 2013/2014 financial year to €750,000, being an increase of 7.1% vs. 2012/2013.

Variable compensation

At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Alexandre Ricard's compensation for the 2012/2013 financial year.

Considering the quantitative and qualitative criteria approved by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was evaluated as follows:

- with respect to the quantitative criteria (increases in net profit from recurring operations per share, operating profit and the net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of fixed annual compensation;
- with respect to qualitative criteria, the Board deemed that Mr Alexandre Ricard's performance in the 2012/2013 financial year had been excellent and awarded the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult climate this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy.

The amount of Mr Alexandre Ricard's variable compensation for the 2012/2013 financial year, as Deputy Chief Executive Officer & Chief Operating Officer, was consequently approved at €472,891, or 78.20% of his 2012/2013 annual fixed *pro rata temporis* compensation.

Mr Alexandre Ricard does not qualify for any multi-year variable compensation.

Special bonus

No special bonuses were awarded or paid in respect of 2012/2013.

Grant of options and performance-based shares

As described in point 4 above, it was decided to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. As a result, Mr Alexandre Ricard was not granted any stock options or performance-based shares in the 2012/2013 financial year.

Compensation for termination of service

No compensation for termination of service was granted to Mr Alexandre Ricard in 2012/2013.

As set out in Point 5 above, Mr Alexandre Ricard benefits from a two-year non-compete clause related to his corporate mandate accompanied by an indemnity of one year's compensation (fixed and variable).

Supplementary pension scheme

Rights under this scheme are supplementary and cannot be individualised. They are based on shared criteria assessed from the time a beneficiary terminates his or her executive functions. By way of illustration, if the calculation of these rights were made on the basis of the fixed and variable compensation due in respect of the 2012/2013 financial year, the annuity paid to Mr Alexandre Ricard under this scheme would represent approximately 10% of this total compensation.

The defined-benefit supplementary pension scheme of which Mr Alexandre Ricard is a member thus complies with the recommendations of the AFEP-MEDEF Code, revised in June 2013:

- minimum length of service: 10 years (vs. 2 years recommended);
- growth rate: proportional to the length of service, capped at 20 years, and around 2% to 1% per year depending on the compensation brackets (vs. maximum recommended level of 5%);
- total amount of the annuity: currently 10% of compensation and forecast to be approximately 20% in 20 years (vs. maximum recommended level of 45%).

Collective healthcare and welfare schemes

Mr Alexandre Ricard benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation.

In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution).

Other benefits

Mr Alexandre Ricard qualified for a company car during the 2012/2013 financial year.

**SUMMARY TABLE OF COMPENSATION PAID AND OPTIONS AND SHARES ALLOCATED TO MR ALEXANDRE RICARD
(TABLE 1 AMF NOMENCLATURE)**

| <i>In euro</i> | 2011/2012 | 2012/2013 |
|---|-----------|------------------|
| Compensation due for the financial year ⁽¹⁾⁽²⁾ | N/A | 1,080,338 |
| Value of options allocated during the financial year | N/A | No grant |
| Value of performance-based shares allocated during the financial year | N/A | No grant |
| TOTAL | - | 1,080,338 |

N/A: Not applicable.

(1) Prior to his appointment as Deputy Chief Executive Officer & Chief Operating Officer on 29 August 2012, Mr Alexandre Ricard received, for the year 2012/2013, €9,917 in Directors' fees for his role as permanent representative of Société Paul Ricard, a Director of the Company (see Table 3 above).

(2) The compensation due for the financial year 2012/2013 is the amount starting on 29 August 2012.

**SUMMARY TABLE OF COMPENSATION PAID TO MR ALEXANDRE RICARD
(BY THE COMPANY AND THE CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE
AND THE CONTROLLING COMPANY OR COMPANIES) – (TABLE 2 AMF NOMENCLATURE)**

| <i>In euro</i> | 2011/2012 | | 2012/2013 | |
|--------------------------------------|-------------|--------------|------------------|----------------|
| | Amounts due | Amounts paid | Amounts due | Amounts paid |
| Fixed compensation ⁽¹⁾ | N/A | N/A | 604,720 | 604,720 |
| Variable compensation ⁽²⁾ | N/A | N/A | 472,891 | - |
| Special bonus | N/A | N/A | N/A | N/A |
| Directors' fees ⁽³⁾ | N/A | N/A | N/A | N/A |
| Benefits in kind ⁽⁴⁾ | N/A | N/A | 2,727 | 2,727 |
| TOTAL | - | - | 1,080,338 | 607,447 |

N/A: Not applicable.

(1) The fixed compensation was due and paid pro rata temporis as Mr Alexandre Ricard was appointed Deputy Chief Executive Officer & Chief Operating Officer starting on 29 August 2012 (annual basis: €700,000).

(2) The variable compensation due in year N-1 is paid in year N.

(3) Prior to his appointment as Deputy Chief Executive Officer & Chief Operating Officer on 29 August 2012, Mr Alexandre Ricard received, for the year 2012/2013, €9,917 in Directors' fees for his role as permanent representative of Société Paul Ricard, Director of the Company (see Table 3 above).

(4) Company car.

**STOCK OPTIONS ALLOCATED TO MR ALEXANDRE RICARD BY THE COMPANY AND ALL GROUP COMPANIES
DURING THE TWO LAST FINANCIAL YEARS – (TABLE 4 AMF NOMENCLATURE)**

| | Date of plan | No. of shares allocated | Strike price | Performance conditions | Exercise period | Unit value under IFRS |
|-----------|--|-------------------------|--------------|------------------------|-----------------|-----------------------|
| 2011/2012 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2012/2013 | No allocation in the 2012/2013 financial year, deferred to the second half of 2013 | | | | | |

N/A: Not applicable.

STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE DIRECTOR IN 2012/2013 (TABLE 5 AMF NOMENCLATURE)

| Executive Director | Number of options exercised | Strike price (in euro) | Date of plan |
|---------------------|-----------------------------|------------------------|--------------|
| Ms Danièle Ricard | N/A | N/A | N/A |
| Mr Pierre Pringuet | 6,000 | 42.30 | 17.11.2004 |
| Mr Alexandre Ricard | 6,123 | 58.41 | 14.06.2006 |
| | 2,729 | 74.73 | 21.06.2007 |
| | 3,081 | 66.16 | 18.08.2008 |

N/A: Not applicable.

PERFORMANCE-BASED SHARES ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR (TABLE 6 AMF NOMENCLATURE)

No performance-based shares were allocated during the 2012/2013 financial year due to the decision to delay the allocation until the second half of 2013, after the close of the 2012/2013 financial year (see point 4 aforementioned).

| Executive Director | No. and date of plan | Number of shares granted during the financial year | Value of shares according to the method used for the consolidated financial statements | Acquisition date | Vesting date | Performance conditions |
|---------------------|----------------------|--|--|------------------|--------------|------------------------|
| Ms Danièle Ricard | | N/A | | | | |
| Mr Pierre Pringuet | | N/A | | | | |
| Mr Alexandre Ricard | | N/A | | | | |

N/A: Not applicable.

PERFORMANCE-BASED SHARES VESTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR (TABLE 7 AMF NOMENCLATURE)

Thus far, no performance-based shares have been allocated to Pernod Ricard's Executive Directors. As a result, no performance-based shares became available.

| Executive Director | No. and date of plan | Number of shares vested during the financial year | Acquisition conditions |
|---------------------|----------------------|---|------------------------|
| Ms Danièle Ricard | | N/A | |
| Mr Pierre Pringuet | | N/A | |
| Mr Alexandre Ricard | | N/A | |

N/A: Not applicable.

WORK CONTRACT/TERM OF OFFICE (TABLE 10 AMF NOMENCLATURE)

| Executive Director | Work contract | | Supplementary defined-benefit pension scheme | | Indemnities or advantages due or liable to be due by virtue of the discontinuance of or change in their positions | | Indemnities relative to a non-compete clause | |
|--|---------------|----|--|----|---|----|--|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| Ms Danièle Ricard, Chairwoman of the Board of Directors | | X | | X | | X | | X |
| Mr Pierre Pringuet, Chief Executive Officer, Vice Chairman of the Board of Directors | | X | X | | | X | X | |
| Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer ⁽¹⁾ | X | | X | | | X | X | |

(1) The work contract with Pernod Ricard has been suspended.



COMPENSATION ELEMENTS DUE OR GRANTED FOR THE 2012/2013 FINANCIAL YEAR TO EACH EXECUTIVE DIRECTOR OF THE COMPANY, SUBMITTED TO THE SHAREHOLDERS' ADVISORY VOTE

In accordance with the recommendations of the AFEP-MEDEF Code, revised in June 2013 (article 24.3), to which the Company refers in application of article L. 225-37 of the French Commercial Code, the following elements of compensation due or granted to each Executive Director of the Company for the year ended are subject to the shareholders' advisory opinion:

- the fixed portion;
- the annual variable portion and any multi-year variable portion with objectives contributing to the determination of this variable portion;
- special bonuses;
- stock options, performance-based shares and any other element of long-term compensation;

- welcome bonus or compensation for termination of service;
- the supplementary pension scheme;
- other benefits.

The Shareholders' Meeting of 6 November 2013 (see the 11th, 12th and 13th resolutions in Section 7 "Combined Shareholders' Meeting") is called upon to **give a favourable opinion the elements of compensation due or granted in respect of the 2012/2013 financial year to each Executive Director** of the Company, namely:

- **Ms Danièle Ricard, Chairwoman of the Board of Directors;**
- **Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer; and**
- **Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer.**

The Shareholders' Meeting of 6 November 2013 in its 11th resolution is consequently called upon to **give an opinion on the following elements of compensation due or granted in respect of the year ended to Ms Danièle Ricard, Chairwoman of the Board of Directors:**

Elements of compensation due or granted in respect of the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors, submitted to the shareholders' advisory vote

| Compensation elements | Amounts | Remarks |
|---|---------|--|
| Fixed compensation | €92,587 | ■ Gross fixed compensation of €110,000 for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. The amount was paid <i>pro rata temporis</i> as Ms Danièle Ricard was appointed Chairwoman of the Board of Directors starting on 29 August 2012. |
| Variable compensation | N/A | ■ Ms Danièle Ricard does not qualify for any variable compensation. |
| Multi-year variable compensation | N/A | ■ Ms Danièle Ricard does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | ■ As is the case for all Executive Directors of the Company, Ms Danièle Ricard, Chairwoman of the Board of Directors, does not receive any Directors' fees. ■ Prior to her appointment as Chairwoman of the Board of Directors on 29 August 2012, Ms Danièle Ricard received, for the financial year 2012/2013, €14,417 in Directors' fees as a Company Director. |
| Special bonus | N/A | ■ Ms Danièle Ricard does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | N/A | ■ Ms Danièle Ricard does not qualify for any allocation of stock options or performance-based shares. |
| Welcome bonus or compensation for termination of service | N/A | ■ Ms Danièle Ricard does not qualify for any compensation. |
| Supplementary pension scheme | N/A | ■ Ms Danièle Ricard does not qualify for the supplementary pension scheme in place within the Company. |
| Collective healthcare and welfare schemes | N/A | ■ Ms Danièle Ricard does not qualify for the collective healthcare and welfare schemes in place within the Company. |
| Other benefits | N/A | ■ Ms Danièle Ricard does not qualify for any other benefits. |

The Shareholders' Meeting of 6 November 2013 in its 12th resolution is consequently called upon to **give an opinion on the following elements of compensation due or granted in respect of the year ended to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer:**

Elements of compensation due or granted in respect of the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer, submitted to the shareholders' advisory vote

| Compensation elements | Amounts | Remarks |
|---|------------|---|
| Fixed compensation | €1,100,000 | <ul style="list-style-type: none"> Gross fixed compensation for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. |
| Variable compensation | €860,200 | <ul style="list-style-type: none"> At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Pierre Pringuet's compensation for the 2012/2013 financial year. Considering the quantitative and qualitative criteria set by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was evaluated as follows: <ul style="list-style-type: none"> with respect to the quantitative criteria (increases in net profit per share, operating profit and net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of his fixed annual compensation. This percentage, lower than in previous years, is due to the highly exacting quantitative objectives set by the Board; with respect to qualitative criteria, the Board deemed that Mr Pierre Pringuet's performance in the 2012/2013 financial year had been excellent and granted the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult environment this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy. The amount of Mr Pierre Pringuet's variable compensation for the 2012/2013 financial year was consequently set at €860,200, or 78.20% of his 2012/2013 annual fixed compensation. |
| Multi-year variable compensation | N/A | <ul style="list-style-type: none"> Mr Pierre Pringuet does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | <ul style="list-style-type: none"> As is the case for all Executive Directors of the Company, Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer, does not receive any Directors' fees. |
| Special bonus | N/A | <ul style="list-style-type: none"> Mr Pierre Pringuet does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | None | <ul style="list-style-type: none"> The decision was taken to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. Consequently, no stock option or performance-based shares were allocated to Mr Pierre Pringuet for the 2012/2013 financial year. |
| Welcome bonus or compensation for termination of service. | No payment | <ul style="list-style-type: none"> Mr Pierre Pringuet is subject to a two-year non-compete clause accompanied by a maximum indemnity of one year's gross compensation (fixed and variable). In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). |
| Supplementary pension scheme | No payment | <ul style="list-style-type: none"> Mr Pierre Pringuet benefits from the defined-benefit supplementary pension scheme offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). For example, if the calculation was made based on the reference compensation (fixed and variable) over the last three financial years, the annuity paid to Mr Pierre Pringuet under this scheme would represent approximately 20% of his total compensation (fixed and variable). |
| Collective healthcare and welfare schemes | | <ul style="list-style-type: none"> Mr Pierre Pringuet benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). |
| Other benefits | €4,431 | <ul style="list-style-type: none"> Mr Pierre Pringuet qualifies for a chauffeur-driven company car |

Lastly, the Shareholders' Meeting of 6 November 2013 in its 13th resolution is called upon to **give an opinion on the following elements of compensation due or granted in respect of the year ended to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer:**

Elements of compensation due or granted in respect of the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, submitted to the shareholders' advisory vote

| Compensation elements | Amounts | Remarks |
|---|------------|--|
| Fixed compensation | €604,720 | <ul style="list-style-type: none"> Gross fixed compensation of €700,000 for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. The amount was paid <i>pro rata temporis</i> as Mr Alexandre Ricard was appointed Deputy Chief Executive Officer & Chief Operating Officer starting on 29 August 2012. |
| Variable compensation | €472,891 | <ul style="list-style-type: none"> At the Pernod Ricard Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Alexandre Ricard's compensation for the 2012/2013 financial year. Considering the quantitative and qualitative criteria set by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was evaluated as follows: <ul style="list-style-type: none"> with respect to the quantitative criteria (increases in net profit per share, operating profit and net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of his fixed annual compensation; with respect to qualitative criteria, the Board deemed that Mr Alexandre Ricard's performance in the 2012/2013 financial year had been excellent and granted the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult environment this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy. The amount of Mr Alexandre Ricard's variable compensation for the 2012/2013 financial year, as Deputy Chief Executive Officer & Chief Operating Officer, was consequently set at €472,891, or 78.20% of his 2012/2013 annual fixed <i>pro rata temporis</i> compensation. |
| Multi-year variable compensation | N/A | <ul style="list-style-type: none"> Mr Alexandre Ricard does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | <ul style="list-style-type: none"> As is the case for all Executive Directors of the Company, Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, does not receive any Directors' fees. Prior to his appointment as Deputy Chief Executive Officer & Chief Operating Officer on 29 August 2012, Mr Alexandre Ricard received, for the year 2012/2013, €9,917 in Directors' fees for his role as permanent representative of Société Paul Ricard, Director of the Company. |
| Special bonus | N/A | <ul style="list-style-type: none"> Mr Alexandre Ricard does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | None | <ul style="list-style-type: none"> The decision was taken to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. Consequently, no stock option or performance-based shares were allocated to Mr Alexandre Ricard for the 2012/2013 financial year. |
| Welcome bonus or compensation for termination of service | No payment | <ul style="list-style-type: none"> Mr Alexandre Ricard is subject to a two-year non-compete clause accompanied by a maximum indemnity of one year's gross compensation (fixed and variable). In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). |
| Supplementary pension scheme | No payment | <ul style="list-style-type: none"> Mr Alexandre Ricard benefits from the defined-benefit supplementary pension scheme offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). For example, if the calculation was made based on Mr Alexandre Ricard's 2012/2013 compensation, the annuity paid to Mr Alexandre Ricard under this scheme would represent approximately 10% of this compensation. |
| Collective healthcare and welfare schemes | | <ul style="list-style-type: none"> Mr Alexandre Ricard benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). |
| Other benefits | €2,727 | <ul style="list-style-type: none"> Mr Alexandre Ricard qualifies for a company car. |

OTHER ASPECTS OF THE COMPENSATION POLICY

Compensation of Executive Committee members

The members of the Compensation Committee are kept regularly informed of changes in the compensation given to members of the Executive Board (the Managing Directors and General Counsel) as well as to members of the Executive Committee and to the Chairmen of direct subsidiaries of the Group.

In reviewing the different aspects of compensation, the members of the Compensation Committee pay particular attention to ensuring the consistency of the policy applied to the Group's Executive Directors and that applied to its Senior Management. The members of the Compensation Committee are also tasked with examining the consistency between executive compensation principles in France and abroad.

The compensation of the Managing Directors, which is set by the General Management, comprises a fixed annual portion, plus a variable portion representing an attractive incentive, for which the criteria are largely based, as is the case with the CEO and the Deputy CEO and COO, on the Group's financial performances and debt reduction. Qualitative criteria are also used to evaluate individual performance for the financial variable portion.

The Chairmen of direct subsidiaries, who are members of the Executive Committee, also receive compensation comprising a fixed portion, which is set in proportion to individual responsibilities, plus a variable portion, for which the quantitative criteria chiefly depend on the financial performance of the subsidiary managed and partly on the results of the Group, with a view to strengthening solidarity. The Chairmen are also evaluated using individual qualitative criteria.

The same performance indicators therefore apply to the Group's key business development actors, through the structure and evaluation method for the variable portion of their annual compensation.

For a number of years, the members of the Executive Committee have also been evaluated on the basis of their people management performance and the implementation of Corporate Social Responsibility (CSR) projects.

The total amount of the fixed compensation allocated for the 2012/2013 financial year to the 16 members of the Executive Committee, including the Chief Executive Officer & the Deputy Chief Executive Officer and Chief Operating Officer, was €8.4 million. In addition to this, payments of €7.8 million in variable compensation (variable portion calculated for 2011/2012) were also made.

The total expense relative to pension commitments for Executive Committee members was €5.8 million in the financial statements for the year ended 30 June 2013.

Policy governing the allocation of stock options and performance-based shares

During the 2012/2013 financial year, the Board decided to defer the allocation of stock options and performance-based shares to a date occurring after the end of the financial year.

No stock options or performance-based shares were therefore allocated during the 2012/2013 financial year.

**HISTORY OF ALLOCATIONS OF STOCK OPTIONS – SITUATION AT 30 JUNE 2013
(TABLE 8 AMF NOMENCLATURE)**

| | Plan dated 17.12.2002 | Plan dated 18.12.2003 | Plan dated 17.11.2004 | Plan dated 11.08.2005 | Plan dated 14.06.2006 | Plan dated 21.06.2007 | Plan dated 18.06.2008 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Date of authorisation by Shareholders' Meeting | 03.05.2001 | 03.05.2001 | 17.05.2004 | 17.05.2004 | 17.05.2004 | 07.11.2006 | 07.11.2006 |
| Date of the Board of Directors' meeting | 17.12.2002 | 18.12.2003 | 02.11.2004 | 25.07.2005 | 14.06.2006 | 21.06.2007 | 18.06.2008 |
| Type of options | Subscription | Purchase | Purchase | Purchase | Purchase | Purchase | Purchase |
| Total number of options that can be subscribed or purchased | 2,238,853 | 1,637,890 | 1,962,738 | 981,206 | 2,279,214 | 985,292 | 1,273,556 |
| of which by Executive Directors of Pernod Ricard SA | 179,926 | 106,822 | 148,162 | 115,945 | 205,140 | 125,078 | 141,258 |
| of which by Mr Patrick Ricard | 69,200 | 41,085 | 56,984 | 44,595 | 113,966 | 74,552 | 84,196 |
| of which by Mr Pierre Pringuet | 55,363 | 32,869 | 45,589 | 35,675 | 91,174 | 50,526 | 57,062 |
| Commencement date of options | 18.12.2006 | 19.12.2007 | 18.11.2008 | 12.08.2009 | 15.06.2010 | 22.06.2011 | 19.06.2012 |
| Subscription or purchase price (in euro) | 28.42 | 33.83 | 42.30 | 52.59 | 58.41 | 74.73 | 66.16 |
| Number of shares subscribed or purchased as at 30 June 2013 | 2,173,139 | 1,467,664 | 1,449,715 | 519,528 | 1,144,280 | 258,600 | 400,837 |
| Total number of stock options cancelled or lapsed ⁽¹⁾ | 65,714 | 25,203 | 91,768 | 72,178 | 121,048 | 120,221 | 97,499 |
| Stock options remaining at 30 June 2013 | 0 | 145,023 | 421,255 | 389,500 | 1,013,886 | 606,471 | 775,220 |

| | Plan dated 24.06.2010 | Plan dated 15.09.2010 | Plan dated 15.06.2011 | Plan dated 27.06.2012 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Date of authorisation by Shareholders' Meeting | 02.11.2009 | 02.11.2009 | 02.11.2009 | 02.11.2009 |
| Date of the Board of Directors' meeting | 24.06.2010 | 01.09.2010 | 15.06.2011 | 27.06.2012 |
| Type of options | Purchase | Purchase | Purchase | Purchase |
| Total number of options that can be subscribed or purchased | 901,603 | 70,000 | 948,050 | 415,400 |
| of which by Executive Directors of Pernod Ricard SA | 0 | 70,000 | 65,220 | 60,000 |
| of which by Mr Patrick Ricard | 0 | 0 | 0 | 0 |
| of which by Mr Pierre Pringuet | 0 | 70,000 | 65,220 | 60,000 |
| Commencement date of options | 25.06.2014 | 16.09.2014 | 16.06.2015 | 28.06.2016 |
| Subscription or purchase price (in euro) | 64.00 | 64.00 | 68.54 | 78.93 |
| Number of shares subscribed or purchased as at 30 June 2013 | 2,005 | 0 | 4,000 | 0 |
| Total number of stock options cancelled or lapsed ⁽¹⁾ | 30,561 | 0 | 25,212 | 1,550 |
| Stock options remaining at 30 June 2013 | 869,037 | 70,000 | 918,838 | 413,850 |

(1) Options cancelled after the beneficiaries ceased to meet the continued employment condition or failed to meet the performance condition (June 2011 plan and June 2012 plan).

At 30 June 2013, 5,623,080 options, all of them share purchase options, were in circulation, or 1.37% of the Company's share capital. All options are in the money (at the Pernod Ricard share closing price at 30 June 2013 = €85.19).

During the financial year, 110,987 stock options were exercised in respect of the different plans granted to Pernod Ricard group employees for the period from 1 July 2012 to 17 December 2012 (expiry date of the most recent current plan).

At present, there are no Pernod Ricard stock options in circulation.

HISTORY OF ALLOCATIONS OF PERFORMANCE-BASED SHARES – SITUATION AS OF 30 JUNE 2013

| | Plan dated 21.06.2007 | Plan dated 18.06.2008 | Plan dated 24.06.2010 | Plan dated 15.06.2011 | Plan dated 27.06.2012 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Date of authorisation by Shareholders' Meeting | 10.11.2005 | 07.11.2007 | 07.11.2007 | 10.11.2010 | 10.11.2010 |
| Date of the Board of Director's meeting | 21.06.2007 | 18.06.2008 | 24.06.2010 | 15.06.2011 | 27.06.2012 |
| Performance-based shares allocated | 335,458 | 411,634 | 572,119 | 578,759 | 654,750 |
| of which to Executive Directors of Pernod Ricard SA | N/A | N/A | N/A | N/A | N/A |
| Vesting date of the performance-based shares | 22.06.2009 (FRA) 22.06.2011 (ROW) | 19.06.2010 (FRA) 19.06.2012 (ROW) | 25.06.2013 (FRA) 25.06.2014 (ROW) | 16.06.2014 (FRA) 16.06.2015 (ROW) | 28.06.2015 (FRA) 28.06.2016 (ROW) |
| Availability of the performance-based shares | 22.06.2011 (FRA) 22.06.2011 (ROW) | 19.06.2012 (FRA) 19.06.2012 (ROW) | 25.06.2015 (FRA) 25.06.2014 (ROW) | 16.06.2016 (FRA) 16.06.2015 (ROW) | 28.06.2017 (FRA) 28.06.2016 (ROW) |
| Presence of Performance condition | Yes | Yes | Yes | Yes | Yes |
| Performance-based shares cancelled ⁽¹⁾ | 53,558 | 237,110 | 55,760 | 39,387 | 16,744 |
| Performance-based shares vested ⁽²⁾ | 281,900 | 174,524 | 119,722 | 940 | 750 |
| Unvested performance-based shares ⁽³⁾ | 0 | 0 | 396,637 | 538,432 | 637,256 |

(Figures include the capital increases of 14 May and 18 November 2009).

All performance-based shares are subject to performance conditions and the beneficiaries must still be working for the Company. Performance-based shares become available after four or five years on condition that the beneficiaries are still working for the Company on the date of the vesting period. The vesting period is two years (2007 and 2008 plans) or three years (plans after 2008) for French tax residents (FRA) (followed by a two year lock-up period) and four years for non-French tax residents (ROW) (no lock-up period).

- (1) Performance-based shares cancelled after the beneficiaries ceased to meet the continued employment condition (resignation, redundancy) or failed to meet the performance condition (June 2008, June 2011 and June 2012 plans).
- (2) Shares granted to beneficiaries under the June 2007, June 2008 and June 2010 plans (which were transferred on 22 June 2009, 19 June 2010 and 25 June 2013 respectively for beneficiaries resident in France and on 22 June 2011 and 19 June 2012 respectively for non-residents in France as determined for tax purposes), subject to the continued employment condition. The shares under the 2011 and 2012 plans were transferred early following the death of beneficiaries.
- (3) For the June 2010 plan, this consists of performance-based shares for beneficiaries not resident in France, the transfer date of which is 25 June 2014. For the June 2011 and June 2012 plans, it consists of all performance-based shares under these plans whose performance condition was evaluated in full for the June 2011 plan and evaluated for one-half in the case of the June 2012 plan (the second half will be confirmed at the close of the 2013/2014 financial year).

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

STOCK OPTIONS GRANTED TO THE TOP TEN EMPLOYEES IN THE GROUP OTHER THAN CORPORATE OFFICERS AND OPTIONS EXERCISED BY THE TOP TEN EMPLOYEES OF THE ISSUER DURING THE 2012/2013 FINANCIAL YEAR (TABLE 9 AMF NOMENCLATURE)

| | Number of options granted/shares subscribed or purchased | Price (in euro) | Plans |
|---|---|--------------------|--|
| Options granted during the financial year by the Company to the top ten employees of the Company and all companies within its Group granting options, receiving the highest number of options | | | There were no share allocation plans during the 2012/2013 financial year. |
| Options exercised during the financial year by the top ten employees of the Company and all companies within its Group granting options, exercising the highest number of shares | 146,893 | 51.06 | 18.12.2003/17.11.2004 11.08.2005/14.06.2006 21.06.2007/18.06.2008 24.06.2010/15.06.2011 |

Pernod Ricard has not issued any other option instruments granting access to shares reserved for its Executive Directors or to the top ten employees of the Company and all companies within its Group granting options.

Employee profit-sharing plans

All employees of the Group's French companies benefit from profit-sharing and incentive agreements based on the results of each specific entity. In line with the Group's decentralised structure, the terms and conditions of each of these agreements are negotiated at the level of each entity concerned.

Similarly, outside France, the Group encourages all subsidiaries to implement local agreements enabling employees to share in the profits of the entity to which they belong.

Profit-sharing agreements of this type exist in countries including Ireland and the United Kingdom. In each of these countries, employees may potentially receive Pernod Ricard shares based on their entity's annual results.

Provisions for pension benefits

Details of the total amount of provisions recorded or otherwise recognised by the Company for the payment of pensions are provided in Note 4.7 – Provisions of the Notes to the consolidated financial statements.

TRANSACTIONS INVOLVING PERNOD RICARD SHARES MADE BY DIRECTORS IN 2012/2013 (ARTICLE 223-26 OF THE GENERAL REGULATIONS OF THE AMF)

| First name, surname, Company name | Function | Financial instrument | Type of transaction | Date | Price (in euro) | Amount of transaction (in euro) |
|--------------------------------------|--|-------------------------|---------------------------|------------|--------------------|---------------------------------------|
| Mr Pierre Pringuet | Vice-Chairman of the Board of Directors and Chief Executive Officer | Shares | Exercise of stock options | 24.12.2012 | 42.30 | 253,800 |
| Mr Alexandre Ricard | Director and Deputy Chief Executive Officer & Chief Operating Officer | Shares | Exercise of stock options | 29.10.2012 | 58.41 | 357,644 |
| | | Shares | Exercise of stock options | 29.10.2012 | 74.73 | 203,938 |
| | | Shares | Exercise of stock options | 29.10.2012 | 66.16 | 203,839 |
| Mr Paul-Charles Ricard | Permanent representative of Société Paul Ricard | Shares | Transfer | 17.12.2012 | 88.53 | 1,863,529 |
| | | Shares | Transfer | 18.12.2012 | 87.62 | 8,638,214 |
| | | Shares | Transfer | 19.12.2012 | 87.89 | 14,817,192 |
| | | Shares | Transfer | 20.12.2012 | 87.68 | 11,149,958 |
| | | Shares | Transfer | 21.12.2012 | 87.30 | 8,606,380 |
| | | Shares | Transfer | 11.01.2013 | 87.41 | 1,629,157 |
| Ms Susan Murray | Director | Shares | Purchase | 04.09.2012 | 88.81 | 44,405 |
| Ms Nicole Bouton | Director | Shares | Purchase | 26.02.2013 | 97.25 | 14,588 |
| Mr César Giron | Director | Other | Exercise of stock options | 22.05.2013 | 52.59 | 155,403 |
| | | Shares | Transfer | 22.05.2013 | 95.12 | 281,065 |

DIRECTORS' EQUITY INVESTMENTS IN THE ISSUER'S SHARE CAPITAL (POSITION AS OF 28 AUGUST 2013)

| Members of the Board of Directors | Number of shares at 28.08.2013 | Percentage of share capital at 28.08.2013 | Number of voting rights at 28.08.2013 | Percentage of voting rights at 28.08.2013 |
|--|-----------------------------------|--|--|--|
| Executive Directors | | | | |
| Ms Danièle Ricard (Chairwoman of the Board of Directors) | 264,542 | 0.10% | 448,643 | 0.15% |
| Mr Pierre Pringuet (Vice Chairman of the Board of Directors and Chief Executive Officer) | 241,000 | 0.09% | 278,528 | 0.10% |
| Mr Alexandre Ricard (Deputy Chief Executive Officer & Chief Operating Officer) ⁽¹⁾ | 19,659 | 0.01% | 19,659 | 0.01% |
| Directors | | | | |
| Mr François Gérard | 14,217 | 0.01% | 20,370 | 0.01% |
| Mr César Giron | 5,895 | N.M. | 8,802 | N.M. |
| Ms Martina Gonzalez-Gallarza | 1,100 | N.M. | 1,100 | N.M. |
| Société Paul Ricard represented by Mr Paul-Charles Ricard ⁽²⁾ | 34,866,200 | 13.14% | 55,441,850 | 19.13% |
| Independent Directors | | | | |
| Ms Nicole Bouton | 1,150 | N.M. | 1,150 | N.M. |
| Mr Laurent Burelle | 1,000 | N.M. | 1,000 | N.M. |
| Mr Michel Chambaud | 1,050 | N.M. | 1,050 | N.M. |
| Mr Wolfgang Colberg | 1,076 | N.M. | 1,076 | N.M. |
| Mr Ian Gallienne | 1,000 | N.M. | 1,000 | N.M. |
| Ms Susan Murray | 1,000 | N.M. | 1,000 | N.M. |
| Mr Anders Narvinger | 1,020 | N.M. | 1,020 | N.M. |

N.M. = Not meaningful.

(1) In addition, and through the Irish Distillers Employee Share Purchase Scheme, Mr Alexandre Ricard indirectly holds 463 Pernod Ricard shares.

(2) This includes the shares held by Société Paul Ricard and by the companies Lirix, Le Garlaban, Le Delos Invest I, Le Delos Invest II and Le Delos Invest III (the 8,392,096 Pernod Ricard shares held by Le Delos Invest III were transferred as collateral for the full performance of its obligations under the terms of a financial futures contract entered into on 10 April 2009), related to Société Paul Ricard as defined in article L. 621-18-2 of the French Monetary and Financial Code.

RISK FACTORS

RISKS IN CONNECTION WITH BUSINESS ACTIVITY

Risks relating to the global economic environment

Pernod Ricard is co-leader of the global Wines & Spirits market. It sells products in more than 80 countries.

The Group's business is sensitive to general economic conditions in its key markets, in particular the United States, France and the rest of Europe. In most countries, the consumption of Wines & Spirits, which is closely linked to the broader economic environment, tends to decline during periods of economic recession, unemployment, reductions in consumer spending levels, and increases in cost of living and inflation.

While the Group's business has held up well during the economic and financial crisis, the Group believes that it remains exposed to the consequences of economic downturns and the possibility of more limited growth in consumption.

In addition, Wine and Spirits consumers, including consumers of Pernod Ricard's products, also have the option of trading down to less costly products ("standard" as opposed to "Premium" products), particularly during economic declines.

The diversified geographical spread of the Group's activities can help mitigate difficulties. For example, during the economic crisis that affected Europe and the United States in particular, the Group's sales in emerging markets continued to grow, and in the 2012/2013 financial year, the Asia/Rest of World Region consolidated its position as the Group's leading Region in terms of sales. Nevertheless, global recessions or severe or continued contractions in the Group's key markets could have an adverse impact on its sales, sparking a deterioration in the Group's consolidated earnings and outlook.

Risks relating to seasonality trends

Pernod Ricard makes an above-average portion of its sales during the Christmas and New Year season (November, December) and the Chinese New Year (January, February). Any major unexpected adverse event occurring during these periods, such as a natural disaster, pandemic, or economic or political crises, could result in a reduction in the Group's revenues and, consequently, a deterioration in its full-year earnings.

Risks relating to competition

The Group operates in fiercely competitive markets, where brand recognition, corporate image, price, innovation, product quality, the breadth of Distribution Networks and services provided to consumers are differentiating factors among competitors.

The Group constantly aims to strengthen the recognition of its brands, particularly its strategic brands, through advertising and promotional campaigns, enhancing the quality of its products and optimising its distribution and service networks. Nevertheless, it must also face heightened competition from major international players on its international brands and from smaller groups or local producers on its local brands.

The fierce competition prevailing in the mature markets and the increasingly competitive nature of the emerging markets could require the Group to boost its advertising and promotional expenditures, or even reduce its prices, or keep them stagnant, in order to protect its market share.

Risks relating to further consolidation in the Wine and Spirits industry, as well as to retailers in general

The Wines & Spirits industry has witnessed a trend toward the consolidation of distributors and merchants, which, in the past, has not had an adverse impact on the Group, due in part to its strong brand portfolio and its wholly-owned extensive Distribution Network.

However, further consolidation among spirits producers and retailers in the Group's key markets could negatively impact the sale of the Group's products as a result of, for example, less attention and fewer resources allocated to its brands. As the retail trade consolidates, wholesalers and retailers will have greater resources and negotiating leverage and, as a result, could seek to have the Group and other producers reduce their prices, conduct product promotions and/or accept payment terms that could reduce margins. As the market share of a retailers grows, this may have an impact on the Group's sales and profitability. Changes in merchants' strategies, including a reduction in the number of brands they carry, the allocation of shelf space for our competitors' brands or private label products (including "store brands") may adversely affect the Group's sales, market share and outlook.

Risks relating to the Group's geographic footprint

The Group derives a considerable (and increasing) portion of its sales from emerging markets in Asia, Latin America, and Central and Eastern Europe (India, China, Brazil and Russia, for instance).

Although any country could be affected, the Group's activities in emerging markets are more particularly exposed to political and economic risks, including risks resulting from changes in government or regulatory policy. These risks include risks stemming from exchange rate controls, inflation, problems with the repatriation of foreign earnings, dividends and investment capital, exchange rate fluctuations, changes in tax regimes, implementation of restrictions on imports, as well as political instability.

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

4

Risk factors

In addition, acts of terrorism or a declaration of war, the impact on consumer sentiment and tourism from threats of terrorism or war, any other adverse political event, or concerns relative to the threat of global pandemics could have a negative impact on consumers' propensity to make purchases in the more expensive product ranges of the Group's key product categories, in duty free stores and in other markets. Concerns of the above nature or other economic and political upheavals in the Group's markets could spark heightened volatility in the Group's sales, with a negative impact on its earnings and outlook in these markets.

Risk relating to changes in consumer tastes and preferences

Pernod Ricard holds a core portfolio of 14 strategic spirits and champagne brands and 4 Priority Premium Wine Brands, as well as 18 key local spirit brands that are leaders in their particular category or in the Premium segments of the respective local markets. The Group's performance is dependent on its capacity to satisfy consumer expectations and desires. However, change in consumer expectations and desires is difficult to anticipate, and in many cases is beyond the Group's control. As a result, negative changes in consumer demands could affect its sales and market share.

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

Risks relating to the Group's industrial sites

The Group has a substantial inventory of aged product categories, principally Scotch whisky, Irish whiskey, cognac, rum, brandy and fortified wine, which mature over periods which can surpass 30 years. The Group's maturing inventory is stored at numerous locations throughout the world. However, the loss of all or part of the maturing inventory or the loss of all or part of the production, distilling, blending or packaging sites attributable to negligence, an act of malice, contamination, fire or natural disaster could lead to a significant fall or prolonged interruption of the supply of certain products, precluding the Group from satisfying consumer demand for said products. In addition, there is an inherent risk of forecasting error in determining the quantity of maturing stock to store in a given year for future consumption. This could lead to either an inability to supply future demand or a future surplus of inventory and consequently write downs in value of maturing stocks. Finally, there also can be no assurance that insurance proceeds would be sufficient to cover the replacement value of lost maturing inventory or assets in the event of their loss or destruction.

Risks relating to raw materials and energy prices

Certain of the raw materials that we use for the production of our products are commodities that are subject to price volatility caused by changes in global supply and demand, weather conditions, agricultural uncertainty or governmental controls. Commodity price changes resulting in unexpected increases in the cost of raw

materials or packaging materials could significantly increase our operating costs. Similarly, shortages of such materials could have a negative effect on our business. In addition, energy cost increases result in higher transportation, freight, distillation and other operational costs. The Group may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit, which could negatively impact the Group's results.

Risks relating to acquisitions

The Group has made major acquisitions in the past, such as the joint-acquisition with Diageo of Seagram's Wines and Spirits business in 2001, the joint acquisition with Fortune Brands of Allied Domecq in 2005 and the acquisition of the Vin&Sprit group, owner of ABSOLUT vodka, in 2008. Pernod Ricard believes that it was able to successfully integrate these acquisitions.

In the event that Pernod Ricard decides to conduct a major acquisition in the future, successful integration of the target into the Group cannot be guaranteed. In addition to the fact that acquisitions require Senior Managers to devote a significant amount of time to resolving organisational issues, they also require the integration of new businesses, employees and products belonging to newly acquired companies. The integration process involves a great many unknowns, including the impact of the integration of new entities in a new structure and the management of the Human Resources of merged businesses. The Group's financial position, reported results and outlook could be affected should it be unable to make a success of the integration of newly acquired companies.

Risks relating to the Group's image and reputation

The success of the Group's brands depends upon the positive image that consumers have of those brands. The Group's reputation and image may at any time be significantly undermined by one-off incidents at an industrial facility or relating to a specific product. For example, contamination, whether arising accidentally, or through an act of malice, or other events that harm the integrity or consumer support for their brands, could adversely affect the sales of the Group's products. The Group purchases most of the raw materials for the production of its wines and spirits from third-party producers or on the open market. Contaminants in those raw materials or defects in the distillation or fermentation process at one of our industrial facilities could lead to low product quality as well as illness of, or injury to, our consumers, which could subject the Group to liability and result in reduced sales of the affected brand or all its brands.

In addition, to the extent that third-parties sell products that are either counterfeit versions of the Group's brands or inferior "look alike" brands, consumers of the Group's brands could confuse its products with those brands. This could cause them to refrain from purchasing the Group's products in the future, which could in turn impair brand equity and adversely affect the Group's results.

Although the Group has implemented protection and control systems to limit the risk of contamination and other industrial accidents and has a Group Intellectual Property Department dedicated to protecting its brands (for more information, see "Risks relating to Intellectual Property"), there can be no guarantee that problems arising from

industrial accidents, contamination and other factors will not compromise the Group's reputation and image on a global scale. Reputational damage could potentially have negative effects on the Group's image, financial position, reported results and outlook.

Risks relating to personnel

The Group's success is dependent on the loyalty of its employees, and in particular of key employees, as well as its ability to continue to attract and retain highly qualified personnel. Difficulties in retaining or hiring key personnel, or the unexpected loss of experienced employees, including among acquired companies, could slow the implementation of the Group's strategic growth plans, and could have an adverse impact on its business, financial condition and results of operations.

In addition, the Group cannot guarantee the absence of strikes or other types of labour disputes. Any extended labour disputes could have an impact on the Group's sales.

Risks relating to a breakdown of the Group's information technology systems

Pernod Ricard uses information technology systems for the processing, transmission and storage of electronic data relating to the Group's operations and financial reporting. A significant portion of communications among the Group's personnel, clients and suppliers relies on the efficient performance of the Group's information technology systems.

In addition, the Group's information technology systems could be exposed to interruptions for reasons beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunications breakdowns, computer viruses, hackers or other security issues. Although the Group invests heavily in the maintenance and protection of its information systems, unexpected major breakdowns of one or several systems or any significant interruptions could disrupt the normal functioning of the Group, which could result in a negative impact on the Group's business, operations, operating profit, cash flow and financial position.

Risks relating to the Group's indebtedness

The Group reduced its indebtedness in 2012/2013, due in particular to free cash flow of €924 million. The Group's net debt/EBITDA ratio decreased from 3.8 at 30 June 2012 to 3.5 at 30 June 2013 (net debt translated at the average rate). For more information on the Group's indebtedness, see Note 4.8 – *Financial liabilities* of the Notes to the consolidated financial statements.

The risks related to indebtedness are:

- limiting the Group's ability to obtain additional financing for working capital, capital expenditure, acquisitions or general corporate purposes, and increasing the cost of such additional financing;
- a reduction in the cash available to finance working capital requirements, capital expenditure, acquisitions or corporate projects, a significant part of the Group's operating cash flow being put towards the repayment of the principal and interest on its debt;

- increasing the Group's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- the occurrence of a breach of one of the commitments made by the Group pursuant to the contracts bearing on its financing could require it to accelerate the repayment of its debt, thereby potentially sparking a liquidity crisis.

Risks relating to the Group's pension plans

The Group's unfunded pension obligations amounted to €248 million at 30 June 2013. During the 2012/2013 financial year, the Group made total contributions to Group pension plans of €132 million. For more information on the Group's pension and other post-employment liabilities, see Note 4.7 – *Provisions* of the Notes to the consolidated financial statements.

The Group's pension obligations are for the most part covered by balance sheet provisions and partially covered by pension funds or by insurance. The amount of these provisions is based on certain actuarial assumptions, which include for example discounting factors, demographic trends, pension trends, future salary trends and expected returns on plan assets. If actual developments were to deviate from these assumptions, this could result in an increase in pension obligations on the Group's balance sheet and require a substantially higher allocation to pension provisions, which could have a material adverse effect on the Group's financial results.

The funding of the increase in the Group's future obligations under its pension plans may be possible from its cash flow from operations. If the performance of the assets in the Group's funded pension plans does not meet its expectations or if other actuarial assumptions are modified, the Group's contributions to these plans could be materially higher than expected, which would reduce the cash available to the Group for its business.

Risks relating to Intellectual Property

The recognition of the Group's brands is a fundamental part of its competitiveness. The management of the Group's brands and other owned intellectual property rights require substantial investments both for their protection and defence.

The Group has taken very strict actions in this area. It has formulated an intellectual property policy implemented by a team of nearly 30 specialists working in six distinct locations (to whom specific brand portfolios are allocated), coordinated by the Intellectual Property Department, which is housed in the Holding Company. This team is responsible for the administrative management of the Group's brands, designs and models, copyright, domain names and patents (part of the innovation policy of the Group). The team is in charge of coordinating litigation (counterfeits, unfair competition, forfeiture, opposition, etc.) and contracts (sale, licensing, coexistence) involving intellectual property issues.

The defence of such property is a mission involving all of the Group's personnel, who are aware of the importance of this crucial asset; for instance, sales forces are called on to identify any imitation of the products and brands of the Group by a third party and to transmit all information to the legal department responsible for intellectual property so that the Group can respond efficiently to those actions.

Risk factors

However, the Group, as any owner of intellectual property rights, is not in a position to guarantee that such measures will be fully sufficient to force third parties to respect its rights. In some non-European Union countries, particularly in Asia (China, Thailand, Vietnam, etc.), even though satisfactory legal options generally exist, it can be difficult to persuade the local authorities to apply dissuasive sanctions on counterfeiters that reproduce in full or in part the Group's most popular brands in these countries. Yet those illicit acts are likely to have unfavourable consequences on the image of the relevant products. Therefore, the Group takes specific action, with objectives determined on the basis of the market and the brand, bringing together different internal departments so as to bring a cross-functional approach to bear on the problem of counterfeiting. These actions include coordinated legal responses and operations aimed at raising awareness among local authorities, field and online surveys, as well as technical and technological measures aimed at improving the protection of the Group's products.

Third parties can also contest the Group's ownership of certain brands. For instance, the Group is currently involved in litigation on the Havana Club brand (see "Disputes relating to brands" hereafter).

Legal decisions could therefore affect the Group's brand portfolio, potentially having negative effects on its financial position, reported results and outlook.

Risks relating to change in the regulatory environment

The Group's businesses throughout the world are subject to a growing number of regulatory bodies, in particular with respect to the sale and advertising of alcoholic beverages. The regulatory environment governing the production and marketing of alcoholic beverages could undergo change in France, in the European Union or in the rest of the world. Similarly, advertising and promotions of alcoholic beverages are subject to increasingly stringent rules aimed at changing consumer behaviour and reducing alcohol consumption.

In particular, in its capacity as a distributor of international beverage brands, the Group is subject, in the various countries in which it trades, to numerous regulatory requirements concerning production, product responsibility, distribution, marketing, advertising, labelling and imports. More broadly speaking, it is also subject to issues relating to competition and consolidation, commercial and pricing policies, pensions, labour law and environmental concerns. In addition, the Group's products are subject to import and indirect taxes in the various countries in which it trades.

Regulatory decisions and changes in legal and regulatory requirements in these markets could have a negative impact on Pernod Ricard's business:

- **product recalls:** regulatory authorities in the countries in which the Group trades could be given coercive powers and subject the Group to measures including product recalls, product seizures and other sanctions, any of which could have an adverse effect on its trading or harm its reputation, with subsequent negative effect on its operating profit;
- **advertising and promotions:** regulatory authorities in the countries in which the Group trades could impose restrictions on advertising for alcoholic beverages, for instance by banning television advertisements or the sponsoring of sporting events, or by restricting the use of these media. Furthermore, the Group

has signed several voluntary self-regulation codes, which impose restrictions on the advertising of and promotions for alcoholic beverages. These limits could have the effect of (i) hindering or restricting the Group's capacity to maintain or reinforce consumer behaviour in relation to its brands and their recognition on major markets and (ii) significantly affecting the Group's trading environment;

- **labelling:** regulatory authorities in the countries in which the Group trades could impose new or different requirements in terms of labelling and production. Changes to labelling requirements for alcoholic beverages, including the Group's portfolio of Premium Wines and Spirits, could diminish the appeal of these products in the eyes of consumers, thereby leading to a fall in the sales of these beverages. Furthermore, such changes could have the consequence of increasing costs, thereby affecting the Group's earnings;
- **import taxes and customs duties:** the Group's products are subject to import taxes and customs duties in most markets. An increase to import taxes and customs duties or a change in the legislation relative to duty free sales could lead to an increase in price as well as a reduction in the consumption of its Premium Wine and Spirits brands or an increase in costs for the Group; and
- **access to Market Companies:** regulatory authorities in the countries in which the Group trades could seek to restrict consumers' access to Group products, for instance by limiting the trading hours of establishments serving alcoholic beverages or increasing the legal age for alcohol consumption.

Aside from the fact that change in local laws and regulations could in some cases restrict the Group's growth capacity by changing consumer behaviour, compliance with new laws and regulations could also require substantial investments. This could potentially have a significantly negative impact on the Group's reporting results and outlook.

Similar to other businesses, the Wine and Spirits business is highly sensitive to changes in tax regulations. In addition, in the current macroeconomic climate, governmental entities may resort to increasing taxes on alcoholic beverages in order to raise funds. The effect of any future tax increases on the Group's sales in a given jurisdiction cannot be precisely measured. However, significant increases in import and excise duties on alcoholic beverages and on other taxes could have a significant adverse impact on the Group's financial condition and operating profit. Furthermore, the Group's net profit is calculated on the basis of extensive tax and accounting requirements in each of the jurisdictions in which the Group operates. Changes in tax regulations (including tax rates), accounting policies and accounting standards could have a material impact on the Group's results.

In addition, as an international group, Pernod Ricard can be subject to tax audits in several jurisdictions. The Group takes tax positions that it believes are correct and reasonable in the course of its business with respect to various tax matters. However, there is no assurance that tax authorities in the jurisdictions in which the Group operates will agree with its tax positions. In the event the tax authorities successfully challenge the Group on any material positions, the Group may be subject to additional tax liabilities that may have an adverse effect on the Group's financial condition if they are not covered by provisions or if they otherwise trigger a cash payment.

Risks relating to litigation

Similar to other companies in the Wine and Spirits industry, the Group is occasionally subject to class action or other litigation and complaints from consumers or government authorities. In addition, the Group routinely faces litigation in the ordinary course of its business. If such litigation resulted in fines, monetary damages or reputational damage to the Group or its brands, its business could be materially adversely affected.

Disputes relating to brands

Havana Club

The Havana Club brand is owned in most countries by a joint venture company called Havana Club Holding SA (HCH), of which Pernod Ricard is a shareholder, and is registered in over 120 countries in which the Havana Club rum is distributed. In the United States, this brand is owned by a Cuban company (Cubaexport). Ownership of this brand is currently being challenged in the United States by a competitor of Pernod Ricard.

In 1998, the United States passed a law relating to the conditions for the protection of brands previously used by companies nationalised by the Castro regime. This law was condemned by the World Trade Organization (WTO) in 2002. However to date the United States has not amended its legislation to comply with the WTO decision.

1. The United States Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of the US trademark registration for the Havana Club brand, which, in the United States, has been owned by Cubaexport since 1976. In August 2006, the United States Patent and Trademark Office (USPTO) denied the renewal of the said Havana Club registration, following guidance from the OFAC. Cubaexport petitioned the Director of the USPTO to reverse this decision and also filed a claim against the OFAC challenging both the OFAC's decision and the law and regulations applied by the OFAC. In March 2009, the US District Court for the District of Columbia ruled against Cubaexport. In March 2011, in a two to one decision, the Court of Appeals blocked Cubaexport from renewing its trademark. A *certiorari* petition was filed before the US Supreme Court on 27 January 2012, with the support of the French Government, the National Foreign Trade Council and the Washington Legal Foundation. On 14 May 2012, the Supreme Court denied the petition. This decision has no impact on the Group's accounts. The USPTO must now decide whether or not it should cancel Cubaexport's registration. In the meantime, Pernod Ricard has announced the launch of a Cuban rum, benefiting from the same production processes as the Havana Club range, and which will be distributed in the United States once the embargo is lifted. This product will be sold under the Havanista® trademark, registered with the USPTO since August 2011.
2. A competitor of the Group has petitioned the USPTO to cancel the Havana Club trademark, which is registered in the name of Cubaexport. In January 2004, the USPTO denied the petition and refused to cancel the trademark registration. As this decision was appealed, proceedings are now pending before the Federal District Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition to the USPTO.

3. In August 2006, this competitor introduced a "Havana Club" brand rum in the United States, which is manufactured in Puerto Rico. Pernod Ricard USA instituted proceedings in the District Court for the District of Delaware on the grounds that the competitor is falsely claiming to own the Havana Club trademark and that this false claim and the use of the Havana Club trademark on rum of non-Cuban origin is misleading to consumers and should be prohibited. In April 2010, the District Court for the District of Delaware ruled against Pernod Ricard USA. Pernod Ricard USA filed an appeal against the decision. On 4 August 2011, the Court of Appeals upheld the judgement.
4. HCH's rights relating to the Havana Club trademark were confirmed in June 2005 by the Spanish Court of First Instance as a result of proceedings initiated in 1999, notably by this same competitor. The decision was appealed by the plaintiffs before the Madrid Provincial Court, but their appeal was rejected in February 2007. They appealed before the Spanish Supreme Court, which rejected their appeal in a decision handed down on 3 February 2011.

Stolichnaya

Allied Domecq International Holdings BV and Allied Domecq Spirits & Wine USA, Inc., together with SPI Spirits and other parties, are defendants in an action brought in the United States District Court for the Southern District of New York by entities that claim to represent the interests of the Russian Federation on matters relating to ownership of the trademarks for vodka products in the United States. In the action, the plaintiffs challenged Allied Domecq International Holdings BV's then-ownership of the Stolichnaya trademark in the United States and sought damages and interest based on vodka sales by Allied Domecq in the United States and disgorgement of the related profits. Their claims concerning Allied Domecq International Holdings BV's then-ownership of the Stolichnaya trademark in the United States having been dismissed in March 2006, the plaintiffs subsequently filed an appeal for the portion of the decision dismissing their trademark ownership, trademark infringement and fraud claims (as well as the dismissal of certain claims brought only against the SPI entities).

In October 2010, the Court of Appeals (i) affirmed the dismissal of the plaintiffs' fraud and unjust enrichment claims and (ii) reinstated the plaintiffs' claims for trademark infringement, misappropriation and unfair competition related to the use of the Stolichnaya trademarks. The Court of Appeals has remanded the case to the District Court for further proceedings.

The plaintiffs filed their Third Amended Complaint in February 2011, alleging trademark infringement (and related claims) and misappropriation against Allied Domecq, the SPI entities and newly-added defendants William Grant & Sons USA and William Grant & Sons, Inc., (the current distributors of Stolichnaya vodka in the United States). All defendants moved to dismiss the plaintiffs' Third Amended Complaint.

On 1 September 2011, the plaintiffs' trademark and unfair competition claims were dismissed with prejudice on the ground that the plaintiffs lacked standing to bring these claims in the name of the Russian Federation. Because he dismissed the federal trademark claims, the judge declined to exercise jurisdiction over the remaining common law misappropriation claim and thus he dismissed that claim without prejudice to the plaintiffs refile that claim in a state court.

The District Court having entered judgment on 8 September 2011, the plaintiffs filed a notice of appeal in October 2011.

Risk factors

On 5 August 2013, the Court of Appeals confirmed that the plaintiffs lacked standing to bring claims in the name of the Russian Federation and dismissed their Third Amended Complaint. The plaintiffs have until 4 November 2013 to petition for the decision to be reviewed by the United States Supreme Court.

Commercial disputes

Claim brought by the Republic of Colombia against Pernod Ricard, Seagram and Diageo

The Republic of Colombia, as well as several Colombian regional departments, brought a lawsuit in October 2004 before the United States District Court for the Eastern District of New York against Pernod Ricard SA, Pernod Ricard USA LLC, Diageo Plc, Diageo North America Inc., United Distillers Manufacturing Inc., IDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiffs' claims are that these companies have committed an act of unfair competition against the Colombian government and its regional departments (which hold a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution channels and by receiving payments from companies involved in money laundering. Pernod Ricard contests these claims.

The defendants moved to dismiss the lawsuit on a variety of grounds, including that the Court is not competent to hear this dispute, that Colombia is a more convenient forum, and that the complaint fails to state a legal claim. In June 2007, the District Court granted in part and denied in part the defendants' motions to dismiss.

In January 2008, the Second Circuit Court of Appeals refused to review the District Court's decision.

After a period of discovery regarding the plaintiffs' claims that were not dismissed, in March 2011 Pernod Ricard filed a new motion to dismiss based on recent case law regarding the extraterritorial application of the "RICO" law. The discovery has been stayed in its entirety until the Court rules on this motion.

In September 2009, Pernod Ricard and Diageo, in exchange for a payment of US\$10 million made to each of Diageo and Pernod Ricard, released Vivendi SA and Vivendi I Corp. from any obligation to indemnify Pernod Ricard and Diageo for certain Colombia litigation losses based on conduct of Seagram that pre-dates its acquisition by Pernod Ricard and Diageo.

On 8 November 2012, the Plaintiffs voluntarily dismissed all their remaining claims without prejudice, and the Court so ordered. Pernod Ricard will continue to work with Colombian Regional Departments in a cooperative effort to fight against smuggling and counterfeit products and to promote competitive markets that benefit consumers and producers alike.

Customs duties in India

Pernod Ricard India (P) Ltd has an ongoing dispute with Indian Customs over the declared transaction value of concentrates of alcoholic beverages (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court which issued an order in July 2010, setting out the principles applicable for the determination of values which should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. Even for the subsequent period up to December 2010 the Company

has deposited almost the entire differential duty as determined by customs although the values adopted by them are being disputed as being on the higher side. The Company continues to actively work with the authorities to resolve pending issues.

With the exception of the above-mentioned procedures, there are no other government, legal or arbitration procedures, including all procedures of which the Company is aware and any which are pending or threatened, which are likely to have or which have had over the last 12 months a significant impact on the profitability of the Company and/or Group.

The litigations described above are also mentioned in Note 6.4 - *Disputes* of the Notes to the consolidated financial statements.

PRESENTATION OF INDUSTRIAL AND ENVIRONMENTAL RISKS

Industrial and environmental risk prevention

Pernod Ricard's management of industrial and environmental risks is based on a QSE (Quality, Safety, Environment) management approach which is common to the entire Group and has been implemented in all production subsidiaries worldwide.

It is coordinated by the Group's Technical Division, and is based on internal Pernod Ricard standards inspired by systematic risk analysis, and by Guidelines aimed at ensuring the adoption of best practice in each of the areas covered: product quality, safety of personnel, environment, and major risks (fire, explosions, etc.). It is implemented in each of the subsidiaries, each one being entirely responsible for identifying and controlling its risks as well as its environmental impact, within the framework of the Group's decentralised organisation.

This risk management policy is accompanied by an ambitious QSE certification initiative for the Group's production sites, in accordance with international standards. As at end June 2013, the following proportions of the Group's global industrial facilities had been certified:

- for Quality Management (ISO 9001): 96% of sites, i.e. more than 99% of production;
- for Environmental Management (ISO 14001): 96% of sites, i.e. more than 99% of production;
- for Health and Safety Management (OHSAS 18001): 96% of sites, i.e. more than 99% of production;
- for Food Safety (ISO 22000): 70% of sites, i.e. more than 92% of production.

At each of the Group's production subsidiaries, a QSE representative is responsible for the application of this policy. Led by the QSE team, which is part of the Holding Company's Technical Department, the QSE network is consulted once or twice a year to identify and approve priority areas for action. This also enables best practices to be identified and shared in a context of continuous improvement. Covering around 30% of the Group's production sites each year, audits known as "cross-audits" involve the auditors of several subsidiaries, together with a specialised auditor from the Group's Technical Department, in order to endorse risk analysis done by subsidiaries

and the measures taken to reduce these risks. This helps to boost knowledge-sharing, enhance the skills of internal experts, and improve internal standards by adding new Guidelines on an ongoing basis.

With regard to major industrial risks, an Operations Risk Manager attached to the Technical Division coordinates the work done by subsidiaries in the area of risk reduction. The Risk Manager mainly focuses on prevention measures (design and maintenance of facilities, training, operating procedures, etc.) and protection systems (automatic fire extinguishing systems, water retention facilities, emergency procedures, etc.). He makes regular visits to assess the sites, in conjunction with the insurer, with each site being attributed a score, along with technical recommendations. The Risk Manager is consulted on projects relating to the construction or extension of these facilities. In agreement with the insurer's experts he also recommends the most appropriate solution for the risk in question in each case.

In addition, a programme devoted to implementing Business Continuity Plans has been initiated on a priority basis for the most strategic subsidiaries. It is aimed at protecting the Group's operations from the consequences of a major disaster with catastrophic consequences, such as a fire. To this end, the programme sets out the various scenarios liable to affect a site, and looks for ways to reduce the impact on business. It leads to the preparation of a business recovery plan including the implementation of emergency solutions and access to alternative means of production.

Major risks identified and specific risk prevention measures

Various types of risks have been identified in relation to the level of the Group's industrial activities, for which specific preventative measures or monitoring procedures have been implemented.

Fire hazard

As alcohol is highly flammable, fire is the main risk to our staff and facilities, particularly the sites where spirits are produced and stored. This risk is also present at sites where blending and bottling of alcohol take place. In certain cases, this fire risk may be accompanied by the risk of explosion, particularly if alcohol vapours come into contact with a heat source.

Of the 96 industrial sites operational as at 30 June 2013, 7 (1 in Ireland and 6 in Scotland) were classified as high-threshold Seveso risk due to the volumes stored, higher than 50,000 tonnes (classification by the European Directive Seveso II for the prevention of major accidents). In the rest of the world, only one site, in Canada, was above this threshold. These sites are systematically subject to a high level of protection and prevention, which can be seen in the use of fire-resistant materials, the presence of automatic fire-extinguishing systems (sprinklers) and water reserves, training and the implementation of rigorous working procedures. Moreover, the recommendations of the ATEX Directive on explosive atmospheres have been reflected in the Group's internal guidelines, which are applicable to all subsidiaries.

Since May 2000, when a fire led to the loss of a bourbon cellar in Kentucky, no major fires or explosions have occurred on the Group's sites. Three fire outbreaks were recorded in 2012/2013. They were rapidly brought under control and had no significant impact on business.

Risk of accidental spillage

The accidental spillage of product (wine, alcohol or other) into the environment is liable to pollute the soil, a river or water tables. This risk is of particular concern in cases of fire following a leak or spillage of alcohol and its extinction using water and foam. The risk of pollution is part of risk surveys and prevention measures at the Group's sites, and is the object of significant preventative measures: water retention facilities in storage and unloading areas, construction of drainage systems, drainage to storage basins.

In 2012/2013, a whisky spillage occurred on one of our production sites in Scotland. Thanks to the containment measures in place, it was contained and did not cause any environmental damage.

Risk of natural disasters

Several facilities are located in areas known to be at significant risk of earthquake. These include facilities located in New Zealand, Armenia, California and Mexico. The Group's wine production facility in Gisborne, New Zealand, was hit by an earthquake in 2007. This caused substantial damage, but without major consequences for the business.

Some areas are exposed to hurricane risk. The San José plant in Cuba has taken preventative measures to cover this contingency.

There is also a risk of flooding at certain sites. Cellars were affected in Scotland in 2009, but there was no significant damage. Flooding is not considered to be a particularly high risk at any of the Group's facilities.

Lastly, in January 2010, exceptionally heavy snowfalls in the northern part of Scotland caused the roofs of 40 ageing cellars at the Mulben facility to collapse. A weather event of this nature had never previously been seen in this Region and was deemed extremely unlikely. The damages only concerned the buildings, as the collapse did not affect inventories of spirits. The damaged cellars were rebuilt and reinforced.

Risks relating to climate change and other environmental aspects

Climate change poses a variety of risks to the Group's activities.

In terms of physical consequences, the major risk relates to the impact of climate change on the supply of agricultural raw materials. Increasingly irregular crop yields, climatic events such as frost, hail and drought and shifting climatic boundaries can affect the availability and, to a greater extent, the price of raw materials. Where grains are concerned, this effect, coupled with rising global demand, is contributing to the increasing volatility of market prices, which must be taken into account in procurement strategies and economic supply models. As regards grapes - another of the Group's key raw materials - climate models reveal the risk of an increase in wine alcohol content, changes to certain qualitative parameters and, in the longer term, a gradual shift in favourable climate areas. The affected inter-professional organisations, such as those for Cognac and Champagne and the corresponding organisations in Australia and New Zealand, have incorporated this issue into their research programmes in order to adapt their practices to these changes (choice of vine sorts, vine training, vinification, etc.).

Risk factors

A similar risk exists in relation to the water supply for production sites: a number of sites use underground water tables for their water needs and these can also be affected by climate. The availability and quality of water is therefore a key factor in product quality, and is monitored very closely. Responsible water management is a major part of the Group's environmental management policy: each site has to ensure that the use of groundwater or river water and release of waste water back to the environment do not cause harm to nature. Sites located in areas identified as geographically high-risk in terms of their water supply are subject to enhanced monitoring so as to ensure the sustainability of the resources used (see the "Environment" paragraph in Section 3 "Corporate Social Responsibility").

Another risk relating to climate change is that of the increasingly frequent occurrence of extreme weather events liable to damage production facilities or affect the supply chain, such as cyclones, floods or exceptional levels of snowfall. This risk is taken into account in the Group's insurance strategy and is also the subject of Business Continuity Plans.

From a regulatory point of view, climate-related issues also lead to a risk of stricter regulations on carbon emissions. In Europe, the Group's three largest distilleries are subject to the CO₂ emission quota system (EU-ETS). The direct financial impact for Pernod Ricard is negligible. However, the economic impact of regulations on energy and carbon is also felt through indirect consumption via our suppliers (especially with respect to glass, alcohol and transport) and is likely to increase in the next few years.

Finally, climate change also represents a challenge owing to the increasing awareness on the part of consumers, whose expectations in terms of sustainable consumption are growing rapidly. This factor is taken into account by the Group's marketing teams and when planning the development of the product range in both the short and long term.

The existence of these climate-related risks has given rise to the inclusion in the Group's environmental road map of a specific section devoted to energy and carbon. The actions undertaken are presented in the "Environment" paragraph in Section 3 of this report, "Corporate Social Responsibility".

Risks for consumers

The Group has noted the health risk involved in the inappropriate consumption of alcoholic beverages and accordingly has a very strong ethical commitment to encouraging responsible drinking (see specific comments on this subject).

The other risks for consumers relate to product quality. They mainly concern the presence of foreign bodies in bottles (glass fragments) or contamination by an undesirable component, which are the subject of precise internal guidelines. The control of these risks is based on

the application of the HACCP method, which aims to identify risks involved in the manufacturing process and to bring them under control. Active monitoring is also implemented on emerging risks, particularly those relating to components present in packaging, raw materials and water that are liable to pose a risk to consumer health.

As mentioned above, this approach is accompanied by the gradual certification of the Group's production sites in accordance with ISO 22000, which is aimed specifically at managing such risks. At 30 June 2013, 70% of production sites representing 92% of finished product volumes had been certified under this standard.

MANAGEMENT OF LIQUIDITY RISK

At 30 June 2013, cash and cash equivalents totalled €597 million (compared with €787 million at 30 June 2012). An additional €2,250 million of medium-term credit facilities with banks was confirmed and remained undrawn at this date. Group funding is provided in the form of long-term debt (syndicated loans, bonds, etc.) and short-term financing (commercial paper, bank overdrafts, factoring, etc.), which provide adequate financial resources to ensure the continuity of its business. Short-term financial debt after hedging was €1,632 million (compared with €880 million at 30 June 2012).

While the Group has not identified any other significant short-term cash requirement, it cannot be fully guaranteed that it will be able to continue to get the funding and refinancing needed for its day-to-day operations and investments on satisfactory terms, given the uncertain economic climate.

The Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. At 30 June 2013, the Group was in compliance with the covenants under the terms of its syndicated loan: solvency ratio (total net debt/consolidated EBITDA) of 5.25 or below.

Furthermore, while the vast majority of the Group's cash surplus is placed with branches of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may experience reduced liquidity and/or value.

The currency controls in place in certain countries limits the Group's ability to use cash (prohibition on investment with Pernod Ricard Finance), and in some cases, the possibility of paying dividends (authorisation from the relevant authorities is required in Cuba and Venezuela).

Additional information regarding liquidity risks is provided in Notes 4.8 – *Financial liabilities* and 4.9 – *Financial instruments* of the Notes to the consolidated financial statements.

MARKET RISKS (CURRENCY AND INTEREST RATES)

Currency risk

As the Group consolidates its financial statements in euro, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction risk and translation of results).

While some hedging strategies allow exposure to be limited, there is no absolute protection against exchange rate fluctuations.

For **asset risk**, financing foreign currency denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit and via the implementation of part of the debt in USD for a portion close to 55% of total debt, reflecting the importance of cash flows generated in dollars or linked currencies.

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

With respect to **operational currency risk**, the Group's international operations expose it to currency risks bearing on transactions carried out by subsidiaries in a currency other than their operating currency (transaction accounting risk).

In all cases, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to exchange rate risk on invoicing between producer and distributor subsidiaries is managed via a monthly payment centralisation procedure involving most countries with freely convertible and transferable currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged using financial derivatives (forward buying, forward selling or options) to hedge certain highly probable non-Group operating receivables and payables.

In addition, the Group uses firm and optional hedges with the aim of reducing the impact of currency fluctuations in some Brand Companies that make significant purchases in currencies other than the euro or in order to secure the payment of dividends back to the parent.

Interest rate risk

At 30 June 2013, Group debt comprised floating-rate debt (mainly the syndicated loan and other bank loans) and fixed-rate debt (mainly

bonds), in addition to a hedging portfolio including swaps in EUR and USD.

The Group cannot guarantee that these hedges will prove sufficient nor that it will be able to maintain them on acceptable terms.

Additional information on currency and interest-rate risks is provided in Notes 4.8 – *Financial liabilities*, 4.9 – *Financial instruments* and 4.10 – *Interest rate and foreign exchange derivatives* of the Notes to the consolidated financial statements.

INSURANCE AND RISK COVERAGE

For Pernod Ricard, use of insurance is a solution for the financial transfer of the major risks facing the Group. This transfer is accompanied by a policy of prevention for the purpose of reducing contingencies as far as possible. The Group evaluates its risks with care in order to best adjust the level of coverage of the risks it incurs.

The Group has two types of coverage: Group insurance programmes and local policies. The programmes at Group level are monitored by an insurance Manager who coordinates the insurance and risk management policy and also by a person in charge of monitoring industrial risk prevention.

Insurance policies

In order to cover the main risks, Pernod Ricard has set up international insurance programmes for all Group subsidiaries, barring exceptions due to local regulatory constraints in certain countries or as a result of more attractive conditions offered by the local market. These programmes provide the following coverage:

- property damage and business interruption losses;
- operating and product liability;
- environmental liability;
- costs and losses incurred by the Group due to accidental and/or criminal contamination;
- Directors' civil liability;
- Marine cargo;
- fraud.

Moreover, credit insurance programmes are in place, aimed at reducing the risks associated with trade receivables.

A number of subsidiaries have taken out additional insurance for specific needs (e.g. insurance for vineyards in Spain, insurance for vehicle fleets, etc.).

Coverage

| Type of insurance | Coverage and limits on the main insurance policies ⁽¹⁾ |
|---|--|
| Property damage and business interruption losses | <ul style="list-style-type: none"> ■ Coverage: fully comprehensive (except for exclusions). ■ Basis of compensation: <ul style="list-style-type: none"> ■ new value for moveable property and real estate, except for certain subsidiaries, which have exceptionally chosen, with the contractual agreement of the insurers, to provide for another basis of compensation; ■ cost of sale for inventories, except for certain maturing stocks that are insured at replacement value or net book value plus a fixed margin (tailored to each company); ■ business operating losses with a compensation period of between 12 and 36 months according to the Company. ■ Limits on compensation: <ul style="list-style-type: none"> ■ main compensation limit of €550 million, covering all damage and business interruption losses. The programme includes additional limits, for example to cover natural events. ■ Furthermore, a captive insurance company provides insurance cover for an amount of €3 million per claim with a maximum commitment of €5 million per annum. |
| General civil liability (operating and product liability) | <ul style="list-style-type: none"> ■ Fully comprehensive coverage (except for exclusions) for damage caused to third parties for up to €220 million per year of insurance (main limit). |
| General environmental liability | <ul style="list-style-type: none"> ■ Coverage for environmental damage of €25 million. |
| Product contamination | <ul style="list-style-type: none"> ■ Coverage for recall outlay, the cost of the related products, loss of business and outlay on rebuilding Pernod Ricard's image following contamination of products delivered that present a threat of harm to persons or property: coverage of €45 million per year (main limit). |
| Directors' civil liability | <ul style="list-style-type: none"> ■ Coverage of up to €150 million per year of insurance. |
| Marine cargo | <ul style="list-style-type: none"> ■ Coverage of up to €25 million per claim. |
| Fraud | <ul style="list-style-type: none"> ■ Coverage of up to €35 million per year. |
| Credit | <ul style="list-style-type: none"> ■ Coverage differs according to the subsidiary and the programme, with guarantees rising up to a maximum of €130 million. |

(1) The figures shown are the main limits for the year ended 30 June 2013. Changes may have been negotiated for the 2013/2014 financial year. Some contracts provide specific limits for certain aspects of coverage.

Means used by the Group to manage the compensation of victims in the event of technological incidents for which it is liable

In the event of a technological incident that triggers Pernod Ricard's liability or that of a Group company, the Company and/or the Group will rely on their brokers and insurers for assistance; they will set up, in particular, a crisis unit bringing together all necessary service providers. All these players have the experience and means required for managing exceptional situations.

RISKS AND DISPUTES: PROVISIONING PROCEDURE

As part of its commercial activities, the Pernod Ricard group is involved in legal actions and subject to tax, customs and administrative audits. The Group only records provisions for contingencies and expenses when it is likely that a current obligation stemming from a past event will require the payment of an amount that may have been underestimated. The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this obligation. Provisions accordingly involve an assessment by the Group's Senior Management.

SIGNIFICANT CONTRACTS

SIGNIFICANT CONTRACTS NOT RELATED TO FINANCING

Jinro

On 15 February 2000, Jinro Ballantine's Company Ltd was formed in South Korea. 70% of its capital was previously held by Allied Domecq (Holdings) Limited ("Allied Domecq") and 30% by Jinro Limited, one of South Korea's largest producers and distributors of spirits. In September 2008, "Jinro Ballantine's Company" changed its name to "Pernod Ricard Korea Imperial Company Ltd".

In June 2012, Pernod Ricard acquired HiteJinro's 30% interest in Pernod Ricard Korea Imperial for a cash consideration of KRW 70 billion (circa €48 million).

Suntory

In 1988, Allied Domecq entered into a series of agreements with Suntory Ltd, one of Japan's leading producers and distributors of spirits. One of the provisions of these agreements concerned the creation of a joint venture company in Japan called Suntory Allied Ltd, of which 49.99% of the capital and voting rights are owned by Allied Domecq and 50.01% by Suntory Limited. Suntory Allied Ltd was granted the exclusive distribution rights for certain Allied Domecq brands in Japan until 31 March 2029.

The management of Suntory Allied Ltd is jointly controlled by Pernod Ricard, as successor-in-interest to Allied Domecq, and Suntory Ltd.

Pernod Ricard sold its 1% minority shareholding in Suntory Holdings Limited, parent company of Suntory Ltd. The shareholding was bought back by Suntory Holdings Limited for a cash consideration of JPY 4.66 billion (circa €40 million), which was received on 4 April 2011.

Sale and repurchase agreements

In relation to sale and repurchase agreements Pernod Ricard resold 2,062,749 treasury shares which had been purchased to cover the 2005, 2006, 2010 and 2011 stock option plans. For these transactions, the shares held to cover these plans were transferred to two banks, although Pernod Ricard reserved the right through a repurchase clause to "cancel" the sale of these shares during the exercise of options, at the option exercise price. From a legal point of view these transactions are viewed as sales carried out under a dissolving condition (exercise of the repurchase option); when the option is exercised the initial sale is considered as never having taken place and it is deemed that the shares involved were the property of the assignor from the outset.

FINANCING CONTRACTS

Credit Agreement of November 2010

Pernod Ricard signed a Credit Agreement for €150 million with a banking institution, with effect from 26 November 2010. This loan was allocated in full to the reimbursement of the 2008 syndicated loan and will be repaid on 26 November 2015 (15%), 26 November 2016 (20%), and the remainder due on 26 November 2017. This Credit Agreement contains the customary representations, warranties and early repayment undertakings, as well as the usual restrictive covenants and commitments contained in such contracts. It also requires compliance with a solvency ratio at each half-year end, i.e. total consolidated net debt/consolidated EBITDA, being a more flexible indicator than the ratios applied to the syndicated loan.

Credit Agreement of 2012

Within the context of the refinancing of the remainder of the 2008 bank debt, Pernod Ricard and a number of subsidiaries signed a new five-year €2.5 billion revolving credit facility (the "Credit Agreement") on 25 April 2012.

The obligations of each of the borrowers under the Credit Agreement are guaranteed by Pernod Ricard SA. No security interest (*sûreté réelle*) was granted under the terms of the Credit Agreement.

The Credit Agreement contains the customary representations and warranties, as well as the usual restrictive covenants contained in such contracts, notably restricting the ability of some Group companies (subject to certain exceptions) to pledge their assets as security interest, alter the general nature of the Group's activities or carry out certain acquisition transactions.

The Credit Agreement also sets out obligations, including a commitment to provide lenders with adequate information, compliance with a solvency ratio at each half-year end as mentioned hereunder (the "Solvency Ratio"), and compliance with certain commitments customary in this type of credit agreement (including the maintenance of the credit's *pari passu* ranking).

Solvency Ratio (total consolidated net debt/ consolidated EBITDA)

The Solvency Ratio must be less than or equal to 5.25:1.

The Credit Agreement incorporates the main terms of the 2008 Credit Agreement and in addition, provides for certain cases of voluntary or compulsory early repayment obligations, depending on circumstances, which are standard practice for credit agreements of this kind (including non-compliance with commitments, change of control and cross default). The Credit Agreement also contains a clause under which the taking of control of the Company by any person or group of persons acting in concert (other than Société Paul Ricard or any group of persons acting in concert with Société Paul Ricard) is likely to constitute grounds for compulsory early repayment.

Significant contracts

Bond issue of December 2006

On 6 December 2006, Pernod Ricard issued a series of floating-rate bonds which were fully repaid in June 2011 as well as fixed-rate bonds (hereafter the "Bonds") traded on the Luxembourg regulated Stock Exchange.

The Bonds have a €50,000 nominal value, the total nominal value issued amounting to €550 million.

The Bonds bear interest at an annual fixed rate of 4.625%, payable annually in arrears on 6 December.

The Bonds will be repaid in full on 6 December 2013.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue were allocated to the repayment of the shortest-term facilities of the 2005 syndicated loan, itself refinanced by the 2008 syndicated loan.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of June 2009

In mid-June 2009, Pernod Ricard issued €800 million of fixed-rate bonds, maturing on 15 January 2015. The Bonds have a €50,000 nominal value and are traded on the Luxembourg regulated Stock Exchange.

The Bonds bear interest at an annual fixed rate of 7%, payable annually in arrears on 15 January.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue were allocated to the repayment of the shortest-term facilities of the 2008 syndicated loan in order to extend the Group's debt maturity.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of March 2010

In March 2010, Pernod Ricard issued €1.2 billion of fixed-rate bonds, maturing on 18 March 2016. The Bonds have a €50,000 nominal value and are traded on the Luxembourg regulated Stock Exchange.

The Bonds bear interest at an annual fixed rate of 4.875%, payable annually in arrears on 18 March.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue were allocated to the repayment of the shortest-term facilities of the 2008 syndicated loan.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of December 2010

At the end of December 2010, Pernod Ricard issued US\$201 million of floating-rate bonds, maturing on 21 December 2015. The Bonds have a US\$1 million nominal value and were subscribed in full by a single counterparty.

The Bonds bear floating-rate interest, payable quarterly as from 21 March 2011.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and

unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The proceeds of this bond issue were allocated to the repayment of the shortest-term facilities of the 2008 syndicated loan in order to extend the Group's debt maturity.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default as well as at the Company's or holder's request, as appropriate, in particular in certain cases of a change in the Company's situation or a change in taxation.

Bond issue of March 2011

In March 2011, Pernod Ricard issued €1 billion of fixed-rate bonds, maturing on 15 March 2017. The Bonds have a €100,000 nominal value and are traded on the Luxembourg regulated Stock Exchange.

The Bonds bear interest at an annual fixed rate of 5%, payable annually in arrears on 15 March.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the repayment of the 2008 syndicated loan in order to extend the Group's debt maturity.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of April 2011

In April 2011, Pernod Ricard issued US\$1 billion of fixed-rate bonds, maturing on 7 April 2021, through a private placement for institutional investors, and subject to New York State (United States) law. The Bonds have a US\$150,000 nominal value (multiples of US\$1,000 in excess of this amount).

The Bonds bear interest at an annual fixed rate of 5.75%, payable semi-annually in arrears on 7 April and 7 October as from 7 October 2011.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the repayment of part of the 2008 syndicated loan denominated in US dollars.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Bond issue of October 2011

In October 2011, Pernod Ricard issued US\$1.5 billion of fixed-rate bonds, maturing on 15 January 2022, through a private placement for institutional investors, and subject to New York State (United States) law. The Bonds have a US\$150,000 nominal value (multiples of US\$1,000 in excess of this amount).

The Bonds bear interest at an annual fixed rate of 4.45%, payable semi-annually in arrears on 15 January and 15 July as from 25 October 2011.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the repayment of part of the 2008 syndicated loan denominated in US dollars.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Significant contracts

Bond issue of January 2012

In January 2012, Pernod Ricard issued US\$2.5 billion of bonds through a private placement for institutional investors, and subject to New York State (United States) law. The issue has three facilities: a 5-year facility of US\$850 million, a 10.5-year facility of US\$800 million and a 30-year facility of US\$850 million. The Bonds have a US\$150,000 nominal value (multiples of US\$1,000 in excess of this amount).

The Bonds of the 1st facility bear interest at an annual fixed rate of 2.95%, payable semi-annually in arrears on 15 January and 15 July, as from 12 January 2012.

The Bonds of the 2nd facility bear interest at an annual fixed rate of 4.25%, payable semi-annually in arrears on 15 January and 15 July, as from 12 January 2012.

The Bonds of the 3rd facility bear interest at an annual fixed rate of 5.50%, payable semi-annually in arrears on 15 January and 15 July, as from 12 January 2012.

The Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of Pernod Ricard, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of Pernod Ricard. In addition, Pernod Ricard has agreed not to grant any security interest (*sûreté réelle*) with regard to bonds or other debt securities that have been or may be admitted to trading on a regulated market, over-the-counter market or other exchange unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The net proceeds of this bond issue were allocated to the repayment of part of the 2008 syndicated loan denominated in US dollars.

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

In addition, these Bonds may be redeemed early upon the occurrence of certain customary events of default.

Allied Domecq Bond issue of 2002

On 10 June 2002, Allied Domecq Financial Services issued fixed-rate bonds, maturing on 12 June 2014, for a total nominal amount of £250 million. The Bonds have a nominal value of £1,000, £10,000 or £100,000.

The Bonds bear interest at an annual fixed rate of 6.625%, payable annually in arrears on 12 June of each year.

The Bonds are traded on the London Stock Exchange. Allied Domecq Financial Service's payment obligations under the Bonds are guaranteed by Allied Domecq Limited (formerly Allied Domecq Plc) and, since 28 April 2006, by Pernod Ricard.

The Group's obligations with respect to payment of principal and interest under the Allied Domecq Bonds are unsecured. In addition, Allied Domecq Limited and Allied Domecq Financial Services agreed, in their own names and on behalf of their principal subsidiaries, not to grant any security with respect to bonds or any other securities

that have been or may be admitted to trading on a regulated market unless the bonds benefit from similar security interests or security interests approved by the bondholders.

The Bonds may be redeemed early upon the occurrence of certain customary events of default.

Factoring agreement Europe

On 15 December 2008, certain subsidiaries of Pernod Ricard and Pernod Ricard Finance entered into a "Factoring Framework Agreement" with BNP Paribas Factor, for the purpose of setting up a pan-European factoring programme for a gross amount of €350 million increased to €400 million by amendment dated 23 June 2009. The factoring programme, which was initially for a three-year period, has been extended by amendment dated 16 December 2011 for a further three-year period. The receivables are sold under the contractual subrogation regime under French law, except where certain local legal restrictions are in force. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this factoring programme, transferred receivables are deconsolidated.

Finally, a number of contractual adjustments have been made by way of amendments allowing the scope of the parties involved in the programme to change over time.

Securitisation (Master Receivables Assignment Agreement)

On 24 June 2009, certain subsidiaries of Pernod Ricard and Pernod Ricard Finance entered into an international securitisation programme arranged by Crédit Agricole CIB. The purpose of the programme was the transfer of eligible commercial receivables to Ester, in accordance with the provisions of a framework agreement dated 24 June 2009 and country-specific agreements entered into at the time each relevant subsidiary joined the programme. The initial amount assigned to the programme was €45 million, US\$130 million and £120 million sterling.

This five-year programme includes a change of control clause that applies to each subsidiary participating in the programme as a seller, which could lead to the early repayment of the programme by the subsidiary concerned by such change of control. "Change of control" is defined as Pernod Ricard ceasing to hold, directly or indirectly, at least 80% of the share capital or voting rights of a subsidiary participating in the programme as a seller, unless (i) Pernod Ricard continues to hold, directly or indirectly, 50% of the share capital or voting rights of such subsidiary and (ii) issues, at the request of Crédit Agricole CIB, a guarantee in terms that Crédit Agricole CIB deems satisfactory (acting reasonably) for the purpose of securing the obligations of such subsidiary under the securitisation transaction documents.

Factoring agreement Pacific

On 18 March 2013, a new agreement for the sale of receivables was signed between Premium Wine Brands Pty, Pernod Ricard New Zealand Limited and the Royal Bank of Scotland plc. This factoring agreement covers Australia and New Zealand.

CONSOLIDATED FINANCIAL STATEMENTS

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ANNUAL CONSOLIDATED INCOME STATEMENT

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Notes |
|--|--------------|--------------|-------|
| Net sales | 8,215 | 8,575 | |
| Cost of sales | (3,169) | (3,224) | |
| Gross margin after logistics expenses | 5,047 | 5,351 | |
| Advertising and promotional expenses | (1,571) | (1,644) | |
| Contribution after advertising and promotional expenses | 3,476 | 3,707 | |
| Structure costs | (1,362) | (1,477) | |
| Profit from recurring operations | 2,114 | 2,230 | |
| Other operating income | 45 | 100 | 3.2 |
| Other operating expenses | (190) | (225) | 3.2 |
| Operating profit | 1,969 | 2,106 | |
| Financial expenses | (570) | (564) | 3.1 |
| Financial income | 22 | 25 | 3.1 |
| Interest (expense) income | (548) | (539) | |
| Corporate income tax | (247) | (359) | 3.3 |
| Share of net profit/(loss) of associates | 0 | 1 | |
| Net profit from continuing operations | 1,174 | 1,208 | |
| Net profit from discontinued operations | - | - | |
| NET PROFIT | 1,174 | 1,208 | |
| <i>o/w:</i> | | | |
| ■ attributable to non-controlling interests | 27 | 19 | |
| ■ attributable to equity holders of the Parent | 1,146 | 1,189 | |
| Earnings per share – basic (<i>in euro</i>) | 4.36 | 4.51 | 3.4 |
| Earnings per share – diluted (<i>in euro</i>) | 4.32 | 4.46 | 3.4 |
| Net earnings per share from continuing operations (excluding discontinued operations) – basic (<i>in euro</i>) | 4.36 | 4.51 | 3.4 |
| Net earnings per share from continuing operations (excluding discontinued operations) – diluted (<i>in euro</i>) | 4.32 | 4.46 | 3.4 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|
| Net profit for the financial year | 1,174 | 1,208 |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Net investment hedges | (285) | 72 |
| <i>Amount recognised in shareholders' equity</i> | (285) | 72 |
| <i>Tax impact</i> | - | - |
| Cash flow hedges | 21 | 79 |
| <i>Amount recognised in shareholders' equity</i> | 31 | 125 |
| <i>Tax impact</i> | (10) | (47) |
| <i>Items reclassified to profit or loss</i> | | |
| Cash flow hedges | (37) | (6) |
| <i>Amount recycled in net profit</i> | (63) | (12) |
| <i>Tax impact</i> | 26 | 6 |
| Exchange differences | 1,077 | (592) |
| Other comprehensive income, net of tax | 776 | (448) |
| Comprehensive net profit for the period | 1,950 | 761 |
| o/w: | | |
| ■ attributable to equity holders of the Parent | 1,915 | 748 |
| ■ attributable to non-controlling interests | 34 | 13 |

ANNUAL CONSOLIDATED BALANCE SHEET

ASSETS

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Notes |
|------------------------------------|---------------|---------------|-------|
| Net amounts | | | |
| Non-current assets | | | |
| Intangible assets | 12,234 | 11,780 | 4.1 |
| Goodwill | 5,126 | 4,973 | 4.1 |
| Property, plant and equipment | 1,923 | 1,942 | 4.2 |
| Biological assets | 126 | 133 | |
| Non-current financial assets | 294 | 358 | 4.3 |
| Investments in associates | 18 | 16 | |
| Non-current derivative instruments | 116 | 59 | 4.10 |
| Deferred tax assets | 1,965 | 1,721 | 3.3 |
| NON-CURRENT ASSETS | 21,802 | 20,981 | |
| Current assets | | | |
| Inventory and work in progress | 4,295 | 4,484 | 4.4 |
| Trade receivables | 1,197 | 1,159 | 4.5 |
| Income taxes receivable | 29 | 27 | |
| Other current assets | 179 | 209 | 4.6 |
| Current derivative instruments | 34 | 23 | 4.10 |
| Cash and cash equivalents | 787 | 597 | 4.8 |
| CURRENT ASSETS | 6,522 | 6,499 | |
| Assets held for sale | 52 | 8 | |
| TOTAL ASSETS | 28,375 | 27,488 | |

LIABILITIES AND SHAREHOLDERS' EQUITY

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Notes |
|---|---------------|---------------|-------|
| Shareholders' equity | | | |
| Share capital | 411 | 411 | 6.1 |
| Share premium | 3,049 | 3,052 | |
| Retained earnings and currency translation adjustments | 6,197 | 6,530 | |
| Group net profit | 1,146 | 1,189 | |
| Group shareholders' equity | 10,803 | 11,183 | |
| Non-controlling interests | 169 | 168 | |
| TOTAL SHAREHOLDERS' EQUITY | 10,972 | 11,351 | |
| Non-current liabilities | | | |
| Non-current provisions | 641 | 587 | 4.7 |
| Provisions for pensions and other long-term employee benefits | 367 | 355 | 4.7 |
| Deferred tax liabilities | 3,126 | 2,913 | 3.3 |
| Bonds – non-current | 8,044 | 6,949 | 4.8 |
| Non-current derivative instruments | 259 | 152 | 4.10 |
| Other non-current financial liabilities | 1,252 | 763 | 4.8 |
| TOTAL NON-CURRENT LIABILITIES | 13,689 | 11,719 | |
| Current liabilities | | | |
| Current provisions | 178 | 163 | 4.7 |
| Trade payables | 1,526 | 1,546 | |
| Income taxes payable | 129 | 127 | |
| Other current liabilities | 896 | 924 | 4.11 |
| Other current financial liabilities | 727 | 567 | 4.8 |
| Bonds – current | 153 | 1,001 | 4.8 |
| Current derivative instruments | 97 | 89 | 4.10 |
| TOTAL CURRENT LIABILITIES | 3,707 | 4,418 | |
| Liabilities held for sale | 7 | 0 | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 28,375 | 27,488 | |

CHANGES IN SHAREHOLDERS' EQUITY

| <i>In euro million</i> | Share capital | Additional paid-in capital | Consolidated reserves | Changes in fair value | Currency translation adjustments | Treasury shares | Total attributable to equity holders of the Parent | Non-controlling interests | Total shareholders' equity |
|---|---------------|----------------------------|-----------------------|-----------------------|----------------------------------|-----------------|--|---------------------------|----------------------------|
| At 01.07.2011 | 410 | 3,034 | 6,854 | (151) | (626) | (216) | 9,306 | 190 | 9,497 |
| Comprehensive net profit for the period | - | - | 1,146 | (17) | 786 | - | 1,915 | 34 | 1,950 |
| Capital increase | 1 | 15 | - | - | - | - | 16 | - | 16 |
| Share-based payment | - | - | 31 | - | - | - | 31 | - | 31 |
| Disposal/acquisition of treasury shares | - | - | - | - | - | (22) | (22) | - | (22) |
| Sale and repurchase agreements | - | - | - | - | - | (16) | (16) | - | (16) |
| Dividends distributed | - | - | (392) | - | - | - | (392) | (35) | (427) |
| Other transactions with non-controlling interests | - | - | (28) | - | - | - | (28) | (20) | (48) |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - | - |
| Other movements | - | - | (8) | - | - | - | (8) | 0 | (7) |
| AT 30.06.2012 | 411 | 3,049 | 7,604 | (167) | 160 | (254) | 10,803 | 169 | 10,972 |

| <i>In euro million</i> | Share capital | Additional paid-in capital | Consolidated reserves | Changes in fair value | Currency translation adjustments | Treasury shares | Total attributable to equity holders of the Parent | Non-controlling interests | Total shareholders' equity |
|---|---------------|----------------------------|-----------------------|-----------------------|----------------------------------|-----------------|--|---------------------------|----------------------------|
| At 01.07.2012 | 411 | 3,049 | 7,604 | (167) | 160 | (254) | 10,803 | 169 | 10,972 |
| Comprehensive net profit for the period | - | - | 1,189 | 72 | (514) | - | 748 | 13 | 761 |
| Capital increase | 0 | 3 | - | - | - | - | 3 | - | 3 |
| Share-based payment | - | - | 39 | - | - | - | 39 | - | 39 |
| Disposal/acquisition of treasury shares | - | - | - | - | - | 19 | 19 | - | 19 |
| Sale and repurchase agreements | - | - | - | - | - | 1 | 1 | - | 1 |
| Dividends distributed | - | - | (435) | - | - | - | (435) | (14) | (449) |
| Other transactions with non-controlling interests | - | - | - | - | - | - | - | - | - |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - | - |
| Other movements | - | - | 4 | - | - | - | 4 | 0 | 4 |
| AT 30.06.2013 | 411 | 3,052 | 8,401 | (95) | (354) | (234) | 11,183 | 168 | 11,351 |

ANNUAL CONSOLIDATED CASH FLOW STATEMENT

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 | Notes |
|--|----------------|----------------|-------|
| Cash flow from operating activities | | | |
| Group net profit | 1,146 | 1,189 | |
| Non-controlling interests | 27 | 19 | |
| Share of net profit/(loss) of associates, net of dividends received | (0) | (1) | |
| Financial (income) expense | 548 | 539 | |
| Income tax expense | 247 | 359 | |
| Net profit from discontinued operations | - | - | |
| Depreciation of fixed assets | 172 | 185 | |
| Net change in provisions | (174) | (72) | |
| Net change in impairment of goodwill, property, plant and equipment and intangible assets | 14 | 68 | |
| Changes in fair value of commercial derivatives | (1) | 4 | |
| Fair value adjustments on biological assets | (9) | (22) | |
| Net (gain)/loss on disposal of assets | (14) | (65) | |
| Share-based payment | 27 | 38 | |
| Self-financing capacity before interest and tax | 1,984 | 2,243 | |
| Decrease/(increase) in working capital needs | (55) | (255) | 5 |
| Interest paid | (538) | (536) | |
| Interest received | 22 | 17 | |
| Tax expense | (299) | (406) | |
| Tax income | 11 | 22 | |
| CASH FLOW FROM OPERATING ACTIVITIES | 1,126 | 1,085 | |
| Cash flow from investing activities | | | |
| Capital expenditure | (271) | (304) | 5 |
| Proceeds from disposals of property, plant and equipment and intangible assets | 20 | 50 | 5 |
| Change in the scope of consolidation | - | 0 | |
| Purchases of financial assets | (12) | (53) | |
| Disposals of financial assets | 23 | 116 | |
| CASH FLOW FROM INVESTING ACTIVITIES | (241) | (191) | |
| Cash flow from financing activities | | | |
| Dividends paid | (411) | (435) | |
| Other changes in shareholders' equity | 16 | 3 | |
| Issuance of long-term debt | 5,739 | 1,176 | 5 |
| Repayment of long term debt | (6,349) | (1,973) | 5 |
| (Acquisitions)/disposals of treasury shares | (47) | 21 | |
| Other transactions with non-controlling interests | (48) | - | |
| CASH FLOW FROM FINANCING ACTIVITIES | (1,099) | (1,208) | |
| Cash flow from non-current assets held for sale | (11) | (0) | |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (BEFORE EFFECT OF EXCHANGE RATE CHANGES) | (224) | (315) | |
| Net effect of translation adjustments | 237 | 125 | |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (AFTER EFFECT OF EXCHANGE RATE CHANGES) | 13 | (190) | |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 774 | 787 | |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 787 | 597 | |

NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

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Pernod Ricard SA is a French public limited company (*Société Anonyme*), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 12 place des États-Unis, 75116 Paris, and is listed on the Paris Stock Exchange. The consolidated financial statements reflect the accounting position of Pernod Ricard and its subsidiaries (the "Group"). They are presented in euro rounded to the nearest million.

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

The annual consolidated financial statements for the financial year ended 30 June 2013 were approved by the Board of Directors on 28 August 2013.

NOTE 1

ACCOUNTING PRINCIPLES AND HIGHLIGHTS

NOTE 1.1 - ACCOUNTING PRINCIPLES

1. Principles and accounting standards governing the preparation of the annual consolidated financial statements

Because of its listing in a country of the European Union (EC), and in accordance with EC Regulation 1606/2002, the Group's consolidated financial statements for the financial year ended 30 June 2013 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. These standards include the standards approved by the International Accounting Standards Board (IASB), being IFRS, IAS (International Accounting Standards) and their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC)

or its predecessor, the Standing Interpretations Committee (SIC). The accounting policies used in preparing the consolidated financial statements for the year ended 30 June 2013 are consistent with those used for the consolidated financial statements for the year ended 30 June 2012, except for standards and interpretations adopted by the European Union that are applicable from 1 July 2012 (see Note 1.1.2).

The IFRS and related interpretations adopted by the European Union are available on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

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

Note: in order to improve the clarity of the Group's balance sheet, we have chosen to apply the following two restatements:

- within current assets between the "Trade receivables" line and the "Other current assets" line;
- within current liabilities between the "Trade payables" line and the "Other current liabilities" line.

2. Changes in accounting standards

Standards, amendments and interpretations for which application is mandatory from 1 July 2012

The new standards, amendments and interpretations applicable to the Pernod Ricard group from 1 July 2012 are:

- the amendment to IAS 1 on the presentation of gains and losses recognised in equity. This amendment is included in the consolidated statement of comprehensive income.

Standards, amendments and interpretations for which application is mandatory after 1 July 2012

Standards, amendments and interpretations that will apply to Pernod Ricard from 1 July 2013 or later and the effects of which are being analysed were not applied prospectively in the 2012/2013 financial year. These are namely:

- amendments to IAS 19 on commitments in relation to employee benefits, which introduce a number of changes to the recognition of post-employment benefits, including:
 - the recognition on the consolidated balance sheet of all post-employment benefits granted to Group employees. The corridor option and the possibility of amortising past service cost in profit and loss over the average vesting period will be removed,
 - the calculation of the expected return on pension plan assets will now be based on the same rate as the discount rate for the defined-benefit pension scheme obligation,
 - the recognition in profit and loss of the impacts associated with pension scheme changes,
 - the recognition of re-estimation impacts under other comprehensive income: actuarial gains and losses on the commitment, outperformance (underperformance) of plan assets, i.e. the difference between the actual return on the plan assets and their remuneration calculated based on the discount rate of the actuarial debt, and changes in the impact of the limit on the asset.

The new arrangements provided by the revision of IAS 19 will be applied retrospectively by the Group. The main impacts on the Group's consolidated balance sheets at 1 July 2012 and 30 June 2013 were estimated as follows (they correspond to the recognition of actuarial gains and losses and past service costs not previously recognised):

- an increase in provisions for pensions of around €200 million at 1 July 2012 and 30 June 2013,
- a reduction in assets recognised on the balance sheet of around €100 million at 1 July 2012 and close to 0 at 30 June 2013,
- a reduction in consolidated equity, excluding any tax impact, of around €300 million at 1 July 2012 and €200 million at 30 June 2013.

The impact on net income from the 2012/2013 financial year was immaterial.

A detailed analysis of the impacts of the amended standards on the consolidated financial statements with respect to the 2012/2013 financial year is being carried out;

- IFRS 13, which defines the rules for measuring fair value and disclosures to be included in notes to financial statements, where they are used. The effects of the application of this standard are being analysed;
- the amendment to IFRS 7 (Offsetting Financial Assets and Financial Liabilities), which requires new disclosures in notes to financial statements to help users of financial statements assess the current or potential impact of netting agreements on the financial position. The effects of the application of this amendment are being analysed;
- the amendment to IAS 32 (Financial Instruments – Presentation: Offsetting Financial Assets And Liabilities), which clarifies the concept of the "legal right to offset". Impacts are expected on transactions carried out via clearing houses. The effects of the application of this amendment are being analysed.

The standards applicable to Pernod Ricard from 1 July 2013, and which will not have a significant impact on the Group's financial statements, are:

- the revisions to IFRS 10, IFRS 11 and IFRS 12 on consolidation, which redefine the concept of the control exercised over an entity, remove the possibility of using proportional consolidation to consolidate jointly-controlled entities, with only the equity method permitted, and supplement the disclosures required in the notes to the financial statements. The application of this standard is not expected to have any impact on the financial statements;
- the amendment to IAS 27 (Separate Financial Statements);
- the amendment to IAS 28 (Investments in Associates and Joint Ventures).

The annual consolidated financial statements do not take into account:

- draft standards and interpretations which still have the status of exposure drafts of the IASB and the IFRIC at the balance sheet date;
- new standards, amendments to existing standards and interpretations published by the IASB but not yet approved by the European Accounting Regulatory Committee in the annual consolidated financial statements at the balance sheet date.

3. Consolidation scope and methods

The annual consolidated financial statements include the financial statements of the Parent Company, Pernod Ricard SA, and those of entities controlled by the Parent Company ("the subsidiaries"). Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, irrespective of the percentage held in the entity. Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from Parent Company shareholders' equity. Non-controlling interests include both the interests of minority shareholders at the date of the original business combination and minority interests in any subsequent changes to shareholders' equity.

Intragroup transactions and internal profits and losses relating to consolidated companies are eliminated.

Companies over which the Group exercises significant influence are accounted for under the equity method.

4. Measurement basis

The financial statements are prepared in accordance with the historical cost method, except for certain categories of assets and liabilities, which are measured in accordance with the methods provided for by IFRS.

5. Principal uncertainties arising from the use of estimates and judgements by Management

Estimates

The preparation of consolidated financial statements in accordance with IFRS requires that Management makes a certain number of estimates and assumptions which have an impact on the amount of the Group's assets, liabilities, shareholders' equity, and items of profit and loss during the financial year. These estimates are made on the assumption the Company will continue as a going concern, and are based on information available at the time of their preparation. Estimates may be revised where the circumstances on which they were based change or where new information becomes available. Future outcomes can differ from these estimates.

Goodwill and intangible assets

As indicated in Note 1.1.7, in addition to annual impairment tests applied to goodwill and intangible assets with indefinite useful lives (such as brands), specific impairment tests are applied where there is an indication that the value of an intangible asset may have been impaired. Any impairment loss recognised is calculated using discounted future cash flows and/or the market values of the assets in question. These calculations require the use of assumptions regarding market conditions and any changes in these assumptions may thus lead to outcomes different from those initially estimated.

Provisions for pensions and other post-employment benefits

As indicated in Note 1.1.18, the Group runs defined-benefit and defined-contribution pension plans. In addition, provisions are also recognised in virtue of certain other post-employment benefits such as life assurance and medical care (mainly in the United States and the United Kingdom). The carrying amount of these provisions at the balance sheet date is set out in Note 4.7.

These benefit obligations are based on a number of assumptions such as discount rates, expected returns on plan assets, average future salary increases, rate of employee turnover and life expectancy.

These assumptions are generally updated annually. Assumptions used in the preparation of the financial statements for the year ended 30 June 2013 and their methods of determination are set out in Note 4.7. The Group considers that the actuarial assumptions used are appropriate and justified. However, such actuarial assumptions may change in the future and this may have a material impact on the amount of the Group's benefit obligations and on its profits.

Deferred tax

As indicated in Note 1.1.21, the deferred tax assets recognised result mainly from tax loss carryforwards and from temporary differences between the tax base and carrying amount of assets and liabilities. Deferred tax assets in respect of tax losses are recognised if it is probable that the Group will have future taxable profits against which such losses will be used. The assessment of whether the Group will be able to use these tax losses is largely a matter of judgement. Analyses are carried out to decide whether or not these tax loss carryforwards are likely to be usable in the future.

Provisions

As explained in Note 4.7, the Group is involved in a number of disputes and claims arising in the ordinary course of its business. In some cases, the amounts requested by the claimants are significant and the legal proceedings can take several years. In this context, provisions are calculated on the basis of the Group's best estimate of the amount that will be payable based on the information available (notably that provided by the Group's legal advisors). Any change to assumptions can have a significant effect on the amount of the provision recognised. The carrying amount of these provisions at the balance sheet date is set out in Note 4.7.

Judgements

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

6. Business combinations

Business combinations carried out before 1 July 2009 were recognised using the accounting standards in force at 30 June 2009. Business combinations after 1 July 2009 are measured and recognised in accordance with the revised version of IFRS 3: the consideration transferred (cost of acquisition) is measured at the fair value of assets given, equity instruments issued and liabilities incurred at the transaction date. Identifiable assets and liabilities belonging to the acquired company are measured at their fair value at the acquisition date. Costs directly attributable to the acquisition, such as legal, due diligence and other professional fees are recognised as expenses as incurred.

Any surplus consideration in excess of the Group's share in the fair value of the acquired company's identifiable assets and liabilities is recognised as goodwill. The option is available for each transaction to apply either proportionate or full goodwill methods. Goodwill arising on the acquisition of foreign entities is denominated in the functional currency of the business acquired. Goodwill is not amortised. Instead, it is subject to an impairment test once a year or more often if there is any indication that its value may have been impaired.

Finally, in accordance with IFRS 3 as revised and IAS 27 as amended, the Group recognised in equity the difference between the price paid and the proportional part of minority interests acquired in previously controlled companies.

7. Goodwill and intangible assets

Goodwill

Goodwill is subject to an impairment test at least once a year and whenever there is an indication that its value may have been impaired. To perform these tests, goodwill is allocated by geographical area on the basis of asset groupings at the date of each business combination. These asset groupings correspond to groups of assets which jointly generate identifiable cash flows that are largely independent. The methods and assumptions used for impairment tests in respect of these asset groupings are set out in Note 1.1.9. If impairment is identified, an impairment loss is recognised in profit and loss for the financial year.

Intangible assets

Intangible assets are measured at cost on initial recognition. With the exception of assets with indefinite useful lives, they are amortised on a straight-line basis over their period of use, which is generally less than five years, and are written down when their recoverable amount is less than their carrying amount. Amortisation of intangible assets is recognised within operating profit in the income statement.

Brands recognised in the context of business combinations

The fair value of identifiable acquired brands is determined using an actuarial calculation of estimated future profits or using the royalty method and corresponds to the fair value of the brands at the date of acquisition. As the Group's brands are intangible assets with indefinite useful lives, they are not amortised but are rather subject to an impairment test at least once a year or whenever there is an indication that their value may have been impaired. Brands acquired as part of acquisitions of foreign entities are denominated in the functional currency of the business acquired.

8. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and broken down by component. Depreciation is calculated on a straight-line basis or, in certain cases, using the diminishing balance method over the estimated useful life of the assets. Useful life is reviewed regularly. Items of property, plant and equipment are written down when impaired; i.e., when their recoverable amount falls below their carrying amount. The average depreciable lives for the major categories of property, plant and equipment are as follows:

| | |
|-------------------------------------|----------------|
| Buildings | 15 to 50 years |
| Machinery and equipment | 5 to 15 years |
| Other property, plant and equipment | 3 to 5 years |

In accordance with IAS 17, assets acquired under finance lease contracts are capitalised, and a corresponding lease obligation liability is recognised, when the lease contract transfers substantially all the risks and rewards related to the asset to the Group. Buildings which have been subject to sale and lease back contracts are treated in a similar manner.

Depreciation of property, plant and equipment is recognised within operating profit in the income statement.

9. Impairment of non-current assets

In accordance with IAS 36, intangible assets and property, plant and equipment are subject to impairment tests whenever there is an indication that the value of the asset has been impaired and at least once a year for non-current assets with indefinite useful lives (goodwill and brands).

Assets subject to impairment tests are included in Cash Generating Units (CGUs), corresponding to linked groups of assets, which generate identifiable cash flows. The CGUs include assets related to the Group's brands and are allocated in accordance with the four geographical areas defined by the Group, on the basis of the sale destination of the products.

When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised within operating profit. The recoverable amount of the CGU is the higher of its market value and its value in use.

Value in use is measured based on cash flows projected over a 19-year period. This period reflects the typically long lives of the Group's brands and their productive assets. Projected cash flows are discounted to present based on annual budgets and multi-year strategies, extrapolated into subsequent years by gradually increasing the figure for the last year of the plan for each brand and market towards a perpetual growth rate. The calculation includes a terminal value derived by capitalising the cash flows generated in the last forecast year. Assumptions applied to sales and advertising spending are determined by the Management based on previous results and long-term development trends in the markets concerned. The present values of discounted cash flows are sensitive to these assumptions as well as to consumer fashions and economic factors.

Fair value is based either on the sale price, net of selling costs, which could be obtained under normal market conditions or earnings multiples observed in recent transactions concerning similar assets. The discount rate used for these calculations is an after-tax rate applied to after-tax cash flows and corresponds to the weighted average cost of capital; this rate reflects specific rates for each market or Region, depending on the risks that they represent. Assumptions made in terms of future changes in sales and of terminal values are reasonable and in accordance with market data available for each of the CGUs. Additional impairment tests are applied where events or specific circumstances suggest that a potential impairment exists.

10. Foreign currency translation

10.1. Reporting currency used in the consolidated financial statements

The Group's consolidated financial statements are prepared in euro, which is the functional currency and the reporting currency of the Parent Company.

10.2. Functional currency

The functional currency of an entity is the currency of the economic environment in which it mainly operates. In most cases, the functional currency is the entity's local currency. However, in certain entities, a functional currency different from the local currency may be used if it reflects the entity's economic environment and the currency in which most of the entity's transactions are denominated.

10.3. Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate applying at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical exchange rate applicable at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applying at the balance sheet date. Foreign currency differences are recognised in profit and loss for the period, except for foreign currency differences arising on debts designated as hedges for the net foreign currency assets of consolidated subsidiaries. These latter differences are recognised directly in equity, under currency translation adjustments, until the disposal of the net investment. Foreign currency differences related to operating activities are recognised within operating profit for the period; foreign currency differences related to financing activities are recognised within interest (expense) income or in shareholders' equity.

10.4. Translation of financial statements of subsidiaries whose functional currency is different from the euro (the reporting currency)

The balance sheet is translated into euro at year-end exchange rates. The income statement and cash flows are translated on the basis of average exchange rates. Differences resulting from the translation of the financial statements of these subsidiaries are recognised in currency translation adjustments within shareholders' equity. On disposal of a foreign entity, currency translation adjustments previously recognised in shareholders' equity are recognised in profit and loss.

11. Research and Development costs

In the context of the Group's activities, and in accordance with IAS 38 (Intangible assets), Research and Development costs are recognised as expenses in the financial year during which they are incurred, except for certain development costs which meet the capitalisation criteria prescribed by the standard.

12. Assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), where they are significant, assets and liabilities held for sale are not subject to depreciation or amortisation. They are shown separately in the balance sheet at the lower of carrying amount or fair value less costs to sell. An asset is considered as being held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order for this to be the case, the asset must be available for immediate sale and its sale must be highly probable. Items in the balance sheet related to discontinued operations and assets held for sale are presented under specific captions in the consolidated financial statements. Income statement items related to discontinued operations and assets held for sale are separately presented in the financial statements for all periods reported upon if they are important from a Group perspective.

13. Inventories

Inventories are measured at the lowest of either cost (acquisition cost and cost of production, including indirect production overheads) or net realisable value. Net realisable value is the selling price less the estimated costs of completion and sale of inventories. Most inventories are valued using the weighted average cost method. The cost of long-cycle inventories is calculated using a single method which includes distilling and ageing costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing process used for certain wines and spirits.

14. Agriculture

IAS 41 (Agriculture) sets out the accounting treatment of operations involving biological assets (for example, vines) destined for sale or for agricultural produce (for example, grapes). IAS 41 was specifically adapted to the accounting treatment of vines and grapes, which make up the principal agricultural activities of the Group. A similar accounting treatment also applies to other biological assets (for example, agave fields). IAS 41 requires that biological assets (vines) and their production (harvests) be recognised at fair value on the balance sheet, after deducting estimated selling costs, as from the date at which it is possible to obtain a reliable assessment of price, for example by reference to an active market. Changes in fair value are recognised in profit and loss. Land on which biological assets are planted is measured in accordance with IAS 16.

15. Financial liabilities and derivative instruments

IAS 32 and IAS 39 relating to financial instruments have been applied as of 1 July 2004. IFRS 7 has been applied from 1 July 2007. The amendment to IFRS 7 approved by the European Union on 22 November 2011 has been applied from 1 July 2011.

15.1. Derivative instruments

In application of the amended version of IAS 39 (Financial Instruments: Recognition and Measurement), all derivative instruments must be recognised in the balance sheet at fair value, determined on the basis of valuation models recognised on the market or of external listings issued by financial institutions.

Where the derivative has been designated as a fair value hedge, changes in the value of the derivative and of the hedged item are recognised in profit and loss for the same period. If the derivative has been designated as a cash flow hedge, the change in value of the "effective" component of the derivative is recognised in shareholders' equity. It is recognised in profit and loss when the hedged item is itself recognised in profit and loss. The change in value of the "ineffective" component of the derivative is however recognised directly in profit and loss. If the derivative is designated as a hedge of a net foreign currency investment, the change in value of the "effective" component of the derivative is recognised in equity and the change in value of the component considered to be "ineffective" is recognised in profit and loss.

15.2. Financial liabilities

Borrowings and other financial liabilities are recognised, on the basis of their effective interest rates, in accordance with the amortised cost method. The effective interest rate includes all costs, commissions and fees payable under the contract between the parties. Under this method, costs that are directly attributable to the acquisition or issue of the financial liability are recognised in profit and loss on the basis of the effective interest rate.

16. Financial assets

Financial assets are recognised on the transaction date.

16.1. Available-for-sale financial assets

These include the Group's investments in non-consolidated companies and in securities which do not satisfy the criteria for classification as short-term investments included in cash equivalents. On initial recognition, these assets are measured at cost. At subsequent balance sheet dates, available-for-sale financial assets are measured at fair value where this can be measured reliably. Changes in fair value are recognised directly in shareholders' equity except where a reduction in value compared with the historical acquisition cost constitutes a material or sustained impairment in the asset's value. On disposal of available-for-sale financial assets, changes in fair value previously recognised in equity are recognised in profit and loss. Fair value is determined on the basis of the financial criteria most appropriate to the specific situation of each company. The fair value of financial assets listed on a financial market is their stock market value. Unlisted available-for-sale financial assets are generally measured using the following criteria: the proportion of shareholders' equity held and expected future profitability.

16.2. Investment-related loans and receivables

This category mainly includes receivables related to investments, current account advances granted to non-consolidated entities or associates and guarantee deposits. They are measured at amortised cost.

16.3. Trade receivables

Trade receivables are recognised initially at their fair value, which is usually their nominal value. Impairment losses are recognised where there is a risk of non-recovery.

16.4. Cash and cash equivalents

In accordance with IAS 7 (Cash flow statements), cash and cash equivalents presented in assets and liabilities in the balance sheet and shown in the statement of cash flows include items that are immediately available as cash or are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in their value. Cash is composed of cash at bank and on hand, short-term deposits with an initial maturity of less than three months and money-market mutual funds that are subject to an insignificant risk of change in their value. Cash equivalents are short-term investments with a maturity of less than three months. Bank overdrafts, which are considered to be equivalent to financing, are excluded from cash and cash equivalents.

17. Treasury shares

Treasury shares are recognised on acquisition as a deduction from shareholders' equity. Subsequent changes in the value of treasury shares are not recognised. When treasury shares are sold, any difference between the acquisition cost and the fair value of the shares at the date of sale is recognised as a change in shareholders' equity and has no impact on profit and loss for the year.

18. Provisions

18.1. Nature of provisioned liabilities

In accordance with IAS 37 (Provisions, contingent liabilities and contingent assets), provisions are recognised to cover probable outflows of resources that can be estimated and that result from present obligations relating to past events. In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Group's commitments. The amounts provided are measured taking account of the most probable assumptions or using statistical methods, depending on the nature of the obligations. Provisions notably include:

- provisions for restructuring;
- provisions for pensions and other long-term employee benefits;
- provisions for litigation (tax, legal, employee-related).

Litigation is kept under regular review, on a case-by-case basis, by the Legal Department of each subsidiary or Region or by the Group's Legal Department, drawing on the help of external legal consultants in the most significant or complex cases. A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources whose amount can be reliably estimated. The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this obligation.

18.2. Provisions for restructuring

The cost of restructuring is fully provided for in the financial year, and is recognised in profit and loss within other income and expenses, when it is material and results from a Group obligation to third parties arising from a decision taken by the competent corporate body that has been announced to the third parties concerned before the balance sheet date. This cost mainly involves redundancy payments, early-retirement payments, costs of notice periods not served, training costs of departing individuals and costs of site closure. Scrapping of property, plant and equipment, impairment of inventories and other assets, as well as other costs (moving costs, training of transferred individuals, etc.) directly related to the restructuring measures are also recognised in restructuring costs. The amounts provided for correspond to forecasted future payments to be made in connection with restructuring plans, discounted to present value when the timetable for payment is such that the effect of the time value of money is significant.

18.3. Provisions for pensions and other long-term employee benefits

In accordance with applicable national legislation, the Group's employee benefit obligations are composed of:

- long-term post-employment benefits (retirement bonuses, pensions, medical and healthcare expenses, etc.);
- long-term benefits payable during the period of employment.

Defined-contribution plans

Contributions are recognised as expenses as they are incurred. As the Group is not committed beyond the amount of such contributions, no provision is recognised in respect of defined-contribution plans.

Defined-benefit plans

For defined-benefit plans, the projected unit credit method is used to measure the present value of defined-benefit obligations, current service cost and, if applicable, past service cost. The measurement is made at each balance sheet date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate, discount rate, expected return on plan assets) and assumptions concerning employees (mainly: average salary increase, rate of employee turnover, life expectancy). Plan assets are measured at their market value at each annual balance sheet date. The provision in the balance sheet corresponds to the discounted value of the defined-benefit obligation, adjusted for unrecognised past service cost and unrecognised actuarial gains and losses, and net of the fair value of plan assets. Actuarial gains and losses mainly arise where estimates differ from actual outcomes (for example between the expected value of plan assets and their actual value at the balance sheet date) or when changes are made to long-term actuarial assumptions (for example: discount rate, rate of increase of salaries). In the case of long-term benefits payable during the period of employment (such as a long-service award), any actuarial gains and losses are fully recognised at each balance sheet date. In other cases, actuarial gains and losses are only recognised when, for a given plan, they represent

more than 10% of the greater of the present value of the benefit obligation and the fair value of plan assets (termed the "corridor" method). Recognition of the provision is on a straight-line basis over the average number of remaining years' service of the employees in the plan in question (amortisation of actuarial gains and losses). The expense recognised in respect of the benefit obligations described above incorporates:

- expenses corresponding to the acquisition of an additional year's rights;
- interest cost;
- income corresponding to the expected return on plan assets;
- income or expense corresponding to the amortisation of actuarial gains and losses;
- past service cost recognised on a straight-line basis over the average residual period until the corresponding benefits vest with employees;
- income or expense related to changes to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

The expense arising from the change in net obligations for pensions and other long-term employee benefits is recognised within operating profit or within interest (expense) income on the basis of the nature of the underlying.

19. Net sales

Revenue is measured at the fair value of the consideration received or to be received, after deducting trade discounts, volume rebates and sales-related taxes and duties, notably, excise duties. Sales are recognised when the significant risks and rewards of ownership have been transferred, generally at the date of transfer of ownership title.

19.1. Cost of services rendered in connection with sales

Pursuant to IAS 18 (Revenue), certain costs of services rendered in connection with sales, such as advertising programmes in conjunction with distributors, listing costs for new products and promotional activities at point of sale, are deducted directly from sales if there is no separately identifiable service whose fair value can be reliably measured.

19.2. Duties and taxes

In accordance with IAS 18, certain import duties, in Asia for instance, are classified as cost of sales, as these duties are not specifically re-billed to customers (as is the case for social security stamps in France, for example).

19.3. Discounts

In accordance with IAS 18, early payment discounts are not considered to be financial transactions, but rather are deducted directly from sales.

20. Gross margin after logistics costs, contribution after advertising & promotional expenses, profit from recurring operations and other income and expenses

Gross margin after logistics costs refers to sales (excluding duties and taxes), less cost of sales and logistics costs. The contribution after advertising and promotional expenses is the gross margin after deducting logistics, advertising and promotional costs. The Group applies ANC (French Accounting Standards Authority) recommendation 2009-R03, notably as regards the definition of profit from recurring operations. Profit from recurring operations is the contribution after advertising and promotional expenses less trading costs and overheads. This is the indicator used internally to measure the Group's operational performance. It excludes other income and expenses, such as those relating to restructuring and integration, capital gains and losses on disposals and other non-recurring income and expenses. These other operating income and expenses are excluded from profit from recurring operations because the Group believes they have little predictive value due to their occasional nature. They are described in detail in Note 3.2.

21. Deferred tax

Deferred tax is recognised on temporary differences between the tax and book value of assets and liabilities in the consolidated balance sheet and is measured using the balance sheet approach. The effects of changes in tax rates are recognised in shareholders' equity or in profit and loss in the year in which the change of tax rates is decided. Deferred tax assets are recognised in the balance sheet when it is more likely than not that they will be recovered in future years. Deferred tax assets and liabilities are not discounted to present. In order to evaluate the Group's ability to recover these assets, account is notably taken of forecasts of future taxable profits.

Deferred tax assets relating to tax loss carryforwards are only reported when they are likely to be recovered, based on projections

of taxable income calculated by the Group at the end of each financial year. All assumptions used, including, in particular, growth in operating profit and net interest income, taking into account interest rates, are reviewed by the Group at the end of the financial year based on data determined by the relevant senior management.

22. Share-based payment

The Group applies this standard to transactions whose award and settlement are share-based and to transactions whose award is share-based but which are settled in cash.

In application of this standard, stock options granted to employees are measured at fair value. The amount of such fair value is recognised in profit and loss over the vesting period of the rights and a corresponding double entry is recognised as an increase in shareholders' equity. Share appreciation rights, which will be settled in cash, are measured at fair value and recognised in profit and loss with a corresponding double entry to the liability incurred. This liability is remeasured at each balance sheet date until settlement.

The fair value of options and rights is calculated using the binomial valuation model taking into account the characteristics of the plan and market data at the date of grant and on the basis of Group Management assumptions.

23. Earnings per share

Basic and diluted earnings per share are calculated on the basis of the weighted average number of outstanding shares, less the weighted average number of dilutive instruments.

The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options and convertible bonds, etc.) on the theoretical number of shares. When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account. When funds are obtained at the issue date of the dilutive instruments, net profit is adjusted for the finance cost, net of tax, relating to these instruments.

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NOTE 1.2 - HIGHLIGHTS OF THE FINANCIAL YEAR

1. Transfer

On 13 July 2012, the Group announced the signing of an agreement with Arcus-Gruppen for the sale of the Danish aquavit brands Aalborg and Brøndums, the German brand Malteserkreuz Aquavit and the Danish bitter brand Gammel Dansk, for €103 million. The transaction also includes the sale of the Aalborg production plant in Denmark.

The sale confirms the Group's strategy of focusing on its priority brands.

Pernod Ricard announced the completion of the sale on 4 January 2013.

2. Purchase

Further to its press release dated 11 February 2013, on 5 April the Group announced the completion of the acquisition of the shares in Le Maine au Bois SAS by its subsidiary Martell & Co. This company, located in Saint-Eugène, which is in the "Petite Champagne" area within the heart of the AOC Cognac region, is recognised for its activities as a trader-winemaker, distiller and wholesaler.

It has high-quality *eaux-de-vie* of all ages and state-of-the-art industrial facilities, including the Le Maine au Bois distillery.

This acquisition reflects Pernod Ricard's ambitions for the long term development of its Martell range, world leader in the XO cognac category.

NOTE 2
SEGMENT REPORTING

Following its various restructuring initiatives, the Group is now focused on a single business line, Wines and Spirits sales, and organised into four operating segments covering the following Regions: France, Europe, the Americas and Asia/Rest of World.

Group Management assesses the performance of each operating segment on the basis of sales and profit from recurring operations, defined as the gross margin after logistics, advertising, promotional

and structure costs. The segments presented are identical to those used in reporting to General Management.

Items in the income statement and the balance sheet are allocated on the basis of either the destination of sales or profits. Reporting by operating segment follows the same accounting policies as those used for the preparation of the consolidated financial statements. Intra-segment transfers are transacted at market prices.

| At 30.06.2012 (in euro million) | France | Europe | Americas | Asia/Rest of World | Elimination of intragroup accounts | Unallocated | Total |
|---|--------------|---------------|---------------|-----------------------|--|-------------|---------------|
| Income statement items | | | | | | | |
| Segment net sales | 959 | 3,275 | 2,984 | 4,479 | - | - | 11,697 |
| o/w intersegment sales | 212 | 1,138 | 817 | 1,314 | - | - | 3,481 |
| Net sales | 746 | 2,137 | 2,167 | 3,165 | - | - | 8,215 |
| Gross margin after logistics expenses | 541 | 1,245 | 1,362 | 1,898 | - | - | 5,047 |
| Contribution after advertising and promotional expenses | 348 | 898 | 958 | 1,272 | - | - | 3,476 |
| Profit from recurring operations | 181 | 470 | 582 | 880 | - | - | 2,114 |
| Other disclosures | | | | | | | |
| Current investments | 42 | 134 | 33 | 43 | - | - | 251 |
| Depreciation, amortisation and impairment | 35 | 78 | 37 | 56 | - | - | 206 |
| Balance sheet items | | | | | | | |
| Segment assets | 6,900 | 15,125 | 12,025 | 12,991 | - | - | 47,041 |
| Unallocated assets* | - | - | - | - | (18,711) | 46 | (18,665) |
| TOTAL ASSETS | 6,900 | 15,125 | 12,025 | 12,991 | (18,711) | 46 | 28,375 |
| Segment liabilities | 6,709 | 15,446 | 4,632 | 9,282 | (18,711) | 46 | 17,404 |
| NET ASSETS | 191 | (321) | 7,393 | 3,709 | - | - | 10,972 |

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

| At 30.06.2013 (in euro million) | France | Europe | Americas | Asia/Rest of World | Elimination of intragroup accounts | Unallocated | Total |
|---|---------------|---------------|---------------|-----------------------|--|-------------|---------------|
| Income statement items | | | | | | | |
| Segment net sales | 895 | 3,262 | 3,195 | 4,928 | - | - | 12,281 |
| o/w intersegment sales | 200 | 1,130 | 879 | 1,497 | - | - | 3,706 |
| Net sales | 695 | 2,132 | 2,316 | 3,431 | - | - | 8,575 |
| Gross margin after logistics expenses | 490 | 1,251 | 1,490 | 2,120 | - | - | 5,351 |
| Contribution after advertising and promotional expenses | 316 | 897 | 1,036 | 1,457 | - | - | 3,707 |
| Profit from recurring operations | 149 | 459 | 607 | 1,016 | - | - | 2,230 |
| Other disclosures | | | | | | | |
| Current investments | 49 | 174 | 42 | 45 | - | - | 308 |
| Depreciation, amortisation and impairment | 32 | 93 | 32 | 102 | - | - | 259 |
| Balance sheet items | | | | | | | |
| Segment assets | 10,129 | 14,741 | 11,995 | 10,637 | - | - | 47,502 |
| Unallocated assets* | - | - | - | - | (20,023) | 9 | (20,014) |
| TOTAL ASSETS | 10,129 | 14,741 | 11,995 | 10,637 | (20,023) | 9 | 27,488 |
| Segment liabilities | 9,965 | 15,150 | 4,512 | 6,525 | (20,023) | 9 | 16,137 |
| NET ASSETS | 164 | (408) | 7,483 | 4,112 | - | - | 11,351 |

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

BREAKDOWN OF SALES

| <i>In euro million</i> | Net sales at 30.06.2012 | Net sales at 30.06.2013 |
|-----------------------------|----------------------------|----------------------------|
| Top 14 Spirits & Champagne | 4,931 | 5,312 |
| Priority Premium Wines | 428 | 449 |
| 18 key local spirits brands | 1,441 | 1,504 |
| Other income | 1,415 | 1,310 |
| TOTAL | 8,215 | 8,575 |

NOTE 3
NOTES ON THE INCOME STATEMENT
NOTE 3.1 - FINANCIAL INCOME/(EXPENSE)

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|--|--------------|--------------|
| Interest expense on net financial debt | (521) | (535) |
| Interest income on net financial debt | 22 | 17 |
| Net financing costs | (499) | (518) |
| Structuring and placement fees | (5) | (4) |
| Net financial impact of pensions and other long-term employee benefits | (2) | (10) |
| Other net current financial income (expense) | (4) | 5 |
| Financial income (expense) from recurring operations | (509) | (527) |
| Foreign currency gains (loss) | (30) | (15) |
| Other non-current financial income (expense) | (9) | 3 |
| TOTAL FINANCIAL INCOME/(EXPENSE) | (548) | (539) |

At 30 June 2013, the main items making up net financing costs were financial expenses on the syndicated loan of €16 million, bond payments of €398 million, commercial paper payments of €2 million, interest rate and currency hedges of €86 million, factoring and securitisation agreements totalling €14 million and other expenses of €2 million.

Weighted average cost of debt

The Group's weighted average cost of debt was 5.3% at 30 June 2013 compared to 5.1% at 30 June 2012. Weighted average cost of debt is defined as net financing costs plus structuring and placement fees as a proportion of average net debt outstanding.

NOTE 3.2 - OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are broken down as follows:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|
| Restructuring expenses | (30) | (46) |
| Capital gains (losses) on asset disposals | 14 | 65 |
| Impairment of property, plant and equipment and intangible assets | (14) | (68) |
| Other non-current operating expenses | (146) | (110) |
| Other non-current operating income | 31 | 36 |
| OTHER OPERATING INCOME AND EXPENSES | (145) | (124) |

At 30 June 2013, other operating income and expenses included:

- capital gains or losses on asset disposals, relating mainly to the sale of the Aalborg, Brøndums and Gammel Dansk brands in Denmark and the Malteserkreuz brand in Germany;
- depreciation and amortisation of property, plant and equipment and intangible assets, resulting primarily from brand impairment tests, particularly on Brancott Estate in the amount of €64 million;
- other operating expenses relating to various non-current provisions for contingencies and expenses, mainly associated with tax risks;
- other operating income, relating mainly to the restatement of the biological assets and various provisions for contingencies and expenses.

NOTE 3.3 - INCOME TAX

Analysis of income tax expense

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|------------------------|--------------|--------------|
| Tax payable | (345) | (386) |
| Deferred tax | 98 | 26 |
| TOTAL | (247) | (359) |

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

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|
| Operating profit | 1,969 | 2,106 |
| Interest (expense) income | (548) | (539) |
| Taxable profit | 1,421 | 1,567 |
| Theoretical tax charge at the effective income tax rate in France (36.10%) | (513) | (566) |
| Impact of tax rate differences by jurisdiction | 228 | 236 |
| Tax impact of variations in exchange rates | 37 | 12 |
| Re-estimation of deferred tax assets linked to rate changes and other | 62 | 44 |
| Impact of tax losses used/not used | (38) | (1) |
| Impact of differences between the carrying amounts and tax bases of assets sold | 3 | (10) |
| Impact of reduced tax rates | 12 | 9 |
| Withholding tax | (28) | (29) |
| Other impacts | (11) | (56) |
| EFFECTIVE INCOME TAX EXPENSE | (247) | (359) |
| EFFECTIVE TAX RATE | 17% | 23% |

Deferred taxes are broken down by nature as follows:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|
| Unrealised margins in inventories | 93 | 90 |
| Fair value adjustments on assets and liabilities resulting from business combinations | 29 | 24 |
| Provisions for pension benefits | 101 | 107 |
| Deferred tax assets related to losses eligible for carry-forward | 972 | 891 |
| Provisions (other than provisions for pension benefits) and other items | 770 | 610 |
| TOTAL DEFERRED TAX ASSETS | 1,965 | 1,721 |
| Special depreciation change | 48 | 60 |
| Fair value adjustments on assets and liabilities resulting from business combinations | 2,658 | 2,494 |
| Other | 420 | 359 |
| TOTAL DEFERRED TAX LIABILITIES | 3,126 | 2,913 |

Breakdown of tax allocated to other comprehensive income items

| <i>In euro million</i> | 30.06.2012 | | | 30.06.2013 | | |
|--|------------|-----------|------------|--------------|-------------|--------------|
| | Before tax | Tax | After tax | Before tax | Tax | After tax |
| Net investment hedges | (285) | - | (285) | 72 | - | 72 |
| Cash flow hedges | (32) | 15 | (17) | 113 | (40) | 72 |
| Exchange differences | 1,077 | - | 1,077 | (592) | - | (592) |
| Other comprehensive net profit for the period | 760 | 15 | 776 | (407) | (40) | (448) |

Tax loss carryforwards (used or not used) represented a potential tax saving of €966 million at 30 June 2013 and €1,045 million at 30 June 2012. The potential tax savings at 30 June 2013 and 30 June 2012 relate to tax loss carryforwards with the following expiry dates:

2011/2012 FINANCIAL YEAR

| Year | Tax effect of loss carryforwards (in euro million) | |
|---------------------|---|-----------------|
| | Losses used | Losses not used |
| 2013 | 1 | - |
| 2014 | - | 0 |
| 2015 | - | 0 |
| 2016 | 0 | 1 |
| 2017 and thereafter | 409 | 34 |
| No expiry date | 561 | 39 |
| TOTAL | 972 | 74 |

2012/2013 FINANCIAL YEAR

| Year | Tax effect of loss carryforwards (in euro million) | |
|---------------------|---|-----------------|
| | Losses used | Losses not used |
| 2014 | 2 | 0 |
| 2015 | - | 1 |
| 2016 | - | 2 |
| 2017 | 0 | 2 |
| 2018 and thereafter | 499 | 31 |
| No expiry date | 389 | 39 |
| TOTAL | 891 | 75 |

NOTE 3.4 - EARNINGS PER SHARE

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

| | 30.06.2012 | 30.06.2013 |
|---|--------------------|--------------------|
| Numerator (in euro million) | | |
| Group net profit | 1,146 | 1,189 |
| Group net profit from continuing operations | 1,146 | 1,189 |
| Denominator (in number of shares) | | |
| Average number of outstanding shares | 262,938,611 | 263,389,515 |
| Dilutive effect of bonus share allocations | 717,698 | 1,136,855 |
| Dilutive effect of stock options | 1,491,244 | 1,826,516 |
| Average number of outstanding shares – diluted | 265,147,554 | 266,352,885 |
| Earnings per share (in euro) | | |
| Earnings per share – basic | 4.36 | 4.51 |
| Earnings per share – diluted | 4.32 | 4.46 |
| Net earnings per share from continuing operations (excluding discontinued operations) – basic | 4.36 | 4.51 |
| Net earnings per share from continuing operations (excluding discontinued operations) – diluted | 4.32 | 4.46 |

NOTE 3.5 - EXPENSES BY TYPE

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

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|----------------|----------------|
| Total depreciation, amortisation and impairment expenses | (182) | (259) |
| Salaries and payroll costs | (1,133) | (1,166) |
| Pensions, medical expenses and other similar benefits under defined-benefit plans | (37) | (46) |
| Expenses related to stock options and share appreciation rights | (27) | (37) |
| Total personnel expenses | (1,197) | (1,249) |

NOTE 4

NOTES ON THE BALANCE SHEET

NOTE 4.1 - INTANGIBLE ASSETS AND GOODWILL

| <i>In euro million</i> | Movements in the year | | | | | | 30.06.2012 |
|--------------------------------|-----------------------|--------------|--------------|------------|-----------------------------------|-----------------|---------------|
| | 30.06.2011 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | |
| Goodwill | 4,931 | - | - | (4) | 390 | (41) | 5,276 |
| Brands | 11,500 | - | - | - | 975 | (24) | 12,451 |
| Other intangible assets | 215 | 28 | - | (4) | 12 | 2 | 253 |
| GROSS AMOUNTS | 16,646 | 28 | - | (9) | 1,377 | (63) | 17,979 |
| Goodwill | (184) | - | - | - | (2) | 36 | (150) |
| Brands | (301) | - | (2) | - | (13) | - | (317) |
| Other intangible assets | (124) | - | (24) | 3 | (6) | (3) | (153) |
| AMORTISATION/IMPAIRMENT | (609) | - | (26) | 3 | (21) | 33 | (619) |
| NET INTANGIBLE ASSETS | 16,036 | 28 | (26) | (6) | 1,357 | (30) | 17,360 |

| <i>In euro million</i> | Movements in the year | | | | | | 30.06.2013 |
|--------------------------------|-----------------------|--------------|--------------|-------------|-----------------------------------|-----------------|---------------|
| | 30.06.2012 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | |
| Goodwill | 5,276 | - | - | (10) | (158) | 7 | 5,114 |
| Brands | 12,451 | 0 | - | (0) | (417) | (0) | 12,034 |
| Other intangible assets | 253 | 35 | - | (7) | (11) | 17 | 287 |
| GROSS AMOUNTS | 17,979 | 35 | - | (17) | (586) | 23 | 17,435 |
| Goodwill | (150) | - | - | - | 3 | 5 | (142) |
| Brands | (317) | - | (64) | - | 12 | (0) | (369) |
| Other intangible assets | (153) | - | (29) | 5 | 6 | (1) | (171) |
| AMORTISATION/IMPAIRMENT | (619) | - | (93) | 5 | 21 | 4 | (682) |
| NET INTANGIBLE ASSETS | 17,360 | 35 | (93) | (12) | (565) | 28 | 16,753 |

Goodwill

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

Brands

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

In addition to annual impairment tests applied to goodwill and brands, specific impairment tests are applied where there is an indication that the value of an intangible asset may have been impaired. The data and assumptions used for the impairment test applied to Cash Generating Units (CGUs) are as follows:

| In euro million | Method used to determine the recoverable amount | Carrying amount of goodwill at 30.06.2013 | Net carrying amount of brands at 30.06.2013 | Value in use | | |
|--------------------|---|---|---|--------------------|--------------------|-----------------------|
| | | | | Discount rate 2012 | Discount rate 2013 | Perpetual growth rate |
| France | Value in use based on the discounted cash flow method | 211 | 1,051 | 6.18% | 6.02% | From -1% to +2.5% |
| Europe | | 1,573 | 3,066 | 7.10% | 7.01% | From -1% to +2.5% |
| Americas | | 2,347 | 6,183 | 7.33% | 7.02% | From -1% to +2.5% |
| Asia/Rest of World | | 842 | 1,364 | 8.80% | 8.17% | From -1% to +2.5% |
| TOTAL | | | | | | |

In our impairment tests applied to goodwill and brands, the long-term growth assumptions used were determined taking into account growth rates measured in recent financial years and growth prospects taken from the budget and the Group's strategic plans.

The amount of the brand-related intangible assets at 30 June 2013 and the amount of any impairment that would result from a 50 bp increase in the after-tax discount rate, a 50 bp decrease in the perpetual growth rate and a 50 bp decrease in the growth rate of the contribution after advertising and promotional expenditure over the duration of the multi-year plans are detailed below:

AMOUNT OF POTENTIAL IMPAIRMENT ON BRANDS

| (in euro million) | 50 bp decrease in the growth rate of the contribution after advertising and promotional expenditure | 50 bp increase in the after-tax discount rate | 50 bp decrease in the perpetual growth rate |
|--------------------|---|---|---|
| France | (3) | (9) | (4) |
| Europe | (8) | (26) | (13) |
| Americas | (34) | (60) | (27) |
| Asia/Rest of World | (4) | (39) | (17) |
| TOTAL | (50) | (134) | (60) |

Moreover, the various levels of sensitivity set out above would not result in any risk of goodwill impairment.

The Group believes that variations in excess of the levels indicated above would lead to assumption and sensitivity levels that would be deemed not pertinent.

NOTE 4.2 - PROPERTY, PLANT AND EQUIPMENT

| In euro million | Movements in the year | | | | | | |
|---|-----------------------|--------------|--------------|--------------|-----------------------------------|-----------------|----------------|
| | 30.06.2011 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | 30.06.2012 |
| Land | 281 | 5 | - | (3) | 9 | 33 | 324 |
| Buildings | 917 | 12 | - | (8) | 42 | 23 | 985 |
| Machinery & equipment | 1,471 | 37 | - | (79) | 88 | 136 | 1,653 |
| Other property, plant and equipment | 400 | 44 | - | (22) | 25 | 8 | 456 |
| Assets in progress | 89 | 144 | - | (4) | 6 | (96) | 139 |
| Advance on property, plant and equipment | 3 | - | - | (1) | 0 | (1) | 1 |
| GROSS AMOUNTS | 3,160 | 241 | - | (116) | 170 | 102 | 3,558 |
| Land | (4) | - | (2) | 0 | (1) | (17) | (23) |
| Buildings | (356) | - | (36) | 5 | (13) | (5) | (405) |
| Machinery & equipment | (790) | - | (93) | 68 | (47) | (108) | (970) |
| Other property, plant and equipment | (204) | - | (25) | 19 | (13) | (10) | (235) |
| Assets in progress | (2) | - | - | - | 0 | - | (2) |
| DEPRECIATION/IMPAIRMENT | (1,355) | - | (156) | 91 | (75) | (140) | (1,635) |
| PROPERTY, PLANT AND EQUIPMENT, NET | 1,805 | 241 | (156) | (25) | 96 | (37) | 1,923 |

| <i>In euro million</i> | Movements in the year | | | | | | 30.06.2013 |
|---|-----------------------|--------------|--------------|--------------|-----------------------------------|-----------------|----------------|
| | 30.06.2012 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | |
| Land | 324 | 0 | - | (7) | (9) | 3 | 312 |
| Buildings | 985 | 22 | - | (10) | (33) | 47 | 1,012 |
| Machinery & equipment | 1,653 | 65 | - | (100) | (77) | 75 | 1,615 |
| Other property, plant and equipment | 455 | 46 | - | (13) | (20) | 2 | 470 |
| Assets in progress | 140 | 152 | - | (3) | (5) | (153) | 130 |
| Advance on property, plant and equipment | 1 | 1 | - | (0) | (0) | (0) | 2 |
| GROSS AMOUNTS | 3,558 | 287 | - | (133) | (144) | (27) | 3,541 |
| Land | (23) | - | (3) | 0 | 2 | 0 | (25) |
| Buildings | (405) | - | (35) | 5 | 13 | 7 | (416) |
| Machinery & equipment | (970) | - | (101) | 92 | 47 | 15 | (917) |
| Other property, plant and equipment | (235) | - | (26) | 9 | 11 | 1 | (240) |
| Assets in progress | (2) | - | (0) | - | 0 | 0 | (2) |
| DEPRECIATION/IMPAIRMENT | (1,635) | - | (166) | 107 | 72 | 22 | (1,600) |
| PROPERTY, PLANT AND EQUIPMENT, NET | 1,923 | 287 | (166) | (26) | (72) | (4) | 1,942 |

NOTE 4.3 - FINANCIAL ASSETS

| <i>In euro million</i> | 30.06.2012 | | 30.06.2013 | |
|---|------------|-------------|------------|-------------|
| | Current | Non-current | Current | Non-current |
| Financial assets | | | | |
| Available-for-sale financial assets | - | 22 | - | 20 |
| Other financial assets | - | 206 | - | 276 |
| Loans and receivables | | | | |
| Guarantees and deposits | - | 65 | - | 62 |
| Investment-related receivables | - | 0 | - | 0 |
| Total non-current financial assets | - | 294 | - | 358 |
| Derivative instruments | 34 | 116 | 23 | 59 |
| FINANCIAL ASSETS | 34 | 410 | 23 | 417 |

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

| <i>In euro million</i> | Movements in the year | | | | | | 30.06.2012 |
|---|-----------------------|--------------|--------------|------------|-----------------------------------|-----------------|-------------|
| | 30.06.2011 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | |
| Other financial assets | 100 | 0 | - | (0) | 0 | 108 | 208 |
| Available-for-sale financial assets | 36 | 0 | - | (1) | 1 | 0 | 36 |
| Guarantees and deposits | 59 | 5 | - | (2) | (2) | 5 | 66 |
| Investment-related receivables | 3 | - | - | - | (0) | (2) | 0 |
| GROSS AMOUNTS | 198 | 5 | - | (3) | (0) | 111 | 310 |
| Provisions for other financial assets | (1) | - | (0) | 0 | (0) | (0) | (1) |
| Impairment losses recognised on available-for-sale financial assets | (14) | - | - | - | (0) | (0) | (14) |
| Provisions for guarantees and deposits | (4) | - | 0 | 0 | 0 | 4 | (0) |
| Impairment losses recognised on investment-related receivables | (0) | - | - | - | 0 | - | (0) |
| PROVISIONS | (20) | - | 0 | 0 | 0 | 3 | (16) |
| NON-CURRENT FINANCIAL ASSETS, NET | 178 | 5 | 0 | (3) | 0 | 114 | 294 |

| <i>In euro million</i> | Movements in the year | | | | | | 30.06.2013 |
|---|-----------------------|--------------|--------------|-------------|-----------------------------------|-----------------|-------------|
| | 30.06.2012 | Acquisitions | Amortisation | Disposals | Foreign currency gains and losses | Other movements | |
| Other financial assets | 208 | 0 | - | (0) | (0) | 69 | 277 |
| Available-for-sale financial assets | 36 | 1 | - | (26) | (1) | 20 | 31 |
| Guarantees and deposits | 66 | 6 | - | (6) | (4) | 0 | 62 |
| Investment-related receivables | 0 | - | - | - | (0) | - | 0 |
| GROSS AMOUNTS | 310 | 7 | - | (32) | (4) | 90 | 370 |
| Provisions for other financial assets | (1) | - | (0) | - | - | - | (1) |
| Impairment losses recognised on available-for-sale financial assets | (14) | - | - | - | 0 | 4 | (11) |
| Provisions for guarantees and deposits | (0) | - | - | - | 0 | - | (0) |
| Impairment losses recognised on investment-related receivables | (0) | - | - | - | 0 | - | (0) |
| PROVISIONS | (16) | - | 0 | - | 0 | 4 | (13) |
| NON-CURRENT FINANCIAL ASSETS, NET | 294 | 7 | 0 | (32) | (4) | 93 | 358 |

Other financial assets at 30 June 2013 include a pension plan surplus of €271 million (see Note 4.7).

Provisions on available-for-sale financial assets relate mainly to the Seagram joint ventures (39% Pernod Ricard/61% Diageo) whose shares have been fully or partly written down for impairment since 2002.

NOTE 4.4 - INVENTORY AND WORK IN PROGRESS

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

| <i>In euro million</i> | Movements in the year | | | | | 30.06.2012 |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------------------------------|-----------------|--------------|
| | 30.06.2011 | Change in gross value | Change in impairment | Foreign currency gains and losses | Other movements | |
| Raw materials | 131 | 17 | - | 5 | (12) | 140 |
| Work-in-progress | 3,176 | 176 | - | 160 | 5 | 3,518 |
| Goods in inventory | 386 | 25 | - | 28 | (5) | 434 |
| Finished products | 244 | 12 | - | 8 | (0) | 264 |
| GROSS AMOUNTS | 3,938 | 230 | - | 200 | (12) | 4,356 |
| Raw materials | (15) | - | 2 | (1) | 1 | (12) |
| Work-in-progress | (26) | - | 2 | (0) | (0) | (24) |
| Goods in inventory | (14) | - | (0) | (1) | 0 | (16) |
| Finished products | (8) | - | (1) | (0) | (0) | (9) |
| PROVISION FOR WRITEDOWN | (63) | - | 3 | (2) | 0 | (61) |
| INVENTORIES NET | 3,875 | 230 | 3 | 199 | (12) | 4,295 |

| <i>In euro million</i> | Movements in the year | | | | | 30.06.2013 |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------------------------------|-----------------|--------------|
| | 30.06.2012 | Change in gross value | Change in impairment | Foreign currency gains and losses | Other movements | |
| Raw materials | 140 | (2) | - | (5) | 2 | 135 |
| Work-in-progress | 3,518 | 266 | - | (121) | 40 | 3,703 |
| Goods in inventory | 434 | 31 | - | (21) | 1 | 445 |
| Finished products | 264 | 4 | - | (11) | (2) | 255 |
| GROSS AMOUNTS | 4,356 | 299 | - | (159) | 41 | 4,537 |
| Raw materials | (12) | - | 1 | 0 | (1) | (12) |
| Work-in-progress | (24) | - | 5 | 0 | 2 | (17) |
| Goods in inventory | (16) | - | (2) | 1 | (0) | (17) |
| Finished products | (9) | - | 0 | 0 | 1 | (7) |
| PROVISION FOR WRITEDOWN | (61) | - | 5 | 2 | 2 | (53) |
| INVENTORIES NET | 4,295 | 299 | 5 | (157) | 43 | 4,484 |

At 30 June 2013 ageing inventories intended mainly for use in whisky and cognac production accounted for 78% of work-in-progress. Pernod Ricard is not significantly dependent on its suppliers.

NOTE 4.5 - BREAKDOWN OF TRADE RECEIVABLES

The following table breaks down trade receivables at 30 June 2012 and 30 June 2013 by due date:

| <i>In euro million</i> | Net carrying amount | Not impaired and not due | Not impaired and due on the following dates | | | | |
|-----------------------------|---------------------|--------------------------|---|---------------|----------------|-----------------|--------------------|
| | | | Less than 30 days | 31 to 90 days | 91 to 180 days | 181 to 360 days | More than 360 days |
| Net carrying amounts | | | | | | | |
| Trade receivables | 1,197 | 885 | 134 | 113 | 38 | 14 | 13 |
| TOTAL AT 30.06.2012 | 1,197 | 885 | 134 | 113 | 38 | 14 | 13 |
| <i>o/w depreciation</i> | 95 | | | | | | |
| Trade receivables | 1,159 | 995 | 91 | 38 | 10 | 11 | 14 |
| TOTAL AT 30.06.2013 | 1,159 | 995 | 91 | 38 | 10 | 11 | 14 |
| <i>o/w depreciation</i> | 93 | | | | | | |

Changes in the impairment of trade receivables were as follows:

| <i>In euro million</i> | 2011/2012 | 2012/2013 |
|-----------------------------------|------------|-----------|
| At 1 July | 105 | 95 |
| Allowances during the year | 48 | 76 |
| Reversals during the year | (36) | (41) |
| Used during the year | (23) | (35) |
| Foreign currency gains and losses | 1 | (3) |
| At 30 June | 95 | 93 |

At 30 June 2013, there was no reason to question the creditworthiness of non-depreciated past due receivables. More specifically, non-depreciated receivables with due dates of over twelve months show no additional credit-related risk. There is no significant concentration of risks.

In financial years 2012 and 2013 the Group continued to implement its programmes to sell the receivables of several subsidiaries. Receivables sold under these programmes totalled €505 million at 30 June 2013 and €500 million at 30 June 2012. As substantially all risks and rewards associated with the receivables were transferred, they were derecognised.

Derecognised assets where there is continuing involvement

| <i>In euro million</i> | Carrying amount of continuing involvement | | | | Fair value of continuing involvement | Maximum exposure |
|--|---|------------------|--------------------|-------------------------------------|--------------------------------------|------------------|
| | Amortised cost | Held to maturity | Available for sale | Financial liabilities at fair value | | |
| Continuing involvement | | | | | | |
| Guarantee deposit – factoring and securitisation | 27 | - | - | - | 27 | 27 |

NOTE 4.6 - OTHER CURRENT ASSETS

Other current assets are broken down as follows:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|------------|------------|
| Advances and down-payments | 17 | 14 |
| Tax accounts receivable, excluding income taxes | 75 | 113 |
| Prepaid expenses | 59 | 58 |
| Other receivables | 28 | 24 |
| TOTAL | 179 | 209 |

NOTE 4.7 - PROVISIONS

1. Breakdown of balance sheet amounts

The breakdown of provisions in the balance sheet is as follows:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|--------------|--------------|
| Non-current provisions | | |
| Provisions for pensions and other long-term employee benefits | 367 | 355 |
| Other non-current provisions for contingencies and charges | 641 | 587 |
| Current provisions | | |
| Provisions for restructuring | 18 | 23 |
| Other current provisions for contingencies and charges | 160 | 140 |
| TOTAL | 1,186 | 1,105 |

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

| In euro million | Movements in the year | | | | | | 30.06.2012 |
|------------------------------|-----------------------|--------------|--------------|--------------------------------|-----------------------------------|-----------------|------------|
| | 30.06.2011 | Amortisation | Used | Reversal of surplus provisions | Foreign currency gains and losses | Other movements | |
| Provisions for restructuring | 12 | 15 | (8) | (2) | 1 | (0) | 18 |
| Other current provisions | 253 | 33 | (31) | (21) | 8 | (82) | 160 |
| Other non-current provisions | 607 | 133 | (112) | (107) | 31 | 88 | 641 |
| PROVISIONS | 872 | 181 | (151) | (130) | 40 | 6 | 819 |

| In euro million | Movements in the year | | | | | | 30.06.2013 |
|------------------------------|-----------------------|--------------|-------------|--------------------------------|-----------------------------------|-----------------|------------|
| | 30.06.2012 | Amortisation | Used | Reversal of surplus provisions | Foreign currency gains and losses | Other movements | |
| Provisions for restructuring | 18 | 26 | (20) | (0) | (1) | (1) | 23 |
| Other current provisions | 160 | 27 | (14) | (19) | (14) | 1 | 140 |
| Other non-current provisions | 641 | 139 | (6) | (143) | (38) | (5) | 587 |
| PROVISIONS | 819 | 192 | (39) | (162) | (53) | (6) | 751 |

3. Provisions for pension benefits

The Group provides employee benefits such as pensions and retirement bonuses and other post-employment benefits, such as medical care and life assurance:

- in France benefit obligations mainly comprise arrangements for retirement indemnities (non-funded) and supplementary pension benefits (partly funded);
- in the United States and Canada benefit obligations include funded pension plans guaranteed to employees as well as unfunded post-employment medical plans;
- in Ireland, the United Kingdom and the Netherlands benefit obligations mainly consist of pension plans granted to employees.

Defined-benefit plans in the Group relate mainly to subsidiaries in the United Kingdom, in North America and in the rest of Europe. Defined-

benefit plans are subject to an annual actuarial valuation on the basis of assumptions depending on the country. Under these pension and other benefit plan agreements, employees receive at the date of retirement either a capital lump sum payment or an annuity. These amounts depend on the number of years of employment, final salary and the position held by the employee. At 30 June 2013, fully or partly funded benefit obligations totalled €4,328 million, equivalent to 95% of total benefit obligations.

Certain subsidiaries, mainly those located in North America, also provide their employees with post-employment medical cover. These benefit obligations are unfunded. They are measured using the same assumptions as those used for the pension obligations in the countries in question.

Several subsidiaries, mainly in Europe, also provide their employees with other long-term benefits. Benefit obligations of this type are mainly in respect of long-service awards and jubilee awards.

Notes to the annual consolidated financial statements

The table below presents a roll-forward of provisions between 30 June 2012 and 30 June 2013:

| <i>In euro million</i> | 30.06.2012 | | | 30.06.2013 | | |
|--|------------------|--|------------|------------------|--|------------|
| | Pension benefits | Medical expenses and other employee benefits | Total | Pension benefits | Medical expenses and other employee benefits | Total |
| Net liability at beginning of period | 101 | 158 | 259 | (18) | 182 | 164 |
| Expenses (income) for the period | 27 | 9 | 36 | 57 | 9 | 66 |
| Employer contributions | (135) | 0 | (135) | (132) | - | (132) |
| Benefits paid directly by the employer | (8) | (10) | (18) | (9) | (11) | (20) |
| Change in scope | - | - | - | (0) | 0 | - |
| Foreign currency gains and losses | (3) | 25 | 22 | 11 | (8) | 4 |
| Net liability at end of period | (18) | 182 | 164 | (89) | 172 | 83 |
| Amount recognised in assets (plan surplus) | 202 | - | 202 | 271 | - | 271 |
| AMOUNT RECOGNISED IN LIABILITIES (PROVISION AT END OF PERIOD) | 185 | 182 | 367 | 183 | 172 | 355 |

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

| <i>Expense for the period (in euro million)</i> | 30.06.2012 | | | 30.06.2013 | | |
|---|------------------|--|-----------|------------------|--|-----------|
| | Pension benefits | Medical expenses and other employee benefits | Total | Pension benefits | Medical expenses and other employee benefits | Total |
| Service cost | 34 | 3 | 37 | 42 | 3 | 46 |
| Interest cost (effect of unwinding of discount) | 202 | 7 | 209 | 196 | 6 | 202 |
| Expected return on plan assets | (209) | - | (209) | (194) | (0) | (194) |
| Amortisation of past service cost | 1 | (1) | - | 1 | (2) | (0) |
| Amortisation of actuarial (gains)/losses | 0 | 1 | 1 | 12 | 1 | 14 |
| Effect of ceiling on plan assets | - | - | - | - | - | - |
| Effect of settlements and curtailments | (1) | (1) | (2) | (1) | (0) | (1) |
| NET EXPENSE (INCOME) RECOGNISED IN PROFIT AND LOSS | 27 | 9 | 36 | 57 | 9 | 66 |

The Group has elected to adopt the corridor method under which actuarial gains and losses are only recognised when they represent more than 10% of the greater of the present value of the benefit obligation and the fair value of corresponding plan assets.

Changes in provisions for pensions and other long-term employee benefits are shown below:

| Net liabilities recognised in the balance sheet (in euro million) | 30.06.2012 | | | 30.06.2013 | | |
|---|------------------|--|--------------|------------------|--|--------------|
| | Pension benefits | Medical expenses and other employee benefits | Total | Pension benefits | Medical expenses and other employee benefits | Total |
| Change in the actuarial value of cumulative benefit obligations | | | | | | |
| Actuarial value of cumulative benefit obligations at start of period | 3,655 | 139 | 3,794 | 4,648 | 156 | 4,804 |
| Service cost | 34 | 3 | 37 | 42 | 3 | 46 |
| Interest cost (effect of unwinding of discount) | 202 | 7 | 209 | 196 | 6 | 202 |
| Employee contributions | 2 | 1 | 3 | 2 | 1 | 3 |
| Benefits paid | (216) | (11) | (227) | (217) | (11) | (228) |
| Changes to plans | - | - | - | 1 | (1) | (0) |
| Settlement or curtailment of benefits | (4) | (1) | (5) | (2) | (0) | (2) |
| Actuarial (gains) and losses | 551 | (3) | 548 | 11 | (4) | 7 |
| Currency translation adjustments | 423 | 21 | 444 | (247) | (7) | (255) |
| Changes in scope of consolidation | - | - | - | (0) | 0 | (0) |
| ACTUARIAL VALUE OF CUMULATIVE BENEFIT OBLIGATIONS AT END OF PERIOD | 4,648 | 156 | 4,804 | 4,434 | 142 | 4,576 |
| Change in the fair value of plan assets | | | | | | |
| Fair value of plan assets at beginning of period | 3,536 | 1 | 3,537 | 4,317 | 0 | 4,317 |
| Actual return on plan assets | 437 | - | 437 | 308 | 0 | 308 |
| Employee contributions | 2 | - | 2 | 2 | - | 2 |
| Employer contributions | 135 | - | 135 | 132 | - | 132 |
| Benefits paid | (208) | (1) | (209) | (208) | (0) | (208) |
| Changes to plans | - | - | - | - | - | - |
| Settlement of benefits | (2) | - | (2) | (1) | - | (1) |
| Currency translation adjustments | 415 | - | 415 | (250) | 0 | (250) |
| Changes in scope of consolidation | - | - | - | - | (0) | (0) |
| FAIR VALUE OF PLAN ASSETS AT END OF PERIOD | 4,317 | - | 4,317 | 4,299 | - | 4,299 |
| Present value of funded benefits | 4,550 | - | 4,550 | 4,328 | - | 4,328 |
| Fair value of plan assets | 4,317 | - | 4,317 | 4,299 | - | 4,299 |
| Deficit (surplus) on funded benefits | 233 | - | 233 | 28 | - | 28 |
| Present value of unfunded benefits | 98 | 156 | 254 | 106 | 142 | 248 |
| Effect of ceiling on plan assets (including the impact of IFRIC 14) | - | - | - | - | - | - |
| Unrecognised actuarial gains and (losses) | (343) | 19 | (324) | (218) | 24 | (194) |
| Unrecognised past service cost | (6) | 7 | 1 | (5) | 6 | 1 |
| NET LIABILITY RECOGNISED IN THE BALANCE SHEET | (18) | 182 | 164 | (89) | 172 | 83 |

Notes to the annual consolidated financial statements

| At 30.06.2013 | Actuarial value of cumulative benefit obligations | | Fair value of plan assets | | Gross provisions under balance sheet assets | | Balance sheet assets | |
|-----------------|---|-------------|---------------------------|-------------|---|-------------|----------------------|-------------|
| | (in euro million) | % | (in euro million) | % | (in euro million) | % | (in euro million) | % |
| United Kingdom | 3,446 | 75% | 3,649 | 85% | 29 | 8% | (249) | 92% |
| United States | 322 | 7% | 203 | 5% | 102 | 29% | - | 0% |
| Canada | 307 | 7% | 241 | 6% | 58 | 16% | (16) | 6% |
| Ireland | 177 | 4% | 116 | 3% | 4 | 1% | (2) | 1% |
| France | 207 | 5% | 23 | 1% | 121 | 34% | - | 0% |
| Other countries | 117 | 3% | 67 | 2% | 40 | 11% | (5) | 2% |
| TOTAL | 4,576 | 100% | 4,299 | 100% | 355 | 100% | (271) | 100% |

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

| Breakdown of plan assets | 30.06.2012 | | 30.06.2013 | |
|--------------------------|------------------|--|------------------|--|
| | Pension benefits | Medical expenses and other employee benefits | Pension benefits | Medical expenses and other employee benefits |
| Shares | 23% | 9% | 25% | Not applicable |
| Bonds | 70% | 82% | 49% | Not applicable |
| Other money-market funds | 3% | 8% | 11% | Not applicable |
| Property assets | 2% | 0% | 5% | Not applicable |
| Other | 3% | 0% | 10% | Not applicable |
| TOTAL | 100% | 100% | 100% | NOT APPLICABLE |

The expected rate of return on assets corresponds to the discount rate in accordance with the revised version of IAS 19, which will be applied with effect from 1 July 2013.

Contributions payable by the Group in financial year 2013/2014 in respect of funded benefits are estimated at €137 million.

Benefits payable in respect of defined-benefit plans over the next ten years are broken down as follows:

| Benefits payable in the next 10 years (in euro million) | Pension benefits | Medical expenses and other employee benefits |
|--|------------------|--|
| 2014 | 211 | 9 |
| 2015 | 226 | 9 |
| 2016 | 220 | 8 |
| 2017 | 230 | 8 |
| 2018 | 235 | 9 |
| 2019-2023 | 1,294 | 42 |

At 30 June 2012 and 30 June 2013, the main assumptions used for the measurement of pension obligations and other long-term employee benefits were as follows:

| Actuarial assumptions in respect of commitments | 30.06.2012 | | 30.06.2013 | |
|---|------------------|--|------------------|--|
| | Pension benefits | Medical expenses and other employee benefits | Pension benefits | Medical expenses and other employee benefits |
| Discount rate | 4.23% | 4.27% | 4.38% | 4.07% |
| Average rate of increase in annuities | 2.98% | 1.75% | 3.28% | Not applicable |
| Average salary increase | 3.54% | 3.21% | 3.52% | 3.10% |
| Expected return on plan assets | 4.78% | 3.00% | 4.38% | Not applicable |
| Expected increase in medical expenses | | | | |
| ■ Initial rate | Not applicable | 6.51% | Not applicable | 7.35% |
| ■ Final rate | Not applicable | 4.86% | Not applicable | 5.53% |

| Actuarial assumptions in respect of benefit obligations | 30.06.2012 | | 30.06.2013 | |
|---|------------------|--|------------------|--|
| | Pension benefits | Medical expenses and other employee benefits | Pension benefits | Medical expenses and other employee benefits |
| Discount rate | 5.35% | 5.30% | 4.23% | 4.27% |
| Average rate of increase in annuities | 3.40% | 1.75% | 2.98% | 1.75% |
| Average salary increase | 3.64% | 3.55% | 3.54% | 3.21% |
| Expected return on plan assets | 5.80% | 4.25% | 4.78% | 3.00% |
| Expected increase in medical expenses | | | | |
| ■ Initial rate | Not applicable | 8.01% | Not applicable | 6.51% |
| ■ Final rate | Not applicable | 5.23% | Not applicable | 4.86% |

| Actuarial assumptions at 30.06.2013 (pensions and other commitments) | | | | | |
|---|----------------|---------------|--------|--------------------|------------------------------|
| By region | United Kingdom | United States | Canada | Eurozone countries | Other non-eurozone countries |
| Discount rate | 4.52% | 4.66% | 4.29% | 3.18% | 3.36% |
| Average rate of increase in annuities | 3.46% | 0.00% | 1.25% | 1.86% | 1.75% |
| Average salary increase | 3.31% | 3.75% | 3.03% | 3.84% | 3.41% |
| Expected return on plan assets | 4.52% | 4.66% | 4.29% | 3.18% | 3.36% |
| Expected increase in medical expenses | | | | | |
| ■ Initial rate | 6.10% | 7.50% | 6.20% | 4.72% | Not applicable |
| ■ Final rate | 4.75% | 4.75% | 4.57% | 4.72% | Not applicable |

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

- short-term rate (3-5 years): 2.00%;
- medium-term rate (5-10 years): 2.50%;
- long-term rate (more than 10 years): 3.00% to 3.50%.

Discount rates are determined by reference to the yield at the balance sheet date on Premium category corporate bonds (if available), or on government bonds, with maturities similar to the estimated duration of the benefit obligations.

The expected rate of return on assets corresponds to the discount rate in accordance with the revised version of IAS 19, which will be applied with effect from 1 July 2013.

The impact of a change in the rate of increase in medical expenses would be as follows:

| In respect of post-employment medical coverage (in euro million) | With current rate | Effect of a change | |
|--|-------------------|--------------------|-------------|
| | | 1% increase | 1% decrease |
| On the present value of the benefit obligation at 30 June 2013 | 115 | 15 | (12) |
| On the interest cost for the period and on the service cost for the period | 7 | 1 | (1) |

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

| In euro million | 30.06.2013 | |
|---|------------------|--|
| | Pension benefits | Medical expenses and other employee benefits |
| Amount of experience losses or (gains) on benefit obligations | (59) | (2) |
| Percentage compared with amount of benefit obligations | (1.33)% | (1.36)% |
| Amount of financial assumption losses or (gains) on benefit obligations | 46 | (2) |
| Percentage compared with amount of benefit obligations | 1.04% | (1.14)% |
| Amount of demographic assumption losses or (gains) on benefit obligations | 24 | (1) |
| Percentage compared with amount of benefit obligations | 0.53% | (0.38)% |
| Amount of experience losses or (gains) on plan assets | (114) | (0) |
| Percentage compared with amount of plan assets | (2.64)% | 0.00% |
| Average duration | 16.04 | 12.49 |

NOTE 4.8 - FINANCIAL LIABILITIES

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at closing rate), including fair value and net investment hedge derivatives, less cash and cash equivalents.

1. Breakdown of net financial debt by nature and maturity

| <i>In euro million</i> | 30.06.2012 | | | 30.06.2013 | | |
|--|------------|--------------|---------------|--------------|--------------|--------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| Bonds | 153 | 8,044 | 8,197 | 1,001 | 6,949 | 7,950 |
| Syndicated loan | - | 1,001 | 1,001 | - | 250 | 250 |
| Commercial paper | 355 | - | 355 | 467 | - | 467 |
| Other loans and long-term debts | 372 | 251 | 623 | 100 | 513 | 613 |
| Other financial liabilities | 727 | 1,252 | 1,979 | 567 | 763 | 1,330 |
| GROSS FINANCIAL DEBT | 880 | 9,296 | 10,176 | 1,568 | 7,712 | 9,280 |
| Fair value hedge derivatives – assets | - | (101) | (101) | (3) | (56) | (59) |
| Fair value hedge derivatives – liabilities | - | 41 | 41 | 67 | 19 | 87 |
| Fair value hedge derivatives | - | (60) | (60) | 64 | (36) | 28 |
| Net investment hedge derivatives – assets | - | - | - | - | - | - |
| Net investment hedge derivatives – liabilities | - | 34 | 34 | - | 16 | 16 |
| Net investment hedge derivatives | - | 34 | 34 | - | 16 | 16 |
| FINANCIAL DEBT AFTER HEDGES | 880 | 9,270 | 10,150 | 1,632 | 7,692 | 9,324 |
| Cash and cash equivalents | (787) | - | (787) | (597) | - | (597) |
| NET FINANCIAL DEBT | 93 | 9,270 | 9,363 | 1,035 | 7,692 | 8,727 |

2. Breakdown of debt by currency before and after foreign exchange hedge instruments at 30 June 2012 and 30 June 2013

| At 30.06.2012 <i>(in euro million)</i> | Debt before hedging | Amount hedged | Debt after hedging | Cash | Net debt after hedging | % debt after hedging | % net debt after hedging |
|---|---------------------|---------------|--------------------|--------------|------------------------|----------------------|--------------------------|
| EUR | 4,987 | (310) | 4,677 | (176) | 4,501 | 46% | 48% |
| USD | 4,661 | 1,166 | 5,826 | (40) | 5,787 | 57% | 62% |
| GBP | 343 | (447) | (105) | 2 | (102) | (1)% | (1)% |
| SEK | 12 | (240) | (228) | (20) | (248) | (2)% | (3)% |
| Other currencies | 174 | (195) | (21) | (553) | (574) | 0% | (6)% |
| FINANCIAL DEBT BY CURRENCY | 10,176 | (26) | 10,150 | (787) | 9,363 | 100% | 100% |

| At 30.06.2013 <i>(in euro million)</i> | Debt before hedging | Amount hedged | Debt after hedging | Cash | Net debt after hedging | % debt after hedging | % net debt after hedging |
|---|---------------------|---------------|--------------------|--------------|------------------------|----------------------|--------------------------|
| EUR | 4,846 | (218) | 4,628 | (186) | 4,442 | 50% | 51% |
| USD | 4,049 | 1,226 | 5,274 | (23) | 5,252 | 57% | 60% |
| GBP | 308 | (477) | (169) | (16) | (184) | (2)% | (2)% |
| SEK | 11 | (217) | (206) | (13) | (218) | (2)% | (3)% |
| Other currencies | 66 | (270) | (204) | (360) | (564) | (2)% | (6)% |
| FINANCIAL DEBT BY CURRENCY | 9,280 | 44 | 9,324 | (597) | 8,727 | 100% | 100% |

3. Breakdown of debt by currency and type of rate hedging at 30 June 2012 and 30 June 2013

| At 30.06.2012 (in euro million) | Debt after hedging by currency | Fixed-rate debt* | "Capped" floating-rate debt | Non-hedged floating-rate debt | % (fixed + capped floating-rate debt)/ debt after hedging | Cash | % (fixed + capped floating-rate debt)/ net debt |
|------------------------------------|--------------------------------|------------------|-----------------------------|-------------------------------|---|--------------|---|
| EUR | 4,677 | 2,931 | 250 | 1,496 | 68% | (176) | 71% |
| USD | 5,826 | 6,012 | 159 | (344) | 106% | (40) | 107% |
| GBP | (105) | - | - | (105) | N.M. | 2 | N.M. |
| SEK | (228) | - | - | (228) | N.M. | (20) | N.M. |
| Other | (21) | - | - | (21) | N.M. | (553) | N.M. |
| TOTAL | 10,150 | 8,943 | 409 | 798 | 92% | (787) | 100% |

| At 30.06.2013 (in euro million) | Debt after hedging by currency | Fixed-rate debt* | "Capped" floating-rate debt | Non-hedged floating-rate debt | % (fixed + capped floating-rate debt)/ debt after hedging | Cash | % (fixed + capped floating-rate debt)/ net debt |
|------------------------------------|--------------------------------|------------------|-----------------------------|-------------------------------|---|--------------|---|
| EUR | 4,628 | 3,686 | - | 942 | 80% | (186) | 83% |
| USD | 5,274 | 4,565 | - | 710 | 87% | (23) | 87% |
| GBP | (169) | - | - | (169) | N.M. | (16) | N.M. |
| SEK | (206) | - | - | (206) | N.M. | (13) | N.M. |
| Other | (204) | - | - | (204) | N.M. | (360) | N.M. |
| TOTAL | 9,324 | 8,251 | - | 1,073 | 88% | (597) | 95% |

* Hedge accounting and other derivatives.
N.M.: Not material.

4. Breakdown of fixed-rate/floating-rate debt before and after interest rate hedge instruments at 30 June 2012 and 30 June 2013

| In euro million | 30.06.2012 | | | | 30.06.2013 | | | |
|---|---------------------|-------------|--------------------|-------------|---------------------|-------------|--------------------|-------------|
| | Debt before hedging | | Debt after hedging | | Debt before hedging | | Debt after hedging | |
| Fixed-rate debt | 7,773 | 77% | 8,943 | 88% | 7,611 | 82% | 8,251 | 88% |
| Capped floating-rate debt | - | - | 409 | 4% | - | - | - | - |
| Floating-rate debt | 2,377 | 23% | 798 | 8% | 1,713 | 18% | 1,073 | 12% |
| FINANCIAL DEBT AFTER HEDGING BY NATURE OF HEDGES | 10,150 | 100% | 10,150 | 100% | 9,324 | 100% | 9,324 | 100% |

At 30 June 2013, before taking account of any hedges, 82% of the Group's gross debt was fixed-rate and 18% floating-rate. After hedging, the floating-rate part was 12%.

5. Schedule of financial liabilities at 30 June 2012 and 30 June 2013

The following table shows the maturity of future financial liability-related cash flows (nominal and interest). Variable interest flows have been estimated on the basis of rates at 30 June 2012 and 30 June 2013.

| At 30.06.2012 (in euro million) | Balance sheet value | Contractual flows | < 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
|---|------------------------|----------------------|--------------|-------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Interest | | (3,290) | (128) | (287) | (414) | (368) | (311) | (256) | (1,525) |
| Nominal value | | (9,985) | (495) | (232) | (923) | (803) | (1,385) | (2,709) | (3,438) |
| GROSS FINANCIAL DEBT | (10,176) | (13,275) | (622) | (520) | (1,337) | (1,172) | (1,696) | (2,966) | (4,963) |
| Cross currency swaps | (75) | - | - | - | - | - | - | - | - |
| ■ Payable flows | - | (1,016) | (3) | (3) | (374) | (0) | (636) | - | - |
| ■ Receivable flows | - | 939 | - | 18 | 328 | - | 594 | - | - |
| Derivative instruments – liabilities | (282) | (307) | (77) | (69) | (69) | (58) | (33) | (1) | - |
| DERIVATIVE INSTRUMENTS – LIABILITIES | (356) | (384) | (80) | (54) | (115) | (58) | (75) | (1) | - |
| TOTAL FINANCIAL LIABILITIES | (10,532) | (13,659) | (702) | (574) | (1,452) | (1,230) | (1,771) | (2,967) | (4,963) |

| At 30.06.2013 (in euro million) | Balance sheet value | Contractual flows | < 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | > 5 years |
|---|------------------------|----------------------|----------------|-------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Interest | | (2,739) | (118) | (276) | (349) | (290) | (239) | (157) | (1,311) |
| Nominal value | | (9,159) | (1,093) | (313) | (840) | (1,383) | (1,937) | (365) | (3,229) |
| GROSS FINANCIAL DEBT | (9,280) | (11,899) | (1,211) | (589) | (1,188) | (1,674) | (2,176) | (522) | (4,539) |
| Cross currency swaps | (83) | - | - | - | - | - | - | - | - |
| ■ Payable flows | - | (991) | (4) | (372) | (1) | (613) | - | - | - |
| ■ Receivable flows | - | 902 | - | 308 | - | 594 | - | - | - |
| Derivative instruments – liabilities | (157) | 15 | (39) | (23) | (35) | (10) | 22 | 23 | 77 |
| DERIVATIVE INSTRUMENTS – LIABILITIES | (240) | (73) | (43) | (87) | (36) | (28) | 22 | 23 | 77 |
| TOTAL FINANCIAL LIABILITIES | (9,520) | (11,972) | (1,254) | (676) | (1,224) | (1,702) | (2,154) | (499) | (4,462) |

6. Vin&Sprit syndicated loan

On 25 April 2012, the Vin&Sprit syndicated loan was fully refinanced by a new syndicated loan agreement.

New syndicated loan agreement

As part of the refinancing of the balance of the Vin&Sprit syndicated loan, on 25 April 2012 Pernod Ricard and certain subsidiaries entered into a new, €2.5 billion 5-year multi-currency revolving credit facility.

- The amount drawn down from the new syndicated loan is €250 million. The drawdowns, which are revolving and denominated in euro, incur interest at the applicable EURIBOR, plus a pre-determined spread and mandatory costs.
- At 30 June 2013, the amount of the new syndicated loan not drawn down is €2.25 billion.

7. Bonds

| Nominal amount | Interest rate | Issue date | Maturity | Carrying amount at 30.06.2013 (in euro million) |
|--------------------|------------------------|------------|------------|---|
| GBP 250 million | 6.63% | 12.06.2002 | 12.06.2014 | 306 |
| EUR 550 million | 4.63% | 06.12.2006 | 06.12.2013 | 564 |
| EUR 800 million | 7.00% | 15.06.2009 | 15.01.2015 | 823 |
| EUR 1,200 million | 4.88% | 18.03.2010 | 18.03.2016 | 1,242 |
| USD 201 million | Spread + 3-month LIBOR | 21.12.2010 | 21.12.2015 | 153 |
| EUR 1,000 million | 5.00% | 15.03.2011 | 15.03.2017 | 1,008 |
| USD 1,000 million | 5.75% | 07.04.2011 | 07.04.2021 | 787 |
| USD 1,500 million | 4.45% | 25.10.2011 | 15.01.2022 | 1,157 |
| USD 850 million | 2.95% | 12.01.2012 | 15.01.2017 | 656 |
| USD 800 million | 4.25% | 12.01.2012 | 15.07.2022 | 603 |
| USD 850 million | 5.50% | 12.01.2012 | 15.01.2042 | 651 |
| TOTAL BONDS | | | | 7,950 |

NOTE 4.9 - FINANCIAL INSTRUMENTS

1. Fair value of financial instruments

| In euro million | Measurement level | Breakdown by accounting classification | | | | 30.06.2012 | |
|--|-------------------|--|-----------------------------------|-----------------------|-------------------------------|---------------------|------------|
| | | Fair value – profit | Fair value – shareholders' equity | Loans and receivables | Liabilities at amortised cost | Balance sheet value | Fair value |
| Assets | | | | | | | |
| Available-for-sale financial assets | Level 3 | - | 22 | - | - | 22 | 22 |
| Guarantees, deposits, investment-related receivables | | - | - | 65 | - | 65 | 65 |
| Other non-current financial assets | Level 2 | 206 | - | - | - | 206 | 206 |
| Trade receivables | | - | - | 1,197 | - | 1,197 | 1,197 |
| Other current assets | | - | - | 179 | - | 179 | 179 |
| Derivative instruments – assets | Level 2 | 150 | - | - | - | 150 | 150 |
| Cash and cash equivalents | Level 1 | 787 | - | - | - | 787 | 787 |
| Liabilities and shareholders' equity | | | | | | | |
| Bonds | | - | - | - | 8,197 | 8,197 | 8,740 |
| Bank debt | | - | - | - | 1,979 | 1,979 | 1,979 |
| Finance lease obligations | | - | - | - | 51 | 51 | 51 |
| Derivative instruments – liabilities | Level 2 | 356 | - | - | - | 356 | 356 |

| In euro million | Measurement level | Breakdown by accounting classification | | | | 30.06.2013 | |
|--|-------------------|--|-----------------------------------|-----------------------|-------------------------------|---------------------|------------|
| | | Fair value – profit | Fair value – shareholders' equity | Loans and receivables | Liabilities at amortised cost | Balance sheet value | Fair value |
| Assets | | | | | | | |
| Available-for-sale financial assets | Level 3 | - | 20 | - | - | 20 | 20 |
| Guarantees, deposits, investment-related receivables | | - | - | 62 | - | 62 | 62 |
| Other non-current financial assets | Level 2 | 276 | - | - | - | 276 | 276 |
| Trade receivables | | - | - | 1,159 | - | 1,159 | 1,159 |
| Other current assets | | - | - | 209 | - | 209 | 209 |
| Derivative instruments – assets | Level 2 | 82 | - | - | - | 82 | 82 |
| Cash and cash equivalents | Level 1 | 597 | - | - | - | 597 | 597 |
| Liabilities and shareholders' equity | | | | | | | |
| Bonds | | - | - | - | 7,950 | 7,950 | 8,419 |
| Bank debt | | - | - | - | 1,330 | 1,330 | 1,330 |
| Finance lease obligations | | - | - | - | 46 | 46 | 46 |
| Derivative instruments – liabilities | Level 2 | 241 | - | - | - | 241 | 241 |

The methods used are as follows:

- debt: the fair value of the debt is determined for each loan by discounting future cash flows on the basis of market rates at the balance sheet date, adjusted for the Group's credit risk. For floating-rate, bank debt fair value is approximately equal to the carrying amount;
- bonds: market liquidity enabled the Bonds to be valued at their fair value using the quoted prices;
- other long-term financial liabilities: the fair value of other long-term financial liabilities is calculated for each loan by discounting future cash flows using an interest rate taking into account the Group's credit risk at the balance sheet date;
- derivative instruments: the market value of instruments recognised in the financial statements at the balance sheet date was calculated on the basis of available market data, using current valuation models.

The hierarchical levels for fair value disclosures below accord with the definitions in the amended version of IFRS 7 (financial instruments: disclosures):

- Level 1: fair value based on prices quoted in an active market;
- Level 2: fair value measured based on observable market data (other than quoted prices included in level 1);
- level 3: fair value determined by valuation techniques based on unobservable market data.

2. Risk management

Management and monitoring of financial risks is performed by the Financing and Treasury Department, which has 16 staff members. This department, which is part of the Group Finance Department, manages all financial exposures and prepares monthly reporting for General Management. It processes or validates all financing, investment and hedging transactions in the context of a programme approved by General Management.

All financial instruments used hedge existing or forecast transactions or investments. They are contracted with a limited number of counterparties who benefit from a first class rating from specialised rating agencies.

Management of liquidity risk

At 30 June 2013, cash and cash equivalents totalled €597 million (compared with €787 million at 30 June 2012). An additional €2,250 million of medium-term credit facilities with banks was confirmed and remained undrawn at this date. Group funding is provided in the form of long-term debt (syndicated loans, bonds, etc.) and short-term financing (commercial paper, bank overdrafts, factoring, etc.), which provide adequate financial resources to ensure the continuity of its business. Short-term financial debt after hedging was €1,632 million (compared with €880 million at 30 June 2012).

While the Group has not identified any other significant short-term cash requirement, it cannot be fully guaranteed that it will be able to continue to get the funding and refinancing needed for its day-to-day operations and investments on satisfactory terms, given the uncertain economic climate.

The Group's bank and bond debt contracts include covenants. Breaches of these covenants could force the Group to make accelerated payments. At 30 June 2013, the Group was in compliance with the covenants under the terms of its syndicated loan: solvency ratio (total net debt/consolidated EBITDA) of 5.25 or below.

Furthermore, while the vast majority of the Group's cash surplus is placed with branches of global banks enjoying the highest agency ratings, it cannot be ruled out that these Group investments may experience reduced liquidity and/or value.

The currency controls in place in certain countries limits the Group's ability to use cash (prohibition on investment with Pernod Ricard Finance), and in some cases, the possibility of paying dividends (authorisation from the relevant authorities is required in Cuba and Venezuela).

Management of currency risk

As the Group consolidates its financial statements in euro, it is exposed to fluctuations against the euro by the currencies in which its assets and liabilities are denominated (asset risk) or in which transactions are carried out (transaction risk and translation of results).

While some hedging strategies allow exposure to be limited, there is no absolute protection against exchange rate fluctuations.

For asset risk, financing foreign currency denominated assets acquired by the Group with debt in the same currency provides natural hedging. This principle was applied for the acquisition of Seagram, Allied Domecq and Vin&Sprit, with part of the debt being in USD for a portion close to 55% of total debt, reflecting the importance of cash flows generated in dollars or linked currencies.

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

With respect to operational currency risk, its international operations expose the Group to currency risks bearing on transactions carried out by subsidiaries in a currency other than their operating currency (transaction accounting risk).

In all cases, it is Group policy to invoice end customers in the functional currency of the distributing entity. Exposure to exchange rate risk on invoicing between producer and distributor subsidiaries is managed via a monthly payment centralisation and offsetting procedure involving most countries with freely convertible and transferable

currencies and whose internal legislation allows this participation. This system hedges against net exposure using forward exchange contracts.

Residual risk is partially hedged using financial derivatives (forward buying, forward selling or options) to hedge certain or highly probable non-Group operating receivables and payables.

In addition, the Group uses firm and optional hedges with the aim of reducing the impact of currency fluctuations in some Brand Companies that make significant purchases in currencies other than the euro or in order to secure the payment of dividends back to the parent.

Sensitivity analysis of financial liabilities to currency risks

Financial liabilities classified as hedges of a net investment are essentially sensitive to fluctuations in the USD; a 1% increase or decrease in the dollar/euro exchange rate would affect Group shareholders' equity by +/-€21 million. This impact would be offset by change in the translated value of the net investment being hedged.

Management of interest rate risk

At 30 June 2013, Pernod Ricard group debt comprised floating-rate debt (mainly the syndicated loan and other bank loans) and fixed-rate debt (mainly bonds), in addition to a hedging portfolio including swaps in EUR and USD.

The Group cannot guarantee that these hedges will prove sufficient nor that it will be able to maintain them on acceptable terms.

SCHEDULE OF FLOATING-RATE DEBT AND HEDGES IN EUR (NOTIONAL VALUE IN EURO MILLION)

| At 30 June 2013 (in euro million) | < 1 year | 1 to 5 years | > 5 years | Total |
|--|--------------|--------------|-------------|----------------|
| Total assets (cash) | 186 | - | - | 186 |
| Total floating-rate liabilities | (603) | (706) | - | (1,310) |
| NET FLOATING-RATE DEBT BEFORE HEDGING | (417) | (706) | - | (1,124) |
| Derivative instruments | 336 | 51 | (19) | 368 |
| NET FLOATING-RATE DEBT AFTER HEDGING | (81) | (655) | (19) | (756) |

SCHEDULE OF FLOATING-RATE DEBT AND HEDGES IN USD (NOTIONAL VALUE IN EURO MILLION)

| At 30 June 2013 (in euro million) | < 1 year | 1 to 5 years | > 5 years | Total |
|--|--------------|--------------|-----------|--------------|
| Total assets (cash) | 23 | - | - | 23 |
| Total floating-rate liabilities | (71) | (196) | - | (268) |
| NET FLOATING-RATE DEBT BEFORE HEDGING | (48) | (196) | - | (245) |
| Derivative instruments | (268) | (174) | - | (442) |
| NET FLOATING-RATE DEBT AFTER HEDGING | (316) | (371) | - | (687) |

Notes to the annual consolidated financial statements

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

A 50 bp increase or decrease in (USD and EUR) interest rates would increase or reduce the cost of net financial debt by €5 million.

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

A relative fluctuation of +/-50 bp in (USD and EUR) interest rates would generate an equity gain or loss of approximately €20 million as a result of changes in the fair value of the derivatives documented as cash flow hedges (swaps).

Analysis of the sensitivity of financial instruments used to hedge agricultural commodity risks (impact on equity)

At 30 June 2013, the sensitivity of the portfolio was not significant.

Counterparty risk in financial transactions

The Group could be exposed to counterparty default via its cash investments, hedging instruments or the availability of confirmed but undrawn financing lines. In order to limit this exposure, the Group performs rigorous selection of counterparties according to several criteria, including credit ratings, and depending on the maturity dates of the transactions.

However, no assurance can be given that this rigorous selection will be enough to protect the Group against risks of this type, particularly in the current economic climate.

NOTE 4.10 - INTEREST RATE, FOREIGN EXCHANGE AND COMMODITY DERIVATIVES

| Type of hedging at 30.06.2012 (in euro million) | Description of financial instrument | Notional amount of contracts | | | | Fair value | |
|--|-------------------------------------|------------------------------|------------------------|-----------|-------|------------|--------------------------------------|
| | | < 1 year | > 1 year and < 5 years | > 5 years | Total | Assets | Liabilities and shareholders' equity |
| Fair value hedge | | | | | | 101 | 41 |
| Interest rate risk hedges | Swaps | - | 878 | 755 | 1,633 | 101 | - |
| Interest rate and currency hedges | Cross currency swaps | - | 368 | - | 368 | - | 41 |
| Hedge of a net investment | | | | | | - | 34 |
| Currency risk hedges | Currency swaps | - | - | - | - | - | - |
| Interest rate and currency hedges | Cross currency swaps | - | 594 | - | 594 | - | 34 |
| DERIVATIVE INSTRUMENTS INCLUDED IN NET DEBT | | | | | | 101 | 75 |
| Cash flow hedges | | | | | | 4 | 119 |
| Interest rate risk hedges | Swaps | - | 2,105 | - | 2,105 | - | 119 |
| | Collars | - | - | - | - | - | - |
| Currency hedges on intragroup financing | Currency swaps | 46 | - | - | 46 | 4 | - |
| Outside hedge accounting | | | | | | 45 | 162 |
| Currency hedges on intragroup financing | Currency swaps and forwards | 2,198 | - | - | 2,198 | 14 | 14 |
| Interest rate risk hedges | Swaps | 2,271 | 1,433 | - | 3,704 | 31 | 116 |
| | Collars | 909 | - | - | 909 | - | 33 |
| TOTAL DERIVATIVE INSTRUMENTS | | | | | | 150 | 356 |
| TOTAL NON-CURRENT | | | | | | 116 | 259 |
| TOTAL CURRENT (LESS THAN ONE YEAR) | | | | | | 34 | 97 |

| Type of hedging at 30.06.2013 (in euro million) | Description of financial instrument | Notional amount of contracts | | | | Fair value | |
|--|-------------------------------------|------------------------------|------------------------|-----------|-------|------------|--------------------------------------|
| | | < 1 year | > 1 year and < 5 years | > 5 years | Total | Assets | Liabilities and shareholders' equity |
| Fair value hedge | | | | | | 59 | 87 |
| Interest rate risk hedges | Swaps | 268 | 868 | 1,223 | 2,358 | 59 | 19 |
| Interest rate and currency hedges | Cross currency swaps | 292 | - | - | 292 | - | 67 |
| Hedge of a net investment | | | | | | - | 16 |
| Currency risk hedges | Currency swaps | - | - | - | - | - | - |
| Interest rate and currency hedges | Cross currency swaps | - | 612 | - | 612 | - | 16 |
| DERIVATIVE INSTRUMENTS INCLUDED IN NET DEBT | | | | | | 59 | 103 |
| Cash flow hedges | | | | | | 2 | 63 |
| Interest rate risk hedges | Swaps | - | 1,300 | - | 1,300 | - | 59 |
| Currency hedges on intragroup financing | Currency swaps | 360 | 60 | - | 419 | 2 | 3 |
| Commodity risk hedges | Forward | 7 | - | - | 7 | - | 0 |
| Outside hedge accounting | | | | | | 22 | 75 |
| Currency hedges on intragroup financing | Currency swaps and forwards | 2,076 | - | - | 2,076 | 12 | 7 |
| Interest rate risk hedges | Swaps | 1,250 | 1,625 | - | 2,875 | 9 | 68 |
| TOTAL DERIVATIVE INSTRUMENTS | | | | | | 82 | 241 |
| TOTAL NON-CURRENT | | | | | | 59 | 152 |
| TOTAL CURRENT (LESS THAN ONE YEAR) | | | | | | 23 | 89 |

The notional amount of these contracts is the nominal value of the contracts. Foreign currency denominated notional amounts in cross currency swaps are shown in euro at the exchange rate agreed. For other instruments, notional amounts denominated in foreign currencies are translated into euro at year-end rates. Estimated

values are based on information available on the financial markets and valuation methods appropriate to the type of financial instrument concerned. These valuation methods were subjected to a dedicated review during the year and found to yield results consistent with the valuations provided by bank counterparties.

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NOTE 4.11 - OTHER CURRENT LIABILITIES

Other current liabilities are broken down as follows:

| In euro million | 30.06.2012 | 30.06.2013 |
|---------------------------|------------|------------|
| Taxes and social security | 604 | 609 |
| Other operating payables | 284 | 305 |
| Other payables | 8 | 9 |
| TOTAL | 896 | 924 |

Most other operating payables are due within one year.

NOTE 5

NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

1. Working capital requirements

Working capital requirements increased by €255 million. The change breaks down as follows:

- increase in inventory: +€304 million;
- increase in trade receivables: +€47 million;
- increase in operating and other payables: €(96) million.

The increase in inventory relates to the build-up of ageing inventories to meet growing demand.

The increase in trade receivables reflects the growth in sales.

2. Capital expenditure

Capital expenditure related mainly to the construction of new warehouses or the renewal of machinery and equipment in the production subsidiaries.

3. Disposals of property, plant and equipment, intangible assets and financial assets

Disposals mainly relate to the sale of the Aalborg, Brøndums and Gammel Dansk brands in Denmark and the Malteserkreuz brand in Germany.

4. Bond issues/repayment of long-term debt

The Group made repayments net of drawdowns from the syndicated loan of €743 million.

NOTE 6

ADDITIONAL INFORMATION

NOTE 6.1 - SHAREHOLDERS' EQUITY

1. Share capital

Pernod Ricard's share capital changed as follows between 1 July 2011 and 30 June 2013:

| | Number of shares | Amount (in euro million) |
|--|--------------------|--------------------------|
| Share capital at 30 June 2011 | 264,721,803 | 410 |
| Exercise of stock options (plan of 18 December 2001) | 154,354 | 0 |
| Exercise of stock options (plan of 11 February 2002) | 28,535 | 0 |
| Exercise of stock options (plan of 17 December 2002) | 405,913 | 1 |
| Share capital at 30 June 2012 | 265,310,605 | 411 |
| Exercise of stock options (plan of 17 December 2002) | 110,987 | 0 |
| SHARE CAPITAL AT 30 JUNE 2013 | 265,421,592 | 411 |

All Pernod Ricard shares are issued and fully paid and have a nominal value of €1.55. Only one category of Pernod Ricard shares exists. These shares obtain double voting rights if they have been nominally registered for an uninterrupted period of ten years.

2. Treasury shares

At 30 June 2013, Pernod Ricard and its controlled subsidiaries held 2,186,242 Pernod Ricard shares for a value of €26 million. These treasury shares are presented, at cost, as a deduction from shareholders' equity.

As part of its stock option and bonus share allocation plans, Pernod Ricard SA holds either directly (treasury shares) or indirectly (calls or repurchase options) shares that may be granted if options are exercised under the stock option plans or, in the case of bonus shares, if performance targets are met.

3. Interim dividend

At its meeting of 19 June 2013 the Board of Directors decided to pay an interim dividend of €0.79 per share in respect of 2012/2013, equivalent to a total dividend payment of €209,683 thousand. This interim dividend was paid on 5 July 2013 and recognised under other operating payables in the balance sheet at 30 June 2013.

4. Share capital management

The Group manages its share capital in such a way as to optimise its cost of capital and profitability for its shareholders, provide security for all its counterparties and maintain a high rating. In this context, the Group may adjust its payment of dividends to shareholders, repay part of its share capital, buy back its own shares and authorise share-based payment plans.

5. Liquidity agreement

On 24 May 2012, Pernod Ricard SA put in place a 12-month liquidity agreement, effective from 1 June 2012, through Rothschild & Cie Banque. The agreement is tacitly renewable for subsequent periods of 12 months and complies with the AMAFI Code of Conduct, which was approved by the AMF in its decision of 24 March 2011.

The sum of €5 million was allocated to the implementation of the liquidity agreement (no securities).

NOTE 6.2 - SHARE-BASED PAYMENTS

Description of share-based payment plans

All of the plans are equity-settled, except for the plans granted on 14 June 2006, 18 January 2007 and 21 June 2007, which also included awards of Share Appreciation Rights (SARs) to Group employees. The SARs are cash-settled options. Moreover, with respect to plans granted since 2007, a performance-based share plan with performance and presence conditions was granted.

On the exercise of their rights, the beneficiaries of the SARs will receive a cash payment based on the Pernod Ricard share price equal to the difference between the Pernod Ricard share price at the date of the exercise and the exercise price set at the date of grant.

During the 2012/2013 financial year, the plan granted on 17 December 2009 reached maturity.

Information relating to stock option and performance-based share plans

The stock option and performance-based share plans are granted to Managers with high levels of responsibility, key management personnel for the Group and high-potential Managers.

During the financial year 2012/2013, no allocation plans were put in place:

| | Plan dated 17.11.2004 | Plan dated 11.08.2005 | Plan dated 14.06.2006 | Plan dated 14.06.2006 | Plan dated 18.01.2007 | Plan dated 21.06.2007 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Type of options | Purchase | Purchase | Purchase | SARs | SARs | Purchase |
| Conditional/unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional |
| Number of beneficiaries | 459 | 485 | 555 | 49 | 1 | 515 |
| Acquisition of options/vesting date of shares | 18.11.2008 | 12.08.2009 | 15.06.2010 | 15.06.2009 | 18.01.2010 | 22.06.2011 |
| Exercisable from | 18.11.2008 | 12.08.2009 | 15.06.2010 | 15.06.2009 | 18.01.2010 | 22.06.2011 |
| Expiry date | 17.11.2014 | 11.08.2015 | 14.06.2016 | 14.06.2016 | 18.01.2017 | 21.06.2015 |
| Subscription or purchase price in euro at 30 June 2013 | 42.30 | 52.59 | 58.41 | 58.41 | N/A | 74.73 |
| Outstanding options at 30 June 2013 | 421,255 | 389,500 | 1,013,886 | 116,378 | - | 528,225 |
| Stock option expense 2012/2013 (in euro thousand) | 0 | 0 | 0 | 0 | 0 | 0 |

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| | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 18.06.2008 | Plan dated 18.06.2008 | Plan dated 18.06.2008 |
|---|--------------------------|--------------------------|--|--------------------------|--------------------------|--|
| Type of options/shares | SARs | Purchase | Bonus | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional | Unconditional | Conditional | Conditional |
| Number of beneficiaries | 56 | 13 | 731 | 598 | 13 | 804 |
| Vesting date of options/shares | 22.06.2010 | 22.06.2011 | 21.06.2009 (FRA) 21.06.2011 (ROW) | 19.06.2012 | 19.06.2012 | 19.06.2010 (FRA) 19.06.2012 (ROW) |
| Exercisable/available from | 22.06.2010 | 22.06.2011 | 22.06.2011 | 19.06.2012 | 19.06.2012 | 19.06.2012 (FRA and ROW) |
| Expiry date | 21.06.2015 | 21.06.2015 | N/A | 18.06.2016 | 18.06.2016 | N/A |
| Subscription or purchase price in euro at 30 June 2013 | 74.73 | 74.73 | N/A | 66.16 | 66.16 | N/A |
| Outstanding options and shares at 30 June 2013 | 50,890 | 78,246 | 0 | 680,209 | 95,011 | 0 |
| Stock option/share expense 2012/2013 (in euro thousand) | (221) | 0 | 0 | 0 | 0 | 0 |

| | Plan dated 24.06.2010 | Plan dated 24.06.2010 | Plan dated 24.06.2010 | Plan dated 24.06.2010 |
|---|--------------------------|--------------------------|--------------------------|--------------------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional | Conditional |
| Number of beneficiaries | 705 | 133 | 133 | 980 |
| Vesting date of options/shares | 24.06.2014 | 24.06.2014 | 24.06.2014 | 25.06.2013 (FRA) 25.06.2014 (ROW) |
| Exercisable/available from | 25.06.2014 | 25.06.2014 | 25.06.2014 | 25.06.2015 (FRA) 25.06.2014 (ROW) |
| Expiry date | 24.06.2018 | 24.06.2018 | 24.06.2018 | N/A |
| Subscription or purchase price in euro at 30 June 2013 | 64.00 | 64.00 | 64.00 | N/A |
| Outstanding options and shares at 30 June 2013 | 588,054 | 140,492 | 140,492 | 396,637 |
| Stock option/share expense 2012/2013 (in euro thousand) | 2,699 | 583 | 463 | 8,239 |

| | Plan dated 15.09.2010 | Plan dated 15.06.2011 | Plan dated 15.06.2011 | Plan dated 15.06.2011 | Plan dated 15.06.2011 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Unconditional | Conditional | Conditional | Conditional |
| Number of beneficiaries | 1 | 713 | 144 | 144 | 1,029 |
| Vesting date of options/shares | 15.09.2014 | 15.06.2015 | 15.06.2015 | 15.06.2015 | 16.06.2014 (FRA) 16.06.2015 (ROW) |
| Exercisable/available from | 16.09.2014 | 16.06.2015 | 16.06.2015 | 16.06.2015 | 16.06.2016 (FRA) 16.06.2015 (ROW) |
| Expiry date | 15.09.2018 | 15.06.2019 | 15.06.2019 | 15.06.2019 | N/A |
| Subscription or purchase price in euro at 30 June 2013 | 64.00 | 68.54 | 68.54 | 68.54 | N/A |
| Outstanding options and shares at 30 June 2013 | 70,000 | 585,180 | 166,829 | 166,829 | 538,432 |
| Stock option/share expense 2012/2013 (in euro thousand) | 142 | 2,187 | 423 | 433 | 8,617 |

| | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--|
| Type of options/shares | Purchase | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Conditional | Conditional | Conditional | Conditional |
| Number of beneficiaries | 158 | 158 | 1 | 1 | 1,059 |
| Vesting date of options/shares | 27.06.2016 | 27.06.2016 | 27.06.2016 | 27.06.2016 | 28.06.2015 (FRA) 28.06.2016 (ROW) |
| Exercisable/available from | 28.06.2016 | 28.06.2016 | 28.06.2016 | 28.06.2016 | 28.06.2017 (FRA) 28.06.2016 (ROW) |
| Expiry date | 27.06.2020 | 27.06.2020 | 27.06.2020 | 27.06.2020 | N/A |
| Subscription or purchase price in euro at 30 June 2013 | 78.93 | 78.93 | 78.93 | 78.93 | N/A |
| Outstanding options and shares at 30 June 2013 | 192,150 | 192,150 | 14,775 | 14,775 | 637,256 |
| Stock option/share expense 2012/2013 (in euro thousand) | 682 | 712 | 53 | 56 | 12,101 |

FRA: French tax residents; ROW: non-French tax residents.

Other stock options plans that have not yet expired are explained in the "Management Report" section of the Registration Document.

Regarding stock options already vested, the total number of options outstanding is 3,206,332, for which the average remaining life is two and a half years.

The Group recognised an expense of €8.4 million in operating profit in respect of the 11 stock option plans in operation at 30 June 2013, an expense of €29.0 million in respect of the three performance-based share plans, and income of €(0.2) million in respect of the SARs programmes. A liability of €4.0 million was recognised in other current liabilities at 30 June 2013 in respect of the SARs programmes.

| Annual expenses (in euro million) | 30.06.2012 | 30.06.2013 |
|--|-------------|-------------|
| Stock options (equity settled) – through a double entry to equity | 11.0 | 8.4 |
| SARs (cash settled) – through a double entry to other current liabilities | 2.1 | (0.2) |
| Performance-based shares (equity settled) – through a double entry to equity | 16.2 | 29.0 |
| TOTAL ANNUAL EXPENSES | 29.3 | 37.2 |

Changes made to outstanding stock options/shares during the year are described below:

| | Plan dated 17.11.2004 | Plan dated 11.08.2005 | Plan dated 14.06.2006 | Plan dated 14.06.2006 | Plan dated 18.01.2007 | Plan dated 21.06.2007 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Type of options | Purchase | Purchase | Purchase | SARs | SARs | Purchase |
| Conditional/unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional |
| Outstanding options at 30.06.2012 | 676,855 | 578,796 | 1,516,285 | 137,243 | - | 725,903 |
| Granted between 01.07.2012 and 30.06.2013 | - | - | - | - | - | - |
| Cancelled between 01.07.2012 and 30.06.2013 | - | - | - | - | - | 798 |
| Exercised between 01.07.2012 and 30.06.2013 | 255,600 | 189,296 | 502,399 | 20,865 | - | 196,880 |
| Expired between 01.07.2012 and 30.06.2013 | - | - | - | - | - | - |
| OUTSTANDING OPTIONS AT 30.06.2013 | 421,255 | 389,500 | 1,013,886 | 116,378 | 0 | 528,225 |

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| | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 18.06.2008 | Plan dated 18.06.2008 | Plan dated 18.06.2008 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Type of options/shares | SARs | Purchase | Bonus | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional | Unconditional | Conditional | Conditional |
| Outstanding options/shares at 30.06.2012 | 71,357 | 121,409 | 0 | 1,019,766 | 137,109 | 0 |
| Granted between 01.07. 2012 and 30.06.2013 | - | - | - | - | - | - |
| Cancelled between 01.07. 2012 and 30.06.2013 | 798 | - | - | 34,205 | - | - |
| Exercised between 01.07. 2012 and 30.06.2013 | 19,669 | 43,163 | - | 305,352 | 42,098 | - |
| Expired between 01.07. 2012 and 30.06.2013 | - | - | - | - | - | - |
| OUTSTANDING OPTIONS/SHARES AT 30.06.2013 | 50,890 | 78,246 | 0 | 680,209 | 95,011 | 0 |

| | Plan dated 24.06.2010 | Plan dated 24.06.2010 | Plan dated 24.06.2010 |
|---|--------------------------|--------------------------|--------------------------|
| Type of options/shares | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional |
| Outstanding options/shares at 30.06.2012 | 594,574 | 280,983 | 529,692 |
| Granted between 01.07. 2012 and 30.06.2013 | - | - | - |
| Cancelled between 01.07. 2012 and 30.06.2013 | 4,515 | - | 13,333 |
| Exercised between 01.07. 2012 and 30.06.2013 | 2,005 | - | 119,722 |
| Expired between 01.07. 2012 and 30.06.2013 | - | - | - |
| OUTSTANDING OPTIONS/SHARES AT 30.06.2013 | 588,054 | 280,983 | 396,637 |

| | Plan dated 15.09.2010 | Plan dated 15.06.2011 | Plan dated 15.06.2011 | Plan dated 15.06.2011 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Unconditional | Conditional | Conditional |
| Outstanding options/shares at 30 June 2012 | 70,000 | 594,180 | 338,770 | 560,051 |
| Granted between 01.07. 2012 and 30.06.2013 | - | - | - | - |
| Cancelled between 01.07. 2012 and 30.06.2013 | - | 5,000 | 5,112 | 20,679 |
| Exercised between 01.07. 2012 and 30.06.2013 | - | 4,000 | - | 940 |
| Expired between 01.07. 2012 and 30.06.2013 | - | - | - | - |
| OUTSTANDING OPTIONS/SHARES AT 30.06.2013 | 70,000 | 585,180 | 333,658 | 538,432 |

| | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 |
|---|--------------------------|--------------------------|--------------------------|
| Type of options/shares | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Conditional | Conditional |
| Outstanding options/shares at 30 June 2012 | 385,400 | 30,000 | 654,750 |
| Granted between 01.07. 2012 and 30.06.2013 | - | - | - |
| Cancelled between 01.07. 2012 and 30.06.2013 | 1,100 | 450 | 16,744 |
| Exercised between 01.07. 2012 and 30.06.2013 | - | - | 750 |
| Expired between 01.07. 2012 and 30.06.2013 | - | - | - |
| OUTSTANDING OPTIONS/SHARES AT 30.06.2013 | 384,300 | 29,550 | 637,256 |

The average exercise price of options exercised during the financial year was €59.09.

The assumptions used in calculating the fair values of the options, using the binomial or Monte Carlo models and the terms under which the options/shares were granted, are as follows:

The fair values shown above for SARs granted in June 2006 and June 2007 have been re-estimated at 30 June 2013 in accordance with IFRS 2.

| | Plan dated 17.11.2004 | Plan dated 11.08.2005 | Plan dated 14.06.2006 | Plan dated 14.06.2006 | Plan dated 18.01.2007 | Plan dated 21.06.2007 |
|---|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | SARs | SARs | Purchase |
| Conditional/unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional | Unconditional |
| Initial share price <i>(in euro after adjustments)</i> ⁽³⁾ | 44.15 | 55.22 | 56.83 | 85.19 ⁽¹⁾ | 85.19 ⁽¹⁾ | 73.98 |
| Exercise price <i>(in euro after adjustments)</i> | 42.30 | 52.59 | 58.41 | 58.41 | N/A | 74.73 |
| Expected volatility ⁽²⁾ | 30% | 30% | 30% | 22% | 22% | 22% |
| Expected dividend yield ⁽²⁾ | 2% | 2% | 2% | 2% | 2% | 2% |
| Risk free rate ⁽²⁾ | 3.85% | 3.25% | 4.00% | 4.50% | 4.50% | 4.50% |
| IFRS 2 FAIR VALUE AT 30 JUNE 2013 | 15.13 | 18.40 | 18.47 | 27.23⁽⁴⁾ | -⁽⁴⁾ | 19.25 |

| | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 21.06.2007 | Plan dated 18.06.2008 | Plan dated 18.06.2008 | Plan dated 18.06.2008 |
|---|----------------------------|--------------------------|------------------------------------|--------------------------|--------------------------|------------------------------------|
| Type of options/shares | SARs | Purchase | Bonus | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional | Unconditional | Conditional | Conditional |
| Initial share price <i>(in euro after adjustments)</i> ⁽³⁾ | 85.19 ⁽¹⁾ | 73.98 | 73.98 | 63.29 | 63.29 | 63.29 |
| Exercise price <i>(in euro after adjustments)</i> | 74.73 | 74.73 | N/A | 66.16 | 66.16 | N/A |
| Expected volatility ⁽²⁾ | 22% | 22% | N/A | 21% | 21% | N/A |
| Expected dividend yield ⁽²⁾ | 2% | 2% | 2% | 2% | 2% | 2% |
| Risk free rate ⁽²⁾ | 4.50% | 4.50% | 4.50% | 4.83% | 4.83% | 4.83% |
| IFRS 2 FAIR VALUE AT 30 JUNE 2013 | 15.40⁽⁴⁾ | 14.92 | 68.87 (FRA) 68.13 (ROW) | 15.76 | 12.07 | 54.23 (FRA) 57.39 (ROW) |

| | Plan dated 24.06.2010 | Plan dated 24.06.2010 | Plan dated 24.06.2010 | Plan dated 24.06.2010 |
|--|--------------------------|--------------------------|--------------------------|------------------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Unconditional | Conditional | Conditional | Conditional |
| Initial share price <i>(in euro after adjustments)</i> | 65.16 | 65.16 | 65.16 | 65.16 |
| Exercise price <i>(in euro after adjustments)</i> | 64.00 | 64.00 | 64.00 | N/A |
| Expected volatility ⁽²⁾ | 28% | 28% | 28% | N/A |
| Expected dividend yield ⁽²⁾ | 2% | 2% | 2% | 2% |
| Risk free rate ⁽²⁾ | 3.41% | 3.41% | 3.41% | 2.28% |
| IFRS 2 FAIR VALUE AT 30 JUNE 2013 | 18.39 | 12.45 | 13.04 | 60.15 (ROW) 59.27 (FRA) |

| | Plan dated 15.09.2010 | Plan dated 15.09.2010 | Plan dated 15.06.2011 | Plan dated 15.06.2011 | Plan dated 15.06.2011 | Plan dated 15.06.2011 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Conditional | Unconditional | Conditional | Conditional | Conditional |
| Initial share price <i>(in euro after adjustments)</i> | 59.91 | 59.91 | 66.74 | 66.74 | 66.74 | 66.74 |
| Exercise price <i>(in euro after adjustments)</i> | 64.00 | 64.00 | 68.54 | 68.54 | 68.54 | N/A |
| Expected volatility ⁽²⁾ | 23% | 23% | 23% | 23% | 23% | N/A |
| Expected dividend yield ⁽²⁾ | 2% | 2% | 2% | 2% | 2% | 2% |
| Risk free rate ⁽²⁾ | 2.93% | 2.93% | 3.37% | 3.37% | 3.37% | 3.12% |
| IFRS 2 FAIR VALUE AT 30 JUNE 2013 | 8.02 | 8.23 | 15.12 | 10.09 | 10.33 | 61.61 (ROW) 60.02 (FRA) |

| | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 | Plan dated 27.06.2012 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|
| Type of options/shares | Purchase | Purchase | Purchase | Purchase | Bonus |
| Conditional/unconditional | Conditional | Conditional | Conditional | Conditional | Conditional |
| Initial share price <i>(in euro after adjustments)</i> | 79.51 | 79.51 | 79.51 | 79.51 | 79.51 |
| Exercise price <i>(in euro after adjustments)</i> | 78.93 | 78.93 | 78.93 | 78.93 | N/A |
| Expected volatility ⁽²⁾ | 27% | 27% | 27% | 27% | N/A |
| Expected dividend yield ⁽²⁾ | 2% | 2% | 2% | 2% | 2% |
| Risk free rate ⁽²⁾ | 3.28% | 3.28% | 3.28% | 3.28% | 2.31% |
| IFRS 2 FAIR VALUE AT 30 JUNE 2013 | 14.62 | 15.27 | 14.62 | 15.27 | 73.40 (ROW) 74.88 (FRA) |

(1) Share price at 30.06.2013.

(2) Assumptions used for initial measurement.

(3) Share price at grant date after value adjustment.

(4) Restated fair value at 30.06.2013 for accounting purposes in 2012/2013.

For the 2002/2006 plans, the volatility assumption was determined on the basis of the historical daily share price over a period equivalent to the maturity of the options.

For the 2007 and 2008 plans, the volatility assumption was determined using a multi-criteria approach taking into consideration:

- historic volatility over a period equal to the estimated duration of the options;
- historic volatility over a shorter period;
- implicit volatility calculated on the basis of options available in financial markets.

The volatility assumption used for the 2008 and 2009 measurements was based on an analysis of historic volatility.

The volatility assumption used for the 2010 and 2011 plans is based on the implied volatility of the Pernod Ricard share at the date the plans were granted.

For the 2012 plans, with a view to smoothing this assumption over time, the Group again opted for a multi-criteria approach taking into consideration:

- historic volatility over a period equal to the duration of the options;
- implicit volatility calculated on the basis of options available in financial markets.

The possibility of the pre-maturity exercise of options was included in the measurement model for stock option plans (with or without a market performance-related element). It was assumed that 1% of options are exercised each year as a result of employees leaving the Company. For the 2007 and 2008 plans it was assumed that 67% and 33% of options would be exercised once the share price reached 150% and 250% of the exercise price, respectively. For the 2010, 2011 and 2012 plans, it was assumed that 60%, 30% and 10% of options would be exercised once the share price reached 125%, 175% and 200% of the exercise price, respectively. This new assumption is based on an analysis of behaviour over the period and the most recent plans.

NOTE 6.3 - OFF-BALANCE SHEET COMMITMENTS

| <i>In euro million</i> | Total | < 1 year | > 1 year and < 5 years | > 5 years |
|--|--------------|------------|------------------------|------------|
| Commitments granted at 30 June 2012 | 3,769 | 671 | 2,848 | 250 |
| Off-balance sheet commitments given in relation to companies within the Group | - | - | - | - |
| Commitments to acquire equity interests | - | - | - | - |
| Commitments given in the context of specific operations | - | - | - | - |
| Other | - | - | - | - |
| Off-balance sheet commitments given in relation to the financing of the Company | 2,017 | 5 | 2,006 | 6 |
| Financial guarantees given | 2,017 | 4 | 2,006 | 6 |
| Other | 0 | 0 | - | 0 |
| Commitments relating to the operating activities of the issuer | 1,751 | 666 | 842 | 244 |
| Firm and irrevocable commitments to purchase raw materials | 1,231 | 454 | 694 | 83 |
| Tax commitments | 210 | 126 | 4 | 81 |
| Operating lease agreements | 273 | 60 | 133 | 80 |
| Other | 38 | 26 | 11 | - |

| <i>In euro million</i> | Total | < 1 year | > 1 year and < 5 years | > 5 years |
|---|--------------|------------|------------------------|-----------|
| Commitments received at 30 June 2012 | 1,714 | 201 | 1,512 | 1 |
| Off-balance sheet commitments received in relation to companies within the Group | - | - | - | - |
| Commitments received in specific operations connected with competitors and markets | - | - | - | - |
| Other | - | - | - | - |
| Off-balance sheet commitments received in relation to the financing of the Company | 1,700 | 195 | 1,504 | 1 |
| Credit lines received and not used | 1,634 | 130 | 1,504 | - |
| Financial guarantees received | 67 | 65 | 0 | 1 |
| Other | - | - | - | - |
| Commitments relating to the operating activities of the issuer | 14 | 7 | 7 | - |
| Contractual commitments related to business activity and business development | 12 | 4 | 7 | - |
| Other | 2 | 2 | - | - |

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| <i>In euro million</i> | Total | < 1 year | > 1 year and < 5 years | > 5 years |
|--|--------------|--------------|------------------------|------------|
| Commitments given at 30 June 2013 | 2,702 | 1,599 | 881 | 223 |
| Off-balance sheet commitments given in relation to companies within the Group | - | - | - | - |
| Commitments to acquire equity interests | - | - | - | - |
| Commitments given in the context of specific operations | - | - | - | - |
| Other | - | - | - | - |
| Off-balance sheet commitments given in relation to the financing of the Company | 902 | 894 | 1 | 7 |
| Financial guarantees given | 902 | 894 | 1 | 7 |
| Other | 0 | 0 | - | - |
| Commitments relating to the operating activities of the issuer | 1,800 | 704 | 880 | 216 |
| Firm and irrevocable commitments to purchase raw materials | 1,238 | 446 | 726 | 67 |
| Tax commitments | 254 | 177 | 4 | 73 |
| Operating lease agreements | 282 | 62 | 144 | 75 |
| Other | 26 | 20 | 6 | 1 |

| <i>In euro million</i> | Total | < 1 year | > 1 year and < 5 years | > 5 years |
|---|--------------|------------|------------------------|-----------|
| Commitments received at 30 June 2013 | 2,445 | 188 | 2,255 | 1 |
| Off-balance sheet commitments received in relation to companies within the Group | - | - | - | - |
| Commitments received in specific operations connected with competitors and markets | - | - | - | - |
| Other | - | - | - | - |
| Off-balance sheet commitments received in relation to the financing of the Company | 2,439 | 183 | 2,255 | 1 |
| Credit lines received and not used | 2,407 | 153 | 2,255 | - |
| Financial guarantees received | 31 | 30 | 0 | 1 |
| Other | - | - | - | - |
| Commitments relating to the operating activities of the issuer | 6 | 6 | - | 0 |
| Contractual commitments related to business activity and business development | 3 | 3 | - | 0 |
| Other | 2 | 2 | - | - |

1. Details of main financial commitments

The lines of bank financing are mainly commitments linked to the Group's financing and financial investments, and in particular, to the nominal amount of the undrawn portion of the syndicated loan at 30 June 2013 (see Note 4.8).

In the context of the acquisition of Allied Domecq, warranties with respect to the adequacy of liabilities, notably of a tax-related nature, were granted. Provisions have been recognised to the extent of the amount of the risks as estimated by the Group (see Note 4.7).

2. Contractual commitments

In the context of their wine and champagne production, the Orlando Wyndham Australian subsidiaries, New Zealand subsidiary Pernod Ricard New Zealand and French subsidiary Mumm Perrier-Jouët have commitments of, respectively, €78 million, €32 million and €285 million under grape supply agreements. In the context of its cognac production activity, the Group's French subsidiary Martell is committed in an amount of €636 million under maturing *eaux-de-vie* supply agreements.

NOTE 6.4 - DISPUTES

The following cases are the main disputes to which the Group is exposed. There are no other government, legal or arbitration procedures pending or threatened, including all procedures of which the Company is aware, which are likely to have or which have had over the last twelve months a significant impact on the profitability of the Company and/or Group.

Disputes relating to brands

Havana Club

The Havana Club brand is owned in most countries by a joint venture company called Havana Club Holding SA (HCH), of which Pernod Ricard is a shareholder, and is registered in over 120 countries in which the Havana Club rum is distributed. In the United States, this brand is owned by a Cuban company (Cubaexport). Ownership of this brand is currently being challenged in the United States by a competitor of Pernod Ricard.

In 1998, the United States passed a law relating to the conditions for the protection of brands previously used by companies nationalised by the Castro regime. This law was condemned by the World Trade Organization (WTO) in 2002. However to date the United States has not amended its legislation to comply with the WTO decision.

1. The United States Office of Foreign Assets Control (OFAC) decided that this law had the effect of preventing any renewal of the US trademark registration for the Havana Club brand, which, in the United States, has been owned by Cubaexport since 1976. In August 2006, the United States Patent and Trademark Office (USPTO) denied the renewal of the said Havana Club registration, following guidance from the OFAC. Cubaexport petitioned the Director of the USPTO to reverse this decision and also filed a claim against the OFAC challenging both the OFAC's decision and the law and regulations applied by the OFAC. In March 2009, the US District Court for the District of Columbia ruled against Cubaexport. In March 2011, in a two to one decision, the Court of Appeals blocked Cubaexport from renewing its trademark. A *certiorari* petition was filed before the US Supreme Court on 27 January 2012, with the support of the French Government, the National Foreign Trade Council and the Washington Legal Foundation. On 14 May 2012, the Supreme Court denied the petition. This decision has no impact on the Group's accounts. The USPTO must now decide whether or not it should cancel Cubaexport's registration. In the meantime, Pernod Ricard has announced the launch of a Cuban rum, benefiting from the same production processes as the Havana Club range, and which will be distributed in the United States once the embargo is lifted. This product will be sold under the Havanista® trademark, registered with the USPTO since August 2011.
2. A competitor of the Group has petitioned the USPTO to cancel the Havana Club trademark, which is registered in the name of Cubaexport. In January 2004, the USPTO denied the petition and refused to cancel the trademark registration. As this decision was appealed, proceedings are now pending before the Federal District Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition to the USPTO.
3. In August 2006, this competitor introduced a "Havana Club" brand rum in the United States, which is manufactured in Puerto Rico. Pernod Ricard USA instituted proceedings in the District Court for the District of Delaware on the grounds that the competitor is falsely claiming to own the Havana Club trademark and that

this false claim and the use of the Havana Club trademark on rum of non-Cuban origin is misleading to consumers and should be prohibited. In April 2010, the District Court for the District of Delaware ruled against Pernod Ricard USA. Pernod Ricard USA filed an appeal against the decision. On 4 August 2011, the Court of Appeals upheld the judgement.

4. HCH's rights relating to the Havana Club trademark were confirmed in June 2005 by the Spanish Court of First Instance as a result of proceedings initiated in 1999, notably by this same competitor. The decision was appealed by the plaintiffs before the Madrid Provincial Court, but their appeal was rejected in February 2007. They appealed before the Spanish Supreme Court, which rejected their appeal in a decision handed down on 3 February 2011.

Stolichnaya

Allied Domecq International Holdings BV and Allied Domecq Spirits & Wine USA, Inc., together with SPI Spirits and other parties, are defendants in an action brought in the United States District Court for the Southern District of New York by entities that claim to represent the interests of the Russian Federation on matters relating to ownership of the trademarks for vodka products in the United States. In the action, the plaintiffs challenged Allied Domecq International Holdings BV's then-ownership of the Stolichnaya trademark in the United States and sought damages and interest based on vodka sales by Allied Domecq in the United States and disgorgement of the related profits. Their claims concerning Allied Domecq International Holdings BV's then-ownership of the Stolichnaya trademark in the United States having been dismissed in March 2006, the plaintiffs subsequently filed an appeal for the portion of the decision dismissing their trademark ownership, trademark infringement and fraud claims (as well as the dismissal of certain claims brought only against the SPI entities).

In October 2010, the Court of Appeals (i) affirmed the dismissal of the plaintiffs' fraud and unjust enrichment claims and (ii) reinstated the plaintiffs' claims for trademark infringement, misappropriation and unfair competition related to the use of the Stolichnaya trademarks. The Court of Appeals has remanded the case to the District Court for further proceedings.

The plaintiffs filed their Third Amended Complaint in February 2011, alleging trademark infringement (and related claims) and misappropriation against Allied Domecq, the SPI entities and newly-added defendants William Grant & Sons USA and William Grant & Sons, Inc., (the current distributors of Stolichnaya vodka in the United States). All defendants moved to dismiss the plaintiffs' Third Amended Complaint.

On 1 September 2011, the plaintiffs' trademark and unfair competition claims were dismissed with prejudice on the ground that the plaintiffs lacked standing to bring these claims in the name of the Russian Federation. Because he dismissed the federal trademark claims, the judge declined to exercise jurisdiction over the remaining common law misappropriation claim and thus he dismissed that claim without prejudice to the plaintiffs refiling that claim in a state court.

The District Court having entered judgment on 8 September 2011, the plaintiffs filed a notice of appeal in October 2011.

On 5 August 2013, the Court of Appeals confirmed that the plaintiffs lacked standing to bring claims in the name of the Russian Federation and dismissed their Third Amended Complaint. The plaintiffs have until 4 November 2013 to petition for the decision to be reviewed by the United States Supreme Court.

Commercial disputes

Claim brought by the Republic of Colombia against Pernod Ricard, Seagram and Diageo

The Republic of Colombia, as well as several Colombian regional departments, brought a lawsuit in October 2004 before the United States District Court for the Eastern District of New York against Pernod Ricard SA, Pernod Ricard USA LLC, Diageo Plc, Diageo North America Inc., United Distillers Manufacturing Inc., IDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiffs' claims are that these companies have committed an act of unfair competition against the Colombian government and its regional departments (which hold a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution channels and by receiving payments from companies involved in money laundering. Pernod Ricard contests these claims.

The defendants moved to dismiss the lawsuit on a variety of grounds, including that the Court is not competent to hear this dispute, that Colombia is a more convenient forum, and that the complaint fails to state a legal claim. In June 2007, the District Court granted in part and denied in part the defendants' motions to dismiss.

In January 2008, the Second Circuit Court of Appeals refused to review the District Court's decision.

After a period of discovery regarding the plaintiffs' claims that were not dismissed, in March 2011 Pernod Ricard filed a new motion to dismiss based on recent case law regarding the extraterritorial application of the "RICO" law. The discovery has been stayed in its entirety until the Court rules on this motion.

In September 2009, Pernod Ricard and Diageo, in exchange for a payment of US\$10 million made to each of Diageo and Pernod Ricard, released Vivendi SA and Vivendi I Corp. from any obligation to indemnify Pernod Ricard and Diageo for certain Colombia litigation losses based on conduct of Seagram that pre-dates its acquisition by Pernod Ricard and Diageo.

On 8 November 2012, the Plaintiffs voluntarily dismissed all their remaining claims without prejudice, and the Court so ordered. Pernod Ricard will continue to work with Colombian Regional Departments in a cooperative effort to fight against smuggling and counterfeit products and to promote competitive markets that benefit consumers and producers alike.

Customs duties in India

Pernod Ricard India (P) Ltd has an ongoing dispute with Indian Customs over the declared transaction value of concentrates of alcoholic beverages (CAB) imported into India. Customs are challenging the transaction values, arguing that some competitors used different values for the import of similar goods. This matter was ruled on by the Supreme Court which issued an order in July 2010, setting out the principles applicable for the determination of values which should be taken into account for the calculation of duty. Pernod Ricard India (P) Ltd has already paid the corresponding amounts up to 2001. Even for the subsequent period up to December 2010 the Company has deposited almost the entire differential duty as determined by customs although the values adopted by them are being disputed as being on the higher side. The Company continues to actively work with the authorities to resolve pending issues.

The above-mentioned disputes are only the subject of provisions, which, where appropriate, are recorded in Other provisions for contingencies and charges (see Note 4.7), when it is likely that a current liability stemming from a past event will require the payment of an amount which can be reliably estimated. The amount of the provision is the best estimate of the outflow of resources required to extinguish this liability.

NOTE 6.5 - RELATED PARTIES

Transactions with associates and joint ventures were immaterial in the year ended 30 June 2013.

The compensation paid to Company Directors and Executive Committee (COMEX) members in return for their services to the Group is detailed below:

| <i>In euro million</i> | 30.06.2012 | 30.06.2013 |
|---|------------|------------|
| Board of Directors ⁽¹⁾ | 1 | 1 |
| Group Executive Committee | | |
| ■ Short-term benefits | 15 | 16 |
| ■ Post-employment benefits | 5 | 6 |
| ■ Share-based payments ⁽²⁾ | 2 | 2 |
| TOTAL EXPENSES RECOGNISED FOR THE YEAR | 23 | 25 |

(1) Directors' fees.

(2) The cost of stock option plans is the fair value of the options granted to Group Executive Committee members, and is recognised in the income statement over the vesting period of the options for plans 24.06.2010 to 27.06.2012.

NOTE 6.6 - POST-BALANCE SHEET EVENTS

None.

NOTE 7
SCOPE OF CONSOLIDATION
NOTE 7.1 - SCOPE OF CONSOLIDATION

The main changes to Group's scope of consolidation at 30 June 2013 are presented above in Note 1.2 – *Highlights of the financial year*.

NOTE 7.2 - LIST OF MAIN CONSOLIDATED COMPANIES

| Incorporated bodies | Country | % holding at 30.06.2012 | % holding at 30.06.2013 | Consolidation method |
|--|----------------|----------------------------|----------------------------|----------------------|
| Pernod Ricard SA | France | Parent Company | Parent Company | |
| Pernod Ricard Finance SA | France | 100 | 100 | F.C. |
| Ricard SA | France | 100 | 100 | F.C. |
| Pernod SA | France | 100 | 100 | F.C. |
| Société des Produits d'Armagnac SA | France | 100 | 100 | F.C. |
| Société Lillet Frères | France | 100 | 100 | F.C. |
| Spirits Partners SAS | France | 100 | 100 | F.C. |
| Pernod Ricard Europe SA | France | 100 | 100 | F.C. |
| La Casa dels Licors SL | Andorra | 100 | 100 | F.C. |
| Yerevan Brandy Company | Armenia | 100 | 100 | F.C. |
| Pernod Ricard Austria GmbH | Austria | 100 | 100 | F.C. |
| Pernod Ricard Belgium SA | Belgium | 100 | 100 | F.C. |
| Pernod Ricard Bulgaria EOOD | Bulgaria | 100 | 100 | F.C. |
| Jan Becher - karlovarska bechervka, A.S. | Czech Republic | 100 | 100 | F.C. |
| Pernod Ricard Denmark A/S | Denmark | 100 | 100 | F.C. |
| Pernod Ricard Finland OY | Finland | 100 | 100 | F.C. |
| Tinville SAS | France | 100 | 100 | F.C. |
| Pernod Ricard Deutschland GmbH | Germany | 100 | 100 | F.C. |
| Pernod Ricard Hellas abee | Greece | 100 | 100 | F.C. |
| Pernod Ricard Hungary Ltd | Hungary | 100 | 100 | F.C. |
| Comrie Ltd | Ireland | 100 | 100 | F.C. |
| Pernod Ricard Italia SPA | Italy | 100 | 100 | F.C. |
| Pernod Ricard Kazakhstan | Kazakhstan | 100 | 100 | F.C. |
| Pernod Ricard Nederland BV | Netherlands | 100 | 100 | F.C. |
| AS Premium Brands Norway | Norway | 100 | 100 | F.C. |
| Pernod Ricard Norway AS | Norway | 100 | 100 | F.C. |
| Pernod Ricard Portugal - Distribuição, S. A. | Portugal | 100 | 100 | F.C. |
| Pernod Ricard Romania SRL | Romania | 100 | 100 | F.C. |
| Pernod Ricard Rouss CJSC | Russia | 100 | 100 | F.C. |
| Pernod Ricard Slovenija d.o.o. | Slovenia | 100 | 100 | F.C. |
| Pernod Ricard South Africa PTY Ltd** | South Africa | 100 | 100 | F.C. |
| Pernod Ricard Espana | Spain | 100 | 100 | F.C. |
| Pernod Ricard Sweden AB | Sweden | 100 | 100 | F.C. |
| Pernod Ricard Swiss SA | Switzerland | 100 | 100 | F.C. |

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the annual consolidated financial statements

| Incorporated bodies | Country | % holding at 30.06.2012 | % holding at 30.06.2013 | Consolidation method |
|---|-----------------------|----------------------------|----------------------------|----------------------|
| Allied Domecq Ic ve Dis Ticaret Ltd. Sti. | Turkey | 100 | 100 | F.C. |
| Pernod Ricard Ukraine | Ukraine | 100 | 100 | F.C. |
| Pernod Ricard UK Ltd** | United Kingdom | 100 | 100 | F.C. |
| World Brands Duty Free Ltd | United Kingdom | 100 | 100 | F.C. |
| Pernod Ricard Argentina S.R.L. | Argentina | 100 | 100 | F.C. |
| Pernod Ricard Brasil Indústria e Comércio Ltda. | Brazil | 100 | 100 | F.C. |
| Corby Distilleries Limited* | Canada | 45.76 | 45.76 | F.C. |
| Hiram Walker & Sons Limited | Canada | 100 | 100 | F.C. |
| Pernod Ricard Canada ltee | Canada | 100 | 100 | F.C. |
| Pernod Ricard Chile SA | Chile | 100 | 100 | F.C. |
| Pernod Ricard Colombia S.A. | Colombia | 100 | 100 | F.C. |
| Pernod Ricard Dominicana, S.A. | Dominican Republic | 100 | 100 | F.C. |
| Pernod Ricard Central and South America SAS | France | 100 | 100 | F.C. |
| Pernod Ricard North America SAS | France | 100 | 100 | F.C. |
| Industrias Vinícolas Pedro Domecq SA de CV | Mexico | 100 | 100 | F.C. |
| Pernod Ricard Mexico S.A. de C.V. | Mexico | 100 | 100 | F.C. |
| Pernod Ricard Peru S.A. | Peru | 100 | 100 | F.C. |
| Pernod Ricard Americas Travel Retail LLC | United States | 100 | 100 | F.C. |
| Austin, Nichols & Co., Inc. | United States | 100 | 100 | F.C. |
| Pernod Ricard Usa, LLC | United States | 100 | 100 | F.C. |
| Pernod Ricard Usa Bottling, LLC | United States | 100 | 100 | F.C. |
| Pernod Ricard Uruguay S.A. | Uruguay | 100 | 100 | F.C. |
| Pransur SA | Uruguay | 100 | 100 | F.C. |
| Pernod Ricard Venezuela C.A. | Venezuela | 100 | 100 | F.C. |
| Pernod Ricard Margarita C.A. | Venezuela | 100 | 100 | F.C. |
| Pernod Ricard Asia SAS | France | 100 | 100 | F.C. |
| Pernod Ricard (China) Trading Co., Ltd | China | 100 | 100 | F.C. |
| Allied Domecq Spirits & Wine (China) Ltd | Hong Kong | 100 | 100 | F.C. |
| Pernod Ricard Asia Duty Free Ltd | Hong Kong | 100 | 100 | F.C. |
| Pernod Ricard Hong Kong Ltd | Hong Kong | 100 | 100 | F.C. |
| Pernod Ricard India Private Limited | India | 100 | 100 | F.C. |
| Pernod Ricard Japan KK | Japan | 100 | 100 | F.C. |
| Pernod Ricard Korea Imperial Company Ltd | South Korea | 100 | 100 | F.C. |
| Pernod Ricard Korea Ltd | South Korea | 100 | 100 | F.C. |
| Pernod Ricard Malaysia SDN BHD | Malaysia | 100 | 100 | F.C. |
| Peri Mauritius | Mauritius | 100 | 100 | F.C. |
| Pernod Ricard Singapore PTE Ltd | Singapore | 100 | 100 | F.C. |
| Pernod Ricard Taiwan Ltd | Taiwan | 100 | 100 | F.C. |
| Pernod Ricard Thailand Ltd | Thailand | 100 | 100 | F.C. |
| Pernod Ricard Vietnam Company Limited | Vietnam | 100 | 100 | F.C. |
| The Absolut Company AB | Sweden | 100 | 100 | F.C. |
| Distilled Innovation AB | Sweden | N/A | 100 | F.C. |
| Havana Club International SA | Cuba | 50 | 50 | F.C. |
| Chivas Brothers (Americas) Ltd | United Kingdom | 100 | 100 | F.C. |
| Chivas Brothers (Europe) Ltd | United Kingdom | 100 | 100 | F.C. |
| Chivas Brothers (Holdings) Ltd** | United Kingdom | 100 | 100 | F.C. |
| Chivas Brothers (Japan) Ltd | United Kingdom | 100 | 100 | F.C. |

| Incorporated bodies | Country | % holding at 30.06.2012 | % holding at 30.06.2013 | Consolidation method |
|--|----------------|----------------------------|----------------------------|----------------------|
| Chivas Brothers Ltd** | United Kingdom | 100 | 100 | F.C. |
| Chivas Brothers Pernod Ricard | United Kingdom | 100 | 100 | F.C. |
| Chivas Holdings (IP) Limited | United Kingdom | 100 | 100 | F.C. |
| Chivas Investments Limited | United Kingdom | 100 | 100 | F.C. |
| V&S Plymouth Limited | United Kingdom | 100 | 100 | F.C. |
| Irish Distillers Ltd | Ireland | 100 | 100 | F.C. |
| Edward Dillon (Bonders) Ltd | United Kingdom | 100 | 100 | F.C. |
| Watercourse Distillery Ltd | Ireland | 100 | 100 | F.C. |
| Dillon Bass Ltd | United Kingdom | 74 | 74 | F.C. |
| V&S Polish Brands SP. z.o.o. | Poland | 100 | 100 | F.C. |
| V&S Luksusowa Zielona Góra SA | Poland | 100 | 100 | F.C. |
| Agros Holding SA | Poland | 100 | 100 | F.C. |
| Wyborowa S.A. | Poland | 100 | 100 | F.C. |
| Augier Robin Briand & Co SAS | France | 100 | 100 | F.C. |
| Martell & Co SA | France | 100 | 100 | F.C. |
| Martell Mumm Perrier-Jouët | France | 100 | 100 | F.C. |
| Domaines Jean Martell | France | 100 | 100 | F.C. |
| Le Maine au Bois | France | N/A | 100 | F.C. |
| Champagne Perrier-Jouët | France | 100 | 100 | F.C. |
| Financière Moulins de Champagne | France | 100 | 100 | F.C. |
| G.H. Mumm & Cie S.V.C.S. | France | 100 | 100 | F.C. |
| Mumm Perrier-Jouët Vignobles et Recherches | France | 100 | 100 | F.C. |
| Théodore Legras | France | 99.5 | 99.5 | F.C. |
| Domecq Wines Espana, S.A. | Spain | 98.46 | 98.46 | F.C. |
| Domecq Bodegas, S.L.U. | Spain | 98.46 | 98.46 | F.C. |
| Premium Wine Brands PTY Ltd | Australia | 100 | 100 | F.C. |
| Pernod Ricard New Zealand Limited | New Zealand | 100 | 100 | F.C. |
| Les Résidences de Cavalière SARL | France | 100 | 100 | F.C. |
| Allied Domecq International Holdings B.V. | Netherlands | 100 | 100 | F.C. |
| Allied Domecq (Holdings) Limited** | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Pensions Limited | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Financial Services Limited | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Limited | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Medical Expenses Trust Limited | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Overseas (Europe) Limited | United Kingdom | 100 | 100 | F.C. |
| Pernod Ricard UK Holdings Limited | United Kingdom | 100 | 100 | F.C. |
| Allied Domecq Spirits & Wine Limited | United Kingdom | 100 | 100 | F.C. |
| Goal Acquisitions (Holdings) Ltd | United Kingdom | 100 | 100 | F.C. |
| Goal Acquisitions Ltd | United Kingdom | 100 | 100 | F.C. |
| PR Goal 3 Ltd | United Kingdom | 100 | 100 | F.C. |

* Corby Distilleries Limited is consolidated using the full consolidation method because of the Group's majority control in respect of this Company.

** Incorporated bodies with subsidiaries or who themselves are members of UK partnerships.

In accordance with Regulation 7 of The Partnership (Accounts) Regulations 2008, annual partnership accounts have not been prepared as the UK partnerships are consolidated within the Pernod Ricard group annual consolidated financial statements.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the financial year ended 30 June 2013, on:

- the audit of the accompanying consolidated financial statements of Pernod Ricard;
- the basis for our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit so as to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and information disclosed in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities as well as of the financial position of the Group and of the results of its operations for the year ended on 30 June 2013, in accordance with International Financial Reporting Standards as adopted by the European Union.

II - BASIS OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- goodwill and brands are subject to an impairment test at least once a year and whenever there is an indication that their value may have been impaired, in accordance with the principles and methods detailed in notes 1.1.5, 1.1.7 and 1.1.9 to the consolidated financial statements. We assessed the data and assumptions on which the estimates are based, particularly the cash flow forecasts used, reviewed the calculations performed by the Company, evaluated the principles and methods used to determine fair values, compared the accounting estimates made in prior years with corresponding outcomes and verified that Note 4.1 to the consolidated financial statements gives appropriate information;
- the Company has recorded provisions for pensions and other postemployment benefits, deferred tax liabilities and others contingencies, as described in Note 1.1.5 to the consolidated financial statements. We have assessed the basis on which these provisions were recognized and reviewed the disclosures concerning risks in Notes 3.3 and 4.7 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to our opinion expressed in the first part of this report.

III - SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PERNOD RICARD SA FINANCIAL STATEMENTS

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PERNOD RICARD SA INCOME STATEMENT

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2012 AND 30 JUNE 2013

| <i>In euro thousand</i> | 30.06.2012 | 30.06.2013 |
|---|--------------------|------------------|
| Royalties | 35,989 | 31,068 |
| Other income | 43,758 | 57,507 |
| Reversals of financial provisions and expense transfers | 5,118 | 5,925 |
| OPERATING INCOME | 84,865 | 94,499 |
| Purchases of goods and supplies not for stock and external services | (113,481) | (123,140) |
| Duties and taxes | (4,441) | (5,544) |
| Personnel expenses | (50,507) | (79,464) |
| Depreciation, amortisation and provision charges | (7,583) | (11,558) |
| Other expenses | (4,449) | (5,075) |
| OPERATING EXPENSES | (180,460) | (224,780) |
| Operating profit (loss) | (95,595) | (130,281) |
| Income from investments | 636,478 | 486,923 |
| Other interest and related income | 270,420 | 241,488 |
| Reversals of financial provisions and expense transfers | 123,616 | 202,680 |
| Translation gains | 104,198 | 75,189 |
| FINANCIAL INCOME | 1,134,711 | 1,006,279 |
| Provision charges | (164,812) | (165,152) |
| Interest and related expenses | (642,693) | (606,781) |
| Translation losses | (311,843) | (90,979) |
| FINANCIAL EXPENSES | (1,119,348) | (862,913) |
| Interest (expense) income | 15,363 | 143,367 |
| Profit (loss) from continuing operations | (80,232) | 13,086 |
| Exceptional items | (20,850) | 68,858 |
| Net profit/loss before income tax | (101,082) | 81,944 |
| Corporate income tax | 152,497 | 299,025 |
| PROFIT FOR THE FINANCIAL YEAR | 51,415 | 380,969 |

PERNOD RICARD SA BALANCE SHEET

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2012 AND 30 JUNE 2013

Assets

| <i>In euro thousand</i> | Net value 30.06.2012 | Gross value 30.06.2013 | Depreciation, amortisation & provisions | Net value 30.06.2013 | Notes |
|---|-------------------------|---------------------------|---|-------------------------|---------|
| Concessions, patents and licences | 32,761 | 33,052 | (31) | 33,020 | |
| Other intangible assets | 2,372 | 18,986 | (13,431) | 5,555 | |
| Advances and down-payments | 4,119 | 5,232 | - | 5,232 | |
| Intangible assets | 39,252 | 57,270 | (13,462) | 43,807 | 2 |
| Land | 948 | 587 | - | 587 | |
| Buildings | 733 | 504 | (177) | 327 | |
| Machinery & equipment | 133 | 228 | (113) | 115 | |
| Other property, plant and equipment | 3,890 | 11,900 | (7,205) | 4,695 | |
| Advances and down-payments | 262 | 845 | - | 845 | |
| Property, plant and equipment | 5,967 | 14,063 | (7,495) | 6,567 | |
| Investments | 12,095,244 | 12,151,404 | (50,964) | 12,100,440 | 3 |
| Loans and advances to subsidiaries and associates | 163,380 | 57,105 | - | 57,105 | 3 and 4 |
| Other financial assets | 12,006 | 7,851 | - | 7,851 | 3 and 4 |
| Financial assets | 12,270,631 | 12,216,361 | (50,964) | 12,165,396 | 3 |
| TOTAL FIXED ASSETS | 12,315,849 | 12,287,693 | (71,922) | 12,215,771 | |
| Advances and supplier prepayments | 640 | 401 | - | 401 | 4 |
| Trade receivables | 36,011 | 32,236 | (131) | 32,105 | |
| Other receivables | 2,122,138 | 1,975,855 | (2,954) | 1,972,901 | |
| Receivables | 2,158,149 | 2,008,091 | (3,085) | 2,005,005 | 4 |
| Marketable securities | 164,859 | 135,260 | - | 135,260 | 5 |
| Cash | 215,343 | 145,301 | - | 145,301 | |
| Prepaid expenses | 40,433 | 28,469 | - | 28,469 | 6 |
| TOTAL CURRENT ASSETS | 2,579,424 | 2,317,523 | (3,085) | 2,314,438 | |
| Bond redemption premiums | 27,073 | 23,574 | - | 23,574 | 6 |
| Currency translation adjustment – Assets | 245,309 | 136,352 | - | 136,352 | 6 |
| TOTAL ASSETS | 15,167,656 | 14,765,142 | (75,007) | 14,690,135 | |

Pernod Ricard SA balance sheet

Liabilities and shareholders' equity

| <i>In euro thousand</i> | 30.06.2012 | 30.06.2013 | Notes |
|--|------------|------------|----------|
| Share capital | 411,231 | 411,403 | 7 |
| Share premiums | 3,036,047 | 3,039,030 | |
| Legal reserves | 41,032 | 41,123 | |
| Regulated reserves | 179,559 | 179,559 | |
| Other reserves | 195,013 | 195,013 | |
| Reserves | 415,603 | 415,695 | |
| Retained earnings | 923,608 | 559,065 | |
| Profit for the financial year | 51,415 | 380,969 | |
| Interim dividends | (191,024) | (209,683) | |
| TOTAL SHAREHOLDERS' EQUITY | 4,646,881 | 4,596,478 | 8 |
| Provisions for contingencies and charges | 364,785 | 342,839 | 9 |
| Bonds | 7,827,435 | 7,669,141 | 4 and 13 |
| Bank debt | 439,147 | 152,243 | 4 and 14 |
| Other debt | 741,245 | 741,303 | 4 |
| Debt | 9,007,827 | 8,562,687 | |
| Trade payables | 45,934 | 53,676 | |
| Taxes and social security | 25,230 | 51,968 | |
| Amounts due on non-current assets and related accounts | 1,380 | 414 | |
| Other payables | 455,285 | 574,345 | |
| Trade and other accounts payable | 527,828 | 680,404 | 4 |
| Deferred income | 47,195 | 29,655 | 4 and 11 |
| TOTAL LIABILITIES | 9,582,850 | 9,615,585 | |
| Currency translation adjustment – Liabilities | 573,139 | 478,072 | 11 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 15,167,656 | 14,690,135 | |

PERNOD RICARD SA CASH FLOW STATEMENT

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2012 AND 30 JUNE 2013

| <i>In euro thousand</i> | 30.06.2012 | 30.06.2013 |
|---|------------------|------------------|
| Operating activities | | |
| Net profit | 51,415 | 380,969 |
| Net depreciation, amortisation and provision charges | 5,679 | (74,181) |
| Changes in provisions | 62,847 | (21,877) |
| Net (gain)/loss on disposal of assets and other items | - | 32,601 |
| Self-financing capacity | 119,941 | 317,512 |
| Decrease/(increase) in working capital needs | (30,651) | (47,972) |
| Net debt from operating activities | 89,290 | 269,540 |
| Investing activities | | |
| Capital expenditure (net of disposals) | (7,152) | 24,223 |
| Purchases of financial assets net of disposals (net of disposals) | (161,944) | 116,468 |
| Net debt from investment activities | (169,096) | 140,691 |
| Financing activities | | |
| Long-term and medium-term bond issue | 3,287,528 | (151,258) |
| Loans and medium-term and long-term debt | (1,395,662) | (277,998) |
| Other changes in shareholders' equity | 15,918 | 3,155 |
| Dividends paid | (378,185) | (415,866) |
| Net debt from financing activities | 1,529,599 | (841,967) |
| Short-term net debt | 1,449,793 | (431,737) |
| Short-term net debt at the beginning of the year | (1,238,034) | 211,755 |
| Short-term net debt at the end of the year | 211,755 | (219,982) |

Note: presentation of cash flow statement

Changes in net debt comprise changes in both debt and cash and cash equivalents.

Net debt breaks down as follows:

| <i>In euro thousand</i> | 30.06.2012 | 30.06.2013 |
|--|--------------------|--------------------|
| Loans and long-term debts | (11,148) | (2,243) |
| Bonds | (146,379) | (142,841) |
| Net balance on current account with Pernod Ricard Finance | (10,920) | (355,459) |
| Marketable securities | 164,859 | 135,260 |
| Cash | 215,343 | 145,301 |
| SHORT-TERM NET DEBT AT THE END OF THE YEAR | 211,755 | (219,982) |
| Bonds | (7,681,056) | (7,526,300) |
| Loans and long-term debts | (427,998) | (150,000) |
| Pernod Ricard Finance loan | (740,860) | (740,860) |
| MEDIUM-TERM AND LONG-TERM NET DEBT AT THE END OF THE YEAR | (8,849,914) | (8,417,160) |
| TOTAL NET DEBT AT THE END OF THE YEAR | (8,638,159) | (8,637,142) |

ANALYSIS OF PERNOD RICARD SA RESULTS

RELATIONS BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in the areas of strategy, financial control of subsidiaries, external growth, marketing, development, research, Human Resources and communication. Pernod Ricard SA's financial relations with its subsidiaries mainly involve billing of royalties for the operation of brands owned by Pernod Ricard SA, rebilling for research services relating to product innovation, and receipt of dividends.

HIGHLIGHTS OF THE FINANCIAL YEAR

1. Asset disposals

On 6 July, 2012, Pernod Ricard SA signed an agreement to sell the Solférino building (2 and 2bis rue de Solférino in Paris). This building housed Pernod Ricard Europe's registered office until March 2012. The sale was completed on 28 September 2012.

On 26 April 2013, Pernod Ricard SA disposed of Compagnie Financière des Produits Orangina (CFPO). This company was fully owned by Pernod Ricard SA. The transaction comprised two parts. Firstly, CFPO purchased 99% of its shares from Pernod Ricard SA for €11 million. Pernod Ricard SA then sold its remaining stake in CFPO (1%) to Schweppes International Limited for €0.3 million.

2. Asset acquisitions

On 7 January 2013, Polairen Trading Ltd, Populous Trading Ltd and Sankaty Trading Ltd transferred 37% of Agros shares to Pernod Ricard SA. These shares were recorded as assets on the Company's balance sheet, with a value of €13.6 million. This asset distribution formed part of liquidation operations being carried out by these three companies. Previously, Pernod Ricard SA held 63% of Agros' shares. Following this asset distribution, it owns all of Agros' share capital. At 30 June 2013, the equity securities of the three liquidated companies were removed from Pernod Ricard SA's portfolio at their net carrying amount, i.e. €12.9 million.

3. Legal restructuring

On 28 June 2013, Lina 3 absorbed the companies Lina 6 and Lina 11. These three companies were fully owned by Pernod Ricard SA. These mergers were carried out as part of a plan to simplify the Group's legal structure. The terms and conditions of the merger agreement were drawn up by the parties based on their financial statements closed on 30 June 2012, which were approved by the sole shareholder of the merged companies and the acquiring company on 7 November 2012. The net carrying amount of the equity securities of Lina 3 amounted to €11.0 billion at 30 June 2013. At 30 June 2012, the net carrying amount of the three companies Lina 3, Lina 6 and Lina 11 came to the same amount.

4. Transfer of expatriate employees

On 1 July 2012, 117 expatriate employees were transferred to Pernod Ricard SA. These employees came from Pernod Ricard Europe (76 employees), Pernod Ricard North America (25 employees) and Pernod Ricard Asia (16 employees).

The personnel expenses generated are rebilled to these entities.

5. Repayment of the syndicated loan

On 25 April 2012, Pernod Ricard SA signed a new syndicated loan agreement for a revolving multi-currency credit line totalling €2.5 billion with a pool of 25 banks.

At 30 June 2012, it had drawn down from this credit facility US\$ 350.0 million, equivalent to €278.0 million. Pernod Ricard SA's drawdown related to the syndicated loan was fully repaid during the 2012/2013 financial year, following three successive payments of US\$ 50 million on 31 August 2012, US\$ 250 million on 28 September 2012, and finally US\$ 50 million on 30 November 2012.

6. Sale and repurchase agreements for Pernod Ricard shares

In relation to sale and repurchase agreements, Pernod Ricard resold 2,062,749 treasury shares, which had been purchased to cover the 2005, 2006, 2010 and 2011 stock option plans. At the end of these transactions, the shares held to cover these plans were transferred to two banks, although Pernod Ricard reserved the right through a repurchase clause to "cancel" the sale of these shares during the exercise of options, at the option exercise price. From a legal point of view, these transactions are viewed as sales carried out under a dissolving condition (exercise of the repurchase option); when the option is exercised, the initial sale is considered as never having taken place and it is deemed that the shares involved were the property of the assignor from the outset.

INCOME STATEMENT AND BALANCE SHEET AT 30 JUNE 2013

Analysis of the 2012/2013 income statement

Operating income of €94.5 million at 30 June 2013 was up €9.6 million compared with 30 June 2012, mainly due to amounts rebilled to subsidiaries.

Operating expenses were €(224.8) million at 30 June 2013, compared with €(180.5) million at 30 June 2012. The €44.3 million increase in operating expenses was mainly due to:

- the €(29) million increase in personnel expenses, mainly as a result of the arrival of 117 new expatriate employees;
- the €(9.7) million increase in purchases and external services. This was primarily attributable to the rise in marketing expenditure and fees;

- Pernod Ricard Europe's relocation to premises on Rue de l'Amiral d'Estaing in Paris, which cost €(4.3) million in rental charges and refurbishment work;
- depreciation and amortisation of intangible assets and provisions for retirement commitments in the amount of €(4.7) million.

An operating loss of €(130.3) million was recorded at 30 June 2013, representing a decrease of €34.7 million compared to June 2012 as a result of an increase in personnel expenses and the cost of external services, although these were partly offset by amounts rebilled to the Group.

Interest income was €143.4 million at 30 June 2013, compared to €15.4 million at 30 June 2012. This increase of €128.0 million was mainly attributable to:

- income from exchange rate transactions in 2012/2013 of €7.7 million, compared with an expense of €(230.6) million the previous year. This positive forex impact of €238.3 million was due to fluctuations in the dollar and related to the early repayment of the syndicated loan in the previous year;
- the €70.8 million decrease in expenses related to stock option and bonus share plans. This decrease was mainly attributable to the absence of any new share allocation plans during the year;
- an increase in financial interest income of €10.7 million due to fluctuations in the dollar on the Austin Nichols' as loan;
- the decrease in dividends received from subsidiaries, in the amount of €(149.6) million;
- an increase in other financial expenses of €(42.1) million, mainly caused by provisions for shares in Agros and CFPO.

Operating result before tax amounted to a profit of €13.1 million.

At 30 June 2013, exceptional items represented income of €68.9 million, mainly arising from transactions on the shares of Agros, CFPO and Résidences de Cavalière and the sale of the building on Rue de Solférimo.

Finally, the income tax item is made up of:

- a gain of €312.1 million due to the effects of tax consolidation;
- an expense of €(13.0) million corresponding to the additional contribution of 3% on distributed dividends. The French second amending finance law of 2012 instigated a contribution of 3% on dividends paid out to shareholders, applicable to amounts distributed that were paid after 17 August 2012. The contribution relating to the dividends approved at the Shareholders' Meeting of 9 November 2012 was thus €(6.8) million and the contribution relating to the interim dividend approved at the Board of Directors' meeting on 19 June 2013 was €(6.2) million.

As a result, net profit for financial year 2012/2013 was €381 million.

Analysis of the 2012/2013 balance sheet

Assets

Total net fixed assets stood at €12,215.8 million, compared with €12,315.8 million the previous financial year. This fall of €100.1 million was attributable to the receipt in December 2012 of Lina 5's interim dividend in respect of 2011/2012.

Current assets decreased by €265.0 million during the year.

The main movements include:

- a €3.9 million decrease in the Customers item;
- Group receivables, which also fell, in the amount of €157.7 million;
- a €29.6 million decrease in marketable securities, due mainly to the exercise of stock options;
- a €70 million reduction in the Cash item generated by cash instruments (currency derivatives).

Prepaid expenses and deferred charges, amounting to €159.9 million, mainly comprise Translation adjustment, which fell due to the effects of the revaluation of the exchange rate for receivables and payables denominated mainly in US dollars.

Liabilities and shareholders' equity

Shareholders' equity stood at €4,596.5 million, compared with €4,646.9 million at 30 June 2012. The main movements for the period were:

- profit for the financial year of €381 million;
- the exercise of stock options having an impact of €3.2 million on the share capital and share premium account;
- the payment of the balance of the dividend for 2011/2012 of €226.6 million;
- the payment of an interim dividend of €0.79 per share in respect of 2012/2013, amounting to €209.7 million. The interim dividend was paid on 5 July 2013.

Provisions for contingencies and charges fell by €21.9 million. This change was attributable to:

- a reduction of €23.4 million in the provision for currency losses (dollar impact);
- a reduction of €11 million in provisions on bonus shares and stock options, due mainly to the maturity of the 2010 bonus share allocation plan for resident employees;
- a €12.4 million increase in provisions for retirement commitments and medical expenses following the transfer of expatriate employees.

During the period, the decrease in debt of €292.6 million was mainly attributable to:

- a reduction in financial debt of €445.1 million following the repayment of the syndicated loan in the amount of €278 million and bonds for €158 million;
- an increase in operating payables (trade payables, taxes and social security), amounting to €34.0 million;
- an increase of €118.1 million, due mainly to the €97.6 million increase in the Pernod Ricard Finance loan account.

Prepaid expenses and deferred charges, amounting to €478.1 million, mainly comprise translation adjustments, which fell due to the effects of the revaluation of the exchange rate for receivables and payables denominated mainly in US dollars.

NOTES TO THE PERNOD RICARD SA FINANCIAL STATEMENTS

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Pernod Ricard SA is a French public limited company (*Société Anonyme*), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 12 place des États-Unis, 75116 Paris, and is listed on the Paris Stock Exchange.

The balance sheet total for the financial year ended 30 June 2013 was €14,690,135,270.40. The income statement records a profit for the year of €380,968,584.80. The financial year covered the 12-month period from 1 July 2012 to 30 June 2013.

NOTE 1 - ACCOUNTING POLICIES

The annual financial statements for 2012/2013 were prepared in accordance with the provisions of CRC regulation 99.03 of 29 April 1999 relating to the revised French General Accounting Standards and the new accounting rules CRC 2002-10 on assets, as amended by CRC regulations 2003-07 and 2004-06. General accounting principles were applied, in accordance with the prudence principle, using certain assumptions whose objective is to provide a true and fair view of the Company. These assumptions are:

- going concern;
- consistency of accounting policies from one financial year to the next;
- accruals basis of accounting.

Balance sheet assets and liabilities are measured, depending on the specific items, at their historical cost, contribution cost or market value.

1. Intangible assets

The brands acquired from the merger of Pernod and Ricard in 1975 and from subsequent mergers are the Company's main intangible assets.

Intangible assets are valued at acquisition cost.

2. Property, plant and equipment

Property, plant and equipment is recognised at acquisition cost (purchase price plus ancillary costs but not including acquisition fees). Depreciation is calculated using the straight-line or reducing balance methods, on the basis of the estimated useful lives of the assets:

- buildings between 20 and 50 years (straight-line);
- fixtures and fittings: 10 years (straight-line);
- machinery and equipment: 5 years (straight-line);
- office furniture and equipment: 10 years (straight-line) or 4 years (reducing balance).

3. Financial assets

The gross value of investments is composed of their acquisition cost, excluding ancillary costs, increased by the impact of legal revaluations where applicable.

If the value in use of the investments is lower than their net carrying amount, a provision for impairment is recognised for the difference.

Value in use is determined based on multi-criteria analysis, taking into account the share of the subsidiary shareholders' equity that the investment represents, the value based on dividend yield and the financial and economic potential of the subsidiary, with particular reference being made to the market value of its net assets.

The treasury shares item includes own shares held by Pernod Ricard SA which are available to be awarded to employees.

4. Receivables

Receivables are recognised at their nominal value. A provision is recognised in the event that their value at the balance sheet date falls below the net carrying amount.

5. Marketable securities

This item includes treasury shares acquired for the allocation of stock option plans from the time of acquisition.

A liability is recognised when it becomes probable that the rights to receive the securities concerned under the plans will be exercised. For other marketable securities, an impairment provision is taken when the cost price is higher than the market price.

6. Provisions for contingencies and charges

Provisions for contingencies and charges are recognised in accordance with French accounting regulation 2000-06 on liabilities, issued on 7 December 2000 by the French Accounting Regulatory Committee (CRC).

This accounting regulation provides that a liability is recognised when an entity has an obligation towards a third party and that it is probable or certain that this obligation will cause an outflow of resources to the third party without equivalent consideration being received. A present obligation must exist at the balance sheet date for a provision to be recognised.

7. Translation of foreign currency denominated items

Payables, receivables and cash balances denominated in foreign currencies are translated into euro as follows:

- translation of all payables, receivables and cash balances denominated in foreign currencies at year-end rates;
- recognition of differences compared to the amounts at which these items were initially recognised as translation adjustment assets or liabilities in the balance sheet;
- recognition of a provision for any unrealised currency losses, after taking into account the effect of any offsetting foreign exchange hedge transactions.

8. Derivative financial instruments

Differences arising from changes in the value of financial instruments used as hedges are recognised in profit and loss in a manner symmetrical to the manner in which income and expenses relating to the hedged item are recognised.

9. Corporate income tax

Pernod Ricard SA is subject to the French tax consolidation system defined by the law of 31 December 1987. Under certain conditions, this system allows income taxes payable by profitable companies to be offset against tax losses of other companies. The scheme is governed by articles 223 A *et seq.* of the French Tax Code.

Each company in the tax group calculates and accounts for its tax expense as if it were taxed as a standalone entity.

The effects of tax consolidation are recognised in the Pernod Ricard SA financial statements.

NOTE 2 - INTANGIBLE ASSETS

1. Gross value

| <i>In euro thousand</i> | At 01.07.2012 | Acquisitions | Disposals | At 30.06.2013 |
|---|---------------|---------------|-----------------|---------------|
| Brands | 32,560 | - | - | 32,560 |
| Brand costs | 209 | 283 | - | 492 |
| Software | 13,097 | 5,889 | - | 18,986 |
| Advances and down-payments on intangible assets | 4,119 | 11,185 | (10,072) | 5,232 |
| TOTAL | 49,984 | 17,357 | (10,072) | 57,270 |

2. Amortisation

| <i>In euro thousand</i> | At 01.07.2012 | Amortisation | Reversals | At 30.06.2013 |
|-------------------------|-----------------|----------------|-----------|-----------------|
| Brands | - | - | - | - |
| Brand costs | (7) | (24) | - | (31) |
| Software | (10,725) | (2,706) | - | (13,431) |
| TOTAL | (10,732) | (2,730) | - | (13,462) |

NOTE 3 - FINANCIAL ASSETS

1. Gross value

| <i>In euro thousand</i> | At 01.07.2012 | Acquisitions | Capital transaction | Disposals | At 30.06.2013 |
|---|-------------------|--------------|---------------------|--------------------|-------------------|
| Investments in consolidated entities | 12,203,477 | - | 7,177,734 | (7,247,281) | 12,133,931 |
| Investments in non-consolidated entities | 12,625 | - | - | (3,125) | 9,500 |
| Other investments | 7,973 | - | - | - | 7,973 |
| Advance on investments | - | - | - | - | - |
| Investments | 12,224,076 | - | 7,177,734 | (7,250,406) | 12,151,404 |
| Loans and advances to subsidiaries and associates | 163,380 | 3,968 | - | (110,243) | 57,105 |
| Loans | 20 | - | - | (20) | - |
| Guarantee deposits | 2,217 | 157 | - | (41) | 2,333 |
| Liquidity agreement | 5,005 | 35 | - | - | 5,039 |
| Treasury shares | 4,764 | 870 | - | (5,156) | 479 |
| TOTAL | 12,399,462 | 5,030 | 7,177,734 | (7,365,866) | 12,216,361 |

The change in the Investments in consolidated entities item was mainly due to:

- the merger of Lina 6 and Lina 11 with Lina 3. These companies were fully owned by Pernod Ricard SA. The gross value of the Lina 3 securities after the merger on 30 June 2013 is the same as the value of the Lina 3, Lina 6 and Lina 11 securities on 30 June 2012. As a reminder, the values of the Lina 6 and Lina 11 securities were €7,064.4 million and €96.6 million respectively, giving a total value of €7,161.0 million;
- the removal of the Polairen Trading Ltd, Populous Trading Ltd and Sankaty Trading Ltd securities in the amount of €(46.7) million, as a result of their liquidation, followed by the asset distribution to Pernod Ricard SA, corresponding to 37% of shares in Agros, i.e. €13.6 million;
- the removal of CFPO's securities in the amount of €(39.6) million following the disposal of the Company;
- the transfer of the Résidences de Cavalière securities from Investments in non-consolidated entities to Investments in consolidated entities in the amount of €3.1 million.

Treasury shares: the decrease arose from the allocation of shares to the 2012 stock option plan.

Loans and advances to subsidiaries and associates: The change was primarily due to the receipt of the Lina 5 interim dividend with respect to 2011/2012.

On 24 May 2012, Pernod Ricard SA put in place a 12-month liquidity agreement, effective from 1 June 2012, through Rothschild & Cie Banque. The agreement is tacitly renewable for subsequent periods of 12 months and complies with the AMAFI Code of Conduct, which was approved by the AMF in its decision of 24 March 2011. The sum of €5.0 million was allocated to the implementation of the liquidity agreement (no securities).

In accordance with article L. 225-210 of the French Commercial Code, Pernod Ricard SA holds reserves under liabilities on its balance sheet, in addition to the legal reserve, of an amount at least equal to the value of the all the shares it owns.

2. Provisions

| <i>In euro thousand</i> | At 01.07.2012 | Amortisation | Reversals | At 30.06.2013 |
|--|------------------|-------------------------|------------------------|-----------------|
| Investments in consolidated entities | (115,963) | (38,171) ⁽¹⁾ | 113,698 ⁽²⁾ | (40,436) |
| Investments in non-consolidated entities | (5,515) | - | 2,151 | (3,364) |
| Other investments | (7,354) | (4,744) | 4,934 | (7,164) |
| Advance on investments | - | - | - | - |
| Investments | (128,831) | (42,915) | 120,782 | (50,964) |
| Treasury shares | - | - | - | - |
| TOTAL | (128,831) | (42,915) | 120,782 | (50,964) |

(1) Change due to the transfer of the provisions for shares in Résidences de Cavalière from Investments in non-consolidated entities to Investments in consolidated entities, in the amount of €2.2 million, and the provisions for shares in Agros, in the amount of €36 million.

(2) Change due to the reversal of provisions for shares in Polairen Trading Ltd, Populous Trading Ltd and Sankaty Trading Ltd following their removal, in the amount of €33.8 million, the reversal of provisions for shares in Agros for €51.3 million and the €28.6 million provision for shares in CFPO following its disposal.

NOTE 4 - MATURITY OF RECEIVABLES AND PAYABLES

1. Receivables

| <i>In euro thousand</i> | Gross amount | Due in one year or less | Due in more than one year |
|--|------------------|-------------------------|---------------------------|
| Loans and advances to subsidiaries and associates | 57,105 | 13,794 | 43,311 |
| Loans | 0 | - | 0 |
| Other financial assets | 7,851 | 5,518 | 2,333 |
| Receivables and other financial assets | 64,957 | 19,312 | 45,644 |
| Current assets other than marketable securities and cash | 2,008,491 | 260,319 | 1,748,173 |
| Prepaid expenses | 28,469 | 28,469 | - |
| TOTAL | 2,101,917 | 308,100 | 1,793,817 |

2. Liabilities

| <i>In euro thousand</i> | Gross amount | Due in one year or less | Due in one to five years | Due in more than five years |
|--|------------------|-------------------------|--------------------------|-----------------------------|
| Bonds | 7,669,141 | 692,841 | 3,803,517 | 3,172,783 |
| Bank debt | 152,243 | 2,243 | 150,000 | - |
| Other debt | 741,303 | 444 | 740,860 | - |
| Trade payables | 53,676 | 53,676 | - | - |
| Taxes and social security | 51,968 | 51,968 | - | - |
| Amounts due on non-current assets and related accounts | 414 | 414 | - | - |
| Other payables | 574,345 | 213,744 | 360,601 | - |
| Deferred income | 29,655 | 635 | 29,020 | - |
| TOTAL | 9,272,746 | 1,015,966 | 5,083,998 | 3,172,783 |

NOTE 5 - MARKETABLE SECURITIES

| <i>In euro thousand or in quantities</i> | At 01.07.2012 | | Acquisitions ⁽¹⁾ | | Capital transaction | | Reclassification | | Exercises/Disposals ⁽²⁾ | | At 30.06.2013 | |
|--|------------------|----------------|-----------------------------|---------------|---------------------|----------|------------------|--------------|------------------------------------|------------------|------------------|----------------|
| | Number | Value | Number | Value | Number | Value | Number | Value | Number | Value | Number | Value |
| Pernod Ricard shares | | | | | | | | | | | | |
| ■ Gross value | 2,374,194 | 164,859 | 1,651,542 | 84,833 | - | - | (13,333) | (870) | (1,833,489) | (113,561) | 2,178,914 | 135,260 |
| ■ Impairment | - | - | - | - | - | - | - | - | - | - | - | - |
| NET VALUE | 2,374,194 | 164,859 | 1,651,542 | 84,833 | - | - | (13,333) | (870) | (1,833,489) | (113,561) | 2,178,914 | 135,260 |

(1) Including a €43.5 million repurchase under the June 2012 bonus share plan and €41.2 million to repurchase stock options under a repurchase agreement. There were no new share allocation plans during the year.

(2) Including €8.7 million pertaining to the allocation of bonus shares, €38.8 million allocated to the 2012 stock option plan and €66.1 million in options exercised during the period.

NOTE 6 - PREPAID EXPENSES AND DEFERRED CHARGES

| <i>In euro thousand</i> | At 01.07.2012 | Increases | Decreases | At 30.06.2013 |
|---|----------------|----------------|------------------|----------------|
| Prepaid expenses ⁽¹⁾ | 40,433 | 7,593 | (19,556) | 28,469 |
| Bond redemption premiums | 27,073 | - | (3,499) | 23,574 |
| Currency translation adjustment – Assets ⁽²⁾ | 245,309 | 136,352 | (245,309) | 136,352 |
| TOTAL | 312,815 | 143,945 | (268,364) | 188,396 |

(1) Related to the expiration of four repurchase agreements in February and March 2013.

(2) The €136.4 million asset arising from translation adjustments at 30 June 2013 is mainly due to the restatement of assets and liabilities at the closing euro/US dollar exchange rate on 30 June 2013.

NOTE 7 - COMPOSITION OF SHARE CAPITAL

At 30 June 2013, the share capital comprised 265,421,592 shares with a par value of €1.55 per share. Total share capital thus amounted to €411,403,467.60.

NOTE 8 - SHAREHOLDERS' EQUITY

| <i>In euro thousand</i> | At 01.07.2012 | Appropriation of profit | Change in share capital/Other | Distribution of dividends | 2013 profit | At 30.06.2013 |
|---|------------------|-------------------------|-------------------------------|---------------------------|----------------|------------------|
| Capital ⁽¹⁾ | 411,231 | - | 172 | - | - | 411,403 |
| Share premiums | 3,036,047 | - | 2,982 | - | - | 3,039,030 |
| Legal reserve | 41,032 | 91 | - | - | - | 41,123 |
| Regulated reserves | 179,559 | - | - | - | - | 179,559 |
| Other reserves | 195,013 | - | - | - | - | 195,013 |
| Retained earnings | 923,608 | 51,324 | - | (415,866) | - | 559,065 |
| Profit for the financial year | 51,415 | (51,415) | - | - | 380,969 | 380,969 |
| Interim dividends to be paid ⁽²⁾ | (191,024) | - | - | (18,659) | - | (209,683) |
| TOTAL | 4,646,881 | - | 3,154 | (434,526) | 380,969 | 4,596,478 |

(1) The increase in capital relates to the exercise of stock options.

(2) The Board of Directors' meeting of 19 June 2013 decided to pay an interim dividend of €0.79 per share with respect to 2012/2013, i.e. a total of €209,683,000. The interim dividend was paid on 05 July 2013.

NOTE 9 - PROVISIONS

| <i>In euro thousand</i> | At 01.07.2012 | Increases in the year | Reversals on use | Reversals of unused provisions | At 30.06.2013 |
|--|----------------|--------------------------|---------------------|-----------------------------------|----------------|
| Provisions for contingencies and charges | | | | | |
| Provision for currency losses | 26,555 | 3,190 | (26,555) | - | 3,190 |
| Other provisions for risks and contingencies ⁽¹⁾ | 294,618 | 139,863 | (23,896) | (126,940) | 283,645 |
| Provisions for pensions and other long-term employee benefits ⁽²⁾ | 43,612 | 18,317 | (5,925) | - | 56,004 |
| TOTAL 1 | 364,785 | 161,370 | (56,376) | (126,940) | 342,839 |
| Provisions for depreciation and amortisation | | | | | |
| On financial assets ⁽³⁾ | 128,831 | 42,915 | - | (120,782) | 50,964 |
| On trade receivables | - | 131 | - | - | 131 |
| On other receivables | 3,016 | 38 | - | (100) | 2,954 |
| On marketable securities | - | - | - | - | - |
| TOTAL 2 | 131,847 | 43,084 | - | (120,882) | 54,049 |
| OVERALL TOTAL | 496,632 | 204,454 | (56,376) | (247,822) | 396,887 |

(1) Changes due to provisions on stock options.

(2) Changes due to the transfer of expatriate employees to Pernod Ricard SA. These employees were part of the workforce of Pernod Ricard Europe, Pernod Ricard North America and Pernod Ricard Asia during the previous year.

(3) Changes due to reversals on the subsidiaries Agros and Compagnie Française des Produits Orangina (CFPO).

Provisions for contingencies and charges

The €3.2 million provision for currency losses at 30 June 2013 mainly consists of the unrealised currency loss for unhedged US dollar receivables.

Other provisions for risks and contingencies correspond to:

- provisions for risks attached to:
 - stock options relating to the plans of June 2010, June 2011 and June 2012 (maturing in June 2014 and 2015), in the amount of €22.2 million,
 - bonus shares relating to the plans of June 2010, June 2011, June 2012 and June 2013 (maturing in June 2013, 2014, 2015 and 2016), in the amount of €110.8 million,
 - stock options relating to the plans of June 2011 and June 2012 (maturing in June 2015), in the amount of €1.8 million,
 - capital losses on shares repurchased relating to the plans of June 2008 and June 2011 (maturing in June 2015 and June 2016), in the amount of €11.2 million ;
- other provisions (€8.6 million);
- provisions for contingencies and charges relating to tax consolidation (€129.1 million).

Provisions for pensions and other long-term employee benefits are presented below.

Description and recognition of employee benefit obligations

Pernod Ricard SA's employee benefit obligations comprise:

- long-term post-employment benefits (retirement bonuses, medical expenses, etc.);
- long-term benefits payable during the period of employment.

The liability arising as a result of the Company's net employee benefit obligation is recognised in provisions for contingencies and charges on the balance sheet.

Calculation of the provision in respect of the net benefit obligation

The provision recognised by Pernod Ricard SA is equal to the difference, for each benefit plan, between the present value of the employee benefit obligation and the value of plan assets paid to specialised entities in order to fund the obligation.

The present value of employee benefit obligations is calculated using the prospective method involving calculating a projected salary at date of retirement (projected unit credit method). The measurement is made at each balance sheet date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate, discount rate, expected return on plan assets) and assumptions concerning employees (mainly: average salary increase, rate of employee turnover, life expectancy).

At 30 June 2013, the total amount of benefit obligations was €120.6 million. Provisions of €56 million have been recognised in respect of these benefit obligations.

By way of indication, the inflation rate used for the valuation at 30 June 2013 was 2% and the discount rate was 3%.

Plan assets are measured at their market value at each balance sheet date.

Accounting for actuarial gains and losses

Actuarial gains and losses mainly arise where estimates differ from actual outcomes (for example between the expected value of plan assets and their actual value at the balance sheet date) or when changes are made to long-term actuarial assumptions (for example: discount rate, rate of increase of salaries, etc.).

Actuarial gains and losses are only recognised when, for a given plan, they represent more than 10% of the greater of the present value of the benefit obligation and the fair value of plan assets (termed the "corridor" method). Recognition of the provision is on a straight-line basis over the average number of remaining years' service of the employees in the plan in question.

Components of the expense recognised for the financial year

The expense recognised in respect of the benefit obligations described above incorporates:

- expenses corresponding to the acquisition of an additional year's rights;
- interest expense arising on the unwinding of discount applied to vested rights at the start of the year (as a result of the passage of time);
- income corresponding to the expected return on plan assets;
- income or expense corresponding to the amortisation of actuarial gains and losses;
- income or expense related to changes to existing plans or the creation of new plans;
- income or expense related to any plan curtailments or settlements.

NOTE 10 - TRANSACTIONS AND BALANCES WITH SUBSIDIARIES AND ASSOCIATES AND OTHER INVESTED ENTITIES

| Item | Amount concerning | | | |
|--|---|---------------------------------------|---|---------------------------------------|
| | Subsidiaries and associates 30.06.2012 | Other invested entities 30.06.2012 | Subsidiaries and associates 30.06.2013 | Other invested entities 30.06.2013 |
| Investments | 12,206,688 | 17,388 | 12,134,016 | 17,388 |
| Loans and advances to subsidiaries and associates | 163,380 | - | 57,105 | - |
| Due in one year or less | 98,048 | - | 13,794 | - |
| Due in more than one year | 65,332 | - | 43,311 | - |
| Trade receivables | 36,011 | - | 32,236 | - |
| Due in one year or less | 36,011 | - | 32,236 | - |
| Due in more than one year | - | - | 0 | - |
| Other receivables | 2,094,475 | - | 1,936,797 | - |
| Due in one year or less | 42,945 | - | 200,485 | - |
| Due in more than one year | 2,051,531 | - | 1,736,312 | - |
| Other debt | 741,245 | - | 741,303 | - |
| Due in one year or less | 385 | - | 444 | - |
| Due in more than one year and less than five years | 740,860 | - | 740,860 | - |
| Trade payables | - | - | - | - |
| Due in one year or less | - | - | - | - |
| Due in more than one year and less than five years | - | - | - | - |
| Other payables | 257,378 | - | 358,287 | - |
| Due in one year or less | 513 | - | 3,993 | - |
| Due in more than one year and less than five years | 256,865 | - | 354,294 | - |
| Expenses from recurring operations | 26,889 | - | 28,948 | - |
| Group seconded personnel | 14,977 | - | 13,743 | - |
| Other Group management expenses | 11,913 | - | 15,205 | - |
| Operating income | 79,108 | - | 81,251 | - |
| Group royalties | 35,967 | - | 31,068 | - |
| Group management income | 2 | - | 53 | - |
| Transfer of Group expenses | 43,139 | - | 50,130 | - |
| Financial expenses | 161,953 | - | 175,258 | - |
| Financial income | 824,930 | 110 | 680,514 | 113 |
| Exceptional items | 20,240 | - | 68,449 | - |

No significant transactions took place with related parties that were not carried out under normal market conditions.

NOTE 11 - DEFERRED INCOME AND ADJUSTMENT ACCOUNTS

| <i>In euro thousand</i> | At 01.07.2012 | Increases | Decreases | At 30.06.2013 |
|--|----------------|----------------|------------------|----------------|
| Deferred income ⁽¹⁾ | 47,195 | 21,287 | (38,827) | 29,655 |
| Currency translation adjustment – Liabilities ⁽²⁾ | 573,139 | 478,072 | (573,139) | 478,072 |
| TOTAL | 620,335 | 499,359 | (611,966) | 507,728 |

(1) Reduction related to the expiration of four repurchase agreements in February and March 2013.

(2) The €478,072,000 liability arising from translation adjustments at 30 June 2013 is mainly due to the restatement of assets and liabilities at the closing euro/US dollar exchange rate on 30 June 2013.

NOTE 12 - ACCRUED INCOME AND EXPENSES

Accrued income

| <i>In euro thousand</i> | Amount |
|--|----------------|
| Amount of accrued income in the following balance sheet items | |
| Loans and advances to subsidiaries and associates | 24,949 |
| Trade receivables | 257 |
| Other receivables | 3,744 |
| Cash | 145,256 |
| TOTAL | 174,206 |

Accrued expenses

| <i>In euro thousand</i> | Amount |
|--|----------------|
| Amount of accrued expenses in the following balance sheet items | |
| Bank debt | 145,435 |
| Trade payables | 33,485 |
| Taxes and social security | 31,828 |
| Other payables | 721 |
| TOTAL | 211,469 |

NOTE 13 - BONDS

| | Amount (in US dollar thousand) | Amount (in euro thousand) | Maturity Date | Accrued interest (in euro thousand) | Rate | Total (in euro thousand) |
|--------------------------------|-----------------------------------|------------------------------|---------------|--|----------|-----------------------------|
| Bond of 06.12.2006 – Tranche 2 | | 550,000 | 06.12.2013 | 14,426 | Fixed | 564,426 |
| Bond of 15.06.2009 | | 800,000 | 15.01.2015 | 25,622 | Fixed | 825,622 |
| Bond of 18.03.2010 | | 1,200,000 | 18.03.2016 | 16,829 | Fixed | 1,216,829 |
| USD PANDIOS bond of 21.12.2010 | 201,000 | 153,670 | 21.12.2015 | 94 | Variable | 153,763 |
| Bond of 15.03.2011 | | 1,000,000 | 15.03.2017 | 14,795 | Fixed | 1,014,795 |
| USD bond of 07.04.2011 | 1,000,000 | 764,526 | 07.04.2021 | 10,209 | Fixed | 774,735 |
| USD bond of 25.10.2011 | 1,500,000 | 1,146,789 | 15.01.2022 | 23,542 | Fixed | 1,170,331 |
| USD bond of 12.01.2012 | 850,000 | 649,847 | 15.01.2017 | 8,844 | Fixed | 658,691 |
| USD bond of 12.01.2012 | 850,000 | 649,847 | 15.01.2042 | 16,489 | Fixed | 666,336 |
| USD bond of 12.01.2012 | 800,000 | 611,621 | 15.07.2022 | 11,992 | Fixed | 623,613 |
| TOTAL | | 7,526,300 | | 142,841 | | 7,669,141 |

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

- tranche 1: €300 million redeemed on 6 June 2011;
- tranche 2: fixed rate.

Tranche 2 is composed of €550 million of notes with a remaining period to maturity at 30 June 2013 of five months (maturity date: 6 December 2013), which bear interest at a fixed rate of 4.625%.

On 15 June 2009, Pernod Ricard SA issued bonds for a total amount of €800 million, with the following characteristics: remaining period to maturity at 30 June 2013 of one year and six months (maturity date: 15 January 2015) and bearing fixed-rate interest of 7%.

On 18 March 2010, Pernod Ricard SA issued bonds for a total amount of €1,200.0 million, with the following characteristics: remaining period to maturity at 30 June 2013 of two years and nine months (maturity date: 18 March 2016) and bearing fixed-rate interest of 4.875%.

On 21 December 2010, Pernod Ricard SA carried out a US\$ 201 million bond issue. These bonds have the following characteristics: remaining period to maturity at 30 June 2013 of two years and six months (maturity date: 21 December 2015) and bearing variable-rate interest (3-month LIBOR + Spread).

On 15 March 2011, Pernod Ricard SA issued bonds for a total amount of €1.0 billion, with the following characteristics: remaining period to

maturity at 30 June 2013 of three years and nine months (maturity date: 15 March 2017) and bearing fixed-rate interest of 5%.

On 7 April 2011, Pernod Ricard SA carried out a US\$ 1.0 billion bond issue. The bonds have the following characteristics: remaining period to maturity at 30 June 2013 of seven years and nine months (maturity date: 7 April 2021) and bearing fixed-rate interest of 5.75%.

On 25 October 2011, Pernod Ricard SA carried out a US\$ 1.5 billion bond issue. The bonds have the following characteristics: remaining period to maturity at 30 June 2013 of eight years and six months (maturity date: 15 January 2022) and bearing fixed-rate interest of 4.45%.

On 12 January 2012, Pernod Ricard SA carried out a US\$ 2.5 billion bond issue. This bond issue has three tranches with the following characteristics:

- US\$ 850 million with remaining period to maturity at 30 June 2013 of three years and six months (maturity date: 15 January 2017) and bearing fixed-rate interest of 2.95%;
- US\$ 800 million with remaining period to maturity at 30 June 2013 of nine years (maturity date: 15 July 2022) and bearing fixed-rate interest of 4.25%;
- US\$ 850 million with remaining period to maturity at 30 June 2013 of 28 years and six months (maturity date: 15 January 2042) and bearing fixed-rate interest of 5.5%.

NOTE 14 - BANK DEBT

Syndicated loan

On 25 April 2012, Pernod Ricard SA finalised a new, revolving five-year multi-currency loan agreement for €2.5 billion. The new agreement enabled Vin&Sprit's syndicated loan to be refinanced in full.

At 30 June 2012, it had drawn down from this credit facility US\$ 350 million, equivalent to €278 million.

Pernod Ricard SA's drawdown related to the syndicated loan was fully repaid during the 2012/2013 financial year, following three successive payments of US\$ 50 million on 31 August 2012, US\$ 250 million on 28 September 2012, and finally US\$ 50 million on 30 November 2012.

NOTE 15 - BREAKDOWN OF INCOME TAX

| <i>In euro thousand</i> | Total | Profit (loss) from continuing operations | Exceptional items |
|-----------------------------------|----------------|--|-------------------|
| Net profit/loss before income tax | 81,944 | 13,086 | 68,858 |
| Additional contribution | (13,037) | - | - |
| Income tax prior to consolidation | - | - | - |
| Net impact of tax consolidation | 312,062 | - | - |
| PROFIT AFTER TAX | 380,969 | 13,086 | 68,858 |

The French second amending finance law of 2012 introduced a contribution of 3% on dividends paid out to shareholders, applicable to amounts distributed that were paid after 17 August 2012. The contribution relating to the dividends approved at the Shareholders' Meeting of 9 November 2012 was thus €(6.8) million and the contribution relating to the interim dividend approved at the Board of Directors' meeting on 19 June 2013 was €(6.2) million.

Within the framework of tax consolidation, the tax loss carryforwards of the Pernod Ricard tax group amount to €(870,558,000), an €80,851,000 decrease over the financial year.

NOTE 16 - INCREASES AND DECREASES IN FUTURE TAX LIABILITIES**Type of temporary differences**

| <i>In euro thousand</i> | Amount of tax |
|---|---------------|
| INCREASES | NONE |
| "Organic" local tax and other | 212 |
| Other provisions for risks and contingencies | 14,287 |
| Provisions for pensions and other long-term employee benefits | 19,282 |
| DECREASES IN FUTURE TAX LIABILITIES | 33,781 |

The tax rate used is the rate in force in 2013, i.e. 34.43%.

NOTE 17 - COMPENSATION

Compensation paid to Executive Directors and members of the Board of Directors amounted to €4,325,939.

NOTE 18 - INCOME

Operating income was €94,499,000 compared to €84,865,000 in 2012, and mainly comprised royalties of €31,068,000 and rebilling of overheads to the Group's subsidiaries of €56,049,000.

NOTE 19 - FINANCIAL INCOME AND EXPENSES

| <i>In euro thousand</i> | Amount at 30.06.2013 |
|--|----------------------|
| Income from investments | 486,923 |
| Income from other fixed asset securities and receivables | - |
| Other interest and related income | 241,488 |
| Reversals of financial provisions and expense transfers | 202,680 |
| Translation gains | 75,189 |
| Net gains on disposal of marketable securities | - |
| TOTAL FINANCIAL INCOME | 1,006,279 |

| <i>In euro thousand</i> | Amount at 30.06.2013 |
|---|----------------------|
| Depreciation, amortisation and provision charges | (165,152) |
| Interest and related expenses | (606,781) |
| Translation losses | (90,979) |
| Net expenses on disposal of marketable securities | - |
| TOTAL FINANCIAL EXPENSES | (862,913) |

NOTE 20 - EXCEPTIONAL ITEMS

| <i>In euro thousand</i> | Amount at 30.06.2013 |
|---|----------------------|
| Net profit on management operations | 10,363 |
| Net profit on capital operations | (60,532) |
| Charges and reversals of financial provisions and expense transfers | 119,027 |
| EXCEPTIONAL ITEMS | 68,858 |

At 30 June 2013, exceptional items represented income of €68.9 million, mainly arising from transactions on the shares of Agros, CFPO and Résidences de Cavalière and the sale of the building on Rue de Solférino.

NOTE 21 - OFF-BALANCE SHEET COMMITMENTS

Guarantees granted

Commitments granted

| <i>In euro thousand</i> | Amount |
|---|------------------|
| Guarantees on behalf of subsidiaries | 717,054 |
| Guarantees granted to holders of Allied Domecq Financial Services Ltd bonds | 291,647 |
| Rent | 24,670 |
| TOTAL | 1,033,371 |

Commitments granted include guarantees, in particular those related to:

- the syndicated loan. Borrowings drawn by subsidiaries of the Pernod Ricard group that had not been repaid at 30 June 2013 amounted to €250 million;
- bonds and commercial paper.

Derivative instruments

| Hedging for Pernod Ricard SA | Nominal value (in US dollar thousand) | Fair value at 30 June 2013 (in euro thousand) | Nominal value (in euro thousand) | Fair value at 30 June 2013 (in euro thousand) |
|------------------------------|--|--|-------------------------------------|--|
| Collars | - | - | - | - |
| Interest rate swaps | 1,300,000 | 15,036 | 600,000 | 28,321 |
| Currency swaps | 2,975,000 | 152,887 | - | - |
| TOTAL | 4,275,000 | 167,923 | 600,000 | 28,321 |

Interest rate swaps hedge Pernod Ricard SA's external or internal debts that bear fixed-rate interest. At 30 June 2013 these broke down as follows:

| USD interest rate hedge | Maturity | Net base (in US dollar thousand) |
|-------------------------|------------|-------------------------------------|
| Interest rate swap | April 2014 | 350,000 |
| Interest rate swap | April 2018 | 350,000 |
| Interest rate swap | July 2022 | 600,000 |

The fair value of financial instruments hedging US dollar denominated fixed-rate debt at 30 June 2013 was €15,036,000.

| EUR interest rate hedge | Maturity | Net base (in euro thousand) |
|-------------------------|------------|--------------------------------|
| Interest rate swap | March 2016 | 600,000 |
| Interest rate swap | June 2014 | 250,000 |
| Interest rate swap | June 2014 | (250,000) |

The fair value of financial instruments hedging euro denominated fixed-rate debt at 30 June 2013 was €28,321,000.

| Currency hedge | Base (in US dollar thousand) |
|-----------------------|---------------------------------|
| Currency swap | 1,000,000 |
| Currency swap | 1,500,000 |
| Currency swap | 475,000 |
| Financial assets | 2,316,088 |
| Financial liabilities | (5,316,886) |
| TOTAL | (25,798) |

Payables and receivables denominated in foreign currencies are hedged by currency swaps. The Company had a residual US dollar position of US\$(25,798,000) at 30 June 2013.

The fair value of currency swaps at year end was €152,887,000.

Other

Pernod Ricard SA guaranteed the contributions owed by Allied Domecq Holdings Ltd and its subsidiaries to the Allied Domecq pension funds.

Pernod Ricard SA, pursuant to Section 17 of the Companies (Amendment) Act, 1986 (Republic of Ireland), irrevocably guaranteed the liabilities of the following subsidiaries for the 2012/2013

financial year: Irish Distillers Group Ltd, Irish Distillers Ltd, The West Coast Cooler Co Ltd, Watercourse Distillery Ltd, Fitzgerald & Co Ltd, Ermine Ltd, Gallwey Liqueurs Ltd, Smithfield Holdings Ltd, Irish Distillers Holdings Ltd.

Pernod Ricard SA gave the Directors of Goal Acquisitions (Holding) Limited a comfort letter in which the Group undertook to provide financial support to enable Goal Acquisitions (Holding) Limited to honour its short-term intra-Group liabilities.

Within the framework of the right to individual training in France, the aggregate number of training hours corresponding to acquired rights for the 2012 calendar year is 10,646 hours. As no training requests were made, the remaining total training hours at 31 December 2012 totalled 10,646.

NOTE 22 - AVERAGE HEADCOUNT AT 30 JUNE 2013

| | Employees | Temporary employees (for all reasons) |
|-----------------------------|------------|--|
| Managers ⁽¹⁾ | 272 | 12 |
| Supervisors and technicians | 45 | 3 |
| Employees | 10 | 1 |
| AVERAGE HEADCOUNT | 327 | 16 |
| Apprentice contracts | 5 | |

(1) Including 117 expatriate employees transferred to Pernod Ricard SA. These employees came from Pernod Ricard Europe (76 employees), Pernod Ricard North America (25 employees) and Pernod Ricard Asia (16 employees)..

NOTE 23 - SUBSIDIARIES AND ASSOCIATES AT 30 JUNE 2013

| In euro thousand | Share capital | Shareholders' equity before appropriation of results | Interest in entity's share capital (in %) | Carrying amount of investment | | Loans | Guarantees | Net sales excluding taxes and duties | Net profit | Dividends received |
|---|---------------|--|---|-------------------------------|---------|-------|------------|--------------------------------------|------------|--------------------|
| | | | | Gross | Net | | | | | |
| Investments whose carrying amount exceeds 1% of Pernod Ricard SA's share capital | | | | | | | | | | |
| AGROS⁽¹⁾ Ul. Chalubinskiego 8 00-613 Warsaw (Poland) | 5,072 | 34,851 | 100 | 86,823 | 50,803 | - | - | 327 | (47,497) | - |
| Campbell⁽²⁾ 111/113 Renfrew Road Paisley, PA3 4DY (Scotland) | 8,711 | 30,728 | 100 | 40,538 | 40,538 | - | - | - | 750 | - |
| Geo G Sandeman Sons & Co Ltd⁽³⁾ 400 Capability Green Luton Beds LU1 3AE (England) | 2 | 377 | 30 | 9,180 | 5,900 | - | - | 1,524 | 376 | 113 |
| Pernod 120 avenue du Maréchal-Foch, 94015 Créteil (France) | 40,000 | 138,841 | 100 | 94,941 | 94,941 | - | - | 415,700 | 18,688 | 19,892 |
| Pernod Ricard Asia 12 place des États-Unis, 75116 Paris (France) | 4,512 | 274,372 | 100 | 42,457 | 42,457 | - | - | - | 219,301 | 138,000 |
| Pernod Ricard Cesam 12 place des États-Unis, 75116 Paris (France) | 52,198 | 76,572 | 100 | 131,040 | 131,040 | - | - | - | (11,415) | 2,000 |
| Pernod Ricard Europe 12 place des États-Unis, 75116 Paris (France) | 40,000 | 595,470 | 100 | 36,406 | 36,406 | - | - | 101,917 | 132,623 | 56,600 |
| Pernod Ricard North America 12 place des États-Unis, 75116 Paris (France) | 39,398 | 26,616 | 100 | 126,735 | 126,735 | - | - | - | 2,919 | - |
| Pernod Ricard Finance 12 place des États-Unis, 75116 Paris (France) | 232,000 | 357,418 | 100 | 238,681 | 238,681 | - | 717,000 | - | 195,514 | - |
| Pernod Ricard Pacific Holdings⁽⁴⁾ 33 Exeter Terrace, Devon Park SA 5008 (Australia) | 151,986 | 116,019 | 100 | 151,789 | 151,789 | - | - | - | (35,151) | - |
| Ricard 4 and 6 rue Berthelot, 13014 Marseille (France) | 54,000 | 141,320 | 100 | 67,227 | 67,227 | - | - | 485,277 | 51,389 | 58,170 |

| <i>In euro thousand</i> | Share capital | Shareholders' equity before appropriation of results | Interest in entity's share capital (in %) | Carrying amount of investment | | Loans | Guarantees | Net sales excluding taxes and duties | Net profit | Dividends received |
|---|---------------|--|---|-------------------------------|-------------------|----------|----------------|--------------------------------------|------------|--------------------|
| | | | | Gross | Net | | | | | |
| SAS Lina 3 12 place des États-Unis, 75116 Paris (France) | 1,352,491 | 14,238,776 | 100 | 11,042,789 | 11,042,789 | - | - | - | 3,372,714 | - |
| SAS Lina 5 12 place des États-Unis, 75116 Paris (France) | 30,640 | 172,435 | 100 | 30,631 | 30,631 | - | - | - | 132,782 | 131,951 |
| Yerevan Brandy Company⁽⁵⁾ 2 Admiral Isakov Avenue, Yerevan 375092, (Republic of Armenia) | 20 | 113 | 100 | 27,856 | 27,856 | - | - | 36 | 9 | - |
| TOTAL 1 | | | | 12,127,092 | 12,087,792 | - | 717,000 | | | 406,725 |
| Subsidiaries: | | | | | | | | | | |
| French | | | | 5,421 | 1,518 | - | - | - | - | - |
| Foreign | | | | 10,684 | 10,106 | - | - | - | - | 80,197 |
| Associates: | | | | | | | | | | |
| French | | | | 215 | 215 | - | - | - | - | - |
| Foreign | | | | 7,992 | 809 | - | - | - | - | - |
| TOTAL 2 | | | | 24,312 | 12,648 | - | - | - | - | 80,197 |
| TOTAL 1 + 2 | | | | 12,151,404 | 12,100,440 | - | 717,000 | - | - | 486,922 |

(1) Information from the Agros financial statements at 30 June 2012.

(2) Information from Campbell's financial statements at 30 June 2012.

(3) Information from Geo G Sandeman Sons & Co Ltd's financial statements at 30 June 2012.

(4) Information from Pernod Ricard Pacific Holdings' financial statements at 30 June 2012.

(5) Information from Yerevan Brandy Company's financial statements at 30 June 2012.

EARNINGS OVER THE LAST FIVE FINANCIAL YEARS

| <i>In euro</i> | 30.06.2009 | 30.06.2010 | 30.06.2011 | 30.06.2012 | 30.06.2013 |
|---|-------------|--------------|-------------|--------------|-------------|
| Financial position at year end | | | | | |
| Share capital | 400,892,831 | 409,560,085 | 410,318,795 | 411,231,438 | 411,403,468 |
| Number of shares outstanding | 258,640,536 | 264,232,313 | 264,721,803 | 265,310,605 | 265,421,592 |
| Number of convertible bonds in issue | - | - | - | - | - |
| Number of bonus shares granted on 16 January 2007 (dividend rights from 1 July 2006) | - | - | - | - | - |
| Number of shares created by the capital increase of 14 May 2009 | 38,786,220 | - | - | - | - |
| Number of bonus shares granted on 18 November 2009 (dividend rights from 1 July 2009) | - | 5,174,153 | - | - | - |
| Operating results | | | | | |
| Net sales excluding taxes and duties | - | - | 911,320 | 994,247 | 1,457,195 |
| Profit before tax, amortisation, depreciation and allowances to provisions | 246,964,704 | (13,227,907) | 219,167,315 | (29,548,724) | (6,575,949) |
| Corporate income tax | 121,507,245 | 74,090,535 | 153,278,897 | 152,497,031 | 299,024,699 |
| Profit after taxes, amortisation, depreciation and allowances to provisions | 306,554,754 | 89,124,864 | 238,559,275 | 51,414,891 | 380,968,585 |
| Dividends distributed ⁽¹⁾ | 129,320,268 | 354,071,299 | 378,185,009 | 415,866,359 | - |
| Earnings per share | | | | | |
| Profit after taxes, but before amortisation, depreciation and allowances to provisions | 1.42 | 0.23 | 1.41 | 0.46 | 1.10 |
| Profit after taxes, amortisation, depreciation and allowances to provisions | 1.19 | 0.34 | 0.90 | 0.19 | 1.44 |
| Dividend per share | 0.50 | 1.34 | 1.44 | 1.58 | - |
| Personnel | | | | | |
| Number of employees | 152 | 147 | 164 | 198 | 327 |
| Total payroll | 19,641,524 | 22,172,089 | 26,922,176 | 30,118,294 | 50,668,738 |
| Employee-related benefits paid during the year | 14,091,743 | 14,765,751 | 17,444,761 | 20,388,936 | 28,795,172 |

(1) The amount of dividends for 2013 will be known with certainty after the Shareholders' Meeting of 6 November 2013. (Dividends relating to the financial year from 1 July 2012 to 30 June 2013).

DIVIDENDS DISTRIBUTED OVER THE LAST FIVE YEARS

| In euro Year | Payment date | Amount | Total dividend for the year |
|-----------------|---------------------------|--------|--------------------------------|
| 2008/2009 | 08.07.2009 | 0.50 | 0.50 |
| 2009/2010 | 07.07.2010 | 0.61 | - |
| | 17.11.2010 | 0.73 | 1.34 |
| 2010/2011 | 06.07.2011 | 0.67 | - |
| | 17.11.2011 | 0.77 | 1.44 |
| 2011/2012 | 04.07.2012 | 0.72 | - |
| | 19.11.2012 | 0.86 | 1.58 |
| 2012/2013 | 04.07.2013 ⁽¹⁾ | 0.79 | - |

(1) An interim dividend in respect of 2012/2013 was paid on 5 July 2013. The balance will be decided by the Shareholders' Meeting of 6 November 2013 called to approve the financial statements for the year ended 30 June 2013.

INVENTORY OF MARKETABLE SECURITIES AT 30 JUNE 2013

| <i>In euro</i> French investments with a net carrying amount in excess of €100,000 | Number of shares held | Net carrying amount |
|---|-----------------------|-----------------------|
| Lina 3 | 55,920,652 | 11,042,788,954 |
| Lina 5 | 306,400 | 30,630,500 |
| Lina 7 | 401 | 299,550 |
| Pernod | 2,580,000 | 94,940,630 |
| Pernod Ricard Asia | 2,785,000 | 42,457,051 |
| Pernod Ricard Cesam | 386,650 | 131,040,000 |
| Pernod Ricard Europe | 999,995 | 36,406,022 |
| Pernod Ricard Finance | 29,000,000 | 238,680,987 |
| Pernod Ricard North America | 4,377,500 | 126,734,557 |
| Ricard | 1,750,000 | 67,227,093 |
| Sopebsa | 232,000 | 221,769 |
| Résidence de Cavalières | 205,950 | 974,350 |
| SUB-TOTAL | 98,544,548 | 11,812,401,464 |
| Other shareholdings in French companies | 4,993 | 2,463 |
| Investments in unlisted foreign companies | - | 288,035,810 |
| TOTAL MARKETABLE SECURITIES AT 30.06.2013 | 4,993 | 12,100,439,737 |

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the financial year ended 30 June 2013, on:

- the audit of the accompanying annual financial statements of Pernod Ricard;
- the basis of our assessments;
- the specific verifications and disclosures required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to verify the evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 June 2013, and of the results of its operations for the financial year then ended in accordance with French accounting principles.

II - BASIS OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the basis of our assessments, we hereby inform you that our assessments covered the appropriateness of the accounting principles adopted and the reasonableness of the significant estimates made, particularly:

- investments were measured in accordance with the accounting policies described in Note 1.3 to the financial statements "Accounting principles – Financial assets". As part of our work, we reviewed the appropriateness of these accounting policies and reviewed the assumptions made by the Company as well as the resulting valuations.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law. We have no comments on the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to the compensation and benefits received by the corporate officers and any other commitments made in their favour, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and cross shareholdings as well as controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30TH, 2013

To the Shareholders,

As your Company's Statutory Auditors, we hereby present our report on regulated agreements and commitments.

The terms of our assignment require us to communicate to you, based on information provided to us, the principal terms and conditions of the agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interests involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this assignment. These procedures consisted in cross-checking the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

1. Agreements and commitments authorised during the financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments previously authorised by your Board of Directors.

1.1 Authorisation of a loan granted by Pernod Ricard Finance to Pernod Ricard – Board of Directors meeting, April 24th, 2013

In connection with the recapitalisation of Lina 3, Pernod Ricard's Board of Directors, during the meeting dated June 24th 2010, authorised the signing of a loan agreement by Pernod Ricard Finance to Pernod Ricard for an amount of € 590.9 million. Pernod Ricard's Board of Directors, during the meeting dated April 24th 2013, authorised the renewal of this loan for five years.

The financial expenses incurred by Pernod Ricard in respect of this loan for the financial year ended June 30th 2013 amount to € 12,337,512.90.

Company officer involved:

- Mr Pierre Pringuet, also Chairman of the Board of Directors of Pernod Ricard Finance.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

2. Agreements and commitments that remained in force during the financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

2.1 Loan granted by Pernod Ricard Finance to Pernod Ricard

In the context of the recapitalisation of Pernod Ricard Finance, Pernod Ricard's Board of Directors during the meeting of June 27th, 2012, authorised the signing of a loan to Pernod Ricard Finance for an amount of € 150 million.

The financial expenses incurred by Pernod Ricard in respect of the loan agreement for the financial year ended June 30th, 2013 amount to € 3,131,066.66.

Company officer involved:

- Mr. Pierre Pringuet, also Chairman of the Board of Directors of Pernod Ricard Finance.

2.2 Loan agreement "€ 2,500,000,000 Multicurrency Revolving Facility Agreement"

The Board of Directors, during the meeting of April 25th, 2012, authorised the signing of a loan agreement in English entitled "€ 2,500,000,000 Multicurrency Revolving Facility Agreement" with, amongst others, BNP Paribas, J.P. Morgan Ltd as Mandated Lead Arrangers and Book runners, BNP Paribas and J.P. Morgan Chase Bank N.A. as Original Lenders, under which the lenders would make available to the Company, to Pernod Ricard Finance and to the other companies of the Group party to the agreement, a revolving line of credit of a maximum amount in principal of € 2,500,000,000.

The Company committed to guarantee, as collateral security, under certain conditions, the respect of the payment obligations of the other borrowing companies of the group.

The loan agreement was signed on April 25th, 2012, and the credit drawn within this agreement amounts to € 250 million as at June 30th, 2013.

The financial expenses incurred by Pernod Ricard in respect of the loan agreement for the financial year ended June 30th, 2013 amount to € 1,227,195.39.

In the context of the guarantee granted by Pernod Ricard to some of its subsidiaries in respect of the loan agreement, Pernod Ricard invoices the companies using their drawing rights, a guarantee fee matching the market conditions; this amount is likely to vary depending on the market conditions.

Thus, in the accounts closed on June 30th 2013, Pernod Ricard invoiced € 865,192.44 to Pernod Ricard Finance.

Company officers involved:

- Mr Pierre Pringuet, also Chairman of the Board of Directors of Pernod Ricard Finance;
- Mr Wolfgang Colberg, member of the Deutsche Bank AG Regional Board (party to the loan agreement).

2.3 Authorisation of a loan by Pernod Ricard to Havana Club Holding (HCH) in connection with HCH's restructuring

In connection with the financial restructuring of HCH, in a meeting held on October 20th, 2010, the Board of Directors authorised Pernod Ricard to grant HCH a loan for a maximum amount of between USD 50 million and USD 60 million. A loan of the same amount would also be granted by Cuban partners to HCH.

It is specified that the final loan amount was USD 53,839,374.

The amounts invoiced by Pernod Ricard to HCH in respect of the loan over the financial year ended June 30th, 2013 amount to USD 6,783,690.31, equivalent to € 5,243,229.49.

Company officer involved:

- Mr Pierre Pringuet, also member of the Board of Directors of Havana Club Holding.

2.4 Signing of a FBF master agreement

Pernod Ricard's Board of Directors, during the meeting dated October 19th, 2011 authorised the signing of a FBF master agreement with Pernod Ricard Finance which will regulate all the operations on derivative financial instruments.

It is specified that this agreement encompasses henceforth all of the operations on derivative financial instruments realised between the Company and Pernod Ricard Finance and more particularly, those implemented in the frame of the debt reduction plan of Austin, Nichols & Co, Inc., of the reimbursement of the 2009 Allied Domecq bonds and of the swap agreement governing the issue of the Company's exchange rate risks.

On June 30th 2013, the on-going exchange operations under this agreement amount, for the foreign exchange swaps, to USD 475,000,000 (for an exchange value of € 363,149,847) and for the cross-currency swaps, to USD 2,500,000,000 (for an exchange value of € 1,911,314,985). In addition, in the frame of this agreement, an interest-rate swap of USD 600,000,000 was set up on June 20th, 2012, ending on July 15th, 2022.

Company officer involved:

- Mr Pierre Pringuet, also Chairman of the Pernod Ricard Finance Board of Directors.

2.5 Joint and several guarantee commitments

2.5.1 Agreements with Pernod Ricard Finance

Pernod Ricard has granted Pernod Ricard Finance, for holders of commercial paper, an irrevocable and unconditional guarantee for which it charges a fee. The sum guaranteed, on June 30th, 2013, averaged € 644,584,090.00.

Pernod Ricard invoiced Pernod Ricard Finance an amount of € 644,584.09 in fees for the financial year ended June 30th, 2013.

2.5.2 Agreements with Comrie

Pernod Ricard provided a guarantee to Société Générale for loan notes amounting to € 54,184.17 as at June 30th, 2013.

2.6 Brand agreements

2.6.1 Brand licensing agreements

(i) Brand licences granted to Ricard SA

Pernod Ricard grants brand licences to Ricard SA.

Pernod Ricard invoiced Ricard SA € 20,382,092 as royalties for these licences for the financial year ended June 30th, 2013.

(ii) Brand licences granted to Pernod SA

Pernod Ricard grants brand licences to Pernod SA.

Pernod Ricard invoiced Pernod SA € 10,351,933.17 as royalties for these licences for the financial year ended June 30th, 2013.

(iii) Brand licences granted to Cusenier

Pernod Ricard grants brand licences to Cusenier since January 1st, 1996.

Pernod Ricard invoiced Cusenier € 282,748.06 as royalties for these licences from July 1st, 2012, to December 31st, 2012, when Cusenier was merged with Pernod SA.

2.6.2 Operating concession arrangement

Since October 2002, Pernod Ricard entered into a concession arrangement with Ricard with respect to the international operating rights relating to the "Dorville" brand in return for the payment of royalties. No royalties were paid under this arrangement for the financial year ended June 30th, 2013.

2.7 Cash management agreement with Pernod Ricard Finance

On January 1st, 2004, Pernod Ricard signed a cash management agreement with Pernod Ricard Finance designed to bring under a single agreement all the pre-existing bilateral cash management agreements between Pernod Ricard Finance and Pernod Ricard Group companies that are not integrated into the automated cash pooling system, to standardise them, and to update and specify the terms and conditions relating to the interest charged on loans under the cash pooling mechanism.

An interest expense of € 9,489,001.31 payable to Pernod Ricard Finance was recorded in respect of this agreement for the financial year ended June 30th, 2013 along with cash management fees of € 3,000.

Statutory Auditors' special report on regulated agreements and commitments

3. Agreements and commitments approved during the last year

We have been informed about the implementation, during the last year, of the following agreements and commitments, previously approved by the Shareholders' Meeting of November 9th, 2012 (5th and 6th resolutions), as indicated in the Statutory Auditors' special report dated September 11th, 2012.

3.1 Compensation and benefits package for Mr Pierre Pringuet, Chief Executive Officer

As part of the review, conducted in light of the AFEP-MEDEF Code recommendations, of the compensation package attached to the corporate officership of Mr Pierre Pringuet, CEO, the Board of Directors authorised, on February 12th 2009, in the event of the termination of his corporate officership, the introduction of a two-year non-compete clause accompanied by an indemnity of one year's gross remuneration (fixed and variable earned over the twelve months preceding the termination of the corporate office).

In addition, the Board of Directors authorised, on February 12th, 2009, Mr Pierre Pringuet to continue to be a member of the supplementary defined-benefit pension scheme, as well as of healthcare and welfare schemes on the same terms as those applying to the members of the Group's Senior Management, as set up within Pernod Ricard since 1990.

This supplementary defined-benefit pension scheme is granted to members of the Group's Senior Management who satisfy a number of conditions which relate mainly to the length of service and compensation levels, and who end their career at Pernod Ricard.

This scheme provides, under certain circumstances, for the payment of a life annuity to the retired beneficiary and the payment of a reversionary annuity to the spouse and/or ex-spouse in the event of the beneficiary's death, calculated on the basis of the following factors:

- (i) the beneficiary must have a minimum length of service of 10 years in the Group;
- (ii) the basis for calculating the annuity is the average of the beneficiary's final 3 years' compensation (gross + variable);
- (iii) annuities paid are proportional to the length of service, capped at 20 years;
- (iv) the amount of the supplementary annuity is calculated by applying the following coefficients to the above calculation basis (see (ii) above):
 - for the portion of the compensation between 8 and 12 times the French social security cap, the coefficient is equal to 2% multiplied by the number of years of service (capped at 20 years, i.e. 40%),

- for the portion of the compensation between 12 and 16 times the French social security cap, the coefficient is equal to 1.5% per year of service (capped at 20 years, i.e. 30%), and finally,
- for the portion of the compensation exceeding 16 times the French social security cap, the coefficient is equal to 1% per year of service (capped at 20 years, i.e. 20%).

The supplementary annuity is equal to the sum of the three amounts above;

- (v) the annuity paid under this plan, added to those of other pensions, cannot exceed two thirds of the basic gross annual compensation of the beneficiary.

In addition to these conditions, the Executive must be working in the Group on the day he retires. By regulation, redundancy after the age of 55, without a resumption of paid work, is deemed equivalent to finishing a career. To the extent that the Board of Directors has a common policy as regards additional elements of compensation and benefits of Executives, particularly with regard to supplementary pensions, treating them as members of the Senior Management of Pernod Ricard and granting them the same benefits as the latter, it was specified, during the Board's meeting held on February 12th, 2009, that the forced dismissal of an Executive falls into the same category as redundancy, subject to satisfaction of the aforementioned conditions as regards age and non-resumption of professional activities.

In connection with the renewal of Mr Pierre Pringuet's Corporate officership as Chief Executive Officer, the Board of Directors, held on August 29th, 2012, confirmed, in the same terms, all these commitments.

3.2 Compensation and benefits package for Mr Alexandre Ricard, Deputy Chief Executive Officer

Following the appointment of Mr Alexandre Ricard as Deputy CEO, the Board of Directors' meeting of August 29th, 2012, authorised the commitments in favour of Mr. Alexandre Ricard, in the form of a two-year non-compete clause related to his corporate office accompanied by an indemnity of one year's gross compensation (fixed and variable), and the continued membership in the supplementary defined-benefit pension scheme and collective healthcare and welfare schemes granted by the Company under the same terms as those that apply to the category of employees he is assimilated to, as far as benefits and other additional items of his compensation are concerned.

The employment contract signed between Pernod Ricard and Mr Alexandre Ricard is suspended.

Courbevoie and Neuilly-sur-Seine, September 16th, 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

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

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING

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AGENDA OF THE COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING OF 6 NOVEMBER 2013

ITEMS ON THE AGENDA PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the Parent Company financial statements for the financial year ended 30 June 2013;
2. Approval of the consolidated financial statements for the financial year ended 30 June 2013;
3. Allocation of the net result for the financial year ended 30 June 2013 and setting of the dividend;
4. Approval of regulated agreements and commitments referred to in article L. 225-38 *et seq.* of the French Commercial Code;
5. Renewal of the directorship of Ms Danièle Ricard;
6. Renewal of the directorship of Mr Laurent Burrelle;
7. Renewal of the directorship of Mr Michel Chambaud;
8. Renewal of the directorship of Société Paul Ricard;
9. Renewal of the directorship of Mr Anders Narvinger;
10. Setting of the annual amount of Directors' fees allocated to the members of the Board of Directors;
11. Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors;
12. Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer;
13. Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer;
14. Authorisation to be granted to the Board of Directors to trade in the Company's shares.

ITEMS ON THE AGENDA PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

15. Authorisation to be granted to the Board of Directors for the purpose of reducing the share capital by cancelling treasury shares, within the limit of 10% of the share capital;
16. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximal nominal amount of €205 million, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of preferential subscription rights;
17. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximal nominal amount of €41 million, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of preferential subscription rights, as part of a public offer;
18. Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without preferential subscription rights, within the limit of 15% of the initial share issue in accordance with the 16th and 17th resolutions;
19. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration for contributions in kind granted to the Company, within the limit of 10% of the share capital;
20. Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital, within the limit of 10% of the share capital, with cancellation of preferential subscription rights, in the event of a public offer initiated by the Company;
21. Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities within a maximum limit of €5 billion;
22. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximal nominal amount of €205 million by capitalisation of Premiums, reserves, profits or other items;
23. Delegation of authority to be granted to the Board of Directors to decide on a share capital increase within the limit of 2% of the share capital through the issue of shares or securities granting access to the share capital, reserved for members of company savings plans with cancellation of preferential subscription rights in favour of the members of such savings plans;
24. Amendment to article 16 of the Company's bylaws relating to the appointment process of the Directors representing the employees, in accordance with the law of 14 June 2013 on the protection of employment;
25. Powers to carry out the necessary legal formalities.

PRESENTATION OF THE RESOLUTIONS

RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

Approval of the annual financial statements and allocation of the results

The purpose of the **1st resolution** is to approve the Pernod Ricard Parent Company financial statements for the 2012/2013 financial year, which show a net profit of €380,968,584.80.

The purpose of the **2nd resolution** is to approve the Pernod Ricard consolidated financial statements for the 2012/2013 financial year.

The purpose of the **3rd resolution** is to allocate the results. It is proposed that the dividend for the 2012/2013 financial year be set at €1.64 per share. An interim dividend payment of €0.79 per share having been paid on 5 July 2013, if approved, the balance amounting to €0.85 per share will be detached on 12 November 2013 and paid on 15 November 2013.

Approval of regulated agreements and commitments

It is proposed that, by voting on the **4th resolution**, you approve the regulated agreements and commitments concluded or still in force during the 2012/2013 financial year, as described in the Statutory Auditors' special report (see Section 6 "Pernod Ricard SA financial statements" of this Registration Document). These relate mainly to agreements concluded in the context of Group internal reorganisations or financing transactions between the Company and certain of its affiliates with which it has one or more Directors in common. This resolution also covers the commitments (which were approved by the Shareholders' Meeting of 9 November 2012 – 5th and 6th resolutions) benefiting Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer and Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, relating to a non-compete clause and the continued membership of the supplementary pension scheme and collective healthcare and welfare schemes offered by the Company.

Renewal of the term of office of Directors

Information regarding the Directors for whom renewal of the term of office is proposed, appears in Section 2 "Corporate Governance and Internal Control" of this Registration Document.

The directorships of Ms Danièle Ricard, Mr Laurent Burelle (Independent Director), Mr Michel Chambaud (Independent Director), Mr Anders Narvinger (Independent Director) and Société Paul Ricard expire at the close of this Shareholders' Meeting.

In order to facilitate the staggered renewal of the Board of Directors and in accordance with the bylaws as amended by the Shareholders' Meeting of 15 November 2011, and following the recommendations of the Nominations and Governance Committee, it is proposed that you renew the office of four Directors for a term of four years and of one Director for a term of two years.

It is proposed that, by voting on the **5th, 6th, 7th and 8th resolutions**, you renew the directorships of Ms Danièle Ricard, Mr Laurent Burelle, Mr Michel Chambaud, and Société Paul Ricard for a term of four years expiring at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year. It is also proposed that, by voting on the **9th resolution**, you renew the directorship of Mr Anders Narvinger for a term of two years expiring at the close of the Shareholders' Meeting to be held in 2015 to approve the financial statements for the previous financial year.

If these resolutions are approved, at the close of the Shareholders' Meeting, the Board of Directors will comprise 14 members, including seven Independent Directors and four women.

Directors' fees

The purpose of the **10th resolution** is to set the aggregate amount of Directors' fees allocated to the Board of Directors. It is proposed that the Board of Directors' total compensation for the 2013/2014 financial year be set at €910,000.

Advisory vote on the elements of compensation due or granted to each Executive Director for the 2012/2013 financial year

In accordance with the recommendations of the AFEP-MEDEF Code, revised in June 2013 (article 24.3), to which the Company refers in application of article L. 225-37 of the French Commercial Code, the following elements of compensation due or granted to each Executive Director of the Company for the year ended are submitted to the shareholders' advisory vote:

- the fixed portion;
- the annual variable portion and, if applicable, any multi-year variable portion with objectives contributing to the determination of this variable portion;
- special bonuses;
- stock options, performance-based shares and any other element of long-term compensation;
- welcome bonus or compensation for termination of service;
- the supplementary pension scheme;
- any other benefits.

By voting on the **11th, 12th and 13th resolutions**, the Shareholders' Meeting is called upon **to give a opinion** on the **elements of compensation due or granted in respect of the 2012/2013 financial year to each Executive Director** of the Company, namely:

- **Ms Danièle Ricard, Chairwoman of the Board of Directors;**
- **Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer; and**
- **Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer.**

Presentation of the resolutions

Consequently, it is proposed in the **11th resolution**, that you **give a favourable opinion** on the following elements of **compensation due or granted in respect of the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors**:

ELEMENTS OF COMPENSATION DUE OR GRANTED IN RESPECT OF THE 2012/2013 FINANCIAL YEAR TO MS DANIÈLE RICARD, CHAIRWOMAN OF THE BOARD OF DIRECTORS, SUBMITTED TO THE SHAREHOLDERS' ADVISORY VOTE

| Compensation elements | Amounts | Remarks |
|---|---------|--|
| Fixed compensation | €92,587 | <ul style="list-style-type: none"> Gross fixed compensation of €110,000 for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. The amount was paid <i>pro rata temporis</i> as Ms Danièle Ricard was appointed Chairwoman of the Board of Directors starting on 29 August 2012. |
| Variable compensation | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any variable compensation. |
| Multi-year variable compensation | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | <ul style="list-style-type: none"> As is the case for all Executive Directors of the Company, Ms Danièle Ricard, Chairwoman of the Board of Directors, does not receive any Directors' fees. Prior to her appointment as Chairwoman of the Board of Directors on 29 August 2012, Ms Danièle Ricard received, for the financial year 2012/2013, €14,417 in Directors' fees as a Company Director. |
| Special bonus | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any allocation of stock options or performance-based shares. |
| Welcome bonus or compensation for termination of service | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any compensation. |
| Supplementary pension scheme | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for the supplementary pension scheme in place within the Company. |
| Collective healthcare and welfare schemes | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for the collective healthcare and welfare schemes in place within the Company. |
| Other benefits | N/A | <ul style="list-style-type: none"> Ms Danièle Ricard does not qualify for any other benefits. |

It is proposed in the 12th resolution that you give a favourable opinion on the following elements of compensation due or granted in respect of the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer:

ELEMENTS OF COMPENSATION DUE OR GRANTED IN RESPECT OF THE 2012/2013 FINANCIAL YEAR TO MR PIERRE PRINGUET, VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER, SUBMITTED TO THE SHAREHOLDERS' ADVISORY VOTE

| Compensation elements | Amounts | Remarks |
|---|------------|---|
| Fixed compensation | €1,100,000 | <ul style="list-style-type: none"> Gross fixed compensation for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. |
| Variable compensation | €860,200 | <ul style="list-style-type: none"> At the Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Pierre Pringuet's compensation for the 2012/2013 financial year. Considering the quantitative and qualitative criteria set by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was evaluated as follows: <ul style="list-style-type: none"> with respect to the quantitative criteria (increases in net profit per share, operating profit and net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of his fixed annual compensation. This percentage, lower than in previous years, is due to the highly exacting quantitative objectives set by the Board; with respect to qualitative criteria, the Board deemed that Mr Pierre Pringuet's performance in the 2012/2013 financial year had been excellent and granted the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult environment this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy. The amount of Mr Pierre Pringuet's variable compensation for the 2012/2013 financial year was consequently set at €860,200, or 78.20% of his 2012/2013 annual fixed compensation. |
| Multi-year variable compensation | N/A | <ul style="list-style-type: none"> Mr Pierre Pringuet does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | <ul style="list-style-type: none"> As is the case for all Executive Directors of the Company, Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer, does not receive any Directors' fees. |
| Special bonus | N/A | <ul style="list-style-type: none"> Mr Pierre Pringuet does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | None | <ul style="list-style-type: none"> The decision was taken to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. Consequently, no stock option or performance-based shares were allocated to Mr Pierre Pringuet for the 2012/2013 financial year. |
| Welcome bonus or compensation for termination of service. | No payment | <ul style="list-style-type: none"> Mr Pierre Pringuet is subject to a two-year non-compete clause accompanied by a maximum indemnity of one year's gross compensation (fixed and variable). In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). |
| Supplementary pension scheme | No payment | <ul style="list-style-type: none"> Mr Pierre Pringuet benefits from the defined-benefit supplementary pension scheme offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). For example, if the calculation was made based on the reference compensation (fixed and variable) over the last three financial years, the annuity paid to Mr Pierre Pringuet under this scheme would represent approximately 20% of his total compensation (fixed and variable). |
| Collective healthcare and welfare schemes | | <ul style="list-style-type: none"> Mr Pierre Pringuet benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (5th resolution). |
| Other benefits | €4,431 | <ul style="list-style-type: none"> Mr Pierre Pringuet qualifies for a chauffeur-driven company car |

Presentation of the resolutions

Finally, it is proposed in the **13th resolution** that you **give a favourable opinion** on the following elements of **compensation due or granted in respect of the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer**:

ELEMENTS OF COMPENSATION DUE OR GRANTED IN RESPECT OF THE 2012/2013 FINANCIAL YEAR TO MR ALEXANDRE RICARD, DEPUTY CHIEF EXECUTIVE OFFICER & CHIEF OPERATING OFFICER, SUBMITTED TO THE SHAREHOLDERS' ADVISORY VOTE

| Compensation elements | Amounts | Remarks |
|---|------------|--|
| Fixed compensation | €604,720 | <ul style="list-style-type: none"> ■ Gross fixed compensation of €700,000 for 2012/2013 decided by the Board of Directors of 29 August 2012 on the proposal of the Compensation Committee. The amount was paid <i>pro rata temporis</i> as Mr Alexandre Ricard was appointed Deputy Chief Executive Officer & Chief Operating Officer starting on 29 August 2012. |
| Variable compensation | €472,891 | <ul style="list-style-type: none"> ■ At the Pernod Ricard Board of Directors' meeting of 28 August 2013, on the recommendation of the Compensation Committee and after approval of the financial elements by the Audit Committee, the Board assessed the amount of the variable portion of Mr Alexandre Ricard's compensation for the 2012/2013 financial year. ■ Considering the quantitative and qualitative criteria set by the Board meeting of 29 August 2012 and the achievements recorded as at 30 June 2013, the amount of the variable portion was evaluated as follows: <ul style="list-style-type: none"> ■ with respect to the quantitative criteria (increases in net profit per share, operating profit and net debt/EBITDA ratio), the amount of the variable portion reached 48.20% of his fixed annual compensation; ■ with respect to qualitative criteria, the Board deemed that Mr Alexandre Ricard's performance in the 2012/2013 financial year had been excellent and granted the maximum percentage of 30% of annual fixed compensation. The Board unanimously expressed appreciation for the quality of the Group's management in an even more difficult environment this year, and recognised the success of the new General Management organisation, the improvement in operating margin, the Group's sustained rate of growth in emerging countries and the excellence of its societal policy. ■ The amount of Mr Alexandre Ricard's variable compensation for the 2012/2013 financial year, as Deputy Chief Executive Officer & Chief Operating Officer, was consequently set at €472,891, or 78.20% of his 2012/2013 annual fixed <i>pro rata temporis</i> compensation. |
| Multi-year variable compensation | N/A | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard does not qualify for any multi-year variable compensation. |
| Directors' fees | N/A | <ul style="list-style-type: none"> ■ As is the case for all Executive Directors of the Company, Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, does not receive any Directors' fees. ■ Prior to his appointment as Deputy Chief Executive Officer & Chief Operating Officer on 29 August 2012, Mr Alexandre Ricard received, for the year 2012/2013, €9,917 in Directors' fees for his role as permanent representative of Société Paul Ricard, Director of the Company. |
| Special bonus | N/A | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard does not qualify for any special bonus. |
| Allocation of stock options and/or performance-based shares | None | <ul style="list-style-type: none"> ■ The decision was taken to defer the allocation of stock options and performance-based shares to a date occurring after the close of the 2012/2013 financial year. Consequently, no stock option or performance-based shares were allocated to Mr Alexandre Ricard for the 2012/2013 financial year. |
| Welcome bonus or compensation for termination of service | No payment | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard is subject to a two-year non-compete clause accompanied by a maximum indemnity of one year's gross compensation (fixed and variable). ■ In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). |
| Supplementary pension scheme | No payment | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard benefits from the defined-benefit supplementary pension scheme offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. ■ In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). ■ For example, if the calculation was made based on Mr Alexandre Ricard's 2012/2013 compensation, the annuity paid to Mr Alexandre Ricard under this scheme would represent approximately 10% of this compensation. |
| Collective healthcare and welfare schemes | | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard benefits from the collective healthcare and welfare schemes offered by the Company under the same terms as those applicable to the category of employees to which he belongs for the determination of his employee benefits and other additional elements of his compensation. ■ In compliance with the procedure for regulated agreements and commitments, this commitment was authorised by the Board meeting of 29 August 2012 and approved by the Shareholders' Meeting of 9 November 2012 (6th resolution). |
| Other benefits | €2,727 | <ul style="list-style-type: none"> ■ Mr Alexandre Ricard qualifies for a company car. |

The general policy for the compensation of the Company's Executive Directors is shown in Section 4 "Management Report", under "Compensation policy for the Executive Directors" of this Registration Document.

Repurchase of shares

As the authorisation granted to the Board of Directors by the Shareholders' Meeting of 9 November 2012 to trade in the Company's shares is due to expire on 8 May 2014, it is proposed, in the **14th resolution**, that you renew the authorisation for the Board of Directors to trade in the Company's shares for a period of 18 months **at a maximum purchase price of €140 per share**, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing a maximum of **10% of the Company's share capital**, with a view to:

- allocating or transferring them to employees and/or Corporate Officers of the Company and/or Group companies (including the allocation of stock options and performance-based shares);

- using them within the scope of external growth transactions (up to a maximum of 5% of the number of shares comprising the share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

It should be noted that during a public offer period, the repurchase of shares would only be possible on the condition that the AMF's General Regulations are strictly complied with and only in order for the Company to be able to respect its prior commitments.

RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

As the financial authorisations granted to the Board of Directors by the Shareholders' Meeting of 15 November 2011 are due to expire on 14 January 2014, it is proposed that you renew these authorisations.

Delegations of authority submitted to the vote during the present Shareholders' Meeting and which are approved, cancel, from the date of the present Shareholders' Meeting, any previous delegations approved and having the same purpose.

These resolutions, if passed, will enable the Board of Directors to immediately take the most appropriate measures regarding the financing of planned investments in external growth operations.

Reduction of the share capital by cancelling treasury shares

One of the aims of the share buyback programme (14th resolution) is the cancellation of purchased shares. For this purpose, by voting in favour of the **15th resolution**, you are asked to authorise the Board of Directors, for a period of 26 months, **to cancel all or some of the Company shares purchased through a share buyback programme**, for up to 10% of the shares comprising the Company's share capital per 24-month period.

Delegations of authority to issue ordinary shares and/or securities granting access to the Company's share capital, with maintenance of preferential subscription rights (16th resolution), or with cancellation of preferential subscription rights (17th resolution)

16th resolution (issue of shares with preferential subscription rights)

In order to pursue its growth strategy and to have means in line with the Group's development, your Board of Directors puts forward resolutions whose purpose is to grant the Board of Directors delegations of authority allowing it to issue securities in compliance with the current regulations.

The **16th resolution** covers the issue, with **maintenance of your preferential subscription rights**, of your Company's shares or of securities granting access to the share capital. In the event of the issuance of securities giving future access to the share capital – e.g. bonds with share warrants attached, convertible bonds or detachable warrants – your decision would waive shareholders' preferential subscription rights for the shares to which the securities initially issued will grant entitlement and for which your preferential subscription rights are maintained.

Presentation of the resolutions

The **maximum nominal amount of share capital increases** likely to be conducted by virtue of this delegation would be set at **€205 million**, i.e. approximately 50% of the share capital.

It also forms the **maximum Overall Limit** from which all the share issues **determined by virtue of the 17th** (issue of securities with cancellation of preferential subscription rights), **18th** (increase in the number of securities issued), **19th** (remuneration of contributions in kind), **20th** (public exchange offer initiated by the Company), **22nd** (capitalisation of reserves) and **23rd** (share capital increases reserved for employees) **resolutions** would be deducted.

The **maximum nominal amount of securities representing debts** (granting subsequent access to the capital) on the Company, which could be issued by virtue of this authorisation, would be limited to **€5 billion**, it being specified that the nominal amount of securities representing debts to be issued in accordance with the **17th resolution** would be deducted from this nominal amount.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

17th resolution (issue of shares without preferential subscription rights)

Authorising your Board of Directors to carry out capital increases without preferential subscription rights would enable the Company to seize opportunities that may arise on French and foreign markets under certain circumstances, and notably through a public offer.

Your Board of Directors requests that, by voting on the **17th resolution**, you delegate your authority so as to allow the issue of shares and securities granting access to the share capital, with cancellation of shareholders' preferential subscription rights, up to a maximal nominal amount of **€41 million**, i.e., **approximately 10% of the share capital**, it being specified that this maximal nominal amount would be **deducted from the maximum Overall Limit** set in the **16th resolution**.

This amount is a sub-limit from which all the share issues with cancellation of preferential subscription rights determined by virtue of the **18th** (increase of the number of securities issued with cancellation of preferential subscription rights), **19th** (remuneration of contributions in kind), **20th** (public exchange offer initiated by the Company) and **23rd** (share capital increases reserved for employees) **resolutions** would be deducted.

The **maximum nominal amount of securities representing debts** on the Company (granting subsequent access to the share capital) that could be issued by virtue of this authorisation would be limited to **€4 billion** and would be **deducted from the €5 billion maximum limit** set by the **16th resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Increase in the number of shares to be issued in the event of a share capital increase with or without preferential subscription rights

Your Board of Directors requests that, by voting on the **18th resolution**, you delegate the authority of the Shareholders' Meeting to the Board of Directors to decide, as allowed by law, if it records a surplus demand during a capital increase with or without preferential subscription rights, **to increase the number of shares to be issued** at the same price as that chosen for the initial issue, within the time periods and limits prescribed by law and regulations.

This option would enable the Board, as part of a share issue, to carry out an additional share issue of a **maximum of 15% of the initial issue** (this is called the "overallocation option"), within 30 days after the subscription period ends, and subject to the limit set in the resolution by virtue of which the increase is decided as well as to the **maximum Overall Limit** set in the **16th resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to increase the share capital in order to remunerate contributions in kind, within the limit of 10% of the share capital

By voting on the **19th resolution**, you are requested to authorise the Board of Directors to issue shares and securities, with a view to remunerating, for example, purchases of companies' shares.

This option, which would be available to the Board of Directors for **26 months** from this Shareholders' Meeting, would be limited to **10% of the Company's share capital**, it being specified that this limit would be **deducted** from the share capital increase **limit** set in the **17th resolution** as well as **from the maximum Overall Limit** set in the **16th resolution**.

Delegation of authority to increase the share capital in the event of a public exchange offer initiated by the Company

In the same way, by voting on the **20th resolution**, you are requested to authorise the Board of Directors to issue shares and securities, with a view to carrying out a public exchange offer or similar transaction on securities of another company.

This option would be available to the Board of Directors for **26 months** from the date of this Shareholders' Meeting and would be limited to **10% of the Company's share capital at the time of the issue**, it being specified that this limit would be **deducted from** the share capital increase **limit** set in the **17th resolution** as well as from the **maximum Overall Limit** set in the **16th resolution**.

Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities

The purpose of the **21st resolution** put to your vote is to delegate to the Board of Directors your authority to issue securities representing debts granting entitlement to the allocation of debt securities, such as warrant bonds or bonds that are convertible or redeemable for another bond-type security.

The **total nominal amount** of share issues carried out by virtue of this delegation cannot exceed **a maximum limit of €5 billion** fixed independently of any other limit relating to issues of debt securities authorised by this Shareholders' Meeting and issues of bonds authorised or decided by the Board of Directors.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to increase the share capital by the capitalisation of premiums, reserves and profits

We request that, by voting on the **22nd resolution**, you authorise the Board of Directors to increase the share capital by the capitalisation of premiums, reserves, profits or other items. As this transaction does not necessarily involve issuing new shares, this delegation must be voted by the Extraordinary Shareholders' Meeting under the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings.

This delegation would enable your Board of Directors to increase the share capital up to a **maximum nominal amount of €205 million** to be **deducted from the maximum Overall Limit** set in the **16th resolution**.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Delegation of authority to increase the share capital through the issue of shares or securities granting access to the share capital, reserved for members of a Company savings plan

As the Shareholders' Meeting is requested to vote on delegations of authority to the Board of Directors that might entail future share capital increases, it is proposed that, by voting on the **23rd resolution**, you delegate authority to the Board of Directors to decide on a share

capital increase of a **maximum nominal amount corresponding to 2% of the share capital** at the close of this Shareholders' Meeting, by way of an issue of shares or securities granting access to the share capital, reserved for members of one or more employee savings plans established within the Company or the Group. This limit would **be deducted from** the share capital increase **limit** set in the **17th resolution**, as well as from the **maximum Overall Limit** set in the **16th resolution**.

The issue price for the new shares or securities granting access to the share capital may not be more than 20% lower than the average of the listed prices of the Pernod Ricard share on the NYSE Euronext Paris market during the 20 trading sessions prior to the date of the decision setting the opening date for the subscription period, nor may the issue price exceed this average.

This authorisation would be valid for a period of **26 months** from the date of this Shareholders' Meeting.

Amendment to article 16 of the Company's bylaws relating to the appointment process for Directors representing employees, in accordance with the law of 14 June 2013 on the protection of employment

By voting on the **24th resolution**, it is proposed that you amend the bylaws relating to the composition of the Board of Directors (article 16) to determine the appointment process for Directors representing employees in accordance with the law of 14 June 2013 relating to the protection of employment.

One Director representing employees would be appointed by the group committee (France), and a second Director would be appointed by the European works council, given the international profile of the Group. The group committee (France) has been consulted, in accordance with the law, and gave a favourable opinion on the proposed appointment process on 26 August 2013.

Since the Company meets the legal criteria (in particular, over 10,000 employees worldwide) and the Board of Directors is composed of fourteen members, two Directors representing employees will have to be appointed and take up office within six months from the date of this Shareholders' Meeting.

Powers to carry out the required legal formalities

By voting on the **25th resolution**, the Shareholders' Meeting is asked to authorise the Board of Directors to carry out the required legal formalities, where applicable.

DRAFT RESOLUTIONS

RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

First resolution

(Approval of the Parent Company financial statements for the financial year ended 30 June 2013)

Having reviewed the Parent Company financial statements for the financial year ended 30 June 2013, the management report of the Board of Directors and the report of the Statutory Auditors on the Parent Company financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the financial statements for the financial year ended 30 June 2013 as well as all transactions recorded in the financial statements or summarised in these reports, which show a net profit of €380,968,584.80 for the aforementioned financial year.

The Shareholders' Meeting takes note of the report of the Chairman of the Board of Directors on the composition of the Board and the implementation of the principle of balanced representation of women and men within the Board, the conditions governing the preparation and organisation of the work performed by the Board of Directors as well as the Internal Control and risk management procedures implemented by the Company, and the report of the Statutory Auditors on such report.

Pursuant to article 223 *quater* of the French Tax Code, the Shareholders' Meeting also takes note of the fact that the total amount of the costs and expenses referred to in paragraph 4 of article 39 of the French Tax Code amounted to €204,058 for the past financial year, and that the future tax payable with regard to these costs and expenses amounts to €70,257.

Second resolution

(Approval of the consolidated financial statements for the financial year ended 30 June 2013)

Having reviewed the report of the Board of Directors on the management of the Group included in the management report in accordance with article L. 233-26 of the French Commercial Code and the report of the Statutory Auditors on the consolidated financial statements, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, approves the consolidated financial statements for the financial year ended 30 June 2013 as presented to it as well as the transactions recorded in the financial statements or summarised in the report on the management of the Group.

Third resolution

(Allocation of the net result for the financial year ended 30 June 2013 and setting of the dividend)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes that the balance sheet for the financial year ended 30 June 2013 shows a net profit of €380,968,584.80.

It decides, on the proposal of the Board of Directors, to allocate and divide this profit as follows:

| | |
|--|-----------------|
| Profit | €380,968,584.80 |
| Appropriation to the legal reserve | €17,202.98 |
| Balance | €380,951,381.82 |
| Previous retained earnings | €559,064,899.14 |
| Distributable profit | €940,016,280.96 |
| Dividend distributed | €435,291,410.88 |
| Balance allocated to retained earnings | €504,724,870.08 |

It should be noted that in the event of a change between the number of shares giving right to a dividend and the 265,421,592 shares making up the share capital as of 30 June 2013, the total amount of the dividend shall be adjusted accordingly and the amount allocated to the retained earnings account shall be determined based on dividends actually paid.

A dividend of €1.64 per share will be distributed for each of the Company's shares.

An interim dividend payment of €0.79 per share having been paid on 5 July 2013, the balance amounting to €0.85 per share will be detached on 12 November 2013 and paid on 15 November 2013.

The Shareholders' Meeting decides that the amount of the dividend accruing to treasury shares or shares that have been cancelled on the ex-dividend date, will be allocated to "Retained earnings".

The amount distributed of €1.64 per share will be eligible for the 40% tax deduction applicable to individual shareholders who are French tax residents, as provided for in article 158-3 2° of the French Tax Code.

Shareholders' equity totals €4,370,869,774.09 after allocation of the net result for the financial year.

Dividends distributed over the past three financial years are as follows:

| | 2009/2010 | 2010/2011 | 2011/2012 |
|---------------------------------|---------------------|---------------------|---------------------|
| Number of shares | 264,232,313 | 264,721,803 | 265,310,605 |
| Dividend per share (in euro) | 1.34 ⁽¹⁾ | 1.44 ⁽¹⁾ | 1.58 ⁽¹⁾ |

⁽¹⁾ Amounts eligible for the 40% tax deduction for individual shareholders who are French tax residents, as provided for in article 158-3 2° of the French Tax Code.

Fourth resolution

(Approval of regulated agreements and commitments referred to in article L. 225-38 et seq. of the French Commercial Code)

Having reviewed the special report of the Statutory Auditors on the regulated agreements and commitments referred to in article L. 225-38 et seq. of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, notes the conclusions of said report and approves the agreements and commitments referred to therein.

Fifth resolution

(Renewal of the directorship of Ms Danièle Ricard)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Ms Danièle Ricard.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Sixth resolution

(Renewal of the directorship of Mr Laurent Burelle)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Mr Laurent Burelle.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Seventh resolution

(Renewal of the directorship of Mr Michel Chambaud)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Mr Michel Chambaud.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Eighth resolution

(Renewal of the directorship of Société Paul Ricard)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Société Paul Ricard.

This term of office is granted for a period of four years, which shall expire at the close of the Shareholders' Meeting to be held in 2017 to approve the financial statements for the previous financial year.

Ninth resolution

(Renewal of the directorship of Mr Anders Narvinger)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to renew the directorship of Mr Anders Narvinger.

This term of office is granted for a period of two years, which shall expire at the close of the Shareholders' Meeting to be held in 2015 to approve the financial statements for the previous financial year.

Tenth resolution

(Setting of the annual amount of Directors' fees allocated to the members of the Board of Directors)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, upon proposal of the Board of Directors, decides to set the aggregate annual amount of Directors' fees in respect of the 2013/2014 financial year at €910,000.

Eleventh resolution

(Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, gives a favourable opinion on the elements of compensation due or granted for the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors, as described in the 2012/2013 Registration Document, Section 4 "Management Report", paragraph "Elements of compensation due or granted in respect of the 2012/2013 financial year to Ms Danièle Ricard, Chairwoman of the Board of Directors, submitted to the shareholders' advisory vote".

Twelfth resolution

(Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, gives a favourable opinion on the elements of compensation due or granted for the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer, as described in the 2012/2013 Registration Document, Section 4 "Management Report", paragraph "Elements of compensation due or granted in respect of the 2012/2013 financial year to Mr Pierre Pringuet, Vice Chairman of the Board of Directors and Chief Executive Officer, submitted to the shareholders' advisory vote".

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Thirteenth resolution

(Advisory vote on the elements of compensation due or granted for the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, gives a favourable opinion on the elements of compensation due or granted for the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, as described in the 2012/2013 Registration Document, Section 4 "Management Report", paragraph "Elements of compensation due or granted in respect of the 2012/2013 financial year to Mr Alexandre Ricard, Deputy Chief Executive Officer & Chief Operating Officer, submitted to the shareholders' advisory vote".

Fourteenth resolution

(Authorisation to be granted to the Board of Directors to trade in the Company's shares)

Having reviewed the report of the Board of Directors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, authorises the Board of Directors, with the possibility for it to delegate these powers in turn, in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code and of European Commission Regulation no. 2273/2003 of 22 December 2003, to purchase shares in the Company in order to:

- (i) allocate shares or transfer them to employees and/or Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law, in particular by granting stock options or as part of employee profit sharing plans; or
- (ii) cover its commitments pursuant to options with cash payments concerning rises in the stock market price of the Company's share, granted to employees and/or Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions provided for by law; or
- (iii) make free allocations of shares to employees and/or Corporate Officers of the Company and/or its current or future affiliates under the terms and conditions of articles L. 225-197-1 *et seq.* of the French Commercial Code, it being specified that the shares may be allocated, in particular, to an employee savings plan in accordance with the provisions of article L. 3332-14 of the French Employment Code; or
- (iv) retain them and subsequently tender them (in exchange, as payment or otherwise) within the scope of external growth transactions, in the limit of 5% of the number of shares comprising the share capital; or
- (v) deliver shares upon the exercise of rights attached to securities granting access to the share capital through reimbursement, conversion, exchange, presentation of a warrant or in any other manner; or
- (vi) cancel all or some of the shares repurchased in this manner, under the conditions provided for in article L. 225-209 paragraph 2 of the French Commercial Code, and subject to the authorisation to reduce the share capital to be granted by the Extraordinary Shareholders' Meeting, in the 15th resolution below; or
- (vii) allow an investment services provider to act on the secondary market or to ensure liquidity of the Company's share by means of liquidity agreements in compliance with the terms of a Code of Conduct approved by the French Financial Markets Authority (AMF).

This programme is also intended to enable the Company to trade in the Company's shares for any other authorised purpose or purpose that would come to be authorised by law or regulations in force. In such a case, the Company would notify its shareholders through a press release.

The Company would be able to purchase a number of shares such that:

- the Company does not purchase more than 10% of the shares comprising its share capital at any time during the term of the share buyback programme; this percentage applies to the share capital adjusted based on capital transactions carried out after this Shareholders' Meeting; in accordance with the provisions of article L. 225-209 of the French Commercial Code, the number of shares taken into account for calculating the 10% limit equates to the number of shares purchased, less the number of shares sold during the authorisation period, in particular when shares are repurchased to favour liquidity of the share under the conditions set out by the AMF's General Regulations; and that
- the number of shares held by the Company at any time does not exceed 10% of the number of shares comprising its share capital.

These shares may be purchased, sold, transferred or exchanged, on one or more occasions, by any authorised means pursuant to the regulations in force. These means include, in particular, over-the-counter transactions, sales of blocks of shares, sale and repurchase agreements and the use of any financial derivatives, traded on a regulated market or over-the-counter market, or setting up option strategies (purchases and sales of puts and calls and any combinations thereof in compliance with the applicable regulations). Transactions involving blocks of shares may account for the entire share buyback programme.

These transactions may be carried out at the times considered appropriate by the Board of Directors; however, during a public offer period, these transactions may only be carried out in strict compliance with the provisions of article 231-40, II of the General Regulations of the AMF, in order to enable the Company to comply with its prior commitments, and solely if:

- firstly, the purchase offer concerning Pernod Ricard shares is paid in full in cash; and
- secondly, the repurchase transactions (a) are undertaken within the scope of the pursuit of a programme that was already in progress, (b) fall within the scope of the objectives referred to in points (i) to (v) above, and (c) are not likely to cause the offer to fail.

The Shareholders' Meeting decides that the maximum purchase price per share shall be equal to €140, excluding acquisition costs.

Under article R. 225-151 of the French Commercial Code, the Shareholders' Meeting sets at €3,715,902,260 the total maximum amount allocated to the above authorised share buyback programme, corresponding to a maximum number of 26,542,159 shares purchased at the maximum unit price of €140 as authorised above.

The Shareholders' Meeting delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, in the event of transactions on the Company's share capital, and in particular a change in the par value of the share, a share capital increase via the capitalisation of reserves, a granting of bonus shares, stock split or reverse stock split, to adjust the above-mentioned maximum purchase price in order to take into account the impact of such transactions on the share value.

The Shareholders' Meeting grants the Board of Directors full powers, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide and implement this authorisation, to specify, if necessary, its terms and decide on its conditions with the possibility to delegate implementation of the share purchase programme, under the conditions provided for by law, and in particular to place all stock exchange orders, enter into any agreements, with a view to keeping registers of share purchases and sales, make all declarations to the AMF and to any other authority which may take its place, complete all formalities and, in general, do whatever may be necessary.

This authorisation will be valid for a period of 18 months from the date of this Shareholders' Meeting and cancels as from this same date, for any unused portion, the authorisation granted to the Board of Directors to trade in the Company's shares by the Ordinary Shareholders' Meeting of 9 November 2012 in its 16th resolution.

RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fifteenth resolution

(Authorisation to be granted to the Board of Directors for the purpose of reducing the share capital by cancelling treasury shares, within the limit of 10% of the share capital)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with articles L. 225-209 *et seq.* of the French Commercial Code:

1. authorises the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or part of the treasury shares held or acquired by the Company pursuant to the share buyback programmes authorised by the Shareholders' Meeting, in particular under the 14th resolution above, for up to 10% of the share capital per 24-month period, it being specified that the 10% limit applies to the Company's capital amount which will be, where applicable, adjusted to take account of capital transactions;
2. decides that where the purchase price of cancelled shares exceeds their par value, the excess amount shall be allocated to the "Share premiums" account or to any available reserve accounts, including the legal reserve, for up to 10% of the reduction in capital carried out; and
3. grants the Board of Directors full powers, with the possibility for it to delegate these powers in turn within the limits set by the bylaws and by law, to cancel, on its own decision, the shares thus acquired, to reduce the share capital accordingly, to allocate the excess amount as provided for above, as well as to make the corresponding amendments to the bylaws and complete all formalities.

This authorisation will be valid for a period of 26 months from the date of this Shareholders' Meeting and cancels as from this same date the authorisation granted by the Shareholders' Meeting of 15 November 2011 in its 11th resolution.

Sixteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximal nominal amount of €205 million, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of preferential subscription rights)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders'

Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of the French Commercial Code and notably articles L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 to L. 228-93:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide on a share capital increase, on one or more occasions, in France, abroad or on the international markets, in the proportions and at the times it considers appropriate, either in euro, or in any other currency or monetary unit drawn up with reference to several currencies, with maintenance of shareholders' preferential subscription rights, through the issue of (i) ordinary shares of the Company or (ii) securities issued against payment or free of charge, governed by articles L. 228-91 *et seq.* of the French Commercial Code, granting access to the Company's share capital, it being specified that the subscription of shares and other securities can be carried out either in cash, or by offsetting receivables;
2. decides to fix as follows the limits on the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
 - the maximum nominal amount of the share capital increases likely to be realised by virtue of this delegation is set at €205 million, it being specified that (i) to this limit will be added, where applicable, the nominal amount of any shares to be issued in addition, in the event of further adjustments, in order to protect, in accordance with the law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or bonus shares, and (ii) this limit forms the maximum overall nominal limit for share capital increases likely to be carried out by virtue of this delegation and of that conferred by the 17th, 18th, 19th, 20th, 22nd and 23rd resolutions below, and that the total nominal amount of the share capital increases carried out under these resolutions will be deducted from this overall limit;
 - the maximum nominal amount of securities representing debts granting access to the Company's share capital shall not exceed the €5 billion limit or equivalent, it being specified that the nominal amount of debt securities that will be issued by virtue of the 17th resolution of this Shareholders' Meeting will be deducted from the above limit. This limit is autonomous and distinct from the amount of securities representing debts granting the right to the allocation of debt securities which could be issued under the 21st resolution submitted to this Shareholders' Meeting, as well as from the amount of debt securities whose issue

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would be determined or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;

3. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 12th resolution;
4. in the event of use of this delegation by the Board of Directors:
 - decides that the share issue(s) will be reserved in preference for shareholders who can subscribe on an irreducible basis in proportion to the number of shares already held by them, and records that the Board of Directors can institute a subscription on a reducible basis;
 - decides that, if the subscriptions on an irreducible basis and, where applicable, on a reducible basis, do not absorb the entirety of an issue of shares or securities as set out above, the Board of Directors can use the different options provided for by law, in the order that it will determine, including offering to the public all or part of the shares or, in the case of securities granting access to the share capital, of the unsubscribed securities, on the French and/or foreign and/or international markets;
 - decides that issues of Company share warrants can be carried out through subscription offers under the aforementioned conditions, but also by free allocation to the holders of old shares;
 - decides that in the event of a free allocation of independent bonds, the Board of Directors will have the option to decide that fractional allocation rights will not be tradeable and that the corresponding securities will be sold;
 - acknowledges by virtue of this delegation that the shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription rights to the shares to which the securities will grant entitlement;
5. decides that the Board of Directors shall have full powers, with the possibility for it to delegate these powers in turn within the limits set by law, to implement this delegation of authority, including to set the share issue, subscription and payment conditions, record the completion of the resulting share capital increases and consequently amend the bylaws and notably to:
 - determine, if required, the terms for exercising the rights attached to the shares or securities granting access to the capital, and the terms for exercising the rights, where applicable, particularly for conversion, exchange, reimbursement, including by delivering the Company's assets such as securities already issued by the Company;
 - decide, in the event of the issue of debt securities, whether they are to be subordinated or unsubordinated (and, where applicable, their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), fix their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other terms of issue (including granting guarantees or sureties) and depreciation (including reimbursement by delivering Company assets); decide on the securities which may

be bought back on the stock exchange or be the subject of a takeover bid or public exchange offer by the Company; fix the conditions under which these securities will grant access to the Company's share capital; amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities;

- on its own initiative, offset the costs of the share capital increases against the amount of the related share Premiums and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital following each increase in the share capital;
- fix and carry out all adjustments required to take into account the impact of transactions on the Company's share capital, particularly in the event of the amendment of the nominal value of the share, the increase of the share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or of any other assets, depreciation of the share capital, or any other transaction concerning shareholders' equity, and set the terms under which, where applicable, the rights of holders of securities granting access to the capital will be protected; and
- generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the share capital increases carried out.

Seventeenth resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximal nominal amount of €41 million, through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of preferential subscription rights, as part of a public offer)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to decide on an increase in the share capital, on one or more occasions, in France, and/or abroad and/or on the international markets, in the proportions and at the times it considers appropriate, by way of a public offer, either in euro, or in any other currency or monetary unit drawn up with reference to several currencies, with cancellation of shareholders' preferential subscription rights, through the issue of (i) ordinary shares of the Company or (ii) securities against payment or free of charge, as governed by articles L. 225-149 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, granting access to the Company's share capital (whether new or existing Company shares), it being specified that the subscription of shares and other securities can be carried out either in cash, or by offsetting receivables;

2. decides to set as follows the limits on the amounts of share issues authorised in the event of use of this delegation of authority by the Board of Directors:
 - the maximum nominal amount of share capital increases likely to be realised by virtue of this delegation is fixed at €41 million, with this amount being deducted from the limit set in the 16th resolution above, it being specified that (i) to this limit will be added, where applicable, the nominal amount of any shares to be issued, in the event of further adjustments, in order to protect, in accordance with law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital as well as of recipients of stock options or bonus shares, and (ii) this limit is common to the 18th, 19th, 20th and 23rd resolutions below and that the total nominal amount of share capital increases carried out under these resolutions will be deducted from this limit;
 - the maximum nominal amount of securities representing debts granting access to the Company's share capital cannot exceed the limit of €4 billion or equivalent, it being specified that this amount will be deducted from the limit fixed for securities representing debt securities, by virtue of the 16th resolution above. This limit is independent and distinct from the amount of the securities representing debts granting the right to the allocation of debt securities which could be issued under the 21st resolution submitted to this Shareholders' Meeting, and from the amount of the debt securities, whose issue may be decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code;
3. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 13th resolution;
4. decides to cancel shareholders' preferential subscription rights to the securities that are the subject of this resolution, while nevertheless granting to the Board of Directors, in accordance with paragraph 2 of article L. 225-135 of the French Commercial Code, the option to confer on shareholders, at a time and according to terms that it may set in compliance with the applicable legal and regulatory provisions and for all or part of the issue carried out, a priority subscription period not creating tradeable rights and which must be exercised in proportion to the number of shares held by each shareholder and which could be supplemented by a subscription with a reducible right, it being specified that unsubscribed securities will be subject to a public offer in France and/or abroad and/or on the international markets;
5. acknowledges, by virtue of this delegation, that shareholders waive, in favour of the holders of securities issued granting access to the Company's share capital, their preferential subscription rights to the shares to which the securities will grant entitlement;
6. decides that, pursuant to article L. 225-136 of the French Commercial Code:
 - the issue price of the shares issued directly will be at least equal to the minimum amount provided for by the laws and regulations in force at the time of the use of this delegation;
 - the issue price of securities granting access to the capital, will be such that the sum immediately received by the Company, increased, where applicable, by that likely to be received subsequently by the Company, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set out in the previous paragraph;
7. decides that if the subscriptions of shareholders and the public have not absorbed the entire issue of securities, the Board of Directors can use, in the order that it will determine, one or more of the options below:
 - limit the issue to the amount of the subscriptions under the conditions stipulated by the law in force at the time this delegation is used;
 - freely distribute all or part of the unsubscribed securities between the persons of its choice;
8. decides that the Board of Directors shall have full powers, with the possibility for it to delegate these powers in turn, within the limits set by law, to implement this delegation of authority, including to set the issue, subscription and payment conditions, record the completion of the resulting share capital increases and consequently amend the bylaws and notably:
 - determine, if required, the terms for exercising the rights attached to shares or securities granting access to the capital or debt securities to be issued, the terms for exercising the rights, where applicable, particularly to conversion, exchange and reimbursement, including by delivering the Company's assets such as securities already issued by the Company;
 - decide, in the event of the issue of debt securities, whether they are to be subordinated or unsubordinated (and, where applicable, their subordination ranking, in accordance with the provisions of article L. 228-97 of the French Commercial Code), fix their interest rate (notably fixed or variable rate or zero or indexed coupon), their duration (specified or unspecified) and the other terms of issue (including granting guarantees or sureties) and depreciation (including reimbursement by delivering Company assets); decide on the securities which may be bought back on the stock exchange or be the subject of a takeover bid or public exchange offer by the Company; fix the conditions under which these securities will grant access to the Company's share capital and/or to the allocation of debt securities; amend, during the life of the securities under consideration, the terms set out above, in compliance with the applicable formalities;
 - on its own initiative, offset the costs of the share capital increases against the amount of the related share premiums and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital following each increase in the share capital;
 - fix and carry out all adjustments required to take into account the impact of transactions on the Company's share capital, particularly in the event of a change in the par value of the share, a share capital increase by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or of any other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and set the terms under which, where applicable, the rights of holders of securities granting access to the capital will be protected; and
 - generally, enter into any agreement, in particular, to successfully complete the proposed issues, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the share capital increases.

Eighteenth resolution

(Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase, with or without preferential subscription rights within the limit of 15% of the initial share issue in accordance with the 16th and 17th resolutions)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of article L. 225-135-1 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on an increase in the number of shares or securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that retained for the initial issue, within the time periods and limits stipulated by the regulations in force on the day of the issue (i.e., currently, within 30 days of the closing of the subscription and within the limit of 15% of the initial issue) and subject to the limit provided for in the resolution under which the issue is decided as well as the overall limit fixed by the 16th resolution;
2. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 14th resolution.

Nineteenth resolution

(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital by way of remuneration of contributions in kind granted to the Company, within the limit of 10% of the share capital)

Having reviewed the report of the Board of Directors under article L. 225-147 paragraph 6 of the French Commercial Code, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on the issue of shares or various securities granting access to the Company's share capital, within the limit of 10% of the share capital at the time of the issue, with a view to remunerating contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital of other companies, when the provisions of article L. 225-148 of the French Commercial Code are not applicable. In accordance with law, the Board of Directors will rule on the Statutory Auditors' special report on contributions, as referred to in article L. 225-147 of said Code, on the assessment of the contributions and the granting of particular benefits.

The Shareholders' Meeting decides that the nominal amount of the Company's share capital increase resulting from the issue of the securities set out in the above paragraph, will be deducted from the overall limit set in the 16th resolution above as well as from the limit on share capital increases fixed in the 17th resolution above, it being specified that this maximum amount does not take into account the impact on the share capital from the adjustments made to protect, in accordance with law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free allocations of shares.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to determine the type and number of securities to be created, their characteristics and the terms of their issue, approve the assessment of the contributions and, concerning said contributions, record their realisation, deduct all fees, charges and duties from the premium, with the balance receiving any allocation decided by the Board of Directors, or by the Ordinary Shareholders' Meeting, increase the share capital, carry out any subsequent amendments to the bylaws and, generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the shares or securities issued under this delegation of authority and the exercise of the rights attached thereto, and all formalities resulting from share capital increases.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 15th resolution.

Twentieth resolution

(Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital, within the limit of 10% of the share capital, with cancellation of preferential subscription rights, in the event of a public offer initiated by the Company)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129 to L. 225-129-6, L. 225-148 and L. 228-92 of the French Commercial Code:

- delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide to issue ordinary shares or various securities granting immediate and/or future access to the Company's share capital, within the limit of 10% of the share capital at the time of the issue, with a view to remunerating securities contributed to (i) a public offer of exchange initiated in France or abroad, under local regulations, by the Company on the shares of another company trading on one of the regulated markets set out in the aforementioned article L. 225-148, or (ii) to any other transaction having the same effect as a public exchange offer initiated by the Company on the securities of another company whose securities are traded on another regulated market subject to foreign law (e.g. as part of a reverse merger or a scheme of arrangement);
- decides, as required, to cancel in favour of the holders of these securities, subject of the public offer, shareholders' preferential subscription rights to the ordinary shares and securities thus issued;
- acknowledges, by virtue of this delegation, that the shareholders waive their preferential subscription rights to the ordinary shares to which the securities will grant entitlement.

The Shareholders' Meeting decides that the nominal amount of the Company's share capital increase resulting from the issue of shares set out in the above paragraph, will be deducted from the overall limit set in the 16th resolution above as well as from the maximum amount of share capital increase fixed in the 17th resolution above, it being specified that this maximum amount does not take into account the impact on the share capital from the adjustments made to protect,

in accordance with law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or free allocations of shares.

The Shareholders' Meeting decides that the Board of Directors shall have full powers to implement the public offers covered by this resolution and particularly:

- to set the exchange rate as well as, where applicable, the amount of the compensation in cash to be paid;
- to record the number of securities contributed to the exchange;
- to determine the dates, issue conditions, particularly the price and date of vesting, of the new ordinary shares, or, where applicable, of the securities granting immediate and/or future access to the Company's ordinary shares;
- to enter on the balance sheet liabilities under "Contribution premium", on which the rights of all the shareholders will be shown, the difference between the issue price of the new ordinary shares and their par value;
- to deduct, if applicable, from the said "Contribution premium" all fees and duties incurred in respect of the authorised transaction;
- to record the completion of the share capital increase(s) resulting from it and to make any subsequent amendments to the bylaws and, generally, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, and all formalities resulting from the share capital increases carried out.

The Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 16th resolution.

Twenty-first resolution

(Delegation of authority to be granted to the Board of Directors to issue securities representing debts granting entitlement to the allocation of debt securities within a maximum limit of €5 billion)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on the issue on one or more occasions, and in the proportions and at the times it considers appropriate, both in France and abroad, in euro or in foreign currency, of securities representing debts granting the right to the allocation of debt securities such as bonds, similar securities, subordinated debt with a fixed-term or not, or any other securities granting, under the same issue, the same right to a claim on the Company.

Securities granting entitlement to the allocation of debt securities can be in the form of subordinated debt or not, fixed-term or not, and be issued either in euro, or in a foreign currency;

2. decides that the total nominal amount of the issues (i) of securities representing debt granting entitlement to the allocation of debt securities, and (ii) debt securities to which these securities grant a right, realised under this delegation, cannot exceed a maximum limit of €5 billion (or equivalent in the event of an issue in a foreign currency or in a monetary unit drawn up with reference to several currencies), it being specified that this limit is fixed independently of the limits relating to the issues of debt securities authorised by this Shareholders' Meeting under the 16th and 17th resolutions and of the bond issues which may be decided on or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code.

For calculating the maximum limit stated in the previous paragraph, the equivalent value in euro of the par value of the securities representing debts granting entitlement to the allocation of debt securities and of the debt securities to which these securities grant entitlement, issued in foreign currencies, will be assessed on the date the issue is decided;

3. decides that the Board of Directors shall have full powers to implement this resolution and particularly to:
 - carry out the said issues within the limit set out above, by determining the date, type, amounts and the issue currency;
 - finalise the characteristics of the securities to be issued as well as the debt securities to which the securities would grant an entitlement, and particularly their par value and vesting date, issue price, with premium where applicable, interest rate, fixed and/or variable, and the payment date, or in the case of variable-rate securities, the terms for determining the interest rate, and the conditions for capitalising the interest;
 - fix, according to market conditions, the depreciation and/or early repayment terms of the securities to be issued as well as the debt securities to which the securities could grant entitlement, with, where applicable, a fixed or variable premium, or the terms of repurchase by the Company;
 - if applicable, decide to confer a guarantee or sureties to the securities to be issued, as well as to the debt securities to which the securities could grant entitlement, and to finalise their type and characteristics; and
 - more generally, do whatever is required;
4. the Shareholders' Meeting sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels and supersedes, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 17th resolution.

Twenty-second resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase for a maximum nominal amount of €205 million by capitalisation of premiums, reserves, profits or other items)

Having reviewed the report of the Board of Directors, the Extraordinary Shareholders' Meeting, deliberating in accordance with the quorum

Draft resolutions

and majority requirements provided for in article L. 225-98 of the French Commercial Code, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. delegates to the Board of Directors its authority to decide to increase the share capital, on one or more occasions, and in the proportions and at the times it considers appropriate, by the capitalisation of premiums, reserves, profits or other, whose capitalisation will be possible under the law and the bylaws, and under the form of the free allocation of shares or raising of the par value of the existing shares or by a combination of these two possibilities;
2. decides to set the maximum nominal amount of share capital increases that may be carried out in this respect at €205 million, it being specified that this limit:
 - is fixed without taking into account the nominal amount of the Company's ordinary shares that may be issued with respect to the adjustments made to protect, in accordance with law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or of free allocation of shares; and
 - will also be deducted from the maximum overall amount of the share capital increase determined in the 16th resolution above;
3. in the event of the use by the Board of Directors of this delegation of authority, delegates to the latter full powers, with the possibility for it to delegate these powers in turn under the conditions provided for by law, to implement this delegation of authority, and in particular to set the issue conditions, record the completion of the subsequent share capital increases and consequently amend the bylaws and notably:
 - fix the amount and type of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the par value of the existing shares comprising the share capital will be increased, finalise the date, which may be retroactive, from which the new shares will vest or that on which the increase in the par value will become effective;
 - decide, in the event of a free allocation of shares:
 - (i) that the fractional shares shall not be tradeable and that the corresponding shares will be sold; the sums resulting from the sale will be allocated to the holders of the rights under the conditions stipulated by the law and regulations,
 - (ii) to carry out all adjustments required to take into account the impact of transactions on the Company's share capital, particularly in the event of a change in the par value of the share, an increase in share capital by the capitalisation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or any other assets, depreciation of the capital, or any other transaction concerning shareholders' equity, and fix the terms under which, where applicable, the rights of holders of securities granting access to the capital will be protected, and
 - generally, to enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, or all formalities resulting from the share capital increases carried out;
4. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting

and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 15 November 2011 in its 18th resolution.

Twenty-third resolution

(Delegation of authority to be granted to the Board of Directors to decide on a share capital increase through the issue of shares or securities granting access to the share capital within the limit of 2% of the share capital, reserved for members of a Company savings plan, with cancellation of preferential subscription rights in favour of the members of such savings plans)

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 *et seq.* of the French Employment Code:

1. delegates authority to the Board of Directors, with the possibility for it to delegate these powers in turn under the conditions set by law, to decide on a share capital increase, on one or more occasions, through the issue of shares or securities granting access to the share capital reserved for members of one or more employee savings plans (or any other members' plan for which article L. 3332-18 of the French Employment Code would authorise a reserved share capital increase under equivalent terms) which would be put in place within the Group consisting of the Company and the French or foreign entities falling within the scope of consolidation of the Company's consolidated financial statements pursuant to article L. 3344-1 of the French Employment Code;
2. decides to set the maximum nominal amount of capital increases that may be carried out in this respect at 2% of the Company's share capital at the close of this Shareholders' Meeting, it being specified that:
 - this maximum limit does not take into account the par value of the Company's ordinary shares that may be issued with respect to adjustments made to protect, in accordance with law and regulations and, where applicable, contractual stipulations providing for other adjustments, the rights of holders of securities granting access to the capital, as well as of recipients of stock options or of the free allocation of shares;
 - the nominal amount of the share capital increase made pursuant to this delegation of authority will be deducted from the maximum amount of share capital increases fixed in the 17th resolution of this Shareholders' Meeting as well as from the overall limit set in the 16th resolution;
3. decides that the issue price of new shares or securities granting access to the share capital will be determined under the conditions provided for in article L. 3332-19 of the French Employment Code and may not be more than 20% lower than the average of the listed prices of the Pernod Ricard share on the NYSE Euronext Paris regulated market during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription period for the share capital increase reserved for the members of an employee savings plan (the "Reference Price"), nor exceed such average; however the Shareholders' Meeting expressly authorises the Board of Directors, if it deems appropriate, to reduce or cancel the aforementioned discount, within legal and regulatory limits, in order to take into account, in particular, the legal, accounting, tax and social security treatments that apply locally;

4. authorises the Board of Directors to grant, free of charge, to the aforementioned beneficiaries, in addition to the shares or securities granting access to the capital to be subscribed for in cash, shares or securities granting access to the capital to be issued or already issued, in substitution for all or part of the discount on the Reference Price and/or special contribution, it being specified that the benefit resulting from this allocation may not exceed the limits provided for by law or regulations pursuant to articles L. 3332-1 and L. 3332-19 of the French Employment Code;
5. decides to cancel, in favour of the aforementioned beneficiaries, shareholders' preferential subscription rights to the shares that are the subject of this authorisation; the aforementioned shareholders furthermore waiving all rights to the free allocation of shares or securities granting access to the share capital which would be issued pursuant to this resolution;
6. sets the period of validity of this delegation of authority at 26 months as from the date of this Shareholders' Meeting and notes that this delegation cancels, as from such date, the delegation of authority granted by the Shareholders' Meeting of 9 November 2012 in its 19th resolution;
7. decides that the Board of Directors shall have full powers to implement this delegation with the possibility for it to delegate these powers in turn under the conditions provided for by law, within the limits and under the conditions specified above in order, in particular:
 - to decide, under the conditions provided for by law, the list of companies for which members of an employee savings plan may subscribe to shares or securities granting access to the capital issued in this way, and benefit, where applicable, from the free allocation of shares or securities granting access to the capital;
 - to decide whether subscriptions may be carried out directly or via the intermediary of company mutual funds or other structures or entities permitted by the provisions of the applicable law or regulations;
 - to determine the conditions, in particular in respect of length of service, to be met by the beneficiaries of the share capital increases;
 - to set the start and end dates of the subscription periods;
 - to set the amounts of the issues of shares or securities which will be made pursuant to this authorisation and, in particular, decide on the issue prices, dates, time periods, terms and conditions of subscription, payment, delivery and vesting (which may be retroactive) in respect of the shares or securities as well as the other terms and conditions of the issues of shares or securities, within the limits set by law and the regulations in force;
 - in the event of a free allocation of shares or securities granting access to the share capital, set the number of shares or securities granting access to the capital to be issued, the number to be granted to each beneficiary, and decide on the dates, time periods, terms and conditions of allocation of such shares or securities granting access to the share capital within the limits provided for by applicable law and regulations and, in particular, choose either to substitute, in full or in part, the allocation of such shares or securities granting access to the capital for the discounts on the Reference Price provided for above, or to deduct the equivalent value of these shares from the total amount of the special contribution, or to use a combination of these two possibilities;
 - to record the completion of the increases in the share capital for the amount corresponding to the shares subscribed (after any reduction in the event of over-subscription);

- where applicable, to offset the costs of the share capital increases against the amount of the related share premiums and deduct from the amount of such share premiums the sums required to raise the legal reserve to one-tenth of the new share capital following these increase in the share capital; and
- to enter into all agreements, carry out directly or indirectly, via a duly authorised agent, all transactions including completing the formalities following the share capital increases and the corresponding amendments to the bylaws and in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, take all measures and decisions and carry out all formalities appropriate to the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto, and all formalities resulting from the increases in share capital carried out.

Twenty-fourth resolution

(Amendment to article 16 of the Company's bylaws relating to the appointment process for the Directors representing employees, in accordance with the law of 14 June 2013 on the protection of employment)

Having reviewed the report of the Board of Directors and acknowledged the favourable opinion of the group committee (France), the Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, decides to amend article 16 of the bylaws "Composition of the Board of Directors" in order to set out the appointment process for the Directors representing employees, as follows (additions are shown in bold):

Article 16 – Composition of the Board of Directors:

"The Company shall be managed by a Board of Directors made up of at least three (3) and no more than eighteen (18) members appointed by an Ordinary Shareholders' Meeting.

A legal entity may be a Director. At the time of its appointment or cooptation, such legal entity shall designate a permanent representative, who shall be subject to the same requirements and obligations, and to the same civil and criminal liability, as if he/she were a Director in his/her own name, in addition to the joint and several liability of the legal entity he/she represents. The permanent representative is appointed for the term of office of the legal entity that is a Director, and must be confirmed at the time of each renewal. In the event that the legal entity dismisses its permanent representative, or in the event of the death or resignation of such permanent representative, the legal entity shall promptly give notice of such event to the Company, and inform the Company of the identity of the new permanent representative.

In accordance with the provisions of the law, when the Board of Directors comprises twelve or fewer Directors appointed by the Ordinary Shareholders' Meeting, a Director representing the employees ("Employee Director") shall be designated for a term of four years by the group committee (France). When the Board of Directors comprises more than twelve Directors, a second Employee Director shall be designated for a term of four years by the European works council. In the event that the number of Directors appointed by the Ordinary Shareholders' Meeting falls to twelve or less, the second Employee Director shall remain in office until his/her term expires."

Twenty-fifth resolution

(Powers to carry out the necessary legal formalities)

The Shareholders' Meeting grants full powers to the bearer of a copy or an extract of the minutes of this meeting to carry out, wherever they may be required, all filing and formalities regarding legal publication or other, as necessary.

STATUTORY AUDITORS' REPORT ON THE REDUCTION OF SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING OF 6 NOVEMBER 2013

15th RESOLUTION

To the Shareholders,

In our capacity as Statutory Auditors of Pernod Ricard, and pursuant to the assignment set forth in Article L. 225-209 of the French Commercial Code (*Code de commerce*) concerning capital reductions by cancellation of treasury shares, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed capital reduction.

Shareholders are requested to grant full powers to the Board of Directors, with the possibility for it to delegate these powers, for a period of 26 months, to cancel, for up to a maximum of 10% of its share capital per 24-month period, the shares purchased by the Company pursuant to the share buyback programme authorised by your Company under the provisions of the aforementioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this assignment. Our procedures consisted, in particular, in verifying the fairness of the reasons for as well as the terms and conditions of the proposed reduction in share capital, and ensuring that it does not interfere with the equal treatment of shareholders.

We have no comments on the reasons for and the terms and conditions of the proposed reduction in share capital.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

This is a free translation into English of the Statutory Auditors' report issued in French 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 ISSUE OF ORDINARY SHARES AND/OR SECURITIES WITH MAINTENANCE OR CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING OF 6 NOVEMBER 2013

16th, 17th, 18th, 19th AND 20th RESOLUTIONS

To the Shareholders,

As Statutory Auditors of Pernod Ricard and pursuant to the assignment set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to issue shares or securities granting access to the Company's share capital, with maintenance or cancellation of preferential subscription rights, transactions that you are being asked to approve.

The Board of Directors asks, on the basis of its report:

- that you grant it full powers, for a period of twenty-six months as from the date of this Shareholders' Meeting, with the possibility for it to delegate these powers in turn, to carry out the following transactions, set the definitive issue terms and conditions of these issues and, when necessary, waive your preferential subscription rights:
 - issue of ordinary shares and/or securities granting access to the Company's share capital, with maintenance of preferential subscription rights (16th resolution),
 - issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of preferential subscription rights, as part of a public offer (17th resolution),
 - issue of ordinary shares and/or securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (20th resolution);
- that you grant it full powers, for a period of twenty-six months as from the date of this Shareholders' Meeting, with the possibility for it to delegate these powers in turn, to set the terms and conditions for the issue of shares or securities granting access to the Company's share capital, with a view to remunerating contributions in kind granted to the Company and comprised of shares or securities granting access to the share capital of other companies (19th resolution), within the limit of 10% of the share capital.

The maximum nominal amount of the share capital increases likely to be carried out, immediately or in the future, may not exceed:

- €205 million by virtue of the 16th resolution (it being specified that this limit is also the maximum overall nominal limit for share capital increases likely to be carried out by virtue of the 16th, 17th, 18th, 19th, 20th, 22nd and 23rd resolutions);
- €41 million by virtue of the 17th, 18th, 19th, 20th and 23rd resolutions (it being specified that this amount will be deducted from the aforementioned maximum nominal limit).

The maximum nominal amount of securities representing debts that could be issued may not exceed:

- €5 billion by virtue of the 16th resolution (it being specified that this limit is also the maximum overall nominal limit for issues of debt securities likely to be carried out by virtue of the 16th and 17th resolutions);
- €4 billion by virtue of the 17th resolution (it being specified that this amount will be deducted from the aforementioned maximum nominal limit).

These limits take into account the additional number of securities to be created by virtue of the delegations set forth in the 16th and 17th resolutions, under the terms and conditions stipulated in Article L. 225-135-1 of the French Commercial Code (*Code de commerce*), should you adopt the 18th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code (*Code de commerce*). Our role is to express an opinion on the fair presentation of the financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning these transactions, contained in this report.

Statutory Auditors' report on the issue of ordinary shares

We performed the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this assignment. Such procedures consisted in verifying the contents of the Board's report on these transactions and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues of shares or securities granting access to the share capital that may be decided upon, we have no matters to report on the process for determining the issue price of the future securities, set out in the report of the Board of Directors by virtue of the 17th resolution.

In addition, as this report does not specify the methods of determining the issue price of the future securities by virtue of the 16th, 19th and

20th resolutions, we cannot express our opinion on the elements used to calculate the issue price of the future securities.

As the issue price of the future securities has not been set, we do not express any opinion on the definitive terms and conditions of the issues that would be carried out and, accordingly, on the proposal put to you to waive your preferential subscription right in the 17th and 20th resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report, as required, when the Board of Directors makes use of this authorisation in the event of issues of shares with cancellation of preferential subscription rights or issues of securities granting access to share capital.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

This is a free translation into English of the Statutory Auditors' report issued in French 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 ISSUE OF SECURITIES GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING OF 6 NOVEMBER 2013

21st RESOLUTION

To the Shareholders,

In our capacity as Statutory Auditors of Pernod Ricard, and pursuant to the assignment set forth in Article L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to decide on the issue of securities representing debts granting entitlement to the allocation of debt securities, a transaction on which you are being asked to vote.

The total maximum nominal amount of issues of securities representing debts granting entitlement to the allocation of debt securities realised under this delegation, cannot exceed a maximum limit of €5 billion; it being specified that this limit is fixed independently of the limits relating to the issues of debt securities authorised by this Shareholders' Meeting under the 16th and 17th resolutions and bond issues that could be decided on or authorised by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code (*Code de commerce*).

Your Board of Directors recommends that, based on its report, you grant it, for a period of 26 months, the authority to decide on this transaction. When necessary, the Board of Directors will set the final terms and conditions of the debt securities issue.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code (*Code de commerce*). Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts and on certain other information concerning the issue, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this assignment. Such procedures consisted in verifying the contents of the Board's report on this transaction.

As the final terms and conditions of this issue have not been set, we do not express an opinion on the final terms and conditions under which the issue will be performed.

In accordance with Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue an additional report, if necessary, when your Board of Directors uses this authorisation.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

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STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES OR SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL, RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLANS

COMBINED (ORDINARY AND EXTRAORDINARY) SHAREHOLDERS' MEETING OF 6 NOVEMBER 2013

23rd RESOLUTION

To the Shareholders,

As Statutory Auditors of Pernod Ricard and pursuant to the assignment set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to your Board of Directors to decide on an increase in the share capital, on one or more occasions, through issues of shares or securities granting access to the share capital, with cancellation of preferential subscription rights, reserved for members of a Company savings plans, a transaction that you are being asked to approve.

This transaction may lead to a share capital increase up to a maximum nominal amount of 2% of the share capital at the close of this Shareholders' Meeting, it being specified that this amount is deductible from the overall limits set in the 16th and 17th resolutions.

This share capital increase is subject to your approval in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code (*Code du travail*).

The Board of Directors asks, on the basis of its report, that you grant it full powers, for a period of twenty-six months as from the date of this Shareholders' Meeting, with the possibility for it to delegate these powers to decide one or more issues of shares or securities granting access to the share capital, with cancellation of your preferential subscription rights to the shares to be issued. When appropriate, it will set the final terms and conditions of these issues.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113, *et seq.* of the French Commercial Code (*Code de commerce*). Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the financial statements, on the proposal to waive the preferential subscription rights and on certain other information concerning this issue, contained in this report.

We performed the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this assignment. Such procedures consisted in verifying the contents of the Board's report on this transaction and the process for determining the issue price of the future securities.

Subject to reviewing at a future date the terms and conditions of any issues of shares or securities granting access to the share capital that may be decided upon, we have no matters to report on the process for determining the issue price of the future securities, set out in the report of the Board of Directors.

As the definitive terms and conditions of the share capital increase have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide.

Pursuant to Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report, as required, when the Board of Directors makes use of this authorisation.

Courbevoie and Neuilly-sur-Seine, 16 September 2013

The Statutory Auditors

French original signed by

Mazars
Isabelle Sapet

Deloitte & Associés
Marc de Villartay

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for 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.



ABOUT THE COMPANY AND ITS SHARE CAPITAL

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INFORMATION ABOUT PERNOD RICARD

COMPANY NAME AND TRADING NAME

Pernod Ricard

HEAD OFFICE

12 place des États-Unis, 75116 Paris (France)

Tel.: +33 (1) 41 00 41 00

LEGAL FORM

Pernod Ricard is a French public limited company (*Société Anonyme – SA*) governed by a Board of Directors.

APPLICABLE LAW

Pernod Ricard is a company subject to French law, governed by the French Commercial Code.

DATE OF FORMATION AND DURATION

The Company was formed on 13 July 1939 for a period of 99 years.

The Shareholders' Meeting of 9 November 2012 extended the life of the Company by 99 years to 2111.

CORPORATE PURPOSE

The corporate purpose, as provided for in article 2 of the Company's bylaws, is set forth below in its entirety:

"The Company's purpose is directly or indirectly:

- the manufacture, purchase and sale of all wines, spirits and liqueurs, of alcohol and food products, the use, conversion and trading in all forms of finished or semi-finished products, by-products and substitutes generated by the main operations carried out in the distilleries or other industrial establishments of the same type. The above operations may be carried out on a wholesale, semi-wholesale or retail basis and in all locations, in France or outside France. Storage, purchases and sales falling within the above list;

- the representation of any French or foreign entities, producing, manufacturing or selling products of the same type;
- investments in any businesses or operations whatsoever, which may be related to the production and the trading of similar products in any form whatsoever, and the creation of new companies, contributions, subscriptions, purchases of securities or ownership rights under any form, etc.;
- any transactions connected with the hotel industry and the leisure industry in general, notably the investment by the Company in any companies, existing or to be created, businesses or operations whatsoever, that may be related to the hotel or leisure industries in general, it being specified that the Company may conduct all these transactions on its own account or on behalf of third parties, either acting alone or through equity investment, partnerships or through companies with any third parties or other companies, and carry them out in any form whatsoever: contributions, mergers, subscriptions or the purchase of securities or ownership rights, etc.;
- investments in any industrial, commercial, agricultural, real estate, financial or other companies, whether existing or to be formed, and whether French or foreign;
- the acquisition, disposal, exchange and any transactions involving shares, equity interests or partnership holdings, investment certificates, convertible or exchangeable bonds, equity warrants, bonds with equity warrants and generally, any securities and property rights whatsoever;
- any agricultural, farming, arboriculture, breeding, wine-growing operations, etc., as well as any connected or derivative agricultural or industrial operations relating thereto;
- and generally, all industrial, commercial, financial, movable or real property or securities operations related directly or indirectly to the above purposes or being capable of favouring their development."

RCS REGISTRATION NUMBER AND NAF BUSINESS ACTIVITY CODE

The Company is registered in the Paris Trade and Companies Register under number 582 041 943.

Pernod Ricard's business activity (NAF) code is 7010Z. It corresponds to: Head office operations.

FINANCIAL YEAR

From 1 July to 30 June of each year.

ENTITLEMENT TO DIVIDENDS – ENTITLEMENT TO SHARE IN THE ISSUER'S EARNINGS

Net earnings are comprised of the Company's income as derived from the income statement after deduction of overheads and any other social contributions, depreciation of assets, and all provisions for commercial or industrial contingencies, if any.

From these net earnings (reduced when necessary by prior losses) at least 5% is withheld for transfer to the legal reserve. The deduction is no longer mandatory when the legal reserve reaches an amount equal to one-tenth of the share capital. It once again becomes mandatory in the event that, for whatever reason, this reserve falls below one-tenth of the share capital.

From the distributable earnings, as determined by law, the amount required to pay an initial dividend of 6% of the fully paid-up, unredeemed value of the shares is deducted, subject to the possibility that the Board of Directors authorise shareholders who request to do so to pay up their shares in advance, where the payments made cannot give rise to entitlement to the aforementioned initial dividend.

This initial dividend is not cumulative, i.e. if earnings for the financial year are not sufficient to make this payment or are only sufficient to make the payment in part, the shareholders cannot claim this on earnings of the following financial year.

From the available surplus, the Ordinary Shareholders' Meeting may decide to deduct all amounts it considers appropriate, either to be carried forward to the following financial year or to be transferred to extraordinary or special reserves, with or without special allocations.

The balance is distributed among shareholders as an additional dividend.

The Ordinary Shareholders' Meeting is authorised to deduct from non-statutory reserves set up in prior years any amounts that it considers should be either:

- distributed to the shareholders or allocated to total or partial depreciation of the shares; or
- capitalised or used for the repurchase and cancellation of shares.

Wholly depreciated shares are replaced by dividend right certificates granting the same rights as the existing shares, with the exception of entitlement to the initial statutory dividend and capital repayment.

Dividend payment terms and conditions are fixed by the Ordinary Shareholders' Meeting or by default by the Board of Directors within the maximum period set by law.

In deliberating on the financial statements for the financial year, the Ordinary Shareholders' Meeting has the option to grant each shareholder the choice between a cash or stock dividend, for all or part of a dividend or interim dividend payment.

Dividends must be paid within a maximum of nine months following the year end. This period may be extended by court ruling. Dividends will be transferred to the French State after the legal period, i.e. five years.

CHANGES IN THE SHARE CAPITAL AND THE RIGHTS ATTACHED TO SHARES

Any changes in the share capital or the voting rights attached to the shares making up the share capital shall be governed by the standard legal provisions as the bylaws do not contain any specific provisions in this respect.

SHAREHOLDERS' MEETINGS

The shareholders meet every year at a Shareholders' Meeting.

Notice to attend Meetings

Both Ordinary and Extraordinary Shareholders' Meetings are called, held and vote in accordance with the conditions provided for by law. They are held at the Company's head office or in any other place stated in the notice of the Meeting.

Decisions by the shareholders are taken at Ordinary, Extraordinary or Combined (Ordinary and Extraordinary) Shareholders' Meetings depending on the nature of the resolutions they are being asked to adopt.

Participation in Shareholders' Meetings

All shareholders have the right to attend the Company's Shareholders' Meetings and to participate in the deliberations, either in person or by proxy, regardless of the number of shares they hold. In order for a shareholder to have the right to participate in Ordinary or Extraordinary Shareholders' Meetings, the shares must be registered in the name of the shareholder or in the name of the financial intermediary acting on the shareholder's behalf at 00:00 (Paris time) three business days prior to the Shareholders' Meeting either in the registered share accounts kept by the Company, or in the bearer share accounts kept by the authorised financial intermediary.

The entry or recording of the shares in bearer share accounts kept by the authorised financial intermediary is acknowledged via a certificate of shareholding issued by the financial intermediary and attached as an appendix to a postal voting form, to a proxy form or to the application for an admission card made out in the name of the shareholder or on behalf of the shareholder represented by the registered financial intermediary. A shareholder wishing to attend the Shareholders' Meeting in person who has not received their admission card by 00:00 (Paris time) three business days before the Shareholders' Meeting may also ask for such a certificate to be prepared.

If a shareholder does not attend the Shareholders' Meeting in person, he may choose one of the following options:

- give a proxy to the Chairman of the Shareholders' Meeting;
- give a proxy to a spouse or partner with whom he has entered into a civil union agreement, or to any other person;
- vote by post or via the Internet.

Any shareholder who has already cast a postal or Internet vote, sent in a proxy form or applied for an admission card or a certificate of shareholding may not thereafter choose another method of participating in the Shareholders' Meeting.

Information about Pernod Ricard

A shareholder who has already cast a postal or Internet vote, sent in a proxy form or applied for an admission card or a certificate of shareholding may sell all or some of his shares at any time. However, if the sale takes place before 00:00 (Paris time) on the third business day prior to the Shareholders' Meeting, the Company will invalidate or modify accordingly, as appropriate, the postal or Internet vote cast, proxy form, admission card or the certificate of shareholding. For this purpose, the authorised financial intermediary in charge of the shareholder's account will inform the Company or its duly authorised agent of the sale and will provide it with the necessary information.

No sale or other form of transaction carried out after 00:00 (Paris time) on the third business day prior to the Shareholders' Meeting, regardless of the means used, will be notified by the authorised financial intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

Voting conditions

The voting rights attached to the shares is proportional to the share capital they represent. Each share grants the right to at least one vote (article L. 225-122 of the French Commercial Code).

Restrictions on voting rights

However, each member of the Shareholders' Meeting has as many votes as shares he/she possesses and represents, up to 30% of the total voting rights.

Multiple voting rights

A voting right double that granted to other shares (in light of the fraction of the authorised share capital the latter represent) is granted to all fully paid-up shares that can be shown to have been registered for at least ten years in the name of the same shareholder and commencing on 12 May 1986 inclusive (article L. 225-123 of the French Commercial Code).

In the event of a share capital increase through the capitalisation of reserves, earnings or share premiums, registered shares allocated as bonus shares to a shareholder, on the basis of existing shares for which he/she benefits from this right, will also have double voting rights as from their issuance (article L. 225-123 of the French Commercial Code).

Any share loses the double voting right if converted into bearer form or if its ownership is transferred. Nevertheless, transfer following the division of an estate or the liquidation of assets between spouses and *inter vivos* donation to a spouse or relation close enough to inherit will not result in the loss of the acquired right and will not interrupt the aforementioned 10-year period.

Declaration of statutory thresholds

Any individual or corporate body acquiring a shareholding greater than 0.5% of the share capital must inform the Company of the total number of shares held by registered letter, with return receipt requested, within a period of 15 days from the date on which this threshold is exceeded. This notification must be repeated, under the same conditions, each time the threshold is exceeded by an additional 0.5%, up to and including 4.5%.

In the event of non-compliance with the obligation mentioned in the previous paragraph, shares in excess of the non-declared amount shall be deprived of voting rights, at the request, as set forth in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the share capital, for any Shareholders' Meeting held until the expiry of the period stipulated in article L. 233-14 of the French Commercial Code following the date when the notification is made.

MODIFICATION OF SHAREHOLDERS' RIGHTS

The Extraordinary Shareholders' Meeting has the power to modify shareholders' rights, under the conditions defined by law.

ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

In accordance with article L. 225-100-3 of the French Commercial Code, the items that may have an impact in the event of public offer are as follows.

The Company's share capital structure

The Company's share capital structure is indicated in the table hereafter, "Allocation of share capital and voting rights at 28 August 2013", within "Information about its share capital".

The crossings of thresholds declared during the 2012/2013 financial year are also indicated in the table "Allocation of share capital and voting rights at 28 August 2013" within "Information about the Share Capital" hereafter.

Statutory restrictions on the exercise of voting rights and double voting rights

The Company's bylaws provide for a limit on voting rights. This system is described under "Voting conditions" above.

Furthermore, certain Company shares have a double voting right as described under "Voting conditions" above.

Agreements between shareholders of which the Company has knowledge

The Company's Shareholders' Agreement between shareholders of the Company (agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard (the Ricard family's Holding Company) is described under "Shareholders' agreements" within "Information about the Share Capital" and is also included on the AMF website (www.amf-france.org).

Agreements entered into by the Company which were modified or become void as a result of a change of control in the Company

The clauses relating to a change in control of the Company as set out in its main financing contracts, presented under "Significant contracts" in Section 4 "Management Report" of this document (these clauses are described below) provide for the possibility of early repayment of these loans and bonds under certain conditions.

Credit Agreement of November 2010

The Credit Agreement also provides for voluntary or compulsory early repayment obligations, depending on circumstances, which are standard practice in this kind of credit agreement (e.g., compliance with commitments, change of control, cross default). The Credit Agreement contains a clause under which the taking of control of the Company by any person or group of persons acting in concert (other than the Société Paul Ricard or any group of persons acting in concert with the Société Paul Ricard) is likely to constitute grounds for compulsory early repayment.

Credit Agreement of April 2012

The Credit Agreement also provides for voluntary or compulsory early repayment obligations, depending on circumstances, which are standard practice in this kind of credit agreement (e.g., compliance with commitments, change of control, cross default). The Credit Agreement contains a clause under which the taking of control of the Company by any person or group of persons acting in concert (other than the Société Paul Ricard or any group of persons acting in concert with the Société Paul Ricard) is likely to constitute grounds for compulsory early repayment.

Bond issue of December 2006

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of June 2009

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of March 2010

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of December 2010

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of March 2011

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of April 2011

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of October 2011

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Bond issue of January 2012

This bond issue includes a clause regarding change of control, which could lead to the compulsory early repayment of the Bonds upon request of each bondholder in the event of a change in control of the Company (benefiting a person or a group of persons acting in concert) and leading to a deterioration in the Company's financial rating.

Securitisation (Master Receivables Assignment Agreement)

This programme includes a change of control clause that applies to each subsidiary participating in the programme as a seller. The change of control of a seller constitutes an early amortisation event in respect of such seller. For the purposes of the agreement, a "change of control" occurs when Pernod Ricard ceases to hold, directly or indirectly, at least 80% of the share capital or voting rights of a seller, unless Pernod Ricard (i) continues to hold, directly or indirectly, 50% of the share capital or voting rights of such seller and (ii) at the request of Crédit Agricole CIB, has issued a guarantee in terms reasonably satisfactory to Crédit Agricole CIB for the purpose of securing the obligations of the said seller under the securitisation transaction documents.

Other items

The Company's bylaws are modifiable in accordance with the applicable legal and regulatory provisions in France.

There is no specific agreement providing for indemnities in the event of the termination of the position of a member of the Board of Directors.

RULES APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

The legal and statutory rules established in articles 16 *et seq.* of the bylaws govern the appointment and dismissal of members of the Board of Directors. These are described in the "General rules concerning the composition of the Board and the appointment of Directors" paragraph in Section 2 "Corporate Governance and Internal Control" of this Registration Document.

Information about Pernod Ricard

THE STATUTORY AUDITORS

Principal Statutory Auditors

Deloitte & Associés, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles* (Versailles regional auditors association), represented by Mr Marc de Villartay, whose head office is at: 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, whose term of office was renewed at the Shareholders' Meeting of 15 November 2011 for a period of six years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2016/2017 financial year.

Société Mazars, member of the *Compagnie régionale des Commissaires aux Comptes de Versailles* (Versailles regional auditors' association), represented by Ms Isabelle Sapet whose registered office is at Exaltis, 61 rue Henri Regnault, 92075 Paris La Défense, whose term of office was renewed by the Shareholders' Meeting of 10 November 2010 for a period of six years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2015/2016 financial year.

Substitute Statutory Auditors

BEAS, whose head office is at 7-9 Villa Houssay, 92524 Neuilly-sur-Seine, substitute for Deloitte & Associés, and whose term of office was renewed at the Shareholders' Meeting of 15 November 2011 for a period of six financial years ending after the Ordinary Shareholders' Meeting convened to approve the financial statements for the 2016/2017 financial year.

Mr Patrick de Cambourg, whose address is Exaltis, 61 rue Henri Regnault, 92075 Paris La Défense, substitute for Mazars, was appointed at the Shareholders' Meeting of 10 November 2010 for a period of six years. His term of office will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements of the 2015/2016 financial year.

FEES OF STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS FOR THE 12-MONTH FINANCIAL YEAR ^(a)

| In euro thousand | Mazars | | | | Deloitte & Associés | | | | Other | | | | Total | | | |
|---|---------------------------|--------------|---------------|--------------|---------------------------|--------------|--------------|--------------|---------------------------|------------|---------------|---------------|---------------------------|--------------|--------------|--------------|
| | Amount (Excluding tax) | | % | | Amount (Excluding tax) | | % | | Amount (Excluding tax) | | % | | Amount (Excluding tax) | | % | |
| | N | N-1 | N | N-1 | N | N-1 | N | N-1 | N | N-1 | N | N-1 | N | N-1 | N | N-1 |
| Audit | | | | | | | | | | | | | | | | |
| Statutory Auditors, certification, review of separate and consolidated financial statements ^(b) | | | | | | | | | | | | | | | | |
| Issuer ⁽¹⁾ | 551 | 541 | 14.7% | 14.5% | 595 | 584 | 14.4% | 14.1% | - | - | - | - | 1,146 | 1,125 | 13.8% | 13.8% |
| Fully consolidated subsidiaries | 2,987 | 2,868 | 79.4% | 76.7% | 3,211 | 3,197 | 78.0% | 77.0% | 433 | 345 | 100.0% | 100.0% | 6,606 | 6,410 | 79.7% | 77.8% |
| Other procedures and services directly linked to the duties of the Statutory Auditors ^(c) | | | | | | | | | | | | | | | | |
| Issuer | 75 | 169 | 2.0% | 4.5% | 75 | 166 | 1.8% | 4.0% | - | - | - | - | 150 | 335 | 1.8% | 4.1% |
| Fully consolidated subsidiaries | 147 | 3 | 3.9% | 0.1% | 129 | 92 | 3.1% | 2.2% | - | - | - | - | 277 | 94 | 3.3% | 1.1% |
| AUDIT SUB-TOTAL | 3,760 | 3,580 | 100.0% | 95.7% | 4,011 | 4,039 | 97.4% | 97.3% | 433 | 345 | 100.0% | 100.0% | 8,179 | 7,964 | 98.7% | 96.7% |
| Other services provided by the networks to the fully consolidated subsidiaries ^(d) | | | | | | | | | | | | | | | | |
| Legal, tax, corporate | 0 | 56 | 0.0% | 1.5% | 85 | 93 | 2.1% | 2.2% | - | - | - | - | 85 | 149 | 1.0% | 1.8% |
| Other (to be specified if > 10% of audit fees) | 0 | 104 | 0.0% | 2.8% | 23 | 18 | 0.6% | 0.4% | - | - | - | - | 23 | 122 | 0.3% | 1.5% |
| OTHER SERVICES SUB-TOTAL | 0 | 160 | 0.0% | 4.3% | 108 | 112 | 2.6% | 2.7% | - | - | - | - | 108 | 272 | 1.3% | 3.3% |
| TOTAL | 3,760 | 3,740 | 100% | 100% | 4,119 | 4,151 | 100% | 100% | 433 | 345 | 100% | 100% | 8,287 | 8,236 | 100% | 100% |

(a) With regard to the period under review, this refers to services provided and recognised in the income statement during a financial year.

(b) Including independent experts' or members of the Statutory Auditors' network, to which they have recourse within the scope of the certification of accounts.

(c) This section includes the procedures and services provided directly in relation to audit of the Company's accounts or those of its subsidiaries:

- by the Statutory Auditor in accordance with article 10 of the Code of Conduct;
- by a member of the network in accordance with articles 23 and 24 of the Code of Conduct.

(d) Includes non-audit services provided in accordance with article 24 of the Code of Conduct, by a member of the Statutory Auditors' network to the Company's subsidiaries whose accounts are certified.

(1) The issuer is the Parent Company.

INFORMATION ABOUT THE SHARE CAPITAL

The conditions under which the bylaws allow modifications to the share capital and the rights attached thereto are compliant in every aspect with legal stipulations in France. The bylaws do not provide for any overriding provisions and do not impose any particular contingencies.

AMOUNT OF PAID-UP CAPITAL AS AT 30 JUNE 2013

On 2 November 2009, the Chief Executive Officer (CEO) recorded that the share capital had increased by a nominal amount of €97,150.90 following the exercise, since 1 July 2009, of 62,678 stock options granting entitlement to the same number of Pernod Ricard shares.

On 12 November 2009, the CEO recorded that the share capital had increased by a nominal amount of €6,944 following the exercise, since 2 November 2009, of 4,480 stock options granting entitlement to the same number of Pernod Ricard shares.

On 18 November 2009, pursuant to the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, and by virtue of the authorisation granted to the Chief Executive Officer, the Chief Executive Officer set at 5,174,153 the number of new shares resulting from the distribution of bonus shares via the capitalisation of premiums, at the rate of 1 new share for every 50 existing shares. The increase in the share capital resulting from this distribution totalled €8,019,937.15.

On 21 July 2010, the Board of Directors recorded that, on 30 June 2010, the share capital had increased by a nominal amount of €543,222.30 following the exercise, since 12 November 2009, of 350,466 stock options granting entitlement to the same number of Pernod Ricard shares.

On 20 July 2011, the Board of Directors recorded that, on 30 June 2011, the share capital had increased by an amount of €758,709.50 following the exercise, since 1 July 2010, of 489,490 stock options granting entitlement to the same number of Pernod Ricard shares.

On 18 July 2012, the Board of Directors recorded that, on 30 June 2012, the share capital had increased by an amount of €912,643.10 following the exercise, since 1 July 2011, of 588,802 stock options granting entitlement to the same number of Pernod Ricard shares.

On 24 July 2013, the Board of Directors recorded that, on 30 June 2013, the share capital had increased by an amount of €172,029.85 following the exercise, since 1 July 2012, of 110,987 stock options granting entitlement to the same number of Pernod Ricard shares.

As a result, Pernod Ricard's subscribed and fully paid up share capital amounts to €411,403,467.60 as of 30 June 2013, divided into 265,421,592 shares with a nominal value of €1.55.

SHARES NOT REPRESENTING CAPITAL

There are no shares that do not represent the Company's share capital.

Pernod Ricard shares held by Le Delos Invest I and Lirix (companies controlled by Société Paul Ricard, as defined in article L. 233-3 of the French Commercial Code) are pledged to third parties.

Pernod Ricard shares held by Le Delos Invest III (a company controlled by Société Paul Ricard, as defined in article L. 233-3 of the French Commercial Code) were transferred as collateral for the full performance of its obligations under the terms of a financial futures contract entered into on 10 April 2009.

FINANCIAL AUTHORISATIONS AND DELEGATIONS

All current delegations and financial authorisations granted to the Board of Directors by the Shareholders' Meetings of 15 November 2011 and 9 November 2012 and the uses thereof during financial year 2012/2013 are summarised in the following tables.

General delegations

The Combined (Ordinary and Extraordinary) Shareholders' Meetings of 15 November 2011 and 9 November 2012 granted the Board of Directors a number of financial authorisations of which the main terms are outlined hereafter.

Securities representing capital

(i) Issues of shares or securities with preferential subscription rights

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011 authorised the Board of Directors, for a period of 26 months, to perform one or more capital increases, via the issue of ordinary shares and/or securities granting access to the share capital, with preferential subscription rights.

The share capital increase likely to be conducted under this authorisation was set at €205 million. It forms the maximum overall limit from which the amount of any share issues with cancellation of the preferential subscription right by public offer, in remuneration of contributions in kind, in the context of a public offer initiated by the Company, either by capitalisation of premiums, reserves, profits or other, or by share capital increases reserved for employees, members of a Company savings plan, would also be deducted.

If necessary, a supplementary amount will be added to this limit for shares to be issued, in accordance with the law, to preserve the rights of holders of securities or rights granting access to the share capital.

The maximum nominal amount of securities representing debts granting access to the share capital of the Company that may be issued within the scope of this delegation was set at €5 billion (from this amount, will be deducted the nominal amount of securities representing debts granting access to the share capital of the Company that will be issued by public offer by virtue of authorisation with cancellation of preferential subscription rights).

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011 authorised the Board of Directors to increase the number of shares or securities issued in the event of a share capital increase with or without preferential subscription rights by public offer at the same price as the initial issue, within the regulatory periods and limits applicable at the issue date (i.e. currently within 30 days of the closing of the subscription period and limited to 15% of the initial issue) and subject to the overall limit described above.

Since this authorisation expires on 14 January 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

(ii) Issue of shares without preferential subscription rights

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011 authorised the Board of Directors to:

- carry out one or more capital increases, via the issue of ordinary shares and/or securities granting access to the share capital with cancellation of preferential subscription rights, via public offer, within the limits of a maximum nominal amount of €61 million (the Board of Directors is bound by legal and regulatory constraints in terms of the issue price). This amount will be deducted from the limit of €205 million set for issues carried out with preferential subscription rights. Furthermore, this amount is shared with other issues without preferential subscription rights, namely: remuneration of contributions in kind, public exchange offers initiated by the Company and capital increases reserved for employees, members of a Company savings plan.

The Board of Directors may establish, in favour of shareholders, a priority subscription period on an irreducible and/or reducible basis, under the conditions outlined by the regulations.

The maximum nominal amount of securities representing debts granted access to the share capital of the Company that may be issued within this framework was set at €4 billion (this amount is deducted from the €5 billion nominal maximum amount that may be issued by virtue of authorisations with preferential subscription right);

- carry out one or more capital increases, within the limit of 10% of the share capital, in consideration, except in a public exchange, of contributions in kind granted to the Company and comprising capital shares or securities granting access to the share capital of other companies;
- carry out one or more capital increases, for remuneration of securities contributed to a public offer launched by the Company relating to the securities of another company, within the limit of 15% of the Company's share capital at the time of the issue.

Since this authorisation expires on 14 January 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

(iii) Capital increase via the capitalisation of premiums, reserves, profits or other

The Board of Directors was authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011, for a period of 26 months, to decide to increase the share capital by the capitalisation of premiums, reserves, profits or other, the capitalisation of which would be possible under the law and the bylaws, and in the form of the allocation of bonus shares or raising of the par value of the existing shares or by combining these two possibilities. The maximum nominal amount of capital increases likely to be realised in this way is €205 million, it being specified that this limit will be deducted from the overall limit of €205 million set for capital increases with preferential subscription rights.

Since this authorisation expires on 14 January 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

Other securities

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011 authorised the Board of Directors, for a period of 26 months, to issue securities granting entitlement to the allocation of debt securities (such as bonds, related securities, perpetual or non-perpetual subordinated notes or any other securities granting, in the same issue, the same entitlement to recover debt against the Company) within the limit of the ceiling of €5 billion (this limit having been established independently of any other limit relating to the issue of debt securities authorised by the Shareholders' Meeting and the issue of bonds authorised or decided by the Board of Directors).

Since this authorisation expires on 14 January 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

Specific authorisations and delegations in favour of employees and Executive Directors

Stock options and performance shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 authorised the Board of Directors, for a duration of 18 months, to grant stock options in favour of employees and/or Executive Directors of the Company and/or the Group's companies, within the limits of 0.7% of the Company's share capital on the day the decision to allocate them is taken by the Board of Directors and 0.07% for Executive Directors.

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 also authorised the Board of Directors, for a duration of 18 months, to allocate performance shares free of charge in favour of employees and Executive Directors of the Company and/or the Group's companies, within the limits of 0.7% of the Company's share capital on the day the decision to allocate them is taken by the Board of Directors and 0.02% for Executive Directors.

Information about the share capital

Share capital increase reserved for employees of the Group

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 delegated its authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital, reserved for members of employee savings plans, within the limit of 2% of the Company's share capital. This delegation was granted for a duration of 26 months.

As the Shareholders' Meeting of 6 November 2013 is to vote on delegations of authority to the Board of Directors that may involve a future increase in share capital, it will also have to vote on the renewal of the delegation relating to capital increases reserved for members of employee savings plans, in accordance with article L. 225-129-6 of the French Commercial Code.

The terms of renewal of this authority are outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

Authorisation to repurchase shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 renewed, in favour of the Board of Directors, the authorisation allowing the Company to repurchase its own shares, in

accordance with articles L. 225-209 *et seq.* of the French Commercial Code, within the limit of 10% of the total number of shares comprising the share capital. The same Meeting also set the maximum purchase price at €135 per share. The details of transactions carried out within the scope of the share buyback programme in force during the previous financial year are presented under "Share buyback programme" below.

Since this authorisation expires on 8 May 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

Cancellation of Company shares

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011 granted the Board of Directors authorisation, for a duration of 26 months, to cancel the Company's shares held under share buyback programmes authorised by the shareholders, within the limit of 10% of the share capital per period of 24 months, and to reduce the share capital accordingly.

Since this authorisation expires on 14 January 2014, its renewal will be put to the vote at the next Shareholders' Meeting of 6 November 2013 according to the terms outlined in Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" in this Registration Document.

General financial authorisations and delegations

| Nature of the delegation or authorisation | Date of the delegation or authorisation (resolution) | Duration | Expiry of the delegation or authorisation | Maximum nominal amount of the issue of debt securities ⁽¹⁾ | Maximum nominal amount of the capital increase resulting immediately or in the future following the issue (excluding adjustments) | Use of existing authorisations during the financial year ended 30.06.2013 and up to 28.08.2013 | Features/Terms |
|---|--|----------|---|---|---|--|----------------|
|---|--|----------|---|---|---|--|----------------|

SECURITIES REPRESENTING CAPITAL: ISSUES OF SHARES OR SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS

| | | | | | | | |
|--|---------------------------------------|-----------|-----------------|---------------------------|--------------|---|---|
| Ordinary shares and/or securities granting access to the share capital with preferential subscription rights | AGM of 15.11.2011 (12 th) | 26 months | 14 January 2014 | €5 billion ⁽¹⁾ | €205 million | - | The amounts of the capital increases carried out under the 13 th , 14 th , 15 th , 16 th , 18 th and 19 th resolutions of the AGM of 15.11.2011 will be deducted from the overall limit of €205 million set in the 12 th resolution. The nominal amount of debt securities issued under the 13 th resolution of the AGM of 15.11.2011 will be deducted from the limit of €5 billion set in the 12 th resolution. These amounts may be increased by a maximum of 15%, in the event of additional requests on the occasion of a capital increase (14 th resolution) |
| Capitalisation of premiums, reserves, profits or other | AGM of 15.11.2011 (18 th) | 26 months | 14 January 2014 | N/A | €205 million | - | Will be deducted from the overall limit set for capital increases in the 12 th resolution of the AGM of 15.11.2011 |

SECURITIES REPRESENTING CAPITAL: ISSUE OF SHARES OR SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

| | | | | | | | |
|---|---------------------------------------|-----------|-----------------|---------------------------|-------------|---|---|
| Ordinary shares and/or securities granting access to the share capital by public offer without preferential subscription rights | AGM of 15.11.2011 (13 th) | 26 months | 14 January 2014 | €4 billion ⁽¹⁾ | €61 million | - | Shares and debt securities giving access to the share capital will be deducted from the limits provided for in the 12 th resolution of the AGM of 15.11.2011. All capital increases carried out under the 14 th , 15 th , 16 th , and 19 th resolutions will be deducted from the limit of €61 million set in the 13 th resolution. These amounts may be increased by a maximum of 15%, in the event of additional requests (14 th resolution) |
|---|---------------------------------------|-----------|-----------------|---------------------------|-------------|---|---|

ABOUT THE COMPANY AND ITS SHARE CAPITAL

Information about the share capital

| Nature of the delegation or authorisation | Date of the delegation or authorisation (resolution) | Duration | Expiry of the delegation or authorisation | Maximum nominal amount of the issue of debt securities ⁽¹⁾ | Maximum nominal amount of the capital increase resulting immediately or in the future following the issue (excluding adjustments) | Use of existing authorisations during the financial year ended 30.06.2013 and up to 28.08.2013 | Features/Terms |
|---|--|-----------|---|---|---|--|--|
| Shares and securities granting access to the share capital in consideration for contributions in kind granted to the Company | AGM of 15.11.2011 (15 th) | 26 months | 14 January 2014 | N/A | 10% of the share capital at the time of issue | - | Will be deducted from the limits set for capital increases in the 12 th and 13 th resolutions of the AGM of 15.11.2011 |
| Shares and/or securities granting access, immediately or in the future, to the Company's share capital in the event of a public offer launched by the Company | AGM of 15.11.2011 (16 th) | 26 months | 14 January 2014 | N/A | 15% of the share capital at the time of issue | - | Will be deducted from the limits set for capital increases in the 12 th and 13 th resolutions of the AGM of 15.11.2011 |
| OTHER SECURITIES | | | | | | | |
| Debt instruments that grant entitlement to the allocation of debt securities | AGM of 15.11.2011 (17 th) | 26 months | 14 January 2014 | €5 billion | N/A | - | Independent limit |

(1) Maximum nominal amount of Company debt instruments granting access to ordinary shares.

N/A: Not applicable.

Specific authorisations and delegations in favour of employees and/or Executive Directors

| Nature of the delegation or authorisation | Date of the delegation or authorisation (resolution) | Duration | Expiry of the delegation or authorisation | Maximum amount authorised | Use of existing authorisations during the financial year ended 30.06.2013 and up to 28.08.2013 | Features/Terms |
|---|--|-----------|---|---|--|---|
| Stock options | AGM of 09.11.2012 (18 th) | 18 months | 8 May 2014 | 0.7% of share capital on the date of Board of Directors' decision to allocate | - | Independent limit |
| Performance-based shares | AGM of 09.11.2012 (17 th) | 18 months | 8 May 2014 | 0.7% of share capital on the date of Board of Directors' decision to allocate | - | Independent limit |
| Shares or securities granting access to share capital, reserved for members of employee savings plans | AGM of 09.11.2012 (19 th) | 26 months | 8 January 2015 | 2% of share capital at the date of the Shareholders' Meeting | - | Will be deducted from the limit set for capital increases in the 12 th and 13 th resolutions of the AGM of 15.11.2011 |

Authorisations relating to the share buyback programme

| Type of securities | Authorisation date (resolution) | Duration | Expiry of authorisation | Maximum amount authorised | Use of existing authorisations during the financial year ended 30.06.2013 and up to 28.08.2013 | Features/Terms |
|---------------------------------|---------------------------------------|-----------|-------------------------|---------------------------|--|------------------------------|
| Repurchase of shares | AGM of 15.11.2011 (10 th) | 18 months | 14 May 2013 | 10% of the share capital | -(1) | Maximum purchase price: €110 |
| Repurchase of shares | AGM of 09.11.2012 (16 th) | 18 months | 8 May 2014 | 10% of the share capital | -(2) | Maximum purchase price: €135 |
| Cancellation of treasury shares | AGM of 15.11.2011 (11 th) | 26 months | 14 January 2014 | 10% of the share capital | - | - |

(1) Period from 1 July 2012 to 8 November 2012.

(2) Period from 9 November 2012 to 28 August 2013.

CONTINGENT SHARE CAPITAL

Stock options

Refer to the paragraph "Policy governing the allocation of stock options and performance-based shares" under "Compensation policy" in Section 4 "Management Report".

Information about the share capital

CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

| Amount of share capital prior to transaction | Number of shares prior to transaction | Year | Type of transaction | Ratio | Effective date | Shares issued/cancelled | Issue/conversion premium | Number of shares after the transaction | Amount of share capital after transaction |
|--|---------------------------------------|------|------------------------------------|--------------------|----------------|-------------------------|--------------------------|--|---|
| €340,508,609.70 | 219,682,974 | 2009 | Exercise of options ⁽¹⁾ | N/A ⁽²⁾ | 07.04.2009 | 105,609 | €24.12/€25.62/€29.17 | 219,788,583 | €340,672,303.65 |
| €340,672,303.65 | 219,788,583 | 2009 | Capital increase | 3 for 17 | 14.05.2009 | 38,786,220 | €25.15 | 258,574,803 | €400,790,944.65 |
| €400,790,944.65 | 258,574,803 | 2009 | Exercise of options ⁽³⁾ | N/A ⁽²⁾ | 22.07.2009 | 65,733 | €22.68/€27.44 | 258,640,536 | €400,892,830.80 |
| €400,892,830.80 | 258,640,536 | 2009 | Exercise of options ⁽⁴⁾ | N/A ⁽²⁾ | 02.11.2009 | 62,678 | €22.68/€24.09/€27.44 | 258,703,214 | €400,989,981.70 |
| €400,989,981.70 | 258,703,214 | 2009 | Exercise of options ⁽⁴⁾ | N/A ⁽²⁾ | 12.11.2009 | 4,480 | €22.68/€27.44 | 258,707,694 | €400,996,925.70 |
| €400,996,925.70 | 258,707,694 | 2009 | Bonus shares ⁽⁵⁾ | 1 for 50 | 18.11.2009 | 5,174,153 | €1.55 | 263,881,847 | €409,016,862.85 |
| €409,016,862.85 | 263,881,847 | 2010 | Exercise of options ⁽³⁾ | N/A ⁽²⁾ | 21.07.2010 | 350,466 | €22.20/€23.59/€26.87 | 264,232,313 | €409,560,085.15 |
| €409,560,085.15 | 264,232,313 | 2011 | Exercise of options ⁽³⁾ | N/A ⁽²⁾ | 20.07.2011 | 489,490 | €22.20/€23.59/€26.87 | 264,721,803 | €410,318,794.65 |
| €410,318,794.65 | 264,721,803 | 2012 | Exercise of options ⁽³⁾ | N/A ⁽²⁾ | 18.07.2012 | 588,802 | €22.20/€23.59/€26.87 | 265,310,605 | €411,231,437.75 |
| €411,231,437.75 | 265,310,605 | 2013 | Exercise of options ⁽³⁾ | N/A ⁽²⁾ | 24.07.2013 | 110,987 | €26.87 | 265,421,592 | €411,403,467.60 |

(1) Recognition date for the exercise of options by the Chairman and CEO authorised by the Board of Directors, itself authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 7 November 2007.

(2) N/A = not applicable.

(3) The shares resulting from the exercise of stock options were created as and when the stock options were exercised. The dates mentioned are the dates on which the Board of Directors placed on record the corresponding increases in the share capital.

(4) Recorded by the CEO by virtue of the authorisation granted to him by the Board of Directors, itself authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009.

(5) Pursuant to the delegation of authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2 November 2009, and the CEO, by virtue of the authorisation granted to him, sets the amount of the increase in the share capital via the capitalisation of premiums and the distribution of bonus shares.

CHANGES IN VOTING RIGHTS OVER THE PAST FIVE YEARS

CHANGES IN VOTING RIGHTS OVER THE PAST FIVE YEARS

| Years ⁽¹⁾ | Number of voting rights ⁽²⁾ |
|------------------------|--|
| Position at 02.09.2009 | 282,752,847 |
| Position at 01.09.2010 | 289,084,636 |
| Position at 31.08.2011 | 289,607,231 |
| Position at 29.08.2012 | 289,996,062 |
| Position at 28.08.2013 | 289,870,020 |

(1) The data provided is from the date of the breakdown of share capital and voting rights.

(2) The information concerns the total number of voting rights of the Company including suspended voting rights.

Information about the share capital

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 28 AUGUST 2013

| Shareholders | Position at 28.08.2013 | | | Position at 29.08.2012 | | | Position at 31.08.2011 | | |
|--|------------------------|--------------------|---------------------|------------------------|--------------------|---------------------|------------------------|--------------------|---------------------|
| | Number of shares | % of share capital | % of voting rights* | Number of shares | % of share capital | % of voting rights* | Number of shares | % of share capital | % of voting rights* |
| Société Paul Ricard ⁽¹⁾ | 34,866,200 | 13.14% | 19.13% | 34,866,200 | 13.14% | 18.88% | 37,840,834 | 14.29% | 19.93% |
| Mr Rafaël Gonzalez-Gallarza ⁽²⁾ | 1,477,603 | 0.56% | 0.51% | 1,477,603 | 0.56% | 0.51% | - | - | - |
| Directors and Management of Pernod Ricard | 735,013 | 0.28% | 0.38% | 2,099,985 | 0.79% | 1.33% | 3,484,483 | 1.32% | 1.80% |
| Shares held by Pernod Ricard employees | 3,176,940 | 1.20% | 1.69% | 3,278,068 | 1.24% | 1.77% | 3,498,640 | 1.32% | 1.85% |
| Capital Group Companies (United States) ⁽³⁾ | 29,135,823 | 10.98% | 10.05% | 14,868,290 | 5.60% | 5.13% | 14,179,782 | 5.36% | 4.90% |
| Groupe Bruxelles Lambert | 19,890,820 | 7.49% | 6.86% | 19,890,770 | 7.50% | 6.86% | 26,092,870 | 9.85% | 9.01% |
| MFS Investment Management (US) ⁽⁴⁾ | 13,069,435 | 4.92% | 4.51% | 6,674,776 | 2.51% | 2.30% | 6,674,776 | 2.52% | 2.30% |
| La Caisse des Dépôts et Consignation (CDC Ixis) ⁽⁵⁾ | 4,327,265 | 1.63% | 1.50% | 5,270,298 | 1.98% | 1.82% | 5,270,298 | 1.99% | 1.82% |
| Amundi Asset Management ⁽⁶⁾ | 4,322,707 | 1.63% | 1.49% | 5,468,037 | 2.06% | 1.89% | 5,386,876 | 2.03% | 1.86% |
| Natixis Asset Management ⁽⁷⁾ | 3,110,259 | 1.17% | 1.08% | 3,110,259 | 1.18% | 1.07% | 3,888,310 | 1.47% | 1.34% |
| OppenheimertFunds Inc ⁽⁸⁾ | 2,981,000 | 1.12% | 1.03% | - | - | - | - | - | - |
| Harris Associates L.P. ⁽⁹⁾ | 2,736,050 | 1.03% | 0.94% | - | - | - | - | - | - |
| UBS AG (United Kingdom) ⁽¹⁰⁾ | 2,654,399 | 1.00% | 0.92% | - | - | - | 2,217,596 | 0.84% | 0.77% |
| CNP Assurances ⁽¹¹⁾ | 2,539,116 | 0.95% | 0.89% | 2,634,737 | 0.99% | 0.91% | 3,873,790 | 1.46% | 1.34% |
| Schroders plc ⁽¹²⁾ | 1,424,852 | 0.53% | 0.49% | - | - | - | - | - | - |
| Banque Nationale Suisse ⁽¹³⁾ | 1,395,983 | 0.53% | 0.48% | - | - | - | - | - | - |
| Treasury shares: | | | | | | | | | |
| ■ Shares held by subsidiaries | - | - | - | - | - | - | - | - | - |
| ■ Treasury shares | 2,167,235 | 0.82% | 0.00% | 1,818,141 | 0.69% | 0.00% | 2,085,680 | 0.79% | 0.00% |
| Others and public | 135,410,892 | 51.02% | 48.05% | 163,875,407 | 61.76% | 57.53% | 150,278,269 | 56.76% | 53.08% |
| TOTAL | 265,421,592 | 100% | 100% | 265,332,571 | 100% | 100% | 264,772,204 | 100% | 100.00% |

On the basis of declarations regarding the crossing of legal and statutory thresholds (0.5% of share capital).

* Although there is only one class of share, shares held for 10 years in registered form are entitled to double voting rights.

(1) Société Paul Ricard is wholly owned by the Ricard family. The declaration covers a total of 2,281,093 shares held by Lirix; 169,868 shares held by SNC Le Garlaban; 1,352,650 shares held by Le Delos Invest 1; 372,024 shares held by Le Delos Invest II and 8,392,096 shares held by Le Delos Invest III. These five companies are controlled by Société Paul Ricard, as defined in article L. 233-3 of the French Commercial Code. Full ownership of Pernod Ricard shares held by Le Delos Invest III was transferred by way of a performance guarantee for its bonds in respect of a futures contract agreed on 10 April 2009.

(2) Mr Rafaël Gonzalez-Gallarza signed a shareholders' agreement with Société Paul Ricard, as detailed below.

(3) Declaration of 8 April 2013.

(4) Declaration of 21 August 2013.

(5) Declaration of 19 November 2012.

(6) Declaration of 13 June 2013.

(7) Declaration of 7 August 2012.

(8) Declaration of 28 June 2013.

(9) Declaration of 28 August 2013.

(10) Declaration of 28 August 2013.

(11) Declaration of 23 November 2012.

(12) Declaration of 14 June 2013.

(13) Declaration of 19 April 2013.

Certain Company shares have double voting rights as described in paragraph "Voting conditions" under "About the Company". Of the 265,421,592 shares making up the Company capital as of 28 August 2013, 24,448,428 shares had double voting rights.

On the same date, employees held 3,176,940 shares representing 1.20% of the share capital and 1.69% of the voting rights of the Company.

The Paul Ricard concert party (comprised of Société Paul Ricard, Lirix, Le Delos Invest I, Le Delos Invest II, Le Delos Invest III, Le Garlaban and Rigivar, as well as Ms Danièle Ricard and Messrs Rafaël Gonzalez-Gallarza, César Giron, François-Xavier Diaz, Alexandre Ricard and Paul-Charles Ricard, the latter since his membership was notified to the Company on 27 August 2013) holds 36,838,454 Company shares representing 57,742,224 voting rights, i.e. 13.88% of the share capital and 19.92% of the voting rights of the Company.

The shareholder agreement between shareholders of the Company (agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard SA (Ricard family holding company)), is described below and is also included on the AMF website (www.amf-france.org).

Crossing of thresholds

In a letter received on 20 February 2013, The Capital Group Companies (CGC), Inc. (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, USA) declared that on 18 February 2013 it had exceeded the threshold of 10% of the share capital of Pernod Ricard, holding 26,674,844 Pernod Ricard shares and the same number of voting rights, i.e. 10.05% of the share capital and 9.19% of the voting rights.

In a letter received on 9 April 2013, The Capital Group Companies (CGC), Inc. declared that on 5 April 2013 it had exceeded the threshold of 10% of the voting rights of Pernod Ricard, holding 29,135,823 Pernod Ricard shares and the same number of voting rights, i.e. 10.98% of the share capital and 10.04% of the voting rights.

Shareholders' agreements

Pernod Ricard was notified on 8 February 2006 of the signing of a shareholders' agreement between Mr Rafaël Gonzalez-Gallarza and Société Paul Ricard. Pursuant to this agreement, Mr Rafaël Gonzalez-Gallarza undertakes to consult Société Paul Ricard prior to any Pernod Ricard Shareholders' Meeting in order for them to vote the same way. Furthermore, Mr Rafaël Gonzalez-Gallarza undertook to notify Société Paul Ricard of any additional purchase of Pernod Ricard shares and/or voting rights, and also undertook not to purchase any Pernod Ricard shares if such a transaction would force Société Paul Ricard and the parties acting in concert to launch a public offer on Pernod Ricard. Finally, Société Paul Ricard has a pre-emption right with regard to any Pernod Ricard shares that Mr Rafaël Gonzalez-Gallarza may wish to dispose of.

Additional information on the shareholders

The number of Pernod Ricard shareholders who have registered securities is estimated at approximately 12,000.

| Allocation of share capital (nominative data from the Company's survey on identifiable bearer shares carried out at 30.06.2013) | (in %) |
|---|------------|
| Société Paul Ricard | 13.1 |
| Board + Management + Employees + Treasury shares | 2.3 |
| Groupe Bruxelles Lambert | 7.5 |
| American institutional investors | 31.2 |
| French institutional investors | 15.0 |
| British institutional investors | 8.9 |
| Other foreign institutional investors | 15.3 |
| Individual shareholders | 6.7 |
| TOTAL | 100 |

To Pernod Ricard's knowledge, no shareholder directly or indirectly holds more than 5% of the share capital or voting rights that is not included in the table on the "Allocation of share capital and voting rights at 28 August 2013" shown above.

There is no individual or corporate body that exercises, directly or indirectly, on its own or jointly, or in concert, control over Pernod Ricard's share capital.

To the Company's knowledge, there have not been any significant changes in the allocation of the Company's share capital during the past three financial years, other than those shown in the above table "Allocation of share capital and voting rights at 28 August 2013".

Pernod Ricard is the only company in the Group listed on a Stock Exchange (NYSE-Euronext Paris).

However, the Pernod Ricard group now controls Corby Distilleries Limited, of which it holds 46% of the share capital and 51% of the voting rights. Corby Distilleries Limited is listed on the Toronto (Canada) Stock Exchange.

Equity investments and stock options

Corporate Officers' equity investments in the issuer's share capital

Detailed information is provided under "Compensation Policy" in Section 4 "Management Report" of this document.

Transactions involving Pernod Ricard shares made by Corporate Officers in the financial year

Detailed information is provided under "Compensation Policy" in Section 4 "Management Report" of this document.

Stock options exercised by Executive Directors during the 2012/2013 financial year

Detailed information is provided in "Summary table of stock options exercised by the Executive Directors in 2012/2013" under "Compensation Policy" in Section 4 "Management Report" of this document.

Stock options granted to the top ten employees in the Group other than Corporate Officers and options exercised by the top ten employees of the issuer during the 2012/2013 financial year

Detailed information is provided in "Stock options granted to the top ten employees in the Group other than Corporate Officers and options exercised by the top ten employees of the issuer during the 2012/2013 financial year" under "Compensation Policy" in Section 4 "Management Report" of this document.

Information about the share capital

STOCK MARKET INFORMATION ON PERNOD RICARD SHARES

Pernod Ricard shares (ISIN: FR 0000 120693) are traded on the NYSE Euronext regulated market in Paris (Compartment A) (Deferred Settlement Service).

STOCK MARKET INFORMATION ON PERNOD RICARD SHARES (SOURCE NYSE EURONEXT PARIS) OVER 18 MONTHS

| Date | Volume (in thousands) | Capital (in euro million) | Average price (in euro) | Highest (in euro) | Lowest (in euro) | Price at end of month (in euro) |
|----------------|--------------------------|------------------------------|----------------------------|----------------------|---------------------|---------------------------------------|
| January 2012 | 13,327 | 978 | 73.35 | 75.19 | 70.50 | 73.39 |
| February 2012 | 11,709 | 892 | 76.19 | 78.21 | 73.53 | 77.66 |
| March 2012 | 17,864 | 1,412 | 79.05 | 82.25 | 76.87 | 78.40 |
| April 2012 | 13,706 | 1,068 | 77.89 | 81.50 | 74.85 | 78.41 |
| May 2012 | 14,083 | 1,106 | 78.56 | 81.24 | 75.58 | 79.00 |
| June 2012 | 16,406 | 1,303 | 79.41 | 84.52 | 75.68 | 84.26 |
| July 2012 | 13,814 | 1,173 | 84.84 | 88.61 | 81.34 | 87.51 |
| August 2012 | 9,373 | 820 | 87.52 | 89.14 | 85.51 | 85.67 |
| September 2012 | 13,338 | 1,164 | 87.79 | 91.11 | 85.41 | 87.31 |
| October 2012 | 13,725 | 1,182 | 86.26 | 89.18 | 82.50 | 83.03 |
| November 2012 | 11,010 | 928 | 84.57 | 87.99 | 82.31 | 87.06 |
| December 2012 | 7,943 | 697 | 88.05 | 89.88 | 86.45 | 87.44 |
| January 2013 | 9,263 | 832 | 89.84 | 92.30 | 86.98 | 92.20 |
| February 2013 | 12,703 | 1,209 | 95.13 | 99.44 | 90.05 | 99.39 |
| March 2013 | 11,502 | 1,132 | 98.90 | 101.15 | 94.77 | 97.21 |
| April 2013 | 12,599 | 1,194 | 94.94 | 98.43 | 91.34 | 94.00 |
| May 2013 | 11,884 | 1,118 | 94.15 | 98.97 | 91.96 | 92.69 |
| June 2013 | 13,774 | 1,217 | 88.54 | 93.40 | 83.99 | 85.19 |

SHARE BUYBACK PROGRAMME

The following paragraphs include the information required in the Board of Directors' report pursuant to article L. 225-211 of the French Commercial Code and the information relating to the description of the share buyback programme required by article 241-2 of the French Financial Markets Authority (AMF) General Regulations.

Transactions performed by the Company on its own shares during the 2012/2013 financial year

Authorisations granted to the Board of Directors

During the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 15 November 2011, the Company's shareholders authorised the Board of Directors to buy or sell the Company's shares during a period of 18 months in the scope of the implementation of a share buyback programme. The maximum purchase price was set at €110 per share and the number of shares the Company was authorised to purchase could not exceed 10% of the Company's Share Capital; additionally the number of shares that the Company held at any moment could not exceed 10% of the Company's Share Capital.

Furthermore, the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 authorised the Board of Directors to trade in the Company's shares, for a period of 18 months, under the same conditions and at a maximum purchase price set at €135 per share. This authorisation cancelled with effect from 9 November 2012, the authorisation granted by the Shareholders' Meeting on 15 November 2011 as it related to the unused portion of the authorization.

Pursuant to these authorisations, the liquidity agreement compliant with the AMAFI Code of Conduct and entered into with Rothschild & Cie Banque with effect from 1 June 2012 was renewed on 1 June 2013 for a period of one year. The funds initially allocated to the liquidity account amount to €5,000,000.

The authorisation granted by the Shareholders' Meeting of 9 November 2012, which remains in force at the date this document was filed, will expire on 8 May 2014. The Shareholders' Meeting of 6 November 2013 will be called upon to authorise the Board of Directors to trade in the Company's shares in the framework of a new share buyback programme described below, under "Details of the new programme to be submitted for authorisation to the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 6 November 2013".

Summary of transactions performed by the Company on its own shares during the 2012/2013 financial year

| | American call options | Sale and repurchase agreements | Sale and repurchase agreements | Exercise of the repurchase option on its behalf | Exercise of the repurchase option on its behalf | Exercise of the repurchase option on its behalf | Exercise of the repurchase option on its behalf | Sales of shares surplus to requirements | Sale and repurchase agreements | Sale and repurchase agreements | Transfers |
|---------------------------|-----------------------|--------------------------------|--------------------------------|---|---|---|---|---|--------------------------------|--------------------------------|----------------|
| Number of shares | 353,000 shares | 350,983 shares | 276,766 shares | 180,823 shares | 543,020 shares | 488,714 shares | 1,198,035 shares | 213,443 shares | 375,000 shares | 1,060,000 shares | 119,722 shares |
| Maximum term | 29.06.2015 | 25.06.2015 | 15.11.2015 | 13.03.2013 | 11.03.2013 | 06.03.2013 | 27.02.2013 | N/A | 11.08.2015 | 14.06.2016 | N/A |
| Average transaction price | N/A | €58.14 | €59.73 | N/A | N/A | N/A | N/A | N/A | €52.59 | €56.84 | €65.29 |
| Average strike price | €78.93 | €64.00 | €68.54 | €33.83 | €42.30 | €52.59 | €58.41 | €97.47 | €52.59 | €58.41 | N/A |
| Amounts | €27,862,290 | €20,404,684 | €16,352,602 | €6,117,242 | €22,969,746 | €25,701,469 | €69,977,224 | €20,804,289 | €19,608,750 | €60,250,400 | €7,816,135 |

N/A: Not applicable.

The total amount of trading fees incurred during the 2012/2013 financial year for authorised programmes was €20,804.

The shares held by the Company have not been reallocated for other purposes since the last authorisation granted by the Shareholders' Meeting.

Summary table at 2012/2013 financial year end
Position at 30 June 2013

| | |
|---|--------------|
| Percentage of direct and indirect treasury shares | 0.82% |
| Number of shares cancelled in the last 24 months | None |
| Number of shares held in portfolio | 2,186,242 |
| Gross carrying amount of the portfolio | €135,738,712 |
| Market value of the portfolio* | €186,245,956 |

* Based on the closing price as of 30 June 2013, i.e. €85.19.

Current share buyback programme
Results of current programme

The following table details the transactions performed by the Company on treasury shares within the scope of the programme authorised by the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 9 November 2012 (period from 9 November 2012 to 28 August 2013).

| | Total gross flows from 09.11.2012 to 28.08.2013 | | | Open positions as of 28.08.2013 | | | |
|---------------------------|---|----------------|------------------------|---------------------------------|-------------------|-------------------|---------------|
| | Purchases | Sales | Transfers | Long positions | | Short positions | |
| | | | | Call options purchased* | Forward purchases | Call options sold | Forward sales |
| Number of shares | 129,000 | 129,000 | 119,722 ^(a) | 4,768,285 | None | None | None |
| Maximum term | N/A | N/A | N/A | 14.06.2016 | - | - | - |
| Average transaction price | €91.80 | €91.94 | €65.29 | N/A | - | - | - |
| Average strike price | N/A | N/A | N/A | €65.47 | - | - | - |
| Amounts | €11,845,122 | €11,856,261.50 | €7,816,135 | - | - | - | - |

N/A: Not applicable.

* And dissolving clauses attached to sale and repurchase agreements.

(a) These shares were definitively granted to French tax resident employees following a three-year vesting period in respect of the performance-based shares allocation plan of 24 June 2010.

Information about the share capital

Summary of transactions carried out in accordance with the purposes and aims of the current share buyback programme

Treasury shares constitute reserves covering the various stock option and performance-based share plans still in force. Movements (transfers) were made within these reserves of treasury shares as follows:

- 119,722 shares allocated to French tax residents benefiting from the performance-based share plan of 24 June 2010 (following the expiry of the three-year vesting period).

Option hedges linked to American call options or to dissolving clauses attached to shares sold under sale and repurchase agreements were transferred as rights were exercised. During the period, 2,190,735 shares were repurchased via the exercise of the dissolving clauses attached to shares sold under sale and repurchase agreements at an average price of €51.89. No shares were repurchased using American call options.

Under the liquidity contract signed with Rothschild & Cie Banque starting on 1 June 2012, during the period 9 November 2012 to 28 August 2013 the Company:

- purchased 129,000 shares for a total amount of €11,845,122; and
- sold 129,000 shares for a total amount of €11,856,261.50.

Distribution of treasury stock at 28 August 2013

Treasury stocks are all allocated as reserves for different stock option and performance share allocation plans.

Details of the new programme to be submitted for authorisation to the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 6 November 2013

The description of this programme (see below), which was established in accordance with article 241-3 of the AMF's General Regulations, will not be published separately.

As the authorisation granted by the Shareholders' Meeting on 9 November 2012, allowing the Board of Directors to trade in the Company's shares, is due to expire on 8 May 2014, a resolution will be proposed to the Shareholders' Meeting on 6 November 2013 (14th resolution - see Section 7 "Combined (Ordinary and Extraordinary) Shareholders' Meeting" of this Registration Document) to grant a further authorisation to the Board to trade in the Company's shares at a maximum purchase price of €140 per share, excluding acquisition costs.

This authorisation would enable the Board of Directors to purchase Company shares representing up to a maximum of 10% of the Company's share capital. In accordance with law, the Company may not hold a number of shares representing more than 10% of its share capital at any time.

As the Company may not hold more than 10% of its share capital, and given that it held 2,167,235 shares as at 28 August 2013 (i.e. 0.82% of the share capital), the maximum number of shares that can be bought will be 24,374,924 shares (i.e. 9.18% of the share capital), unless it sells or cancels shares it already holds.

The purpose of the share buybacks and the uses that may be made of the shares repurchased in this manner are described in detail in the 14th resolution to be put to the vote of the shareholders on 6 November 2013. The share buyback programme would enable the Company to purchase the Company's shares or have them purchased for the purpose of:

- allocating them to employees and/or Corporate Officers of the Company and/or of its affiliates (allocation of stock options and performance-based shares, coverage of its commitments pursuant to options with cash payments);
- using them within the scope of external growth transactions (for a maximum of 5% of the number of shares comprising the share capital);
- delivering shares upon the exercise of rights attached to securities granting access to the share capital;
- cancelling them;
- stabilising the share price through liquidity agreements.

Purchases, sales, transfers or exchanges of shares may be made, on one or more occasions, by any means authorised pursuant to the regulations in force. These means include, in particular, private transactions, sales of blocks of shares, sale and repurchase agreements and the use of any financial derivative instruments traded on a regulated market or over-the-counter market or setting up option strategies.

Transactions involving blocks of shares may account for the entire share buyback programme.

The maximum total amount which could be allocated to the share buyback programme would be €3,715,902,260 corresponding to a maximum number of 26,542,159 shares purchased on the basis of a maximum unit price of €140 excluding acquisition costs.

This authorisation would cancel, as from the Combined (Ordinary and Extraordinary) Shareholders' Meeting of 6 November 2013, any authorisation given to the Board of Directors by the Shareholders' Meeting of 9 November 2012 for the purpose of dealing in the Company's shares. It would be given for a period of 18 months as from the Shareholders' Meeting of 6 November 2013.

OTHER LEGAL INFORMATION

Regulated related-party transactions

Transactions with related parties are described in Note 6.5 – *Related parties* of the Notes to the consolidated financial statements (Section 5 of this document) as well as in Note 10 – *Transactions and balances with subsidiaries and associates and other invested entities* in the Notes to the Parent Company financial statements (Section 6 of this document).



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PERSONS RESPONSIBLE

NAMES AND POSITIONS

Person responsible for the Registration Document

Mr Pierre Pringuet

Vice-Chairman of the Board of Directors and CEO

Person responsible for the information

Mr Jean Touboul

Vice President, Financial Communication & Investor Relations

Tel.: + 33 (0)1 41 00 41 71

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

I certify that, after having taken all reasonable measures to ensure that this is the case, the information contained in this Registration document is, to the best of my knowledge, in conformity with Pernod Ricard's actual situation and that there is no omission which could adversely affect the fairness of the presentation.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair presentation of the assets and liabilities, financial position and financial results of the Company and all the other companies included in the scope of consolidation, and that the enclosed management report gives an accurate picture of developments in the business, financial results and financial position of the Company and all the other companies included within the scope of consolidation, together with a description of the main risks and uncertainties facing them.

I have obtained an audit completion letter from the Statutory Auditors in which they state that they have verified the information relating to the financial position and the financial statements set out in this document and have read the document in its entirety.

The historical financial statements presented in this document are covered by the reports of the Statutory Auditors, set out on pages 180 and 205.

Pierre Pringuet

Vice-Chairman of the Board of Directors and CEO

DOCUMENTS AVAILABLE TO THE PUBLIC

Corporate documents (financial statements, minutes of Shareholders' Meetings, Shareholders' Meeting attendance registers, list of Directors, Statutory Auditors' reports, bylaws, etc.) relating to the last three financial years may be consulted at Pernod Ricard's registered office, located at 12 place des États-Unis, 75116 Paris.

The "Regulatory information" section of the Company's website is available at the following URL:

<http://www.pernod-ricard.com/200/investors/regulatory-information>

This website contains all the regulatory information provided by Pernod Ricard pursuant to the provisions of articles 221-1 *et seq.* of the French Financial Markets Authority (AMF) General Regulations.

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- the Group's management report, the Parent Company and consolidated financial statements and the Statutory Auditors' reports on the Parent Company financial statements and on the consolidated financial statements for the financial year ended 30 June 2012, as presented on pages 73-188 and filed on 26 September 2012 under no. D.12-0869;
- the Group's management report, the Parent Company and consolidated financial statements and the Statutory Auditors' reports on the Parent Company financial statements and on the consolidated financial statements for the financial year ended 30 June 2011, as presented on pages 73-188 and filed on 28 September 2011 under no. D.11-0884;

The information included in these three Registration Documents, other than those mentioned above, has been replaced and/or updated, as applicable, with the information contained in this Registration Document.

Financial Communication & Investor Relations

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Pernod Ricard

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Pernod Ricard is a French public limited company (*Société Anonyme - SA*) with share capital of €411,403,467.60
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