Pernod Ricard
Créateurs de convivialité

Press release

Paris, 24 October 2013

Slight sales decline in Q1 2013/14

Guidance of organic growth in Profit from Recurring Operations between +4% et +5% for FY 2013/14

Net sales for the first quarter of 2013/14 totalled **€ 2,013 million**. In a more challenging environment, Pernod Ricard recorded an **organic decline of -1%**, adversely affected by:

- ✓ high comparatives in Q1 2012/13, both for major markets (US: +16%, China: +18%, Russia: +28%) and for Martell (+23%)
- ✓ the slowdown of emerging markets
- ✓ unfavourable mix

Reported growth decreased -9%, due to a particularly unfavourable foreign exchange impact over the period.

The **Top 14** posted a **-5%** decline with a slight decline in volumes (-1%). Mix was negative (-6%), particularly due to the decline of Martell and Ballantine's in Asia, yet pricing remained favourable (+2%).

The growth of **Priority Premium Wines** (**+1%**) was driven by Brancott Estate and Campo Viejo.

The **18 Key Local Brands** (**+8%**) posted a very good performance, in particular for brands targeting emerging middle classes.

The slowdown of **emerging markets** (**-2%**) was significantly impacted by strong comparatives (+13% in Q1 2012/13) and by China.

Mature markets (**-1%**) benefited from the strong performance of Western Europe, yet comparatives were unfavourable for the US.

During the period, the Group negotiated with its banks an amendment to its multi-currency revolving facility (€ 2.5 billion), which has been renewed for five years with the spread having been reduced 20 basis points for the drawn portion.

This announcement provided **Pierre Pringuet**, Chief Executive Officer of Pernod Ricard, with the opportunity to state: *"Our first quarter was adversely affected by the slowdown of emerging markets and unfavourable technical effects. However, we remain confident in the diversity of our portfolio and the strength of our distribution network. We anticipate organic growth in full-year profit from recurring operations between +4% and +5%."*

A detailed presentation of sales for the first quarter of 2013/14 can be downloaded from our website: www.pernod-ricard.com

Note: All growth data specified in this press release refers to organic growth, unless otherwise stated. France is now included in the Europe operating segment.

About Pernod Ricard

Pernod Ricard is the world's co-leader in wines and spirits with consolidated sales of € 8,575 million in 2012/13. 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, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek, Brancott Estate, Campo Viejo and Graffigna wines. Pernod Ricard employs a workforce of nearly 19,000 people and operates through a decentralised organisation, with 6 "Brand Companies" and 80 "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 the NYSE Euronext exchange (Ticker: RI; ISIN code: FR0000120693) and is a member of the CAC 40 index.

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Appendices

Sales analysis by region

Net Sales (€ millions)	Q1 2012/13		Q1 2013/14		Change		Organic Growth		Group Structure		Forex impact	
Europe incl France	674	*30.6%*	666	*33.1%*	(7)	*-1%*	21	*3%*	(15)	*-2%*	(13)	*-2%*
Americas	579	*26.3%*	532	*26.4%*	(47)	*-8%*	2	*0%*	(1)	*0%*	(48)	*-8%*
Asia / Rest of World	951	*43.2%*	814	*40.5%*	(137)	*-14%*	(55)	*-6%*	(7)	*-1%*	(74)	*-8%*
World	**2,203**	***100.0%***	**2,013**	***100.0%***	**(191)**	***-9%***	**(32)**	***-1%***	**(22)**	***-1%***	**(136)**	***-6%***

Sales analysis by region *(former operating segments)*

Net Sales (€ millions)	Q1 2012/13		Q1 2013/14		Change		Organic Growth		Group Structure		Forex impact	
France	149	*6.8%*	156	*7.8%*	7	*5%*	7	*5%*	(0)	*0%*	0	*0%*
Europe excl. France	524	*23.8%*	510	*25.3%*	(14)	*-3%*	13	*3%*	(14)	*-3%*	(13)	*-3%*
Americas	579	*26.3%*	532	*26.4%*	(47)	*-8%*	2	*0%*	(1)	*0%*	(48)	*-8%*
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Top 14 brands organic sales growth

	Net Sales organic growth	Volume growth	Price/mix
Absolut	1%	-2%	3%
Chivas Regal	-9%	-13%	4%
Ballantine's	-11%	0%	-11%
Ricard	14%	16%	-1%
Jameson	13%	10%	3%
Havana Club	8%	5%	3%
Malibu	-5%	-8%	3%
Beefeater	2%	3%	-1%
Kahlua	-17%	-13%	-4%
Martell	-12%	-15%	3%
The Glenlivet	-1%	-8%	7%
Mumm	-5%	-7%	2%
Perrier-Jouët	-1%	-9%	8%
Royal Salute	-21%	-21%	0%
Top 14	-5%	-1%	-4%

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Foreign exchange impact Q1 2013/14 (sales)

Forex impact Q1 2013/14 (€ millions)		Average rates evolution 2012/13	2013/14	%	On Net Sales
US dollar	USD	1.25	1.32	5.8%	(27)
Indian rupee	INR	69.01	82.46	19.5%	(26)
Japanese yen	JPY	98.38	131.05	33.2%	(10)
Australian dollar	AUD	1.20	1.45	20.1%	(9)
Argentinian peso	ARS	5.76	7.40	28.3%	(9)
British pound	GBP	0.79	0.85	7.9%	(7)
Chinese renminbi	CNY	7.95	8.11	2.1%	(5)
Other currencies					(43)
Total					**(136)**

Foreign exchange estimated impact FY 2013/14 (profit from recurring operations)

Over the full 2013/14 financial year, the forex impact on profit from recurring operations is estimated at approximately € (130) million, based on 9 October 2013 forex rates, particularly EUR/USD of 1.34 and EUR/INR of 83.32.

Group structure effect

Group structure Q1 2013/14 (€ millions)	On Net Sales
Scandinavian activities	(8)
Spanish activities	(7)
Australian activities	(4)
Other	(3)
Total Group Structure	**(22)**

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Emerging markets

Asia-Rest of World		Americas	Europe
Algeria	Madagascar	Argentina	Albania
Angola	Malaysia	Bolivia	Armenia
Cambodia	Morocco	Brazil	Azerbaijan
Cameroon	Mozambique	Caribbean	Belarus
China	Nigeria	Chile	Bosnia
Congo	Persian Gulf	Colombia	Bulgaria
Egypt	Philippines	Costa Rica	Croatia
Ethiopia	Senegal	Cuba	Georgia
Gabon	South Africa	Dominican Republic	Hungary
Ghana	Sri Lanka	Ecuador	Kazakhstan
India	Syria	Guatemala	Kosovo
Indonesia	Tanzania	Honduras	Latvia
Iraq	Thailand	Mexico	Lithuania
Ivory Coast	Tunisia	Panama	Macedonia
Jordan	Turkey	Paraguay	Moldova
Kenya	Uganda	Peru	Montenegro
Laos	Vietnam	Puerto Rico	Poland
Lebanon		Uruguay	Romania
		Venezuela	Russia
			Serbia
			Ukraine