

Q1 FY18 Sales
Press release - Paris, 19 October 2017

VERY GOOD Q1 SALES, WITH GROWTH ACCELERATING AND DIVERSIFYING

ORGANIC SALES GROWTH: +5.7%
(REPORTED GROWTH: +2.0%)

FY18 GUIDANCE¹ CONFIRMED:
ORGANIC GROWTH IN PRO² BETWEEN +3% AND +5%

Sales for the first quarter of FY18 totalled € 2,292 million, with organic growth of +5.7%:

- ✓ **Continued dynamism in the Americas: +6%**, with good performance in USA and acceleration of Travel Retail throughout the continent
- ✓ **Significant acceleration in Asia-RoW: +7%** vs. stable in Q1 FY17, with a strong Q1 in China and a rebound in Travel Retail and Africa Middle East
- ✓ **Continued good overall growth in Europe: +3%**, thanks to very strong Sales in Eastern Europe and a modest increase in Western Europe, with strong dynamism in Germany and UK but a decline in France and slow start in Spain
- ✓ **Acceleration coming from Emerging markets (+10%)**
- ✓ **Performance partly enhanced by favourable basis of comparison** in Q1 FY17 (Global Travel Retail, Africa Middle East...)

Reported growth was +2.0% due to the unfavourable FX impact over the period.

Group topline improvement was primarily driven by the **Strategic International Brands (+8%)** with strong broad-based growth, in particular from Martell, Absolut, Jameson, Ballantine's, Chivas and Malibu.

The **Strategic Local Brands grew +2%** with Seagram's Indian whiskies growth still subdued due to the highway ban but strong growth in tequila and gin.

Strategic Wines also had a very strong quarter at +8%, thanks mainly to Campo Viejo.

Innovation delivered an incremental +2% to overall Group Sales.

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

"We have had a very good start to the year, with our growth accelerating and diversifying in terms of both markets and brands. This is again testimony to the success of the strategic direction we adopted 2 years ago.

In an environment that remains uncertain, we confirm our FY18 guidance of organic growth in Profit from Recurring Operations of between +3% and +5%. We will continue to implement our roadmap, in particular focusing on digital, innovation and operational excellence."

1 Guidance communicated 31 August 2017

2 PRO = Profit from Recurring Operations



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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 first quarter of FY18 can be downloaded from our website: www.pernod-ricard.com

Definitions and reconciliation of non-IFRS measures to 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 €9,010 million in FY17. 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, Malibu liqueur, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek, Brancott Estate, Campo Viejo and Kenwood wines. Pernod Ricard employs a workforce of approximately 18,500 people and operates through a decentralised organisation, with 6 "Brand Companies" and 86 "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

Q1 Sales by Region

Net Sales (€ Million)	Q1 FY17		Q1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	649	28.9%	652	28.4%	3	0%	40	6%	(3)	0%	(34)	-5%
Asia / Rest of World	917	40.8%	940	41.0%	23	2%	64	7%	(1)	0%	(41)	-4%
Europe	682	30.3%	701	30.6%	19	3%	23	3%	(1)	0%	(3)	0%
World	2,248	100.0%	2,292	100.0%	45	2%	128	6%	(5)	0%	(78)	-3%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Foreign exchange impact on Q1 FY18 Sales

Forex impact Q1 FY18 (€ Million)		Average rates evolution			On Net Sales
		Q1 FY17	Q1 FY18	%	
US dollar	USD	1.12	1.17	5.2%	(31)
Chinese yuan	CNY	7.44	7.83	5.2%	(13)
Pound sterling	GBP	0.85	0.90	5.6%	(6)
Other					(28)
Total					(78)