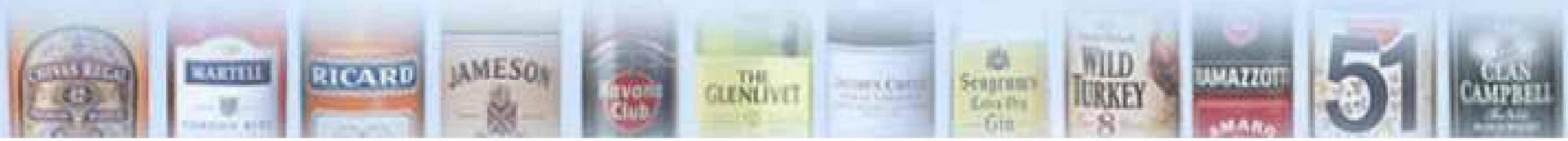
2005 1st Half Year Results

22 September 2005



Pernod Ricard

Key figures

- Wine & Spirits enjoys strong organic growth
  - Sales: +9.4%
  - Advertising, marketing and promotion expenditures: +13.1%
  - Operating profit: +7.9%

- Net current profit: +4.4% (+10.3% excluding foreign exchange impact)

Wine & Spirits

Condensed Income Statement

- **Strong growth in sales activity**
- **Sharp increase in operating profit and advertising and promotion expenditures when currency effect is excluded**

(€ millions)	2004 1st HY	2005 1st HY	△	2005 1st HY at 2004 forex	Organic growth
Sales	**1,528**	**1,650**	**+8%**	**1,667**	**+9.4%**
Gross profit	**1,019**	**1,089**	**+7%**	**1,109**	**+9.1%**
Gross margin	*66.7%*	*66%*		*66.6%*	
Advertising and Promotion expendit.	**344**	**384**	**+11.8%**	**388**	**13.1%**
As a % of sales	*22.5%*	*23.3%*		*23.3%*	
Operating profit	**280**	**287**	**+2.4%**	**301**	**+7.9%***
Operating margin	*18.3%*	*17.4%*		*18.1%*	

*** including a negative structure effect arising from the disposal of Coymans**

Wine & Spirits
Foreign exchange impact

- **Continuation of the worsening €/\$US exchange rate**
  - **2005 1st HY: €1 = \$US 1.286**
  - **2004 1st HY: €1 = \$US 1.227**
- **Operating profit more impacted than sales (pincer effect from costs in euros and sales in dollars: Cognac…)**

(€ millions)	Forex impact
Sales	(17)
Operating profit *	(15)

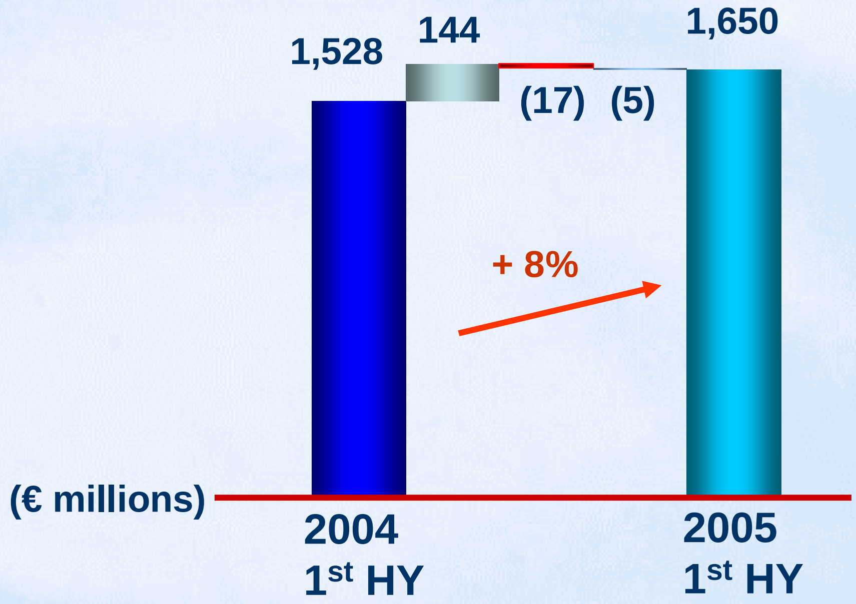
*of which:	
\$US and associated	(8)
Other	(2)
Cost of coverage	(5)

Pernod Ricard

Continuation of premium brands strong growth

Wine & Spirits
Sales

- **Organic growth: + 9.4% (+8.8% excluding bulk spirits sales)**



	Organic growth
Asia/ROW	+ 18.4%
Americas	+ 10.6%
Europe	+ 8.1%
France	-0.7%

Organic growth: +9.4%
Forex impact: -1.1%
Structure impact: -0.3%

Pernod Ricard

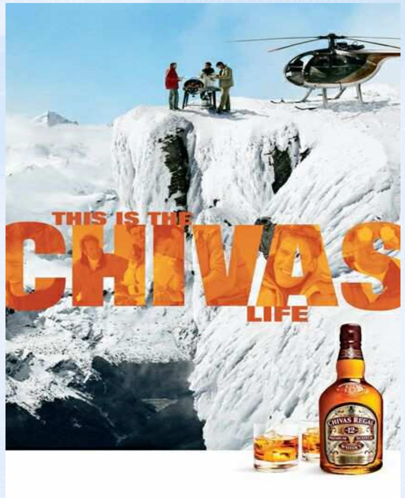
Wine & Spirits
Sales

- **Top 12 : volume + 6% ⇒ Sales + 11% (constant forex basis)**
- **Very strong premium brands growth ⇒ accelerated sales growth**

	△ Volume	△ Sales*
Chivas Regal	+19%	+25%
Martell	+8%	+16%
Jameson	+13%	+15%
The Glenlivet	+6%	+7%
Royal Salute	+8%	+19%

* constant forex basis

Wine & Spirits
Chivas



Vol: +19% Sales: +25%*

*** constant forex basis**

- **Spectacular growth in the 1st half of 2005**
- **Successful launch of new packaging for Chivas 18 YO (+70%)**
- **Volumes progressed in all the world's regions**
  - **North America (+5%)**
  - **South and Central America (+35%)**
  - **Asia (+33%)**
  - **Europe (+5%)**
- **Chivas accounts for 1/3 of gross profit growth**

Wine & Spirits

Martell

Vol:	+8%	Sales:	+16%*

* constant forex basis

New packaging for XO

- **Continued upward repositioning of brand: Volumes: +8%, Sales and Gross Profit: +16%**
- **Strong progression of +35% for Cordon Bleu, which represents 17% of Martell's volume**
- **Launch of new XO packaging in July 2005**

Wine & Spirits

Jameson

Vol: +13% Sales: +15%*

*** constant forex basis**

- **Continued very strong growth in USA (+20%), N°1 mar ket for brand**
- **Spectacular development in South Africa (+64%)**
- **Sustained growth in Europe (+8%),**
  For example: Portugal, Czech Republic and Duty Free market
- **Contribution after Advertising and Promotion progresses by 20%**

Pernod Ricard

Wine & Spirits

Royal Salute

The Glenlivet

Vol:	+8%	Sales:	+19%*

*constant forex basis

Vol:	+6%	Sales:	+7%*

*constant forex basis

- Royal Salute 21 YO: ultra-premium brand
  - 4x retail sales price of Chivas Regal 12YO
  - Royal Salute: 85% of volumes in Asia
- Successful launch of "Stone of Destiny" 38YO

- N°1 selling single malt in the USA, still enjoying strong growth: depletions +10%
- Excellent growth in Asia and Europe

  ⇒ future global brand

Pernod Ricard

Wine & Spirits

Progression in all markets except France

Wine & Spirits
Americas

	€ millions	%	Δ[(1)]
Sales	348	*100*	+10.6%
Gross profit	208	*60*	+10.3%
Contribution after A&P	122	*35*	+12.1%
Operating profit	59	*17*	+19.7%

(1) organic growth

- North America
  - Growth in volumes thanks to premium brands
  - Regular increase in Advertising & Promotion expenditures
  - Trading costs increase
  - Overhead costs controlled
- South and Central America
  - Continued very strong volume increases for Chivas (+35%) and Something Special (64%)
  - Increase in structure costs (creation of a subsidiary in Chile)

Wine & Spirits
Asia & Rest of World

	€ millions	%	Δ[1]
Sales	406	*100*	+18.4%
Gross profit	260	*64*	+19.2%
Contribution after A&P	140	*34*	+10.6%
Operating profit	71	*18*	+8.1%

(1) organic growth

- Remarkable growth in sales
- Progression in gross margin thanks to excellent performances by Chivas, Martell and Royal Salute
- Advertising & Promotion expenditures (+35%) accompany this growth and prepare the future
- Structures are enhanced (+11.5%) to ensure the pursuit of this dynamism

Wine & Spirits
Europe

	€ millions	%	Δ(1)
Sales	627	*100*	+8.1%
Gross profit	413	*66*	+7.9%
Contribution after A&P	255	*41*	+7.7%
Operating profit	118	*19*	+8.6%

(1) organic growth

- Persistence of vigorous sales growth (+6.3% excluding bulk sales) thanks notably to the development of Eastern European markets
- Gross margin and operating margin continue to improve (excluding bulk)
- Continued progression of Advertising & Promotion expenditures (+9.2%)

Wine & Spirits

France

	€ millions	%	Δ(1)
Sales	**268**	*100*	**(0.7%)**
Gross profit	**208**	*78*	**(0.6%)**
Contribution after A&P	**118**	*44*	**(2.7%)**
Operating profit	**39**	*15*	**(9.6%)**

(1) organic growth

- Virtually stable sales, with the dynamism in whiskies, vodka and rum compensating for the weakness in aniseed
- Maintenance of Advertising & Promotion initiatives
- France remains a priority market and investment centre
- Repercussion of these initiatives on operating profit

Wine & Spirits

Sustained growth in profitability with very strong brands support

Wine & Spirits
Gross profit

	2004 1st HY	2005 1st HY	2005 1st HY at 2004 forex	Excl. bulk impact*
Gross profit (€ millions)	1,019	1,089	1,109	
Gross margin	*66.7%*	*66.0%*	66.6%	67%*

* Exceptional bulk sales (sales impact:+€ 12 million)

- Impact of strong Top 12 brands volume growth (+ 6%)
- Development of premium brands has more than compensated for the growth in lower gross margin wines

Pernod Ricard

Wine & Spirits

*Acceleration of Advertising and Promotion expenditures: 13.1%**

	2004 1st HY	2005 1st HY	2005 1st HY at 2004 forex
A&P expenditures (€ millions)	344	384	388
as a % of sales	*22.5%*	*23.3%*	*23.3%*

80 BP

- Efforts concentrated on:
  - Top 12 brands: 16% growth in Advertising & Promotion expenditures
  - High potential markets of Asia, United States and Europe
- Asia accounts for 50% of this growth

* Organic growth

Pernod Ricard

Wine & Spirits

*Operating costs controlled: +6.5%**

	2004 1st HY	2005 1st HY	2005 1st HY at 2004 forex
Operating costs (1) (€ millions)	395	419	420
As a % of sales	*25.9%*	*25.4%*	*25.2%*

- 70 BP

(1) Distribution and structure costs (trading, overhead and other income and charges)

- **Increase in logistical distribution costs linked to the progression in sales (+7%)**
- **Structure costs (+6.4% organic growth) will continue to grow at a slower rate than sales**
- **Nevertheless, strengthening of teams in China and India, and creation of a subsidiary in Chile**

*** Organic growth**

Pernod Ricard

Wine & Spirits
Operating profit

(€ millions)	2004 1st HY	2005 1st HY	2005 1st HY at 2004 forex	Excl. bulk impact*
Operating profit	280	287	301	
Operating margin	*18.3%*	*17.4%*	18.1%	18.2%*

* Exceptional bulk sales (sales impact:+€ 12 million)

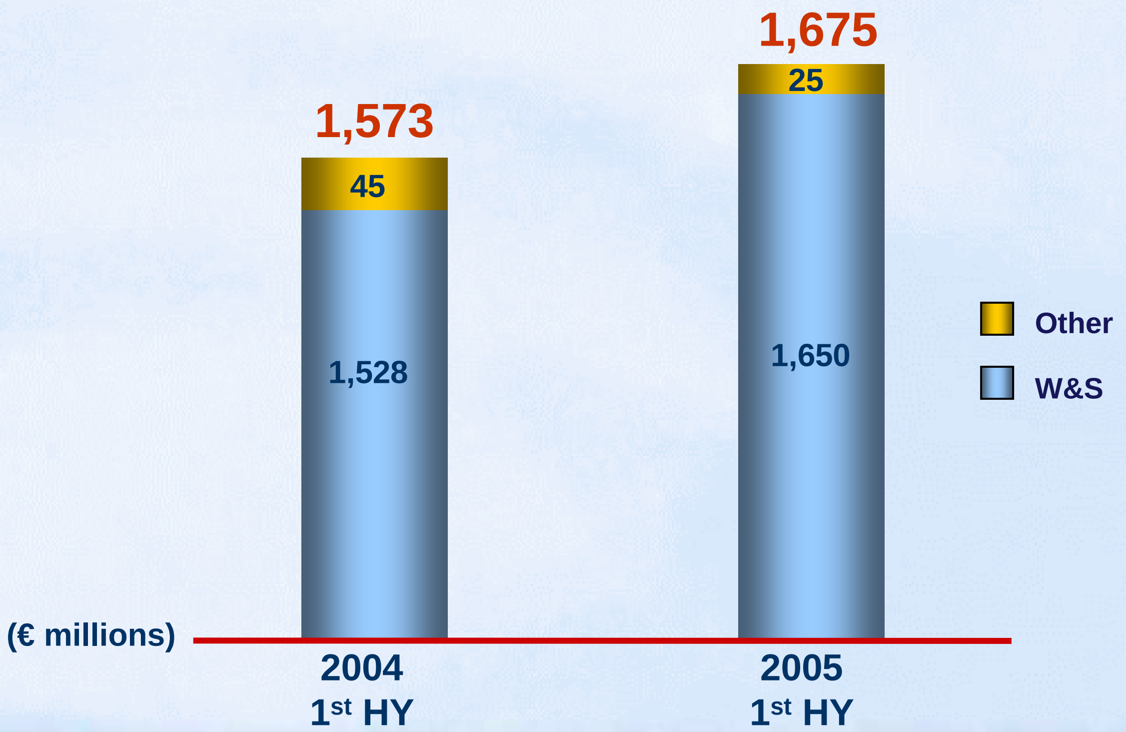
- Stable operating margin despite strong growth in Advertising & Promotion expenditures
- Vigorous sales and profitability growth (constant forex basis)
- Ability to reinvest profitability gains into investments that prepare the future
  - Levers of profitability growth (gross margin, magnitude of structure costs) continue to impact
  - Decision to reinvest these gains reflected in increased Advertising & Promotion expenditure ⇒ secures long term growth

Consolidated results

Consolidated results

Consolidated sales

	W & S	Other activities	Consolidated
Organic growth	+9.4%	-6.2%	+9%
Forex impact	-1.1%	+0.2%	-1.1%
Structure impact	-0.3%	-38%	-1.4%
Aggregate growth	+8%	-44%	+6.5%

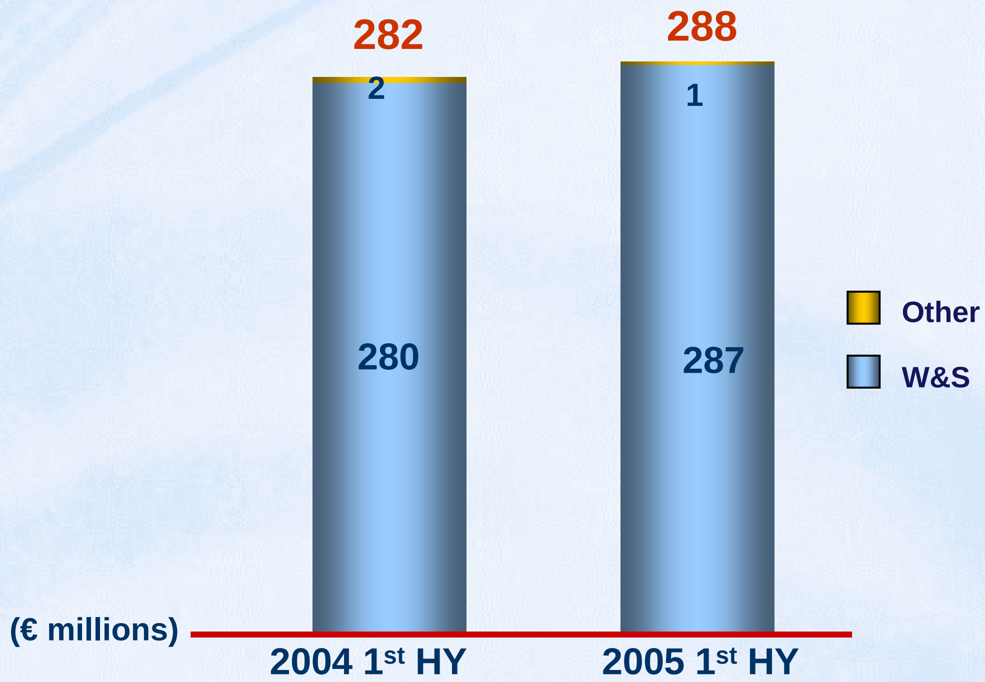


Pernod Ricard

Consolidated results

Operating profit

- **Forex impact = 5% of operating profit**



	2004 1st HY	2005 1st HY
Operating margin	**17.9%**	**17.2%**

	(€ millions)	%
Total change	**5.9**	**+2.1%**
Forex impact	**(14.5)**	**-5.2%**
Structure impact	**(2.1)**	**-0.7%**
Organic growth	**+ 22.5**	**+ 8%**

Pernod Ricard

Consolidated results
Net finance cost

- **Slight increase in net finance cost due to increased finance charges**

(€ millions)	2004 1st HY	2005 1st HY	△
Finance charges	(37)	(41)	+9.7%
Dividends received & other	(2)	(1)	NA
Net finance cost	(39)	(42)	+7.5%

Pernod Ricard

Consolidated results

Net finance cost

- **Increase in finance charges resulted from:**
  - **Reduction in yen denominated debt replaced by $US debt**
  - **Increase in $US interest rates**

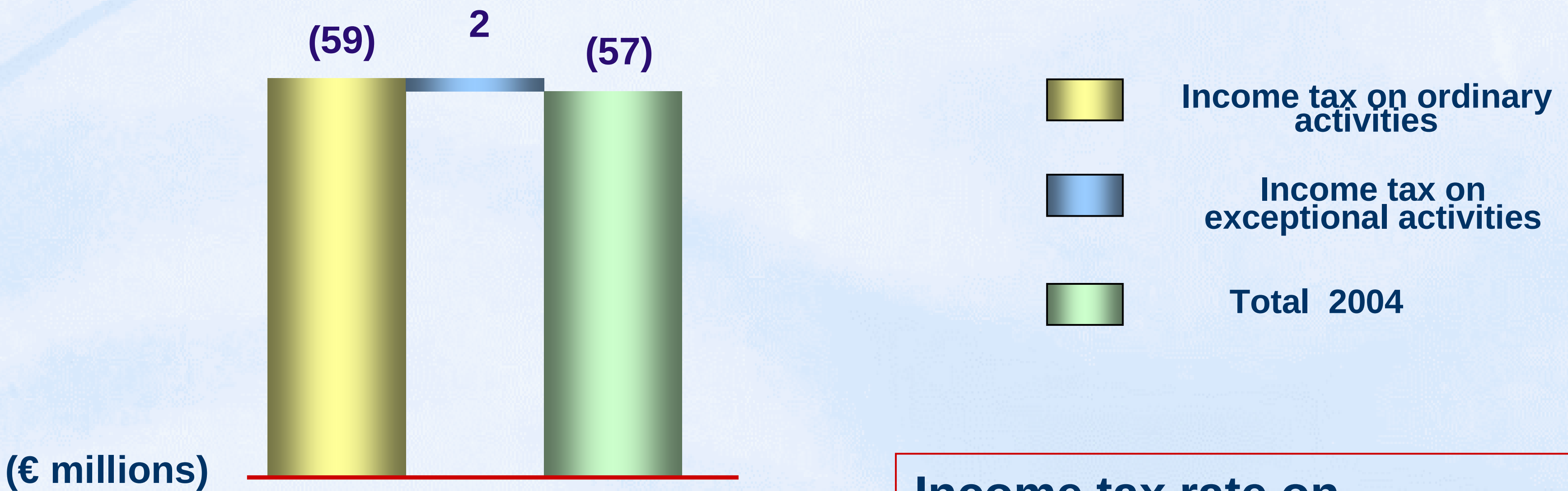
(€ millions)	2005 1st HY
Interest rate effect	(6)
Debt base effect	2
Increase in finance charges	(4)

- **Average cost of debt financing (Océane included): ~ 4%**

Pernod Ricard

Consolidated results
Income tax

Income tax: (€ 57 million)



Income tax rate on ordinary activities : 23.9%

Reminder: Income tax rate on ordinary activities

- 2004 1st HY: 26.4%
- 2004 FY: 26.2%

Consolidated results

Analysis of net exceptional expenses

- **Restructuring costs - USA, Ireland**
- **Incremental costs relating to the Allied Domecq acquisition (costs of foreign exchange hedges to guarantee AD financing and other costs)**

(€ millions)	**2005 1st HY**
Restructuring costs	(8)
Asset disposals, exceptional writedowns and other	3
Preparation of AD acquisition	(15)
Net exceptional expense	**(20)**

Consolidated results

Group net profit

- **A progression in Group net profit penalised by the exceptional costs linked to the acquisition of Allied Domecq**

(€ millions)	2004 1st HY	2005 1st HY	
Profit before tax	***243***	***246***	***+1.2%***
Net exceptional income/(expenses)	*0.3*	*(20)*	
Income tax	*(63)*	*(57)*	
Acquisition goodwill amortisation	*(7)*	*(7)*	
Other	*(4)*	*(5)*	
Group net profit	***169***	***157***	***-7.2%***

Consolidated results

Net current profit

- **Strong progression in net current profit excluding foreign exchange impact**

(€ millions)	2004 1st HY	2005 1st HY		2005 1st HY 2004 forex	
Operating profit	**282**	**288**		**302**	
Net finance cost	(39)	(42)		(43)	
Profit before tax	**243**	**246**		**259**	
Income tax	(64)	(59)		(62)	
Minority interest	(4)	(5)		(5)	
Net current profit	**175**	**182**	**+4.4%**	**193**	**+10.3%**

Consolidated results

Consolidated Cash Flow Statement (1of 2)

- **Favourable evolution of operating WCR due to seasonality effects (receivables collections at year-end)**
- **Improvement in non-WCR that compensates for the growth in investments (reorganisation of bottling at Chivas and Martell)**
- **Free Cash Flow comparable to the previous year**

(€ millions)	**2004 1st HY**	**2005 1st HY**
Net profit adjusted for income from associates	***173***	***161***
Fixed assets depreciation and amortisation charges	*45*	*46*
Net capital gains on fixed asset disposals	*(4)*	*5*
Provisions for contingencies, brands and goodwill amortisation	*(9)*	*(16)*
Change in operating WCR	*129*	*138*
Change in non-operating WCR and deferred taxes	*(102)*	*(80)*
Net capital expenditures	*(45)*	*(64)*
Free Cash Flow	***187***	***190***

Consolidated results

Consolidated Cash Flow Statement (2 of 2)

- **Two major items:**
  - **Financial investments: financing of Allied Domecq acquisition costs (€ 106 million)**
  - **Translation adjustments: adverse foreign exchange impact on debt**
    - **€ = $US 1.2092 at 30 June 2005 (-11%)**

(€ millions)	**2004 1st HY**	**2005 1st HY**
Free Cash Flow	***187***	***190***
(Financial investments) /divestments + structure impact	*3*	*(111)*
Cash dividends (including withholding tax)	*(150)*	*(139)*
Translation adjustment	*(33)*	*(87)*
Decrease/(increase) in net debt	***7***	***(147)***
Net debt at 30 June	**(2,102)**	**(1,991)**

Pernod Ricard

Cash dividend

	12/02	Δ	12/03	Δ	2004/2005
Cash dividend proposed (€)	1.80	+ 8.9%	1.96	NA	3,22
Payout rate*	29%		30%		34%

** Cash dividend/Net current profit*

(1)

Instalment 1	€ 0.98	Paid on 11 January 2005
Instalment 2	€ 1.16	Paid on 7 June 2005
Balance	€ 1.08	Payable on 17 November 2005

- **Growth in cash dividend paid in respect of 2004 calendar year: +9.2%**
  - **⇨ reflects the performance of the 1st 12 months of the 2004-2005 fiscal year**
- **Balance: € 1.08**
- **Balance payable after approval by General Meeting of 10 November 2005**

CURRENT DEVELOPMENTS

Progress report on Allied Domecq integration

Pernod Ricard

Process unfolding in conformity with expectations

- **Stolichnaya: takeover of the worldwide distribution, excluding Russia confirmed (agreement with SPI)**

- **Transfer of brands to Fortune Brands**
  - **Courvoisier, Larios already realised**
  - **Latest transfer date: 26 January 2006**

- **Distribution subsidiaries**
  - **Takeover process commenced worldwide with effect from 27 July 2005 – already at a very advanced stage in many countries**

- **Brands Owners:**
  - **Chivas Brothers to take Beefeater and Ballantine's**
  - **Martell to take Mumm and Perrier Jouet**
  - **Creation of a liqueurs Brand Owner "Malibu-Kahlua International" based in North America, operational from 1 January 2006**

- **Net financial debt (end of August): c.8.6bn€ $\Rightarrow$ inferior to the estimated opening debt despite a negative forex impact**

Trading update

- Good general performances since March 2005 for strategic spirits brands acquired

	March-Aug. 05	Sept.04-Feb. 05
• Ballantine's	+ 2%	-4%
• Malibu	+14%	+13%
• Kahlua	- 2%	-1%
• Stolichnaya	+ 5%	+1%
• Beefeater	- 5%	-9%
• Total	+ 3%	-1%

- High stock levels for certain markets
  - Spain
  - USA
  - Mexico
- A comprehensive marketing review is currently underway assessing the situation of each key brand

Pernod Ricard

Summary of disposals

- Bushmills sold to Diageo on 25 August 2005
- QSR
  - Phase 1 of the process launched on 19 September
  - "Non binding offers" expected for 20 October
  - Phase 2 (financial review, site visits) terminated on 22 November 2005
  - Target date for closing: mid-January 2006
- Montana
  - Diageo is currently proceeding with due diligence review
  - Decision on option expected for the 4th quarter of 2005
- Glen Grant
  - Start of disposal process

IFRS

IFRS

- Main impact on profit from ordinary activities: stock option costs

12 months	French GAAP	IFRS
Gross margin (Gross profit/sales)	65.8%	59.7%
Advertising, Marketing & Promotion (as a % of sales)	22.6%	16.4%
Profit from ordinary activities /sales (as a % of sales)	20.4%	20.2%

- IFRS EPS is 6.1% higher than French GAAP equivalent

IFRS

(€ millions)	French GAAP	IFRS adjustments	IFRS	Δ
12 months at 30 June 2005	2004-2005 FY		2004-2005 FY	
Net sales (EDT)	**3,674**	**(62)**	**3,611**	**(1.7)%**
Gross profit	**2,418**	**(261)**	**2,156**	**(12.1)%**
Gross margin	65.8%		59.7%	
Advertising & Promotion costs	**(830)**	**238**	**(592)**	**(40.2)%**
As a % of sales	22.6%		16.4%	
Profit from ordinary activities	**748**	**(20)**	**729**	**(2.7)%**
As a % of sales	20.4%		20.2%	
Group net profit	**475**	**9**	**484**	**1.8%**
Diluted EPS – Group net profit	**6.44**		**6.86**	**6.1%**

Pernod Ricard

Conclusion

Conclusion

- A new half year whose growth and profitability performances confirm the relevance of Pernod Ricard's "premiumisation" strategy

- Integration of Allied Domecq unfolding in conformity with expectations and announcements


Pernod Ricard

Appendices

Listing of Appendices

- Condensed Consolidated Income Statement
  - 6 months
  - 12 months pro-forma and 18 months
- Condensed Consolidated Balance Sheet at 30 June 2005
- Consolidated Cash Flow Statement
  - 12 months pro-forma and 18 months
- 2005 1st half year volumes

Condensed Consolidated Income Statement 6-month period (1/2)

(€ millions)	6 months at 30 June 2005	Δ
Net sales (EDT)	***1,675***	***+6.5%***
Gross profit*	*1,096*	*+6.4%*
Distribution costs	*(73)*	*4.8%*
Advertising & Promotion costs	*(385)*	*11.2%*
Contribution after Advertising & Promotion	*638*	*+4%*
Trading costs and overheads**	*(351)*	*+5.5%*
Operating profit	***288***	***+2.1%***
Net finance cost	*(42)*	*+7.5%*
Profit before tax	***246***	***+1.2%***

** after production costs*

*** includes other income and charges*

Condensed Consolidated Income Statement 6-month period (2/2)

(€ millions)	6 months at 30 June 2005	Δ
Profit before tax	***246***	***+1.2%***
Net exceptional expenses	*(20)*	*N/A*
Income tax	*(57)*	*-9.2%*
Income from associates	*0*	*-*
Acquisition goodwill amortisation	*(7)*	*-0.8%*
Minority interest	*(5)*	*+17.1%*
Group net profit	***157***	***-7.2%***

Condensed Consolidated Income Statement 12-month pro forma and 18-month periods (1/2)

(€ millions)	18 months at 30 June 2005	12 months at 30 June 2005	Δ
Net sales (EDT)	***5,246***	***3,674***	***+3.5%***
Gross profit*	*3,447*	*2,418*	*+3.6%*
Distribution costs	*(221)*	*(151)*	*1.1%*
Advertising & Promotion costs	*(1,176)*	*(830)*	*7.8%*
Contribution after Advertising & Promotion	*2,050*	*1,436*	*+1.6%*
Trading costs and overheads	*(1,020)*	*(688)*	*+1.8%*
Operating profit	***1,030***	***748***	***+1.5%***
Net finance cost	*(131)*	*(92)*	*+6.3%*
Profit before tax	***899***	***656***	***+0.8%***

**after production costs*

Condensed Consolidated Income Statement
12-month pro forma and 18-month periods (2/2)

(€ millions)	18 months at 30 June 2005	12 months at 30 June 2005	Δ
Profit before tax	***899***	***656***	***+0.8%***
Net exceptional expenses	*17*	*16*	*-72.8%*
Income tax	*(236)*	*(173)*	*+0.5%*
Income from associates	*0*	*0*	-
Acquisition goodwill amortisation	*(22)*	*(15)*	*-74.5%*
Minority interest	*(13)*	*(9)*	*+2.1%*
Group net profit	***644***	***475***	***+0.8%***

Pernod Ricard

Condensed Consolidated Balance Sheet

Assets (€ millions)	31 Dec. 2003	30 June 2005
Property, plant and equipment and investments	994	963
Intangible assets and acquisition goodwill	2,155	2,201
Working capital requirements	2,235	2,450
Total	**5,384**	**5,614**

Equity & Liabilities (€ millions)	31 Dec. 2003	30 June 2005
Shareholders' equity	2,756	3,135
Provisions	519	488
Oceane bond*	508	523
Net indebtedness	1,601	1,468
Total	**5,384**	**5,614**

*net of redemption premium

Consolidated results

Consolidated Cash Flow Statement (1/2)

(€ million)	18 months at 30 June 2005	12 months at 30 June 2005
Net profit adjusted for income from associates	***656***	***484***
Fixed assets depreciation and amortisation charges	*146*	*101*
Net capital gains on fixed asset disposals	*(56)*	*(52)*
Provisions for contingencies, brands and goodwill amortisation	*(31)*	*(21)*
Change in operating WCR	*80*	*(49)*
Change in non-operating WCR and deferred taxes	*(87)*	*15*
Net capital expenditures	*(141)*	*(97)*
Free Cash Flow	***567***	***381***

Pernod Ricard

Consolidated results

Consolidated Cash Flow Statement (2/2)

(€ million)	**18 months at 30 June 2005**	**12 months at 30 June 2005**
Free Cash Flow	***567***	***381***
(Financial investments) /divestments + structure impact	*(116)*	*(120)*
Cash dividends (including withholding tax)	*(290)*	*(140)*
Translation adjustment	*(42)*	*(9)*
Decrease/(increase) in net debt	***119***	***111***
Net debt at 30 June 2005	**(1,991)**	**(1,991)**

Pernod Ricard

2005 1st half year volumes

	2005 1st HY / 2004 1st HY volume growth rate	2004-2005 rolling year at 30 June 2005 volume growth rate
Chivas	+ 19%	+ 16%
Havana Club	+ 17%	+ 12%
Jameson	+ 13%	+ 10%
Jacob’s Creek	+ 12%	+ 6%
Amaro Ramazzotti	+ 11%	+ 11%
Wild Turkey	+ 10%	+ 3%
Martell	+ 8%	+ 7%
The Glenlivet	+ 6%	+ 7%
Clan Campbell	- 1%	+ 2%
Seagram’s Gin	- 2%	- 2%
Pastis 51	- 3%	- 6%
Ricard	- 6%	- 4%
Total - 12 key brands	+ 6%	+ 4%
Total - Spirits	+ 4%	+ 3%
Total - Brand Wines	+ 8%	+ 4%

Pernod Ricard