

Q3 2016/17 SALES

Press release - Paris, 20 April 2017

STRONG YEAR-TO-DATE SALES: +4% ORGANIC GROWTH (REPORTED: +3%)

**Q3: +3% ORGANIC GROWTH
UNDERLYING TRENDS IN LINE WITH THOSE OF H1**

**FY17 GUIDANCE¹ CONFIRMED:
ORGANIC GROWTH IN PRO² BETWEEN +2% AND +4%**

Year-to-date Sales

Sales for the first 9 months of FY17 totalled € 7,047 million, with organic growth of +4%. Growth was driven by:

- ✓ **Strong growth across Americas: +7%**
 - **USA: +5%** with Jameson, Martell and Altos in double-digit growth, Absolut in decline (but strong launch of Absolut Lime) and the positive impact of efficiency initiatives. Shipments ahead of depletions.
 - Travel Retail Americas: return to growth
 - Latin America: strong overall growth in the region but decline in Brazil
- ✓ **Modest growth in Asia-RoW: +1%**
 - **India: +1%, with temporary growth deceleration due to certain regulatory changes.** Q2 and Q3 impacted by demonetisation and highway ban to impact Sales mainly in Q4 FY17 and H1 FY18. Pernod Ricard confirming leadership in premium local and international whisky.
 - **China improving and now stable.** Martell back to good volume and value growth.
 - Korea: continued strong decline
 - Travel Retail Asia: back to growth
 - Africa Middle East: growth deceleration due to macroeconomic and geopolitical context
- ✓ **Strong Sales in Europe: +4%**, with good growth in mature markets and dynamic recovery in Eastern Europe
 - **France: slight growth** excluding technical impact³
 - **Spain: +4%**, consolidating leadership in a faster-growing market
 - UK: dynamic growth boosted by advance shipments linked to price increases
 - Russia: strong growth with market share gains
 - Travel Retail Europe: decline in difficult environment
- ✓ **Diversification of sources of growth:**
 - **Strategic international Brands: +4%**, with 11 of 13 brands in growth
 - **Innovation** representing ¼ of topline growth
- ✓ **Mix positive** (vs. negative in FY 16) but pricing still subdued

¹ Guidance communicated 1 September 2016

² PRO = Profit from Recurring Operations

³ Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



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The **Strategic International Brands (+4%)** were a key driver of overall Sales growth improvement, with strong momentum on Jameson, good growth on Ballantine's and improvement on Absolut and Martell.

The **Strategic Local Brands were flat** due to the temporary slowdown on Indian whiskies.

Strategic Wines grew dynamically at +7%, driven by Campo Viejo.

Reported growth was +3% due to a slightly unfavourable FX impact over the period.

Q3 Sales

Sales for the third quarter of FY17 were slightly softer, as expected, mainly due to CNY phasing¹, and totalled € 1,987 million, including organic growth of +3% and reported growth of +7%. This comprised:

- ✓ **Good growth in Americas: +8%**, with Latin America improving and USA in growth despite difficult basis of comparison
- ✓ **Asia-RoW in decline at -2%**, due to CNY phasing¹ and final impact of demonetisation in India, as planned
- ✓ **Continued good performance in Europe: +7%**, with Western Europe solid and Eastern Europe dynamic.

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, stated,

"We have strong year-to-date Sales growth at +4%. In an uncertain environment, our strategy is consistent and driving results, in particular in terms of diversifying the sources of growth.

We confirm our FY17 guidance² of organic growth in Profit from Recurring Operations of between +2% and +4%³."

Note: All growth data specified in this press release refers to organic growth (at constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

A detailed presentation of Sales for the third quarter of 2016/17 can be downloaded from our website: www.pernod-ricard.com

¹Chinese New Year (CNY): 28 January 2017 vs. 8 February 2016

² Guidance communicated 1 September 2016

³ Over the full FY17, the FX impact on Profit from Recurring Operations is estimated at approximately +€ 80m, based on average FX rates for full FY17 projected on 31 March 2017, particularly a EUR/USD rate of 1.07



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Definitions and additional information related to the use of non-IFRS measures

Pernod Ricard's management process is based on the following non-IFRS measures which are chosen for planning and reporting. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures and reported movements therein.

Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements and acquisitions and disposals.

Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates. For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculation from the anniversary of the acquisition date in the current year. Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the prior year, the Group, in the organic movement calculations, excludes the results for that business from the prior year. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.

This measure enables to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

Profit from recurring operations

Profit from recurring operations corresponds to the operating profit excluding other non-current operating income and expenses.

About Pernod Ricard

Pernod Ricard is the world's n°2 in wines and spirits with consolidated Sales of € 8,682 million in FY16. Created in 1975 by the merger of Ricard and Pernod, the Group has undergone sustained development, based on both organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard holds one of the most prestigious brand portfolios in the sector: Absolut Vodka, Ricard pastis, Ballantine's, Chivas Regal, Royal Salute and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin and Malibu, Mumm and Perrier- Jouët champagnes, as well Jacob's Creek, Brancott Estate, Campo Viejo and Kenwood wines. Pernod Ricard employs a workforce of 18,500 people and operates through a decentralised organisation, with 6 "Brand Companies" and 85 "Market Companies" established in each key market. Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption. Pernod Ricard's strategy and ambition are based on 3 key values that guide its expansion: entrepreneurial spirit, mutual trust and a strong sense of ethics.

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

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Appendices

House of Brands effective at 1 July 2016

Strategic International Brands



Strategic Local Brands



Strategic Wines



As of 1 July 2016:

- (1) The above segmentation is used for Financial Communications. The same perimeter has been applied to FY16 for comparison purposes.
- (2) Bulk Spirits are allocated by Region according to the Regions' weight in the Group

YTD Sales by Region

Net Sales (€ millions)	H1 2015/16		H1 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,369	27.6%	1,431	28.3%	62	4%	95	7%	(5)	0%	(28)	-2%
Asia / Rest of the World	2,019	40.7%	2,040	40.3%	22	1%	52	3%	(0)	0%	(30)	-1%
Europe	1,570	31.7%	1,589	31.4%	19	1%	50	3%	10	1%	(41)	-3%
World	4,958	100.0%	5,061	100.0%	103	2%	197	4%	4	0%	(99)	-2%

Net Sales (€ millions)	Q3 2015/16		Q3 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	529	28.5%	602	30.3%	73	14%	43	8%	(0)	0%	31	6%
Asia / Rest of the World	822	44.3%	837	42.1%	15	2%	(15)	-2%	(0)	0%	30	4%
Europe	504	27.2%	547	27.5%	43	9%	33	7%	(1)	0%	11	2%
World	1,855	100.0%	1,987	100.0%	131	7%	61	3%	(1)	0%	72	4%

Net Sales (€ millions)	YTD March 2015/16		YTD March 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,899	27.9%	2,033	28.9%	135	7%	138	7%	(6)	0%	3	0%
Asia / Rest of the World	2,841	41.7%	2,878	40.8%	37	1%	37	1%	(1)	0%	1	0%
Europe	2,074	30.4%	2,136	30.3%	62	3%	83	4%	9	0%	(30)	-1%
World	6,813	100.0%	7,047	100.0%	234	3%	258	4%	3	0%	(27)	0%

As of 1 July 2016, Bulk Spirits are allocated by Region according to the Regions' weight in the Group



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Foreign exchange impact on YTD FY17 Sales

Forex impact 9M 2016/17 (€ millions)		Average rates evolution			On Net Sales
		2015/16	2016/17	%	
US dollar	USD	1.10	1.09	-1.5%	26
Argentinian peso	ARS	12.41	16.68	34.4%	(26)
Chinese yuan	CNY	7.07	7.38	4.4%	(28)
Pound sterling	GBP	0.74	0.86	16.7%	(56)
Other currencies					58
Total					(27)