



4 MAJOR REGIONS



Asia and Rest of the World



Americas



Europe (except France)



France

“The struggling economy in the 2008/2009 fiscal year was an opportunity for our network to demonstrate its efficiency, quick reaction times and adaptability. In many markets, consumer habits evolved towards increased consumption in the home. This led us to adapt and redeploy our networks, while keeping an eye on the bottom line. Close knowledge of our consumers, along with our ability to react quickly, is one of our core competitive advantages.

Growth in emerging markets, particularly India and China, excellent results in France, increased market share in Spain and Greece in particular, double-digit growth for Jameson in the United States in a very difficult economy are all proof of our market mastery and dynamic business.”

Michel Bord | Managing Director, Distribution Network

Asia and Rest of the World

Asia

Pernod Ricard retained market leadership in Asia, remaining the top ranking international group in the Chinese, Indian and Japanese markets and in the Duty Free segment.

Pernod Ricard's net sales rose 1% organically over the period, driven by solid performances in China and India. The strength of the Group's position in the region is further enhanced by the arrival of ABSOLUT, a significant asset in the particularly dynamic imported vodkas category, in numerous markets.

Pernod Ricard's success in the region is firmly anchored in the strength of its spirits brands, led by Chivas Regal, Martell and Ballantine's, as well as strong local brands such as Imperial in South Korea or Royal Stag and Blender's Pride in India. These brands are supported by the unparalleled force of our proprietary Distribution Network.

Targeted investment has already begun for ABSOLUT in key growth markets, in order to raise brand value, build awareness and create demand among target consumers.

Asia has not, however, been immune to the global economic turbulence which dominated the news during the fiscal year. Reduced consumer and business spending, destocking by distributors, and limited credit, are all factors which have impacted the market as a whole. The South Korean market has been the most affected, as this country entered the crisis sooner and faster than the other markets in the region. In addition, restrictions on business and personal travel, and rising consumer fears of the H1N1 virus have contributed to a difficult year for Duty Free.

Despite this environment, Pernod Ricard's two growth engines in the region, China and India, continued their exceptional rise, significantly increased their contribution to Group earnings, driven by gains in market share for Martell cognac in China, and continued double-digit growth for the Royal Stag and Blender's Pride whiskies in India.

Pernod Ricard Asia has also continued to anchor key brands through expanded distribution, and increased sales of The Glenlivet and Jacob's Creek, as well as additional brand development activities for Perrier-Jouët, Mumm, Havana Club and Malibu.

China ♦ China continues to represent a major growth engine for Pernod Ricard. Sustained demand for Premium and Super Premium imported spirits has allowed its brands to register remarkable performances in a challenging economic environment.

Martell has led the way for the Group in China, with a continued focus on Premiumisation. Despite a tendency to favour standard products due to the economic climate, the products (Martell Cordon Bleu and VSOP in particular) nonetheless made excellent inroads in China.

Although the market for Super Premium whisky (priced between \$26 and \$41) remains challenging, Chivas Regal unveiled its new "Live with Chivalry" communication platform in November 2008, with one of the most innovative and daring launches ever organised by a spirits company in China, thus highlighting Pernod Ricard China's leadership in what remains a very promising category for the future.

The addition of ABSOLUT to the portfolio represents a valuable source of potential growth. Measures have been taken to strengthen the brand's Premium image, and begin building brand awareness. Long-term growth potential for vodka in China offers a formidable opportunity for ABSOLUT.

India ♦ In India, Pernod Ricard India continues to leverage a comprehensive sales and distribution platform. The strength of local brands such as Royal Stag or Blender's Pride opens the way for investments towards developing strategic global brands in the country, led by Chivas Regal. The launch of the "Live with Chivalry" platform and the brand's high profile activation in the Indian fashion world have led to continued gains in terms of brand awareness and consumer trial.

South Korea ♦ The dynamic South Korean whisky market lost ground in 2008/2009, due to the effects of the global economic crisis in this country, reflected in the significant devaluation of its currency. This trend had an impact on consumption, creating a difficult environment for all brands and all segments.

Pernod Ricard Korea continues to focus on its flagship brands, supporting Ballantine's, Royal Salute and Imperial, while beginning to sow the seeds of future growth engines in ABSOLUT, The Glenlivet, Kahlúa and the champagne brands Mumm and Perrier-Jouët, in order to benefit from future growth opportunities as the environment begins to improve.

Japan ♦ Although the Japanese wine & spirits market trails behind the dynamic growth registered in China and India, Pernod Ricard continued to harvest opportunities in the market for its brands. Perrier-Jouët, in particular its Belle Époque vintage, continued to win market share in the challenging traditional on-trade segment. The Glenlivet, Havana Club and Jacob's Creek sustained their growth trajectory, and Malibu finished the year with the strongest market share gains among imported spirits.

Taiwan ♦ Since 2006, Pernod Ricard Taiwan has refocused its efforts on Ballantine's, Martell and The Glenlivet brands, viewed as key growth engines for the future. The selection of these brands, as well as the strategy and actions undertaken, led to good market share growth during a very difficult year for most categories of spirits in this country.

Pernod Ricard Asia Regional Executive Committee



Front row (from left to right): Kevin Lee, Managing Director, Philippines & Indonesia ♦ Horace Ngai, Managing Director Taiwan ♦ Bernard Coulaty, VP Human Resources ♦ Jenny To, Managing Director Hong Kong ♦ Pierre Coppéré, CEO ♦ Param Uberoi, Managing Director, South Asia ♦ Phanuwat Wongsriphisant, Managing Director, Thailand ♦ Franck Lapeyre, Managing Director Korea ♦ Paul-Robert Bouhier, Managing Director, Singapore & Indochina.

Back row (from left to right): Cheng Keang Tan, Managing Director, Malaysia ♦ Con Constandis, Managing Director, China ♦ Thibaut de Poutier, Managing Director Asia Duty Free ♦ Fabrice Audan, CEO Japan ♦ Xavier Beysecker, VP Marketing ♦ Alban Marignier, VP Finance ♦ Cyril Sayag, VP Public & Legal Affairs.

Asia



Launch of l'Or de Jean Martell in Versailles

To consolidate Martell's position as a leading luxury cognac in Asia, L'Or de Jean Martell was unveiled to the Asian media in the Château de Versailles, following a memorable culinary experience recreating palace cuisine from the era of Martell's creation. A launch also took place for Chinese customers in November 2008 (photo). This three-day event also included visits to luxury artisans and an exclusive tasting of rare cognacs hosted by the Cellar Master in the Martell cellars, all serving to enhance the brand's luxury credentials.

China



Royal Salute Polo Gold Cup

After the success in 2007 of the first edition of the Royal Salute Gold Cup polo tournament in China, Royal Salute was once again the title sponsor for the event in 2008. This competition is an ideal platform for paying tribute to the royal heritage of both polo and the Royal Salute brand.

India



Chivas Fashion Tour

India boasts one of the most exciting and creative fashion industries in the world today. The Chivas Fashion Tour and the Chivas Studio showcased some of today's top designers and models in 22 shows and over five cities, and are recognised as key events on the Indian fashion calendar.

Asia and Rest of the World

Singapore and Malaysia ♦ Neither Singapore nor Malaysia were immune to the global economic crisis, but the strength of the brand portfolio in these markets, driven by Martell and Chivas Regal, nonetheless provided Pernod Ricard with solid results. The arrival in Singapore of the first night-time Formula 1 Grand Prix offered an ideal platform for enhancing brand awareness for Mumm. On-trade distribution increased and the brand gained market share.

Thailand ♦ 100 Pipers remains the leading scotch in Thailand, with more than 80% of the standard scotch whisky market, although the year was exceptionally challenging for all players in the Wine & Spirits sector, due to the combined effects of the global economic crisis, the country's political upheavals, and a lack of visibility regarding changes in sales and marketing restrictions for alcoholic beverages.

Asia Duty Free ♦ The subsidiary's business was strongly impacted during the financial year by the financial crisis, the political crisis in Thailand and the H1N1 virus. These factors had a direct effect on passenger traffic at airports throughout the region. In addition, the depreciation of the Won vis-à-vis the US dollar also influenced Korean passenger traffic, thereby directly impacting the Group's brands, particularly the Prestige class (spirits priced above \$84) and Ballantine's 30 Year Old. However, despite a difficult competitive environment, in particular in terms of pricing policy, Pernod Ricard Asia Duty Free strengthened its leadership for Ultra Premium and Prestige whiskies, with more than 70% of the market, as well as its co-leadership for super Premium whiskies.

South Korea

**Ballantine's Golf tournament**

Golf is one of the most popular sports in Korea, particularly among consumers of Super Premium whisky. This sport also has a strong presence in Japan and Taiwan, and is enjoying rapidly rising popularity in China. In 2008, the first Ballantine's tournament was held on Jeju Island in South Korea. In April 2009, the championship returned to Jeju with a new field of world-class golfers.

This event enjoys excellent media coverage, strengthening awareness of the brand. It is also an ideal occasion for hosting customers and updating them on all the new activities around the brand.

Américas

Europe (except France)

France

In the Cognac segment, the subsidiary remains the joint leader in the XO category thanks to the dynamic development of Martell Cordon Bleu. The launch of L'Or de Jean Martell was extremely well received, and will make Pernod Ricard Asia Duty Free a major player in the ultra Prestige Cognac category.

On the vodka segment, ABSOLUT met its challenge and registered strong growth in this zone.

Pernod Ricard Asia Duty Free will continue to develop its value strategy in the future.

Pacific

The Pacific region was not spared the effects of the global economic crisis. Pernod Ricard Pacific nonetheless registered solid earnings in 2008/2009, driven by dynamic sales in Australia.

Pernod Ricard Australia ♦ 2008/2009 was an excellent year for Pernod Ricard Australia, marked by an increase in market share, the fastest growing among the five largest wine & spirits distributors in the country.

On the back of an improved route to market strategy and a greater focus on new product listings and enhanced distribution, sales of Australian and New Zealand table wines grew significantly, led by Jacob's Creek (+11%) and Montana (+22%).

The key spirits brands also enjoyed a good year. Chivas Regal brought to life its new "Live with Chivalry" campaign. ABSOLUT, the newest brand in the portfolio integrated seamlessly and further established its Premium positioning and creative edge.

Japan

**Gourmet dinner with****Perrier-Jouët Belle Époque 2000**

What better reason than the launch of a new vintage of Perrier-Jouët Belle Époque to organise an exceptional gourmet event? Chef Anne-Sophie Pic, with three Michelin stars to her name, and Perrier-Jouët Cellar Master Hervé Deschamps, created an out-of-the-ordinary experience for VIP guests at a dinner in Tokyo celebrating the launch of the 2000 vintage.

Pernod Ricard New Zealand ♦ In a difficult environment, with excess wine on offer and a persistent economic recession, Pernod Ricard New Zealand's priority was to focus on a limited number of brands: Montana, Stoneleigh, Church Road and Jacob's Creek. The company continued to innovate, with the successful launch of new varieties and the market entry of Jacob's Creek Three Vines. The significant upweight of TV advertising is starting to positively impact the brand health and image for Wyndham Estate and Stoneleigh.

In 2008/2009, Pernod Ricard New Zealand enhanced its route to market to better serve its customers. ABSOLUT will play a significant role in the quest for market share in the future.

Pernod Ricard Pacific Travel Retail ♦ Despite the impact of the economic recession on traveller behaviour, Pernod Ricard Pacific Travel Retail registered strong growth in both sales and earnings.

The key to this success lies in the priority given to the strategic brands (Chivas Regal +23%, Jameson +11%, Malibu +10% and Jacob's Creek +7%), a continued Premiumisation, a series of innovative, exclusively Duty Free products, and a very effective and visible brand promotion programme.

Africa and Middle East

Africa and the Middle East continued to register strong growth, despite a more difficult political and economic environment than in the preceding year. The Group's Premiumisation strategy has demonstrated its effectiveness, with Pernod Ricard historic brands up 10% in volume, and even more in value. Chivas Regal, the star of the portfolio, continued to grow at the impressive rate of 17%, with the rise of its ultra Premium Chivas Regal 18 Year Old.

The successful integration of ABSOLUT was the other major success of the year. The brand is leading the category in both North Africa and the Middle East. The subsidiary used this opportunity to review its route to market on key markets, channelling distribution with a view to leveraging synergies within the Group's brands portfolio.

Middle East ♦ With the economic crisis mainly impacting Israel and Cyprus, the Middle East region remains very dynamic for the whisky category, with all Group brands gaining market share, particularly in Syria and Lebanon.

On the equally dynamic vodka segment, ABSOLUT dominates the Premium category. With ABSOLUT on board, Pernod Ricard is now the market leader for international spirits in Israel.

Africa ♦ The continent suffered the indirect effects of the global economic downturn, particularly after March 2009, except in Morocco, a country which has shown good resistance to the crisis.

The market remains strongly dominated and driven by whiskies: Chivas Regal, Ballantine's, Jameson and Clan Campbell thus registered strong growth in this region.

ABSOLUT leads the Premium vodka category, especially in North Africa (Morocco and Egypt).

Ricard also registered significant volume growth (+15%), driven in particular by dynamic sales in Algeria and Morocco.

In South Africa, Pernod Ricard South Africa once again achieved double-digit growth, based on the implementation of strong marketing plans Jameson is thus about to become the leader of the Premium whisky segment in South Africa.

Australia



Game, set and match for Jacob's Creek at the 2009 Australian Open

Record numbers of spectators, sweltering weather and stunning tennis made the 2009 Australian Open a huge success for Jacob's Creek, the official wine supplier. The Jacob's Creek wine bar became the place to be whilst enjoying the views of the Yarra River and Show Court 2. Every evening, the "Jacob's Creek Honorary Aussie" advertising campaign reached an average of 800,000 television viewers.

Africa



Chivas at the Marrakech International Film Festival

The Premiumisation strategy was extended to all advertising and promotional events in the region, for example here at the Marrakech International Film Festival in November 2008.

Americas

Pernod Ricard successfully integrated ABSOLUT into the Group across the Americas. Despite a severe economic slowdown, the brand showed healthy growth in Central and South America, Mexico and Canada. The acquisition of ABSOLUT also made it possible to implement significant route-to-market changes in the U.S. and Venezuela, and to strengthen our position in the on-premise channel.

In a region where whisky is one of the leading spirits consumed across all markets, Pernod Ricard's portfolio continued to perform well from pole to pole, with big volume gains for Chivas Regal (Canada, Mexico and Brazil), The Glenlivet (Canada), Jameson (United States, Mexico, Canada), Ballantine's (Mexico), Wiser's (Canada) and Something Special (Venezuela).

United States ♦ Pernod Ricard USA leveraged the faster than expected integration of ABSOLUT vodka. The brand has a world-class route-to-market strategy that has made it the fourth-largest selling spirit in the world by volume and the leading imported vodka in the U.S. By forming strategic alignments with two of the country's leading distributors, the subsidiary transitioned to a more focused sales and distribution model. The selection of distributors – which expanded existing relationships – will support Pernod Ricard USA's sales force and its expanded Premium portfolio, thanks to dedicated resources and increased efficiency.

Despite the past year's economic challenges, the Pernod Ricard USA product line generally held its own against the competition, reflecting the strength of its brands and of the Group's distribution network. Overall sales volumes declined slightly, adversely affected by retailer inventory reductions.

ABSOLUT recorded healthy gains in brand momentum and purchase intent, with a strong showing as both the top on-premise call brand, and the leading imported vodka in terms of retail sales.

Jameson continues to transcend its category and outperform the industry, as the fastest growing spirits brand with greater than 500,000 cases of annual sales in the U.S.

While Malibu sales gains were relatively modest, the brand positioned itself for strong future growth through the development of a new commercial strategy based on an "owning the summer" mindset. And The Glenlivet, "the single malt that started it all", continued to gain market share.

The Pernod Ricard USA wine portfolio fostered a reputation for delivering higher quality and value at every price point, with brands including Brancott Sauvignon Blanc, Jacob's Creek Reserve Shiraz and Mumm Napa Sparkling Wine.

Innovation was also a key growth driver, with the launch of such new products as ABSOLUT Mango, Seagram's Rum, Malibu Melon and Beefeater 24.

Over the coming year, Pernod Ricard USA is poised to benefit from an aggressive multi-platform strategy based on four key levers: Focus on priority brands, focus on consumers, Route to Market, and an aligned structure with talented people.

Canada ♦ The Canadian market was not immune to the global economic downturn, but despite this challenging environment, Corby Distilleries offered a noteworthy performance. The company consolidated its position as the country's second largest spirits distributor with sales volumes in excess of 4.3 million cases, and a 6% increase in value for the Premium brands in its portfolio. Core brands performed well ahead of market trends, with value increases for Chivas Regal (+21%), The Glenlivet (+14%), Jameson (+15%) and Havana Club (+28%).

As the dominant player in the Canadian whisky category, Corby extended its market leadership based on its flagship Wiser's brand, with sales across North America exceeding 750,000 cases for the first time. The Corby wine portfolio registered equally impressive performances, growing in value by 6% in a highly competitive market. The success of Jacob's Creek (+16% in sales value), Wyndham Estate (+7%) and Stoneleigh (+8%) led to market share gains in each of their respective categories.

Mexico ♦ The Mexican economy faced challenges tied mostly to the economic downturn in the U.S., and the H1N1 influenza virus, which brought the country to a standstill for a few weeks. Despite this difficult environment, Casa Pedro Domecq's quality brand portfolio, backed by its quality in production, sales and distribution, made this a very successful year.

The subsidiary consolidated its leadership with an increase in overall market share driven by the performance of its Premium and imported brands, particularly for whiskies. Chivas Regal grew 20% by volume, Ballantine's 21%, while sales of Jameson jumped seven-fold, and Passport grew 65%. ABSOLUT was successfully integrated into the network with depletions growing 13%. Despite adverse market conditions, Olmeca, Casa Pedro Domecq's key international tequila brand, continued to gain market share.

In February 2009, the subsidiary entered into a distribution agreement in Mexico for Sauza Tequila. This will further strengthen its position in the tequila category in conjunction with its other tequila brands, Real Hacienda and Agavia.

Casa Pedro Domecq received several Awards during the year, including the "Corporate Excellence Prize" awarded by the National Association of Self-Service and Department Stores (ANTAD) to the best company in terms of service and product quality. The National Association of Wine and Liquor Distributors (ANDIVYL) also awarded Casa Pedro Domecq six victories, for eight nominations in a total of ten categories.

In the brandies category, the focus was primarily on Azteca de Oro, the subsidiary's most Premium brand, with a new advertising campaign titled "Vale Oro" ("Worth its weight in gold").

Pernod Ricard Americas Regional Executive Committee



Front row (from left to right): Patrick O'Driscoll, CEO, Corby Distilleries ♦ Eduardo Otero, CEO, Argentina and Andes Cluster ♦ Philippe Dréano, CEO ♦ Béatrice Leon, Chief Information Officer ♦ Cédric Ramat, VP Human Resources ♦ Sumeet Lamba, VP Marketing.

Back row (from left to right): Cédric Retailleau, Managing Director, Venezuela Cluster ♦ François Bouyra, Managing Director, Casa Pedro Domecq ♦ Frédéric Villain, VP Finance ♦ Pascal de Marchi, VP Operations ♦ Christophe Lemarie, Managing Director Travel Retail ♦ Paul Duffy, Managing Director, USA ♦ Bryan Fry, Managing Director, Brazil.

United States



“BarSmarts”: A spirits and mixology education programme developed exclusively for Pernod Ricard USA, and launched to rave reviews in 2008. Responding to a real demand, the programme shows bartenders that Pernod Ricard is committed to partnering with them for mutual success.



Malibu brought its tropical “Get Your Island on” positioning to life by sponsoring a 16-city Pro Beach Volleyball tour. The brand’s visibility was raised on nationally televised events through on-site signage, and it was also promoted on-site through contests, beach parties, and events in local bars.

Canada



“Welcome to the Wisershood”

Wiser’s, Canada’s best selling and best tasting whisky, expanded its market leading position with a new advertising campaign that encourages consumers to join “the Wisershood”.

Mexico



“Vale Oro”, the new campaign for Azteca de Oro brandy, is based on important moments in the lives of our target consumer, with Azteca de Oro presented as the ideal way to complete the picture. The moments we would like to repeat and keep for posterity – a night out with friends, a date, a party – are Golden Moments, just like Azteca de Oro.

Asia and Rest of the World

Americas

Europe (except France)

France

Venezuela ♦ Pernod Ricard Venezuela significantly reshuffled its distribution model to better target customers and provide them with the best service quality on the market, while strengthening its partners and maximising profitability.

Duty paid zones were reassigned among key distributors to leverage synergies, while Duty Free zones, which are large profit contributors, are now 100% managed by Pernod Ricard Venezuela. Among the benefits of this new business model are cost savings and optimised evaluation and compensation of distributors, which favours the overall development of the subsidiary's portfolio, with a focus on the Premium brands.

Pernod Ricard Venezuela also launched the global Chivas Regal "Chivalry" advertising campaign in the media, supported by an innovative PR campaign christened "Chivalry Gentlemen", in which recognised opinion leaders embrace a voluntary role as ambassadors for this rich concept of chivalry. A "Chivalry contest" was also introduced internally to communicate around this campaign and its values.

Brazil ♦ The Brazilian economy was already showing signs of recovery by the end of fiscal year 2009. However, for the full year the economic downturn impacted overall consumption. The strong devaluation of the Real (R\$) together with major changes in the tax environment also had a significant impact on retail prices, driving consumption down at the beginning of 2009. As a result, the yearly average for most categories remained relatively flat, except for imported vodka which showed impressive volume growth driven by ABSOLUT.

Pernod Ricard Brasil outperformed the industry in key categories, with particularly good results for Chivas Regal (best performer on the Super Premium scotch segment, with a 2% gain in market share by value⁽¹⁾) and Ballantine's, with sales up 10% by value⁽¹⁾ for Ballantine's Finest.

In local brands, Pernod Ricard Brasil maintained its leadership with Montilla, which gained one point in volume share (77%) in a stable category. With the support of a new advertising campaign, Montilla sustained its volumes despite significantly less favourable tax conditions in the north-east of the country, which is the brand's core region. Other regional brands, such as Passport, also performed well and succeeded in maintaining or even growing market share in their respective categories.

Travel Retail ♦ During a time of economic and financial uncertainty, Pernod Ricard Americas Travel Retail continued to focus on targeted Premiumisation strategies to enhance brand recognition and perception.

As the Travel Retail segment continues expanding through new retail locations, Pernod Ricard Americas Travel Retail has successfully sustained and enhanced its global presence, thanks to key marketing initiatives and customer partnerships. New boutique stores have opened, with more retail space devoted to wines and spirits, enhanced distribution of flagship brands such as Chivas Regal and ABSOLUT in Trinidad & Tobago, Barbados and Bermuda, and a new push strategy in domestic markets such as Panama and Costa Rica.

In addition, Pernod Ricard Americas Travel Retail launched the new Chivas Regal advertising campaign "Live with Chivalry" in two core Caribbean markets, Puerto Rico and the Dominican Republic, with a 360° approach fuelled by a press event, a dedicated media plan, and a consumer event that enabled guests to experience the brand's chivalrous spirit.

As a result, Chivas Regal has experienced strong growth on the Dominican market, with volumes surpassing 50,000 9-litre cases in 2008/2009.

On the Cruise and Airline segment, the subsidiary continues to enhance its partnerships with major players for international destinations, with programmes tailored to attract consumers and allow them to discover the Group's brands throughout their journey, including promotions at destination ports such as Puerto Rico, Barbados and St. Martin. Other initiatives include the launch of the "Live with Chivalry" campaign on American Airlines, the activation of Jameson St. Patrick's on key cruise lines, and the launch of ABSOLUT 100 on the airline JetBlue.

The acquisition of ABSOLUT also strengthened the subsidiary's position in the market, based on the brand's status as the leading Premium imported vodka on this segment, and as a major promotional asset in the business overall. Pernod Ricard Americas Travel Retail received the award for the best product launch from Duty Free News International (DFNI) for the promotion of ABSOLUT Masquerade, and enjoyed a successful launch of ABSOLUT Mango by The Absolut Company in Duty Free stores in the Sao Paulo and Rio international airports in Brazil.

Brazil



With over 70% market share of the most dynamic segment in Brazil, ABSOLUT continues to innovate with the launch of the "In an ABSOLUT World" campaign, in cooperation with up-and-coming Brazilian visionaries in music, photography and fashion.

Southern Cone Cluster ♦ In spite of the global economic downturn, fiscal year 2009 was an excellent year for the Cluster, which reaffirmed its leadership in the region with organic growth of operating profit of 57%. These results were obtained by developing better brand value and a better product mix, together with volume growth, operating cost savings and excellent management of financial variables.

Business was driven by a focus on high value spirits, on scotch overall, and on Ballantine's in particular. This brand's success arose from the new international "Leave an Impression" campaign, as well as alliances with strategic brands. To strengthen its presence on-premise, Ballantine's also organised more than forty Leave an Impression parties.

Still wines and sparkling wines contributed to growth in Argentina, in particular through a growing export business for the Etchart and Graffigna brands. Graffigna has built its success around three priorities: quality, creation of a global brand, and gourmet associations. Volumes for its Premium references have increased substantially.

Graffigna also garnered major international awards: 2009 Winery of the Year in the U.S. by *The Critics Challenge*; the most awarded wine of Argentina in 2007-2008 for Graffigna Centenario Malbec; and Best in Class at the latest edition of the International Wine & Spirits Competition for Graffigna Centenario Pinot Grigio.

Graffigna plans a successful entry in the Canadian, Dutch and Finnish markets, and has continued its exceptional performance in the United States.

Finally, the rapid and successful integration of ABSOLUT has benefited from the subsidiary's strengths in terms of distribution and marketing, resulting in strong growth.

These strategies will continue in fiscal year 2009/2010, based on the expansion of high added value brands and a solid customer base.

(1) NIELSEN index

Southern Cone Cluster



Graffigna has positioned itself as the ideal global culinary partner with the creation of the "Santiago Graffigna Haute Cuisine" contest, in which 170 competitors from five South American countries took part. "Global Graffigna" named Mauro Colagreco, in the public eye in recent years since receiving his first Michelin star, Argentinean Chef Ambassador. Colagreco also received the award for Best Chef of France and his restaurant was ranked among the thirty best tables worldwide. This alliance between Graffigna Bodegas and Mauro Colagreco has allowed the brand to become the sole Argentinean wine on the restaurant's menu, ensuring its presence in gourmet events held in key markets.

Europe (except France)

In the midst of an economic crisis to which Europe has not been immune, the region's earnings remain flat compared with the previous year. Pernod Ricard Europe subsidiaries overall were able to grow their market share through innovative marketing strategies and effective sales initiatives.

Despite the slowed economy and resulting challenges, the Central and Eastern Europe region remained dynamic. The year 2008/2009 was also that of the successful integration of ABSOLUT across the zone, as well as local V&S brands in Northern Europe and Poland.

Mature markets

Spain ♦ Spain, the largest market in the region, experienced a difficult year due to a significant downturn in the local economy. Sales slowed for core brands Chivas Regal, Ballantine's, Beefeater and Havana Club, but each gained market share within their segment. Pernod Ricard Iberia has become the volume leader in the market by focusing on a Premiumisation strategy supported by innovative marketing initiatives. The brands are staking out their unique positioning:

Ballantine's connected with internet users through activities around its communication platform "Leave an Impression"; Malibu communicated on the Facebook social networking site; Jameson is making its name known in the world of film, where it extended its involvement through the Jameson Notodofilmfest, an on-line short films festival that attracted more than 1.5 million viewers this year.

ABSOLUT entered the Spanish nightlife through a series of events in unexpected venues, and also launched the www.theabsolutnetwork.com website.

Havana Club enjoyed unparalleled exposure during the 2009 Ibiza Plan with activities scheduled 24/7 and thanks to its participation in the Street Festivals organised throughout the country.

Italy ♦ Despite the economic crisis and restrictions on alcohol consumption which have strongly affected the Italian spirits industry, market share for Pernod Ricard Italia's core brands grew significantly. ABSOLUT registered robust growth both in volume and value. Through its new "In an Absolut World" campaign, the iconic brand invited designers to transform urban buildings into genuine works of art. Mumm increased its presence in the fashion world through its continued programme to the avant-garde fashion brand Dsquared.

Havana Club, a go-to brand for young adults, regained its leadership of the on-premise segment, and continued its programme to raise awareness of responsible drinking in collaboration with DJs, who participate in the "DJ Calogo" by broadcasting the ten commandments of responsible consumption during evening events.

United Kingdom ♦ Pernod Ricard UK was not immune to the economic crisis, particularly severe in the United Kingdom. However, the key brands gained market share thanks to multiple marketing innovations. ABSOLUT showed what it stood for with the advertising campaign "ABSOLUT Protest" and initiatives from the "In an Absolut World" platform. Malibu surfed the largest wave of digital advertising ever launched by Pernod Ricard UK, "Get Your Island on". Jameson continued to partner with the film industry through the creation of the Jameson Cult Film Club, which honours cinematic masterpieces.

As far as wine brands are concerned, Campo Viejo increased its visibility through a far-reaching outdoor campaign, and Jacob's Creek partnered with the Twentieth Century Fox for the launch of the movie "Australia", hence reinforcing its Australian heritage.

Nordic countries ♦ The successful integration of Vin&Sprit gave rise to the new Pernod Ricard Nordic cluster, the market leader in the region. The international crisis, which particularly affected the Baltic countries, Denmark, and the Travel Retail market, was balanced out by the strong resistance in the major markets (Sweden, Finland, Norway) where Havana Club, The Glenlivet and Jacob's Creek experienced strong sales growth in volume.

Sweden: With a 40% market share for spirits, and 20% for wine, Pernod Ricard Sweden reinforced its leadership and expanded its on-trade business. The launch of ABSOLUT Mango and the introduction of Nadurra into The Glenlivet range were two of the year's highlights.

Norway: Higher taxes for spirits in Norway did not significantly impact Pernod Ricard Norway's business. The ABSOLUT Scandinavia cocktail competition attracted positive media attention to Pernod Ricard Norway.

Finland: The high point for Pernod Ricard Finland was the celebration of St. Patrick's Day with Jameson, with simultaneous events organised in Dublin, Moscow, South Africa and Norway. Sales volumes for the subsidiary rose appreciably following the V&S acquisition.



Aliatar | Granada, Spain

Since its early days, this mythical bar in Granada, a city at the crossroads of different cultures, has been steeped in the avant-garde. Its famous tapas, a speciality of this renowned bar, are often served with a glass of gin.

Asia and Rest of the World

Americas

Europe (except France)

France

Pernod Ricard Europe Regional Executive Committee



Front row (from left to right) ♦ Christian Barré, Managing Director, Domecq Bodegas ♦ Philippe Hébert, VP Finance ♦ Philippe Meert, Business Development Director ♦ Laurent Lacassagne, CEO ♦ Noël Adrian, Managing Director, Italia ♦ David de Mardt, Managing Director, South Africa ♦ Francesco Taddonio, Marketing & Development Director.

Back row (from left to right) ♦ Éric Laborde, Managing Director, Eastern Europe ♦ David Haworth, Managing Director, Hellas-Turkey ♦ Philippe Coufin, Managing Director, Iberia ♦ Jean-Louis Laborde, Managing Director, Africa & Middle East ♦ Anthony Schofield, Managing Director, Jan Becher ♦ Michel Mauran, Managing Director Nordic Cluster ♦ Ian Williams, Managing Director, Travel Retail Europe ♦ Alain Dufossé, Managing Director, Deutschland ♦ Jean-Manuel Spriet, Managing Director, UK ♦ Jean-Marc Bryskère, Managing Director, Benelux Cluster ♦ Victor Jerez, Managing Director, Wyborowa ♦ Bruno Goimier, VP Human Resources ♦ Henry Carew, Managing Director, Southern Central Europe ♦ Pierre-Yves Calloc'h, VP Organisation and Information Systems ♦ Camille Méry, VP Operations.

Spain



During the summer of 2008, Havana Club was the official sponsor for Juanes's Spanish "La Vida" tour. Juanes, one of the most influential Colombian celebrities among Havana Club consumers, perfectly expresses the "El Culto a la Vida" brand values: Energy, creativity and vitality. In supporting the tour, Havana Club was seen and heard on the internet, the radio, the official tour website, during press events and joint interviews, and in the VIP areas of fifteen concerts.



Campo Viejo, flagship of Spanish wines

In recent years, Spanish wines have entered the ranks of the best wines in the global marketplace. The most famous Spanish winegrowing region, Rioja, is situated in the north of the country. Rioja wines comply with strict production requirements, and constitute an internationally recognised quality label.

This is also the Campo Viejo region of origin, one of Pernod Ricard's leading wine brands, which celebrates its 50th anniversary this year. Expressing a strong character, Campo Viejo has been the leading Spanish export brand in terms of both volume and total sales since 2005; 1.5 million 9-litre cases were sold worldwide in 2008/2009.

The brand is distributed in more than 70 countries, where it is frequently the market leader such as in the United Kingdom where it is one of the best known wine brands on the market, and among the 20 leading international brands, with double digit growth. Campo Viejo is produced in the Juan Alcorta bodega inaugurated in 2001.



Champagnerie Mumm | Milan, Italy

Situated in the heart of the “Quadrilatero della Moda”, Milan’s busy fashion district, the *Champagnerie Mumm* has a fairly plain décor, in typical Champagne style. Mumm Cordon Rouge is served in magnificent high champagne glasses, to release the full flavours of this vintage champagne.

Asia and Rest of the World

Americas

Europe (except France)

France

Germany ♦ The leading spirits market in the European Union experienced slightly declining volumes, but remained stable in terms of value. It is dominated by the importance both of retail purchasing (75% of total volumes) and of local, inexpensive brands (65% of supermarket volumes). Nevertheless, continued growing demand for global spirits brands offers strong growth potential in the long term for Pernod Richard Deutschland. Present in this market for twenty years, the subsidiary is the market leader there today.

For the first time, Ramazzotti became the leading spirits brand by sales value in the supermarket sector. Havana Club, second brand in the portfolio, registered double-digit volume growth (19%) and is well on the way to becoming the leader in the international rums category. ABSOLUT, which perfectly fills out the company's Premium portfolio, also experienced robust growth (+18%) in an extremely competitive environment. Strong volume growth for Malibu (+11%), The Glenlivet (+20%) and Jameson (+14%) complete the picture of a solidly performing company.

Greece ♦ Despite a difficult environment, Pernod Ricard Hellas performed well and succeeded in increasing its market share in Greece. Chivas Regal maintained its leadership in its segment, Havana Club held the growth record for spirits, and ABSOLUT gave the subsidiary uncontested leadership in the vodka segment, with 36% of the market. The strong brand portfolio offers good growth potential for the Greek subsidiary.

Central Europe ♦ ABSOLUT was successfully integrated throughout the Central European region, gaining five points more than the stated volume objectives (+13%). All the core brands gained market share over the competition. In Switzerland, Ballantine's now holds 32.9% of the market, and Havana Club 14.8%.

In the Czech Republic, the Becherovka brand gained 3.4% of the market, reaching 36.4%. This expansion is partially due to the successful launch of Becherovka Lemon. Present in 72% of major supermarkets, and with no less than 65% brand recognition, this product already holds 5% of the bitters market.

In the other countries of Central Europe, whiskies have demonstrated spectacular growth:

- ♦ in Romania, Ballantine's sales rose by 19%;
- ♦ in Hungary, Ballantine's gained market share and strengthened its leadership;
- ♦ in Bulgaria, Jameson's dynamic performance continued: the brand increased sales by 46% by volume, outperforming the market.

Other countries ♦ Belgium appeared to more easily rise above the general European downturn. Havana Club exhibited continued fast-paced growth, particularly for Especial, helped by a new advertising campaign which strongly boosted brand awareness. Ricard remained the subsidiary's flagship product, and experienced an excellent year in 2008/09, increasing annual pastis consumption by some 6%.

In the Netherlands, white spirits have shown remarkable growth. The rise of ABSOLUT clearly outpaced the market overall, and Havana Club was supported for the first time by television and film advertising.

Travel Retail Europe ♦ Pernod Ricard Travel Retail Europe is the second largest wine and spirits operator in the European Travel Retail market. Despite the depressed economic situation and its strong impact on passenger traffic, Pernod Ricard Travel Retail Europe was able to pursue its aim of raising visibility and awareness of Pernod Ricard core brands through effective initiatives such as the exclusive launch of Beefeater 24 at London's Heathrow airport and the successful implementation of the "In an Absolut World – no destination is impossible" campaign in several European airports.

Emerging markets

Poland ♦ Wyborowa vodka registered 17% growth in volume in Poland, twice as fast as the reference market. Wyborowa successfully integrated Vin&Sprit's operations, to become the third vodka brand in terms of sales on the Polish market. The whiskies segment also demonstrated real success, with the remarkable growth of Ballantine's (+19%), which is rising towards leadership of the whisky segment.

Russia ♦ Despite the very strong negative effects of the economic crisis, Pernod Ricard Rouss registered sales growth of 3% in value, and maintained its leadership by gaining one point of market share by value. This performance was mainly driven by an overhaul of the company's portfolio strategy, which aims to focus resources on priority brands, and support them with innovative marketing. In this way, most of the core brands (Chivas Regal, ArArAt, Jameson, Martell, etc.) gained between one and two points of market share over their competitors. Among the innovations, ArArAt brandy, the trademark Armenian brandy, increased brand awareness by making its film debut in the Russian blockbuster "Newsmakers". The brands enhanced their Premium image by association with well-known celebrities and artists, and by increasing their visibility in fashionable locations. Finally, Pernod Ricard Rouss multiplied contacts with consumers by entering the realm of film and luxury magazines, as well as the arts world through Moscow museums.

United Kingdom



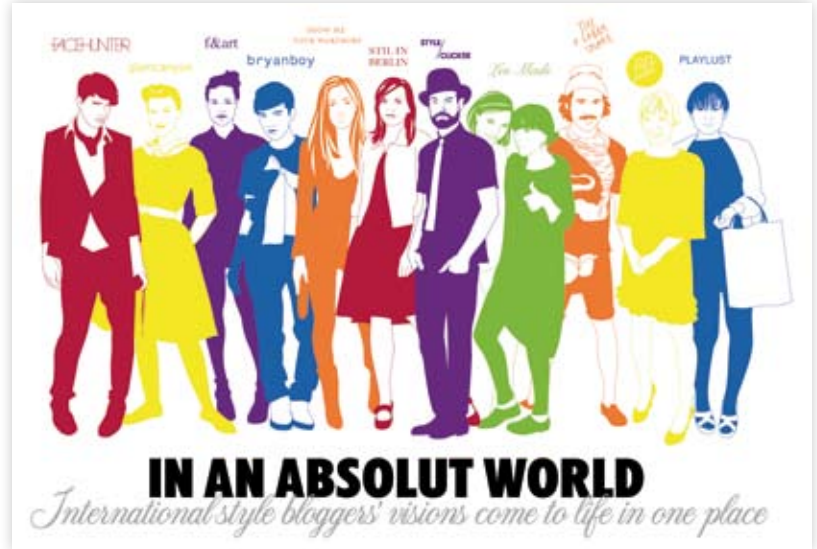
In the United Kingdom, Perrier-Jouët champagne is partnering with the luxury concierge service “Quintessentially” to launch its annual “Summer Arts Party”. Organised at Kensington Palace, the event was inspired by the theme “*Toujours la Belle Epoque*”, centred round the emblematic art nouveau Perrier-Jouët bottle. This VIP event enhanced the brand’s luxury and avant-garde image and attracted extensive media attention. Guests were driven to the event in Perrier-Jouët-branded Jaguars, and finished the evening at the prestigious Met Bar in London, in the company of the city’s social and arts elite.

Travel Retail Europe



Pernod Ricard Travel Retail Europe aims to increase the visibility of its brands in European airports, pictured with exclusive display stands and front covers of duty free magazines for the launch of Beefeater 24.

Germany



In Germany, ABSOLUT organised the world’s first fashion bloggers’ summit in June 2009. Participants gathered in Munich to exhibit their photographs based on the “In an Absolut World” theme. These photos, veritable works of art, were auctioned off in support of Kunstclub 13, an association which promotes young artists.

Czech Republic



In September 2008, Jan Becher launched Becherovka Lemond, a lemon flavour newcomer to the Becherovka range which targets a young adult audience that appreciates nights out with friends. Various communication campaigns expressed the slogan, “Lemond, it’s open”, to strengthen the brand’s positioning. Lemond is the brand of unexpected events and spontaneous happenings.

France

The Group's business in the French market, operated by the Ricard and Pernod distribution subsidiaries, resisted particularly well during the fiscal year, with sales growth of +2.4% (organic growth). This performance is driven in part by the commercial successes of Ballantine's, Mumm, Havana Club, Jameson and Clan Campbell.

Ricard SA

Successful integration of ABSOLUT and Lillet ♦ In October 2008, Ricard SA was assigned the distribution of ABSOLUT on the French market. This Premium vodka immediately benefited from the company's powerful sales network: its volumes rose by 21% over the year (excluding Duty Free). ABSOLUT launches a news advertising campaign. The brand is also the focus of numerous supermarket and hypermarket events, such as the launch of limited editions for the holiday season and massive exposure for the one-litre format, as well as on-trade events (marketing of the ABSOLUT Masquerade bottle, improved presence in nightbars and nightclubs).

Another brand was successfully brought into the Ricard distribution network this year: Lillet, the wine-based aperitif produced in the Bordeaux region. The brand gained 28% by volume during the fiscal year in France, and is by far the most dynamic brand on the wine-based aperitif segment.

Whiskies continue on the road to success ♦ With volumes up 3.7%⁽¹⁾, whiskies are driving growth on the spirits market (+1.8%⁽¹⁾ by volume).

The brands in the Ricard portfolio turned in excellent performances, in particular Clan Campbell, for which 2008/2009 was an exceptional year, with almost 15 million litres sold, including purchases by French consumers at the border.

Chivas Regal remains the unrivalled leader for blends over 12 years old. Its market share is close to 70%⁽¹⁾ by volume, and the "Tin box" launched at the end of 2008 remains the top selling packaging in the whisky aisle.

Jameson continues its rise (supermarket sales up 4%⁽¹⁾), supported by numerous events such as St. Patrick's Day or Foodstock events which generated broad press exposure.

Source: (1) NIELSEN: MAT (Moving annual term) ending June 2009.

Focus



New ABSOLUT campaign

ABSOLUT PURITY: This tagline evokes the product's exceptional quality. Fruit of the sophisticated continuous distillation method, ABSOLUT stands out for its purity. Contemporary crystalline images of stills express all the care taken in creating ABSOLUT.

Management Committee

See the photograph of the Ricard SA Management Committee on page 28 of this document.



Paco Rabanne dresses Clan Campbell

Launched in the fall of 2008, the black "Clan by Paco" bottle renews the saga of Clan Campbell limited editions in a contemporary style that evokes the brand's visual code.



Chivas in Alexander McQueen

The British designer Alexander McQueen has created baroque attire for the Chivas Regal 18 Year Old bottle. This design echoes the noble heritage of the Chivas House, and its 1843 Royal Warrant to supply goods to Her Majesty Queen Victoria. This exceptional bottle is sold by prestigious wine vendors and fine grocers.

Pernod SA

The brands in the Pernod SA portfolio stood strong despite the economic downturn in 2008/2009, with growth rates equivalent to those of the previous year for the strategic brands: Ballantine's, Martell, Mumm, Havana Club (+7% by volume as well as sales value). In addition, bringing in distribution of Wyborowa in January 2009 allowed Pernod to double its volumes of white vodka and to become the French market leader for Polish vodkas in terms of sales value.

Havana Club showed excellent growth during the 2008/2009 fiscal year (volumes up 20% and sales 21%), anchoring its leadership for "rons" on the French market.

France remains a major growth engine for Ballantine's, the second largest market for the brand and also the most dynamic. Sales of whisky rose 9% by volume and by value. These results are the fruit of quality initiatives in support of Ballantine's Finest ("Black Light" edition for night time, special holiday displays in supermarkets and hypermarkets) and Ballantine's 12 Year Old, with a focus on cocktails.

Mumm demonstrated its resistance on a depressed champagne market. The brand maintained its sales leadership with a 6.6% market share (Nielsen moving annual total data P7). "Sphéric by Mumm" and the R. Lalou vintage "Menus de Légende" programme boosted brand awareness.

Renewal and rising brand status ♦ With a resolutely modern bottle and "poolside" glass, Pastis 51 was active at outdoor tables in spring 2009. The goal: "To revolutionise the anise market."

2009 was also the 120th anniversary of Suze, celebrating alongside another "great lady", the Eiffel Tower. A limited edition commemorated this event.

The pursuit of the Premiumisation strategy, expressed in particular with the launch of Aberlour 18 Year Old, allowed Aberlour to cross the threshold of one million litres sold, and to ensure comfortable leadership of the malts market.

Finally, Pernod absinthe participated in the revival of this category, particularly in the United States, where it was heralded in the press as one of the world's best absinthes.

Conscious of the need to mobilise in a difficult environment, Pernod employees in the support functions actively assisted the sales teams this year, by participating en masse in supermarket and hypermarket sales events during the holiday season. The result: 230 additional event days. Colleagues from Martell Mumm Perrier-Jouët also came to support sales of Mumm champagne "in the field", for 180 event days.

Management Committee



From left to right ♦ Jean-Marc Roué, Operations Director ♦ Frantz Hoffman, Commercial and Marketing Director ♦ Estelle Rivals, Human Resources Director ♦ César Giron, CEO ♦ Sylvie Machenaud, Communications Director ♦ Régis Souillet, Chief Financial Officer.

Focus



"Menus de Légende"

In partnership with Mumm champagne, Pernod SA organised the "Menus de Légende" ("Legendary Menus"), a culinary journey with the prestigious R. Lalou vintage. The idea: Twelve great modern Chefs reinterpret 12 historic menus with which the G.H. Mumm House was associated in the past.



Brand theatrics

The Premium Bar space was once again centre stage in supermarkets and hypermarkets during the 2008 holiday season, with its "alchemy of whisky" display. In March 2009, this innovation was awarded a Gold Medal at the European POPAI Awards, which recognise the year's best creations in POS promotions.



"51 revolutionises the anise market"

The launch of a new Pastis 51 bottle along with a new special wide "poolside" glass, testifies to Pernod's ability to continually bring novelty to its product line.