PERNOD RICARD
Limited Company with a share capital of € 340 195 122
Registered office: 12, place des Etats– Unis, 75783 Paris Cedex 16
Company registration number: 582 041 943 R.C.S. Paris.

HALF-YEAR FINANCIAL REPORT
for the half-year ended 31 December 2007

Unofficial translation, for information purposes only, of the French language

RAPPORT FINANCIER SEMESTRIEL Semestre clos le 31 décembre 2007 of PERNOD RICARD GROUP

The present interim financial report relates to the half-year ended 31 December 2007 and was prepared in accordance with Articles L 451-1-2 III of the French Monetary and Financial Code and 222-4 and subsequent of AMF General Regulations.

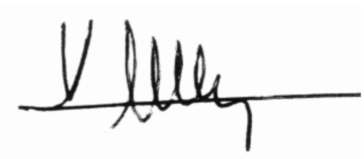
CONTENTS

I. Certification by the person assuming responsibility for the half-year financial report

I certify that to the best of my knowledge the condensed financial statements included in this document have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of all the companies included within the Pernod Ricard Group, and that the enclosed half-year activity report is a true reflection of the important events arising in the first six months of the financial year and their impact on the annual financial statements, a statement of the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.

Mr Patrick Ricard

Chairman & Chief Executive Officer



II. Half-year activity report

Key figures and business analysis

1. Analysis of operations by geographic region

France:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months	Organic growth	
Net sales	368	396	29	+7.8%
Gross margin after distribution costs	253	270	17	+6.7%
Contribution after A&P expenses	170	183	13	+7.7%
Operating profit from ordinary activities	85	96	11	+12.4%

Europe:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months	Organic growth	
Net sales	1,175	1,262	105	+9.0%
Gross margin after distribution costs	674	747	80	+11.9%
Contribution after A&P expenses	524	575	57	+11.0%
Operating profit from ordinary activities	330	372	48	+14.6%

Americas:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months	Organic growth	
Net sales	984	970	91	+9.7%
Gross margin after distribution costs	563	552	51	+9.1%
Contribution after A&P expenses	413	393	29	+7.1%
Operating profit from ordinary activities	277	265	27	+10.1%

Asia and rest of the world:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months	Organic growth	
Net sales	980	1,085	123	+12.6%
Gross margin after distribution costs	473	557	103	+21.8%
Contribution after A&P expenses	295	352	68	+23.1%
Operating profit from ordinary activities	194	233	48	+25.0%

Total:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months	Organic growth	
Net sales	3,507	3,713	348	+10.1%
Gross margin after distribution costs	1,963	2,126	251	+12.8%
Contribution after A&P expenses	1,402	1,503	168	+12.0%
Operating profit from ordinary activities	886	966	135	+15.3%

Consolidated interim net sales were €3,713 million at 31 December 2007, that is +5.9% as reported and +10.1% organic growth. This increase reflected strong sales vigour, especially from the Top 15 brands, and testified to accelerated growth in emerging countries and on the premium spirit segment.

Contribution after A&P expenses increased 7.2% to €1,503 million at 31 December 2007, with organic growth of +12%.

Operating profit from ordinary activities rose 9% as reported and by 15.3% on a like-for-like basis. This sharp increase was due to strong sales vigour, improved profit margins as a result of increased premiumisation and price increases, and was achieved in spite of stepped up A&P expenses.

2. Net profit – Group share and diluted earnings per share from ordinary activities

	31/12/2006 6 months	**31/12/2007 6 months**
(€ millions)		
Operating profit from ordinary activities..........................	886	966
Net financial expense from ordinary activities	(174)	(176)
Income tax on ordinary activities	(170)	(183)
Minority interests and share of net profit/(loss) of associates	(14)	(13)
Résultat net courant part du Groupe	529	594
Net profit – Group share from ordinary activities (1).......	214 397 196	215 314 704
(€)		
Diluted earnings per share from ordinary activities (1)	2.47	2.76

(1) After taking account of the two-for-one share par value split implemented on 15 January 2008 and the distribution of one free share for every five shares held on 16 January 2007.

Net profit – Group share from ordinary activities increased 12.4% to €594 million at 31 December 2007. Diluted earnings per share from ordinary activities were €2.76, up 11.9% from 31 December 2006. This figure was restated for the two-for-one share par value split implemented on 15 January 2008.

3. Net result and retained earnings of the Parent company

The net result and retained earnings of the Parent company, Pernod Ricard S.A., amount to, respectively, euro 316 millions and euro 518 millions at 31 December 2007.

4. Analysis of first half-year operations

Excellent results were reported for the first half-year ended 31 December 2007, which featured:

- outstanding dynamism due to premium brands and emerging countries,
- improved margins due to premiumisation and price increases,
- stepped up A&P expenditure investments on strategic brands,
- improved self-financing capacity.

Performances of the operating profit from ordinary activities were adversely affected by:

- a negative foreign exchange impact, primarily due to the loss in value of the US dollar,
- an unfavourable group structure impact, primarily following the disposal of Rich & Rare and the end of the co-packing agreements with Fortune Brands.

Net sales and volumes

Net sales increased by 5.9%, from €3,507 million at 31 December 2006 to €3,713 million at 31 December 2007. This performance resulted from:

- an outstanding 10.1% organic growth,
- a 2.5% negative foreign exchange impact, primarily due to the loss in value of the US dollar,

- a 1.5% negative group structure impact (primarily disposal of Rich & Rare and end of co-packing for Fortune Brands).

Premium brands were responsible for more than half of first half-year organic growth. Buoyant premium spirits sales led to double-digit organic growth rates in value for most of these brands: Martell (+27%), Jameson (+23%), The Glenlivet (+18%), Chivas Regal (+16%), Havana Club (+16%), Malibu (+13%), Ballantine's (+12%), Stolichnaya (+11%). Premium still wines benefited from price increases and innovation. Champagne recorded satisfactory organic growth in value: Mumm (+17%) and Perrier-Jouët (+7%), driven by price increases.

The 15 strategic brands achieved organic growth of +7% in volume and +13% in value, thereby illustrating the highly positive impact of price increases and mix effects.

Contribution after A&P expenses

The contribution after A&P expenses recorded organic growth of 12%, analysed as follows by geographic region:

Asia/Rest of the World registered 23.1% organic growth in its contribution after A&P expenses. The sharp increase in gross margin ratios was due to price increases and growth by Top 15 brands and emerging countries, which led the Group to step up A&P expenses in the region. The main organic growth drivers of the region were Martell, Ballantine's and Chivas.

The Americas posted a 7.1% organic growth in their contribution after A&P, featuring dynamic brands such as Chivas, Stolichnaya, Jameson, Malibu and Something Special. Gross margin after logistics costs, which grew organically by 9.1%, slightly deteriorated as a percentage of sales due to the US dollar loss in value.

Europe generated 11% organic growth in contribution after A&P expenses, along with a strong increase in the gross margin ratio due to the development of the Top 15 brands and other high-performance brands such as Ararat, Olmeca and Ruavieja. A&P expenditures especially rose in emerging countries.

France recorded organic growth of 7.7% in its contribution after A&P expenses, due in particular to the Mumm, Ricard and Chivas brands. Gross margin as a percentage of net sales slightly declined as a result of the lower relative size of aniseed brands and accelerated champagne growth.

Operating profit from ordinary activities

Operating profit from ordinary activities increased by 9%, being 15.3% organic growth. Due to premium brands and emerging countries, gross margin as a percentage of sales markedly improved on a constant foreign exchange basis. A&P expenditure was stepped up, in particular in respect of Top 15 brands and emerging countries. Higher sales enabled the Group to control structure costs and to reduce them as a percentage of net sales.

Operating profit from ordinary activities as a percentage of sales improved by 140 basis points, from 25.3% at 31 December 2006 to 26.7% at 31 December 2007.

Indebtedness

Net debt was €6,631 million at 31 December 2007. The improvement in the self-financing capacity was in line with operating profit growth. Group free cash flow deteriorated, due in particular to the purchase of eaux-de-vie to cope with the demand for cognac.

Analysis of other income statement items

1. Financial income/(expense)

Financial income (expense) from ordinary activities amounted to €(185) million, compared to €(169) million at 31 December 2006. This increase primarily resulted from unfavourable foreign exchange impacts. Net financing costs slightly increased by €3 million to €(168) million at 31 December 2007.

2. Other operating income and expenses

Other operating income and expenses amounted to €5 million at 31 December 2007 and included:

- €(17) million of net restructuring expenses,
- €(11) million of asset impairment,
- €12 million of capital gains on sale of assets relating mainly to the disposal of the Canei brand, as well as the sale of Group plants and warehouses,
- €20 million of other operating income and expenses, including income representing the excess, beyond the limit of the corridor, of actuarial gains recognised in relation to a pension fund in the UK. This income will be fully recognised at 30 June 2008, in accordance with IAS 19, and was recognised pro rata temporis at 31 December 2007.

3. Net profit – Group share

Net profit – Group share was €588 million, an increase of 17.7%.

Significant events of the period

1. Brand disposals

On 27 November 2007, Pernod Ricard Group finalised the disposal of the Italian wine brand Canei to Baarsma Wine Group Holding (BWGH), the leader for wine distribution in the Benelux. The Group's Italian subsidiary will continue to produce Canei on behalf of BWGH.

In September 2007, Pernod Ricard Group sold the New Zealand Framingham wine brand, winery and vineyards to Portuguese company Sogrape. This sale has since been approved by New Zealand authorities. The Group will retain the distribution rights for this premium brand in Australia and New Zealand and for duty free markets in the Pacific region.

2. Financing

During the first half-year, Pernod Ricard Group drew down a total of €270 million from the multicurrency syndicated loan signed on 21 April 2005.

Major risks and uncertainties for the second half of the financial year

The major risks and uncertainties Pernod Ricard Group faces are listed under chapter "Risk management" of the 2006/07 reference document, available from the website of the Autorité des Marchés Financiers or from the Pernod Ricard website.

This risk analysis remains valid for the assessment of major risks over the second half of the financial year.

Outlook

The excellent results of the first half-year ended 31 December 2007 enable the Group to start the second half with highly favourable prospects.

Main related parties transactions

Information related to related parties transactions are detailed in note 17 of the notes to the condensed consolidated interim financial statements included in this document.

III. Condensed consolidated interim financial statements

Consolidated income statement.

(€ million)	31/12/2006	31/12/2007	Notes
Net sales	3,507	3,713	
Cost of sales	(1,419)	(1,464)	
Gross margin	2,088	2,249	
A&P and distribution costs	(686)	(746)	
Contribution after A&P expenses	1,402	1,503	
Selling, general and administrative expenses	(516)	(537)	
Operating profit from ordinary activities	886	966	
Other operating income and expenses	(21)	5	6
Operating profit	865	970	
Net financing costs	(165)	(168)	5
Other financial income (expense)	(4)	(18)	5
Financial income (expense)	(169)	(185)	
Income tax	(183)	(184)	7
Share of net profit/(loss) of associates	0	0	
Net profit from continuing operations	514	601	
Net profit from discontinued operations	0	0	
Net profit	514	601	
Including:			
- Attributable to minority interests	14	13	
- Attributable to equity holders of the parent	500	588	
Earnings per share - basic (in euros)	2.37	2.77	8
Earnings per share - diluted (in euros)	2.33	2.73	8
Net earnings per share from continuing operations (excluding discontinued operations) — basic (in euros)	2.37	2.77	
Net earnings per share from continuing operations (excluding discontinued operations) — diluted (in euros)	2.33	2.73	

Consolidated balance sheet.

Assets (€ million)	30/06/2007	31/12/2007	Notes
Net amounts			
Non-current assets			
Intangible assets	7,836	7,477	9
Goodwill	3,477	3,367	9
Property, plant & equipment	1,675	1,598	
Biological assets	60	54	
Non-current financial assets	121	106	
Investments in associates	2	2	
Deferred tax assets	839	701	7
Non-current assets	14,010	13,304	
Current assets			
Inventories	3,563	3,482	10
Operating receivables	1,228	1,827	
Income taxes receivable	91	80	
Other current assets	145	126	
Current derivative instruments	51	35	
Cash and cash equivalents	383	435	12
Current assets	5,462	5,986	
Total assets	19,472	19,291	

Liabilities and shareholders' equity (€ million)	**30/06/2007**	**31/12/2007**	**Notes**
Shareholders' equity			
Share capital	340	340	14
Additional paid-in capital	2,053	2,059	
Retained earnings and currency translation adjustments	3,067	3,393	
Net profit attributable to equity holders of the parent	831	588	
Shareholders' equity - attributable to equity holders of the parent	6,290	6,381	
Minority interests	168	169	
Total shareholders' equity	6,458	6,550	
Non-current liabilities			
Non-current provisions	534	477	11
Provisions for pensions and other long-term employee benefits	773	622	11
Deferred tax liabilities	2,326	2,197	7
Bonds	2,511	2,479	12
Non-current derivative instruments	73	100	12
Other non-current financial liabilities	3,938	3,259	12
Total non-current liabilities	10,155	9,134	
Current liabilities			
Current provisions	355	320	11
Operating payables	1,773	1,919	
Income taxes payable	198	80	
Other current liabilities	141	31	
Other current financial liabilities	375	1,229	12
Current derivative instruments	16	28	
Total current liabilities	2,859	3,607	
Total liabilities and shareholders' equity	19,472	19,291	

Statement of changes in shareholders' equity.

(€ million)	Share capital	Additional paid-in capital	Retained earnings	Changes in fair value	Currency translation adjustments	Treasury shares	Total attributable to equity holders of the parent	Minority interests	Total shareholders' equity
At 01/07/2006	292	2,539	3,261	53	(135)	(309)	**5,700**	172	**5,872**
Reclassification [1]			(176)		176		**0**		**0**
Currency translation adjustments					71		**71**	0	**71**
Hedges of net foreign currency investments........					105		**105**		**105**
Fair value of cash flow hedges, net of deferred tax .				(31)			**(31)**		**(31)**
Income and expenses recognised directly through equity				(31)	176		**145**	0	**145**
Net profit			500				**500**	14	**514**
Total recognised income and expenses			500	(31)	176		**645**	14	**659**
Effect of transfer of all assets and liabilities of Santa Lina (TUP)	(10)	(462)	452			20	**0**		**0**
Capital increase.....	1	13					**13**		**13**
Share-based payment			14				**14**		**14**
Purchase/sale of treasury shares						6	**6**		**6**
Dividends distributed			(230)				**(230)**	(14)	**(244)**
Changes in scope of consolidation			(1)				**(1)**	(10)	**(11)**
Other movements..			(9)				**(9)**	(3)	**(11)**
At 31/12/2006	282	2,090	3,810	22	217	(283)	**6,139**	159	**6,298**

(1) : In accordance with the option provided by IFRS 1 and retained by the Group to reset currency translation adjustments to zero at 1 July 2004.

(€ million)	Share capital	Additional paid-in capital	Retained earnings	Changes in fair value	Currency translation adjustments	Treasury shares	Total attributable to equity holders of the parent	Minority interests	Total shareholders' equity
At 01/07/2007	340	2,053	4,012	32	167	(313)	**6,290**	168	**6,458**
Currency translation adjustments					(402)		**(402)**	(5)	**(407)**
Hedges of net foreign currency investments........					56		**56**		**56**
Fair value of cash flow hedges, net of deferred tax .				(37)			**(37)**		**(37)**
Income and expenses recognised directly through equity				(37)	(346)		**(383)**	(5)	**(388)**
Net profit			588				**588**	13	**601**
Total recognised income and expenses			588	(37)	(346)		**205**	8	**213**
Capital increase.....	0	7					**7**		**7**
Share-based payment			19				**19**		**19**
Purchase/sale of treasury shares			1			(8)	**(6)**		**(6)**
Dividends distributed			(133)				**(133)**	(9)	**(143)**
Changes in scope of consolidation			0		(4)		**(4)**	1	**(2)**
Other movements..			3				**3**	(0)	**3**
At 31/12/2007	340	2,059	4,490	(5)	(183)	(321)	**6,381**	169	**6,550**

Consolidated cash flow statement.

(€ million)	31/12/2006	31/12/2007	Notes
Cash flow from operating activities			
Net profi t attributable to equity holders of the parent	500	588	
Minority interests	14	13	
Share of net profit/(loss) of associates, net of dividends received	(1)	(0)	
Financial (income) expense	169	185	5
Income tax expense	183	184	7
Net profit from discontinued operations	0	0	
Depreciation and amortisation	70	79	
Net changes in provisions	(41)	(176)	
Net change in impairment of goodwill and intangible assets	0	11	
Impact of derivatives hedging trading transactions	(1)	2	
Fair value adjustments on biological assets	1	2	
Net (gain)/loss on disposal of assets	(11)	(12)	6
Share-based payment	14	19	15
Decrease/(increase) in working capital	(284)	(543)	13
Interest paid	(147)	(210)	
Interest received		15	
Income tax paid	(677)	(161)	
Income tax received		10	
Cash flow from operating activities	(211)	6	
Cash flow from investing activities			
Capital expenditure	(85)	(82)	13
Proceeds from disposals of property, plant and equipment and intangible assets	39	16	
Cash expenditure on acquisition of non-current financial assets	(90)	(2)	
Cash proceeds from the disposals of non-current financial assets	4	1	
Cash flow from investing activities	(132)	(67)	
Cash flow from financing activities			
Dividends paid	(228)	(273)	14
Other changes in shareholders' equity	14	5	
Issuance of long term debt	1,607	451	13
Repayment of long term debt	(944)	(47)	
(Acquisition)/disposal of treasury shares	6	(7)	
Cash flow from financing activities	455	129	
Increase/(decrease) in cash and cash equivalents (before effect of exchange rate changes)	112	69	
Net effect of exchange rate changes	(5)	(16)	
Increase/(decrease) in cash and cash equivalents (after effect of exchange rate changes)	107	53	
Cash and cash equivalents at beginning of period	447	383	
Cash and cash equivalents at end of period	554	435	

Notes to the condensed consolidated interim financial statements.

Pernod Ricard is a French Company (Société Anonyme), subject to all laws governing commercial companies in France, including in particular the provisions of the French Commercial Code. The Company is headquartered at 12, place des Etats-Unis, 75116 Paris and is listed on the Paris stock market. The condensed consolidated interim financial statements reflect the accounting position of Pernod Ricard and its subsidiaries (hereafter the "Group"). They are reported in millions of euros (€), rounded to the nearest million.

The Group manufactures and sells wine and spirits.

On 27 February 2008, the Board of Directors approved the consolidated interim financial statements for the first half-year ended 31 December 2007.

Note 1. – Accounting policies.

1. Principles and accounting standards governing the preparation of the financial statements — Because of its listing in a country of the European Union (EU), and in accordance with EC regulation 1606/2002, the condensed consolidated interim financial statements of the Group for the first half-year ended 31 December 2007 have been prepared in accordance with IAS 34 (interim financial reporting) of the IFRS (*International Financial Reporting Standards*) as adopted by the European Union.

Note that:

- The Group's financial year runs from 1 July to 30 June.

- Condensed consolidated interim financial statements were prepared in accordance with the same accounting principles and methods as those used in the preparation of the annual consolidated financial statements at 30 June 2007, subject to the changes in accounting standards listed under section 1.3.

- The condensed consolidated interim financial statements do not include all the information required in the preparation of the consolidated financial statements and must be read in conjunction with the consolidated financial statements at 30 June 2007.

Estimates — The preparation of consolidated financial statements in accordance with the rules laid down by IFRS involves the use by Management of estimates and assumptions, which have an impact on amounts recognised as assets and liabilities and on the amounts recognised in revenue and expense accounts during the financial year. These estimates assume the business will continue to operate as a going concern and are measured using information available at the time of preparation. Estimates may be revised if the circumstances on which they are based change or if new information arises. Actual results may differ from estimates. At 31 December 2007, the Management was not aware of any factors likely to call into question estimates and assumptions used in the preparation of full-year consolidated financial statements at 30 June 2007.

Judgement. — In the absence of standards or interpretation applicable to specific transactions, Group management used its own judgement in defining and applying accounting policies which would provide relevant and reliable information within the framework of the preparation of financial statements.

2. Seasonality. — Premium wine and spirits sales are traditionally affected by a seasonality factor, in particular products associated with end-of-year celebrations in key markets. Sales in the first six months of the financial year ending 30 June are generally higher than in the second half-year.

3. Changes in accounting policies.

The following standards and interpretations became applicable for Pernod Ricard Group, starting 1 July 2007:

– Amendment to IAS 1 (Presentation of financial statements: capital disclosures), which added provisions with a view to assess the Company's share capital management objectives, policies and procedures. This amendment will be applied to the annual consolidated financial statements at 30 June 2008.

– IFRS 7 (Financial instruments: disclosures), which replaced IAS 30 (Disclosures in the financial statements of banks and similar financial institutions) and IAS 32 (Financial instruments: presentation), while at the same time adding new disclosure requirements in the notes to the consolidated financial statements, in particular those relating to arrangements made by the Group to cope with financial risks (market, credit and liquidity risks) and their management. This standard will be applied to the annual consolidated financial statements at 30 June 2008.

– IFRIC 10 (Interim financial reporting and impairment), whose main provisions relate to the permanent nature of impairment recognised in respect of goodwill or of an asset classified as held for disposal. This interpretation had no impact on condensed consolidated interim financial statements.

– IFRIC 11 (Group and treasury shares transactions), which clarified the recognition of share-based payments paid in treasury shares and how share-based payments paid in equity instruments of the parent company should be recognised in the financial statements of subsidiaries. This interpretation had no impact on condensed consolidated interim financial statements.

Condensed consolidated interim 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, revisions of existing standards and interpretations published by IASB but not yet approved by the European accounting regulatory committee at the date of the condensed consolidated interim financial statements. These include, in particular, revised IAS 1 (Presentation of financial statements), revised IAS 23 (Borrowing costs) and interpretations IFRIC 12 (Service concession arrangements), IFRIC 13 (Customer loyalty programmes) and IFRIC 14 (IAS 19 – Limit on a defined benefit asset, minimum funding requirements and their interaction), which are not expected to have a material impact for the Group,
- Standards published by the IASB, adopted at a European level but whose application becomes compulsory in respect of financial years begun after 1 July 2007. These include IFRS 8 (Operating segments), whose application will be mandatory for financial years commencing after 1 January 2009. The Group is currently assessing the potential impact of this standard on is consolidated financial statements.

Note 2. – Key events of the period.

No significant event occurred during the period.

Note 3. – Consolidation scope.

No significant acquisition or disposal was carried out during the period.

Note 4. – Segment reporting

The Group is organised into four primary reporting segments which are its geographical areas: France, Europe, Americas and Asia/Rest of the World. Following its various restructuring initiatives, the Group is now focused on a single business: the production and sale of wine and spirits. Items in the income statement and the balance sheet are allocated on the basis of either the destination of sales or profits. Segment reporting follows the same accounting policies as those used for the preparation of the consolidated financial statements. Intra-segment transfers are transacted at market prices.

The geographic segments presented are identical to those included in the reporting provided to the Board of Directors.

Management assesses segment performance based on contribution after A&P, which is defined as Gross margin less marketing and logistics expenses.

France:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Net sales	368	396
Gross margin	266	283
Contribution after A&P expenses	170	183
Operating profit from ordinary activities	85	96
Operating profit	83	83

Europe:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Net sales	1,175	1,262
Gross margin	722	795
Contribution after A&P expenses	524	575
Operating profit from ordinary activities	330	372
Operating profit	314	402

Americas:

(€millions)	31/12/2006 6 months	31/12/2007 6 months
Net sales	984	970
Gross margin	597	583
Contribution after A&P expenses	413	393
Operating profit from ordinary activities	277	265
Operating profit	281	266

Asia and rest of the world:

(€millions)	31/12/2006 6 months	31/12/2007 6 months
Net sales	980	1,085
Gross margin	503	588
Contribution after A&P expenses	295	352
Operating profit from ordinary activities	194	233
Operating profit	187	219

Total:

(€millions)	31/12/2006 6 months	31/12/2007 6 months
Net sales	3,507	3,713
Gross margin	2,088	2,249
Contribution after A&P expenses	1,402	1,503
Operating profit from ordinary activities	886	966
Operating profit	865	970

Note 5. – Financial income/(expense).

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Net financing cost	(165)	(168)
Other financial income (expense) from ordinary activities	(9)	(8)
Financial income (expense) from ordinary activities	(174)	(176)
Foreign currency gains and losses	5	(9)
Financial income (expense)	(169)	(185)

At 31 December 2007, net financing costs comprised financing costs relating to the syndicated loan (€100 million), bonds (€60 million) and commercial paper (€8 million).

Note 6. – Other operating income and expenses.

Other operating income and expenses are broken down as follows:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Restructuring and integration expenses	(28)	(17)
Asset impairment	0	(11)
Capital gains/(losses) on the disposal of assets	11	12
Other non-current income and expenses	(4)	20
Other operating income/(expense)	(21)	5

At 31 December 2007, restructuring and integration expenses primarily related to reorganisations, restructuring initiatives and the streamlining of the sales force. At 31 December 2006, they primarily related to geographic reorganisations undertaken following the Allied Domecq acquisition.

At 31 December 2007, other non-current income and expenses comprised income representing the excess, beyond the limit of the corridor, of actuarial gains recognised in relation to a pension fund in the UK. This income will be fully recognised at 30 June 2008, in accordance with IAS 19. It was recognised pro rata temporis at 31 December 2007.

Note 7. – Income tax.

Analysis of the income tax expense in the consolidated income statement:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Current tax	(156)	(86)
Deferred tax	(26)	(98)
Total	(183)	(184)

Analysis of effective tax rate - Net profit from continuing operations before tax:

(€ millions)	31/12/2006 6 months	31/12/2007 6 months
Operating profit	865	970
Financial income (expense)	(169)	(185)
Taxable profit	696	785
Expected income tax expense at French Statutory tax rate (34.43%)	(240)	(270)
Impact of differences in tax rates	46	61
Impact of tax losses used	12	7
Impact of reduced tax rates	20	5
Other impacts	(21)	14
Effective income tax expense	(183)	(184)
Effective tax rate	26%	23%

Deferred taxes are broken down as follows by nature:

(€ millions)	30/06/2007	31/12/2007
Unrealised margins in inventories	97	85
Value adjustments to assets and liabilities	93	80
Provision for pension benefits	230	177
Provisions (other than provisions for pensions and other long-term employee benefits) and other	420	359
Total deferred tax assets	839	701
Accelerated depreciation	41	33
Value adjustments to assets and liabilities	2,152	2,049
Other	133	115
Total deferred tax liabilities	2,326	2,197

Deferred taxes calculated on items recognised through equity include, at 31 December 2007, deferred taxes on Pernod Ricard Finance's (Group treasury management platform) cash flow hedges, for an amount of €(6) million and the deferred taxes on net investment hedges for €8 million.

Note 8. – Earnings per share.

Earnings per share and net earnings per share from continuing operations:

	31/12/2006 6 months	31/12/2007 6 months
Numerator (€ millions)		
Net profit attributable to equity holders of the parent	500	588
Net profit from continuing operations	500	588
Denominator (in number of shares)		
Average number of outstanding shares at 31 December	87,846,135	105,979,507
Average number of outstanding shares, including impact of the two-for-one share par value split (**), and, at 31 December 2006, of the free share allocation of January 2007 (*)	210,830,725	211,959,015
Dilutive effect of stock options	3,566,471	3,355,689
Average number of outstanding shares—diluted	214,397,196	215,314,704
Earnings per share (€)		
Net earnings per share from continuing operations – basic	2.37	2.77
Net earnings per share from continuing operations – diluted	2.33	2.73

(*): on 16 January 2007, one free share was granted to shareholders for every five shares held at that date. In accordance with IAS 33 (Earnings per share), the dilutive effect of this free share allocation was retrospectively taken into account at 31 December 2006.

(**): on 15 January 2008, a two-for-one share par value split was implemented, reducing the par value from €3.10 to €1.55. In accordance with IAS 33 (Earnings per share), the dilutive effect of this par value split was applied retrospectively to the two reporting periods.

Note 9. – Intangible assets and goodwill.

(€ millions)	30/06/2007	31/12/2007
Goodwill	3,718	3,611
Brands	7,797	7,450
Other intangible assets	190	189
Gross amounts	11,704	11,250
Goodwill	(241)	(243)
Brands	(50)	(55)
Other intangible assets	(100)	(107)
Amortisation	(391)	(406)
Net intangible assets	11,313	10,844

Goodwill. — This item primarily includes goodwill originating from the Allied Domecq acquisition.

Brands. — The main brands recognised in the balance sheet are: Ballantine's, Beefeater, Chivas Regal, Kahlúa, Malibu, Martell, Mumm, Perrier–Jouët and Montana, most of which were recognised upon the acquisition of Seagram and Allied Domecq.

Other intangible assets. — On 9 September 2005, Pernod Ricard purchased from SPI Group exclusive distribution rights for the Stolichnaya vodka brand and a number of other brands for the markets on which SPI Group owns the rights for these brands, notably the United States. These exclusive distribution rights are amortised over the 5-year term of the distribution agreement, that is until 31 December 2010.

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

Note 10. – Inventories.

The breakdown of the carrying amount of inventories at the balance sheet date is as follows

(€ millions)	30/06/2007	31/12/2007
Raw materials	135	145
Work-in-progress	2,836	2,789
Goods purchased for resale	399	406
Finished goods	253	201
Gross amounts	3,622	3,541
Raw materials	(12)	(14)
Work-in-progress	(20)	(15)
Goods purchased for resale	(12)	(13)
Finished goods	(15)	(17)
Provision for writedown	(59)	(59)
Inventories, net	3,563	3,482

At 31 December 2007, 83% of work-in-progress relate to maturing inventories intended to be used for whisky and cognac production. Pernod Ricard is not significantly dependent on its suppliers.

Note 11. – Provisions.

1. Breakdown of provisions. — The breakdown of provision amounts in the balance sheet is as follows:

(€ millions)	30/06/2007	31/12/2007	Ref.
Non-current provisions			
Provisions for pensions and other long-term employee benefits	773	622	11.3
Other non-current provisions for liabilities and charges	534	477	11.2
Current provisions			
Provisions for restructuring	29	16	11.2
Other current provisions for liabilities and charges	326	304	11.2
Total	1,662	1,419	

Other non-current provisions for liabilities and charges include, among other items, provisions in respect of warranties for liability cap, in particular in the context of the acquisition of Allied Domecq, and covering the risks as estimated by the Group. Other current provisions for liabilities and charges also include an onerous contract provision related to purchases of bulk Scotch whisky.

2. Changes in provisions (excluding provisions for pensions and other long-term employee benefits):

(€ millions)	Movements in the period						
	30/06/2007	Charges	Utilisations	Unused reversals	Translation adjustments	Other movements	31/12/2007
Provisions for restructuring	29	0	(13)	(0)	(1)	0	16
Other current provisions	326	28	(37)	(6)	(12)	3	304
Other non-current provisions	534	46	(5)	(85)	(20)	7	477
Provisions	889	75	(54)	(90)	(33)	10	796

3. Provisions for pensions and other long-term employee benefits. — The Group grants pension and retirement benefits and other post-employment benefits (sickness insurance or life insurance), in the form of defined contribution or defined benefit plans.

The table below presents a roll-forward of the provision between 30 June 2007 and 31 December 2007:

(€ millions)	2006	2007
	All benefits	All benefits
Provision at 30 June	1,009	773
(Income)/Expense for the year	20	(24)
Changes in plans	(15)	0
Employer contributions and benefits paid directly by the employer	(95)	(89)
Change in scope of consolidation	0	1
Translation adjustments	4	(39)
Provision at 31 December	923	622

The net expense recognised in income in respect of pensions and other long-term employee benefits is broken down as follows:

(€ millions)	31/12/2006	31/12/2007
	All benefits	All benefits
Benefits acquired in the period	23	18
Interest cost (discounting effect)	111	114
Expected return on plan asset	(114)	(118)
Amortisation of past service cost	0	0
Amortisation of actuarial (gains) and losses	0	(37)
Effect of ceiling on plan assets	0	0
Effect of settlements and curtailments	0	0
Changes in plans	(15)	0
Net expense (income) recognised in income	5	(24)

At 31 December 2007, the Group recognised a €24 million net income in its income statement, including a €37 million income from the amortisation of past service cost, primarily comprising the excess, beyond the limit of the corridor, of actuarial gains recognised in relation to a pension fund in the UK. This income will be fully recognised at 30 June 2008, in accordance with IAS 19. It was recognised pro rata temporis at 31 December 2007.

Note 12. – Financial liabilities.

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at balance sheet date exchange rates), including the amount of transaction, cash flow hedge and fair value hedge derivatives, less cash and cash equivalents.

At 31 December 2007, net debt includes the following items:

(€ millions)	30/06/2007	31/12/2007
Bonds issued	2,511	2,479
Current financial liabilities (excluding bonds)	375	1,229
Non-current financial liabilities (excluding bonds)	3,938	3,259
Non-current derivative instruments relating to the fair value hedging of financial assets and liabilities	73	100
Cash and cash equivalents	(383)	(435)
Net debt	6,515	6,631

1. Breakdown of gross debt by maturity:

(€ millions)	30/06/2007	31/12/2007
Short-term debt	311	427
Portion of long-term debt due within 1 year	64	801
Total current debt (less than 1 year)	375	1,229
Portion of long-term debt due between 1 to 5 years	5,549	4,868
Portion of long-term debt due in more than 5 years	972	970
Total non-current debt (more than 1 year)	6,522	5,838
Gross debt	6,897	7,067

Maturities due within 1 year accounted for 17% of total gross debt.

2. Breakdown of net debt by type and by currency, after the effects of hedging, at 31 December 2007:

(€ millions)	Total	Syndicated loan (section 5)	Commercial paper	Bonds (section 6 and 7)	Exchange rate swap and others
EUR	3,493	1,768	249	1,490	(13)
USD	2,819	2,177	-	-	642
JPY	64	49	-	-	15
GBP	184	-	-	989	(805)
Other currencies	71	-	-	-	71
Total	6,631	3,994	249	2,479	(90)

3. Breakdown of net debt by currency and by maturity, after the effects of hedging, at 31 December 2007:

(€ millions)	Total	< 1 year	> 1 year and < 5 years	> 5 years	Cash and cash equivalents
EUR	3,493	(509)	3,200	894	(91)
USD	2,819	1,332	1,540	-	(53)
JPY	64	20	49	-	(5)
GBP	184	97	72	47	(31)
Other currencies	71	289	8	29	(255)
Total	6,631	1,229	4,868	970	(435)

4. Breakdown of types of interest rate hedge by currency at 31 December 2007:

(€ millions)	Net debt by currency	Fixed debt	"Capped" variable debt	Non-hedged variable debt	% debt hedged/fixed
EUR	3,493	1,341	900	1,253	64%
USD	2,819	1,284	476	1,060	62%
JPY	64	-	-	64	
GBP	184	-	-	184	
Other currencies	71	-	-	71	
Total	6,631	2,625	1,376	2,631	60 %

Of the total €4,001 million of hedged fixed rate debt, €2,625 million originated from debt raised or swapped at a fixed rate. On the basis of such debt and interest rates at 31 December 2007, the euro cap being activated, a 0.10%, or 10 basis points change in interest rates would increase the Group's interest costs by €3 million.

5. Syndicated loan. — On 2 August 2005 and 18 August 2005, Pernod Ricard drew down part of the credit facilities made available under the multi-currency syndicated loan agreement signed on 21 April 2005, of which €1,561 million was available at 31 December 2007.

At 31 December 2007, drawdowns on this credit facility amounted to €1,768million, US$3,205 million and YEN 8,000 million, being a total amount of €3,994 million. The credit facilities, whether revolving or with fixed maturity, denominated in euros, US dollars or multicurrency, bear interest at a rate corresponding to the applicable LIBOR (or, for euro-denominated borrowings, EURIBOR), increased by a pre-determined margin and other mandatory costs. These facilities had initial maturities ranging from one to seven years. These borrowings enabled the Group to repay the amounts due under the revolving loan facility signed in August 2004, to finance the cash portion of the Allied Domecq acquisition price and to repay certain debt owed by the Group and Allied Domecq.

6. Bond issue. — On 6 December 2006, the Group issued bonds for a total amount of €850 million in two tranches which have the following features:

- Tranche 1 – variable rate

The €300 million tranche 1 has a residual maturity of four years (maturity date: 6 June 2011) and carries interest at the Euribor 3 months rate plus 50 basis points.

- Tranche 2 – fixed rate

The €550 million tranche 2 has a residual maturity of six and a half years (maturity date: 6 December 2013), and carries interest at a fixed rate of 4.625%.

7. Allied Domecq bonds. — At 31 December 2007, bonds issued by Allied Domecq Financial Services Ltd are composed of an amount of €600 million bearing a nominal interest rate of 5.875% maturing on 12 June 2009, an amount of £450 million bearing a nominal interest rate of 6.625% maturing on 18 April 2011 and an amount of £250 million bearing a nominal interest rate of 6.625% maturing on 12 June 2014

8. Perpetual Subordinated Notes (Titres Subordonnés à Durée Indéterminée or TSDI). — On 20 March 1992, Pernod Ricard issued Perpetual Subordinated Notes (TSDI), outside France, for a total nominal amount of €61 million. On 21 December 2007, Pernod Ricard bought back the TSDI. Since no interest has been paid since March 2007, the value of this loan was nil in the consolidated financial statements at 30 June 2007.

Note 13. – Notes to the consolidated cash flow statement.

1. Changes in working capital requirements — The increase in working capital mainly arose from higher sales levels. In particular, the Group has bought eaux-de-vie to cope with demand from the cognac market.

2. Acquisitions of non-financial non-current assets. — Acquisitions of non-financial non-current assets primarily comprise the purchase of barrels, casks and equipment, as well as the building of new warehouses or distilleries in production subsidiaries.

3. Increase in loans. — The Group drew down €270 million from the multi-currency syndicated loan.

Note 14. – Shareholders' equity.

1. Share capital. — Pernod Ricard's share capital changed as follows between 1 July and 31 December 2007:

	Number of shares	Amount (€ millions)
Share capital at 30 June 2007	109,611,879	340
Exercise of options as part of share subscription plans	123,934	0
Share capital at 31 December 2007	109,735,813	340

A two-for-one par value split of the Pernod Ricard share was implemented on 15 January 2008, with the par value halved from €3.10 to €1.55.

Only one category of shares, fully paid ordinary shares, exists. These shares obtain double voting rights if they have been nominally registered for an uninterrupted period of 10 years.

2. Treasury shares. — At 31 December 2007, Pernod Ricard SA and its controlled subsidiaries held 3,600,107 Pernod Ricard shares for a value of € 307 million.

These treasury shares are reported, at cost, as a deduction from shareholders' equity.

3. Dividends paid and proposed. — Following the Shareholders' Meeting of 7 November 2007, the Group, on 14 November 2007, paid the outstanding dividend balance due in respect of the financial year ended 30 June 2007, being €1.26 per share.

The total dividend in respect of the financial year ended 30 June 2007 was €2.52 per share.

Note 15. – Share-based paiements.

The Group recognised an expense of €19 million within operating profit relating to the five stock option plans applicable at 31 December 2007 and a €1 million expense in respect of the SARs programme (Stock Appreciation Plan). A liability of €4 million is recognised in other current liabilities at 31 December 2007 in respect of the SARs programmes.

No new stock option plan has been granted since 30 June 2007. The plan granted on 19 December 1997 expired on 19 December 2007. Options granted by the plan of 18 December 2003 became exercisable from 19 December 2007.

All plans are either equity or cash-settled.

The number of unexercised options changed as follows between 30 June 2007 and 31 December 2007:

	Units
Number of unexercised options at 30 June 2007	5,190,223
Number of options exercised during the period	(255,935)
Number of options cancelled over the period	(3,524)
Number of unexercised options at 31 December 2007	4,930,764
Impact of the two-for-one share par value split	4,930,764
Number of unexercised options at 31 December 2007, after taking into account the impact of the two-for-one share par value split	9,861,528

Note 16. – Off-balance sheet commitments and litigation.

(€ millions)	**Total**	***< 1 year***	***>1 year and < 5 years***	***> 5 years***
Guarantees received	45	36	8	-
Guarantees granted	265	208	10	47
Contractual obligations:	1,358	292	769	296
- Unconditional purchase obligations	1,112	255	680	178
- Operating lease agreements	235	33	83	119
- Other contractual obligations	11	5	6	-

1. Details of main commitments and obligations.

In the context of past acquisitions, 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 Group.

Main guarantees granted:

— The Group guaranteed the Allied Domecq pension fund for the contributions owed to it by Allied Domecq Holdings Ltd and its subsidiaries. In addition, the Group granted a guarantee to the holders of the Allied Domecq bonds, whose amount was €1,630 million at 31 December 2007.

2. Contractual obligations. — In the context of their wine and champagne production operations, the Group's Australian and New Zealand subsidiaries Orlando Wyndham and its French subsidiary Mumm Perrier–Jouët are committed, respectively, in amounts of €553 million, €117 million and €178 million under certain purchase obligations of grapes.

In the context of its cognac production activity, the Group's French subsidiary, Martell, is committed in an amount of €230 million under matured spirit supply agreements.

3. Financial instruments.

(€ millions)	Carrying amount at 31/12/2007	Fair market value at 31/12/2007
Assets		
Non-current financial assets	107	107
Derivative instruments – asset position	35	35
Marketable securities	2	2
Cash	433	433
Liabilities		
Bonds	2,479	2,438
Bank loan	4,440	4,440
- Syndicated loan	3,994	3,994
- Commercial paper	249	249
- Others	198	198
Finance lease obligations	47	47
Derivative instruments – liability position	130	130

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 carrying amount.

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 net present value of the future cash flows. The disparity of valuation models implies that these valuations do not necessarily reflect the amounts that could be received or paid if these instruments were to be unwound in the market.

Financial instrument fair value movements between 30 June 2007 and 31 December 2007 were not significant.

The methods used are as follows:

— bonds: market liquidity enabled the bonds to be valued at their fair value;

— 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 fair value of forward foreign currency and interest rate and foreign currency swaps were calculated using the market price that the Group would have to pay or receive to unwind these contracts.

4. Litigation. — Other than non-material litigation and/or litigation arising in the normal course of the Group's business, only developments affecting litigations mentioned in the annual report on the consolidated financial statements at 30 June 2007 are mentioned hereafter:

Disputes relating to brands

Havana Club

The Havana Club brand is owned by a joint venture, Havana Club Holding S.A. (HCH). The brand is controlled on a worldwide basis by the Group and a Cuban public company (Cuba export). Ownership of this brand is currently being contested in the United States, Canada and Spain by a competitor of the Group.

A United States law prohibits Cubaexport from asserting its rights in the registration in a United States court. This law has been condemned by the World Trade Organization (WTO), but to date the United States have not modified their legislation to conform with the WTO decision.

OFAC (Office of Foreign Assets Control) has decided that this same law prevents any payment being made to renew a mark that was "confiscated" following the Cuban revolution. In August 2006, the United States Patent and Trademark Office (USPTO) failed to accept Cubaexport's renewal application in respect of the US registration for Havana Club following guidance from OFAC. Cubaexport has petitioned the Director of the USPTO to reverse this decision and has sued OFAC in a separate proceeding in Federal district Court for the District of Columbia challenging OFAC's decision and the law and regulations OFAC applied. Cubaexport's petition has been stayed pending the outcome of the OFAC proceeding.

A competitor of the Group sought in the USPTO, to cancel the Havana Club trademark registration which is in the name of Cubaexport. On 29 January 2004, the USPTO rejected this action, refusing to cancel the registration. As this decision was appealed, proceedings are now pending before the Federal Court for the District of Columbia. These proceedings have been stayed pending the outcome of Cubaexport's petition in the USPTO

In August 2006, this competitor introduced a Havana Club rum in the United States which is manufactured in Puerto Rico. Pernod Ricard USA has instituted litigation in the Federal Court for the District of Delaware claiming that the competitor is falsely claiming to own the Havana Club trademark and that this false claim and the use of "Havana Club" on rum of non-Cuban origin is misleading and should be enjoined.

The case is still pending and a trial is expected in March 2009.

HCH's rights relating to the Havana Club brand in Spain were confirmed in June 2005 by the First Instance Court in proceedings initiated in 1999 by, notably, this same competitor. This decision was appealed before the Madrid Provincial Audience by the plaintiffs but such appeal was rejected in February 2007. They have appealed before the Spanish Supreme Court the decision of the Madrid Provincial Audience. A decision regarding the admissibility of this appeal should be reached before December 2009. If the appeal is admitted, the Supreme Court will have to decide – at a later stage – on the merits of the appeal.

Champomy

During 2001, the National Institute for Appellations of Origin (INAO) and the French Comité Interprofessionnel des Vins de Champagne (CIVC) summoned Pernod Ricard and its subsidiaries before the Courts of Paris in order to request the invalidity of the Champomy brands and the prohibition from using them on the grounds that they constitute a violation of the Champagne appellation of origin. Since then, these brands have been sold to the Cadbury Schweppes group. However, Pernod Ricard has granted a warranty to the purchaser with regard to the validity of these trademarks and its contractual liability would be triggered in the event that Champomy brands are cancelled. Pursuant to a court decision of 10 May 2006, the Paris First Instance Court dismissed all the claims of INAO and CIVC. INAO and the CIVC have lodged an appeal but most of their claims were also dismissed by Paris Court of Appeal on 7 November 2007. CIVC and INAO made a declaration of appeal to the Court of Cassation on 21 January 2008.

Stolichnaya Trademark

Allied Domecq International Holdings B.V. 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 B.V.'s ownership of the Stolichnaya trademark in the United States, and sought to block future sales of Stolichnaya products in the United States. In addition, the plaintiffs sought damages, including the disgorgement of all related profits. On March 31, 2006, Judge George Daniels dismissed all of the plaintiffs' claims concerning Allied Domecq International Holdings B.V.'s ownership of the Stolichnaya trademark in the United States. The plaintiffs have filed an appeal against the portion of the 31 March 2006 decision: that appeal is currently pending before the United States Court of Appeals for the Second Circuit. A decision is expected in the second half of 2008.

Commercial disputes

Claim brought by the Republic of Columbia against Pernod Ricard, Seagram Llc and Diageo Plc

The Republic of Colombia, as well as several Colombian regional departments, brought a claim in October 2004 before the US District Court for the Eastern District of New York against Pernod Ricard S.A., Pernod Ricard USA Llc, Diageo Plc, Diageo North America Inc. (f/k/a Guinness UDV America Inc. f/k/a UDV North America Inc f/k/a Heublein Inc.), United Distillers Manufacturing Inc., IDV North America Inc. and Seagram Export Sales Company Inc.

The plaintiffs claim that these companies have committed an act of unfair competition against the Colombian government (which holds a constitutional monopoly on the production and distribution of spirits) by selling their products through illegal distribution circuits and by receiving payments from companies involved in money laundering. Pernod Ricard contests this claim.

The defendants moved to dismiss the Complaint on a variety of grounds, including that the Court lacks subject matter jurisdiction, that Colombia is a more convenient forum, and that the Complaint, fails to state a legal claim. On June 19, 2007, the District Court granted in part and denied in part the defendants' motions to dismiss.

On January 18, 2008, the Second Circuit Court of Appeals refused to review the District Court's decision.

The Parties will now begin to take discovery regarding the Plaintiffs'claims that were not dismissed. Pernod Ricard will continue to vigorously defend itself against the claims.

Putative class actions in the United States of America

Sale of Spirits in the United States

Allied Domecq Spirits & Wine Americas Inc., Allied Domecq Spirits & Wine USA, Inc., Allied Domecq North America Corp., Hiram Walker G&W Inc., and Hiram Walker-A.V. Corp. ("Allied Domecq entities"), together with most other major companies in the wines and spirits segment in the U.S.A., were named and served with complaints in a number of nearly identical putative class action lawsuits. The plaintiffs alleged that the defendants engaged in a sophisticated and deceptive scheme to market and sell alcohol to underage consumers. The counts alleged included unjust enrichment, negligence, civil conspiracy, fraudulent concealment, and violations of various state consumer protection statutes. These lawsuits were filed and served in the states of Ohio, Wisconsin, Michigan, and West Virginia. Lawsuits were also filed in Colorado, North Carolina, and the District of Columbia, but did not name Allied Domecq entities as defendants. In addition, plaintiffs filed similar actions in state courts in New York and Florida. Both actions were later voluntarily dismissed by the plaintiffs.

All four lawsuits in which Allied Domecq entities were named and served—Wisconsin, Ohio, Michigan, and West Virginia—were dismissed with prejudice by the courts in those jurisdictions. The courts considering the other lawsuits also dismissed the complaints, except for the North Carolina case where the court did not issue a decision. Plaintiffs filed appeals from all of these dismissals, but after losing several appeals, the Plaintiffs voluntarily dismissed all remaining cases that had not yet been decided on appeal. Accordingly, these lawsuits have all been favourably resolved by way of dismissal with prejudice.

Origin of Stolichnaya

On October 18, 2006, Russian Standard Vodka (USA), Inc. and Roust Trading Limited filed suit against Allied Domecq Spirits & Wine USA, Inc. ("ADSWUSA") and Pernod Ricard USA, LLC ("PRUSA") in the United States District Court for the Southern District of New York. On December 4, 2006, plaintiffs filed an amended complaint adding S.P.I. Group SA and S.P.I. Spirits (Cyprus) Limited (together, "SPI") as defendants. Plaintiffs allege that the defendants are engaged in false advertising under federal and New York State law, and deceptive trade practices and unfair competition, by advertising and promoting Stolichnaya vodka as "Russian Vodka" and by making certain related claims on defendants' website and in defendants' advertising. Plaintiffs also seek a declaration by the Court that they have not engaged in false advertising by virtue of their public statements challenging the "Russian" character of Stolichnaya vodka, and seek actual, statutory, compensatory, treble and punitive damages, as well as disgorgement of the Company's related profits. ADSWUSA and PRUSA moved to dismiss the declaratory judgment count and have requested a short stay of the litigation to permit the National Advertising Division of the Council of Better Business Bureaus (the "NAD") to complete its investigation into parallel claims filed last year by PRUSA. S.P.I. also moved to dismiss the declaratory judgment count and a claim for unjust enrichment.

In a November 20, 2007 decision, the Court (1) granted ADSWUSA's and PRUSA's motion to dismiss the declaratory judgment count with respect to their past statements, (2) denied the motion to dismiss the declaratory judgment count with respect to ADSWUSA's and PRUSA's potential future statements, (3) granted SPI's motion to dismiss the declaratory judgment count; (4) dismissed as to all defendants Plaintiffs' claim for unjust enrichment; and (5) stayed the case so that the NAD could complete its work and issue a decision.

On January 24, 2008, the NAD ruled on PRUSA's claims. It found that Russian Standard lacked a basis for claiming that Stolichnaya is distilled in Latvia or that anything other than filtration, bottling and shipping occur in Latvia. The NAD also accepted PRUSA's position that vodka made in Russia and bottled in Latvia is "Russian vodka". Lastly, NAD ruled that Russian Standard cannot disparage the authenticity of Stolichnaya in the abstract, although it is permitted to state specifically that Stolichnaya is filtered and bottled in Latvia and that Russian Standard believes that such steps undermine the true Russian authenticity of the product, whereas its products are made, filtered and bottled entirely in Russia.

On February 8, 2008, the defendants filed answers against the remaining claims in the court action, denying liability.

Note 17. – Related parties.

During the first half-year ended 31 December 2007, relations between the Group and its associates remained the same as in the financial year ended 30 June 2007, as mentioned in the annual report. In particular, no transactions considered unusual with regards to their nature or amount occurred over the period.

Note 18. – Events after the balance sheet date.

On 15 January 2008, a two-for-one par value split of the Pernod Ricard share was implemented, with the par value halved from €3.10 to €1.55..

IV. Statutory auditors' report on the condensed consolidated half-year financial information

July 1st to December 31, 2007

To the shareholders,

In our capacity as statutory auditors of Pernod Ricard, and pursuant to the Article L. 232-7 of the Code de commerce, we have carried out:

- a limited review of the accompanying report on activity and results, presented in the form of condensed consolidated interim financial statements of Pernod Ricard for the period from July 1st to December 31st, 2007;

- the verification of information given in the half-year report.

These condensed consolidated interim financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our limited review.

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review of the accompanying condensed consolidated interim financial statements, nothing has come to our attention giving cause they are not in conformity, in all material respects, with IAS 34 - IFRS rule adopted in the European Union and related to interim financial reporting.

In addition, and in accordance with French professional standards, we have examined the fairness of the information contained in the consolidated half-year activity report accompanying the condensed consolidated interim financial statements submitted to our review.

Based on our review, we have nothing to report on the fairness of this information and its consistency with the condensed consolidated interim financial statements.

Neuilly-sur-Seine and Courbevoie, February 27th, 2008.

The Auditors

Deloitte & Associés	Mazars & Guérard
Alain Penanguer	Loïc Wallaert