

SHAREHOLDERS'

MEETING

2018

WEDNESDAY 21ST NOVEMBER



Pernod Ricard

Créateurs de convivialité

OPENING



Pernod Ricard
Créateurs de convivialité

ALEXANDRE RICARD

CHAIRMAN & CEO



Pernod Ricard
Créateurs de convivialité

SHAREHOLDERS' MEETING

BUREAU

CHAIRMAN: **ALEXANDRE RICARD**
TELLERS: **PAUL-CHARLES RICARD, LAURENT RAETS**
SECRETARY: **PHILIPPE PROUVOST**

ALSO ATTENDING

EVP Finance, IT & Operations: **HÉLÈNE DE TISSOT**

STATUTORY AUDITORS

KPMG : **ERIC ROPERT**
DELOITTE & ASSOCIÉS : **DAVID DUPONT-NOËL**

PROVISIONAL QUORUM



Pernod Ricard
Créateurs de convivialité

LEGAL DOCUMENTS AVAILABLE TO SHAREHOLDERS

THE DOCUMENTS REQUIRED BY THE APPLICABLE LAWS
AND REGULATIONS,
WHICH ARE ON THE SHAREHOLDERS' BUREAU, HAVE
BEEN SENT AND MADE AVAILABLE
TO THE SHAREHOLDERS WITHIN THE ESTABLISHED
DEADLINES

MANAGEMENT REPORT



Pernod Ricard
Créateurs de convivialité

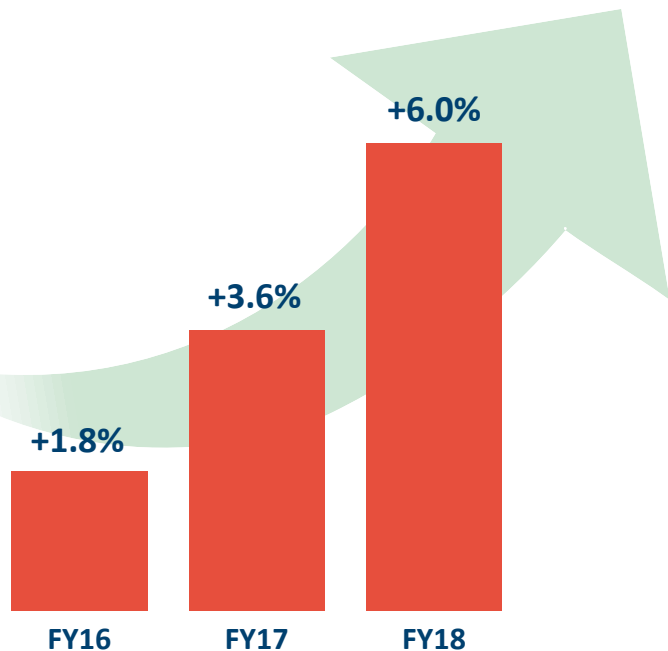
**THE GROUP TRANSFORMATION INITIATED THREE
YEARS AGO IS DELIVERING RESULTS**



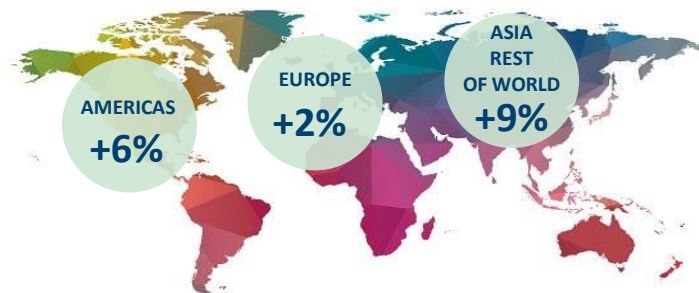
1. OUR GROWTH IS ACCELERATING AND DIVERSIFYING

All regions and categories are growing

ORGANIC SALES GROWTH



ORGANIC GROWTH IN ALL REGIONS



ORGANIC GROWTH IN ALL CATEGORIES



2. INNOVATION REPRESENTS ONE THIRD OF GROWTH

It has become **one of the driving forces of our development**



BEAFEATER PINK



RICARD PLANTES FRAICHES



CHIVAS XV

3. OUR « LUXURY PORTFOLIO » IS GROWING +10%

We are **#1** of the « **Ultra-Premium** » and « **Prestige** » segments

- 10 brands comprises the Le Cercle portfolio
- Le Cercle accounts for 12% of Group net sales
- 25 markets have dedicated trained prestige teams



4.

OUR OPERATIONAL EXCELLENCE INITIATIVES ARE DELIVERING

2/3 of cost savings already achieved, with **50% reinvested**

ADVERTISING AND
PROMOTIONAL EFFECTIVENESS



DIRECT &
INDIRECT PURCHASES



200 M€ CASH
+
200 M€ P&L

SUPPLY CHAIN













LOCAL INITIATIVES



5.

OUR 2020 ENVIRONMENTAL ROADMAP IS PROGRESSING TOWARD COMPLETION

Achievement rate of **over 90%** on all objectives

	2010	2015	2018	2020 objectives : Achievement rate
• Reduction of CO ₂ emissions	-11% 	-25% 	-30%	100%
• Reduction of water consumption	-7% 	-14% 	-20%	100%
• Reduction in waste landfilled	10,253t 	2,970t 	748t	93%
• Proportion of ISO 14001 certified sites	90% 	96% 	93%	93%
• Proportion of certified vineyards	77% 	78% 	95%	95%

5. FOCUS

Protecting the planet and **preserving** our terroirs



ENGAGEMENT

In the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation



RESEARCH

TAKE OFF project with the Institut Océanographique Paul Ricard



CERTIFICATIONS

Of Campo Viejo's cellars and of Mumm and Perrier-Jouët vineyards

5. FOCUS

Promoting responsible consumption through public awareness and education



ERASMUS RESPONSIBLE PARTY

More than 590 Responsible Party events organised over the past eight years, raising awareness of more than 370,000 students in 32 countries



INDUSTRY PARTNERSHIP/SOCIAL MEDIA

The wine, spirits and beer industry is the first to sign a strategic partnership with social media leaders to promote responsible marketing of alcohol brands

6. WE HAVE REINFORCED OUR KEY MARKETS

To fully **capture** every new **business opportunity**



UNITED STATES

Reorganisation of Marketing teams
and Route-To-Market
Focus on priority states
Creation of New Brand Ventures



CHINA

Reorganisation of the
prestige network
Creation of a new
distribution network



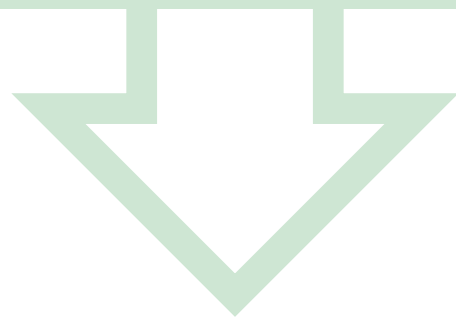
TRAVEL RETAIL

Creation
of a new single entity:
Global Travel Retail



INDIA

Higher investments behind
strategical priorities



**VERY STRONG
FINANCIAL RESULTS**

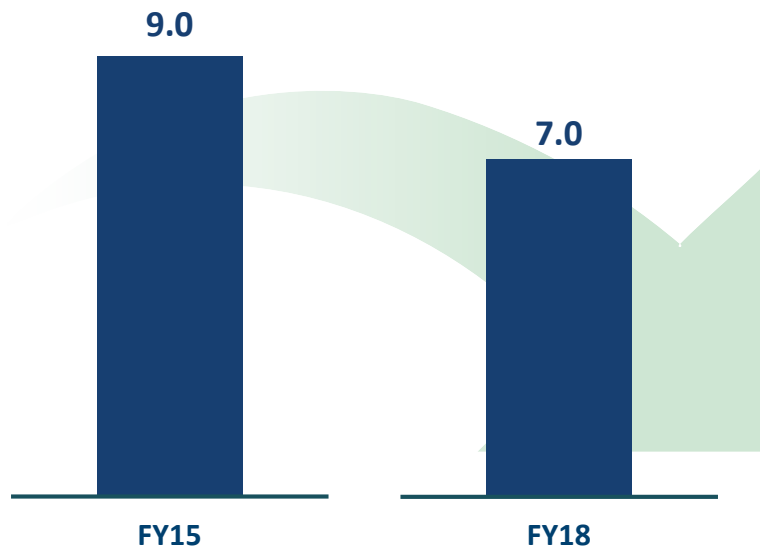
HISTORICAL FREE CASH FLOW

Increase of + **77%** since 2015



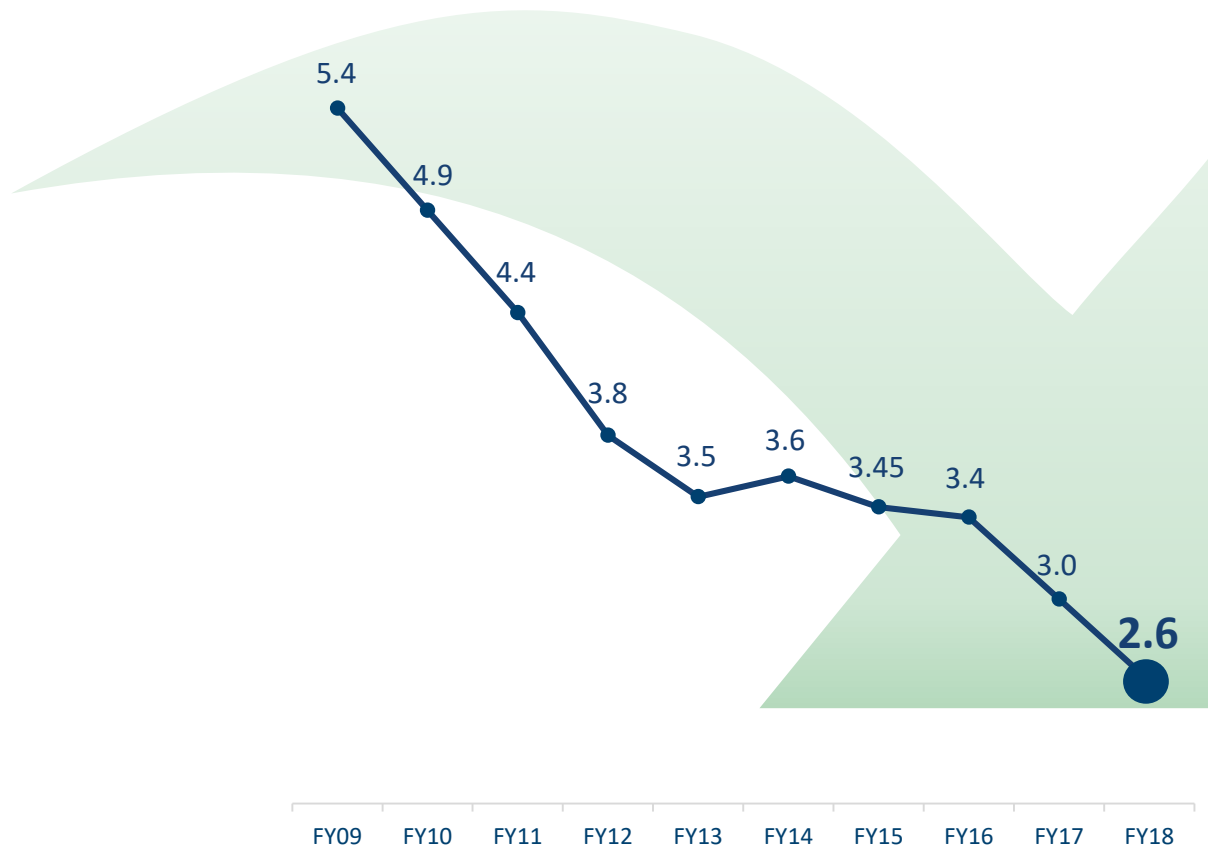
SIGNIFICANT REDUCTION IN NET DEBT

Reduction of **€2 bn** since 2015



€ bn

SIGNIFICANT DELEVERAGING OF OUR NET DEBT/EBITDA RATIO

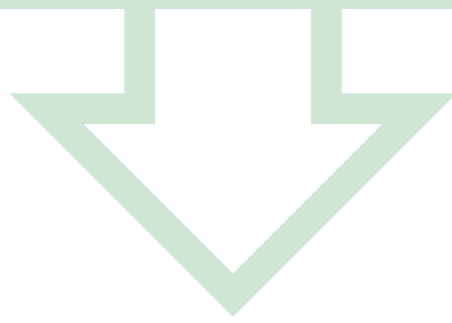


€ bn



**10 BILLION EUROS OF VALUE CREATION
FOR OUR SHAREHOLDERS
SINCE 2015 THANKS TO OUR STRATEGY**

*Value created = (market capitalisation 30/06/2018 – market capitalisation 30/06/2015)



**AND WE ARE OFFERING YOU
A +17% INCREASE
IN THE DIVIDEND PER SHARE FOR FY18**

i.e. a payout ratio of 41%

AND TOMORROW? WE HAVE REACHED AN INFLECTION POINT IN OUR QUEST FOR LEADERSHIP

Our objective:
**consolidate our acceleration
for sustainable and profitable growth**

1. ACCELERATE WHILE
CONTINUING OUR
WINNING STRATEGY

2. TRANSFORM TO
PREPARE FOR THE
FUTURE

1. CONTINUE OUR WINNING STRATEGY

Staying the course by building on our strengths

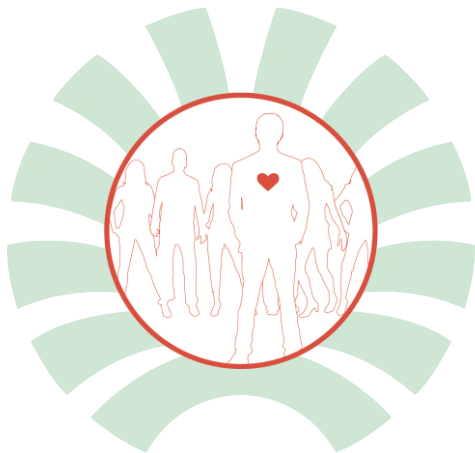
1. Focus on our key markets and key brands
2. Preparing for the future by investing in our growth drivers
3. Continue to accelerate and diversify our growth
4. Improve our pricing
5. Pursue operational efficiency

2.

CONTINUE OUR TRANSFORMATIONAL JOURNEY TO PREPARE FOR THE FUTURE

while continuing to have one obsession: **the consumer**

CONSUMER-CENTRIC BUSINESS MODEL



**4 ESSENTIALS
4 ACCELERATORS**

ORGANISATION BASED ON THE MOMENTS DE CONVIVIALITÉ



AFTERWORK



APERITIF



**COCKTAIL
PARTY**



DINNER



**BUSINESS
CELEBRATION**



**PARTY
TIME**

TO TRANSFORM WE NEED TO MEET 5 CHALLENGES

In order to adapt to a consumer
impacted by **an increasingly complex environment**

5 CHALLENGES TO MEET



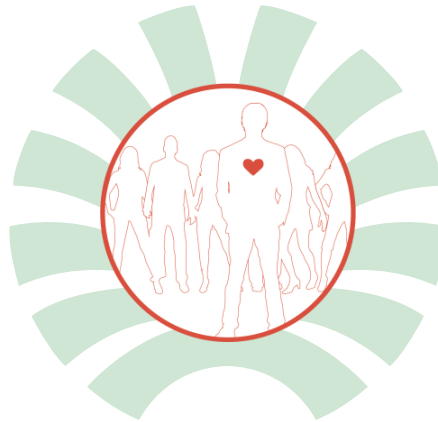
1. **Winning over** a more explorative, demanding and responsible consumer



5. **Attract, develop and retain** talents: tomorrow's ways of working



4. **Transform** the technological revolution into a growth opportunity



2. **Continue our growth** in an uncertain monetary and geopolitical environment



3. **Seize** the middle and affluent classes opportunity

CHALLENGE 1

WINNING OVER A MORE EXPLORATIVE, DEMANDING AND RESPONSIBLE CONSUMER

6 major trends



AUTHENTICITY

+ 25 %

in annual sales of artisanal spirits in the United States



NATURAL

70 %

of consumers want to know the origin of the food they eat



FEMININE IDENTITY

48 %

of alcohol consumers in the UK are women



HOMETAINMENT

72 %

of Millennials prefer to spend their weekend evenings at home rather than going out



RESPONSIBLE CONSUMPTION

56 %

of US consumers will stop buying Product from unethical companies



BESPOKE EXPERIENCES

78 %

of US Millennials prefer to spend on an experience rather than only an object

OUR ANSWER

BUILD ON THE MOST COMPREHENSIVE PORTFOLIO IN THE INDUSTRY

A **unique** portfolio with the **coherence** and **depth** that make it possible to address each **moment of consumption**



INTERNATIONAL STRATEGIC BRANDS



LUXURY

INNOVATION

STRATEGIC WINES



LOCAL STRATEGIC BRANDS

OUR ANSWER

CAPTURE ALL TRENDS AND OPTIMISE OUR INNOVATION STRATEGY



AUTHENTICITY

A portfolio of niche and centuries-old brands



NATURAL

Launch of Absolut Juice



FEMININE IDENTITY

Promotion of more feminine brands



HOMETAINMENT

Launch of the Espresso Martini Pack and Drinks & Co



BRAND PURPOSE

Chivas Venture distributes each year \$1m to startups seeking to address social or environmental issues



BESPOKE EXPERIENCES

Jameson Bow St Distillery and Eden by Perrier-Jouët in Tokyo

OUR ANSWER

MAKE OUR SOCIAL RESPONSIBILITY A PILLAR OF OUR DEVELOPMENT

A new corporate responsibility platform

« We bring good times from a good place »

based on 4 pillars



1. Protect and nurture
our terroirs



2. Valuing our
partners



3. Defend our
know-how



4. Promote responsible
consumption

CHALLENGE 2

CONTINUE TO GROW IN AN UNCERTAIN MONETARY AND GEOPOLITICAL ENVIRONMENT

The rise of **protectionism**, **volatile currencies** action and **uncertainty** in global economic growth



OUR ANSWER

PREMIUMISATION AND VALUING OF OUR TERROIRS

The **best assets** against protectionism



CHALLENGE 3

SEIZE THE MIDDLE AND AFFLUENT CLASS OPPORTUNITY

Growing fast in **emerging markets**



+20M NEW CONSUMERS

EXPECTED EACH YEAR IN INDIA

+100M MIDDLE CLASS CONSUMERS

IN CHINA BY 2021

OUR ANSWER

CAPITALISE ON OUR LEADERSHIP POSITION

A unique position:
We are **#1 in both China and India**,
two markets with the most **promising growth** in the industry

CHINA



INDIA



CHALLENGE 4

TRANSFORM THE TECHNOLOGICAL REVOLUTION IN A GROWTH OPPORTUNITY



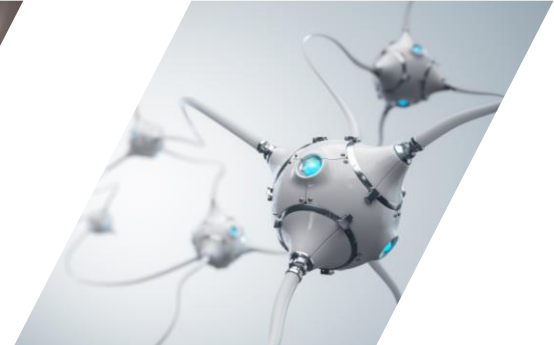
E-COMMERCE

2.3 trillion of USD in 2017



BIG DATA

100 billion USD invested annually by 2021



CONNECTED DEVICES

30 billion devices by 2020

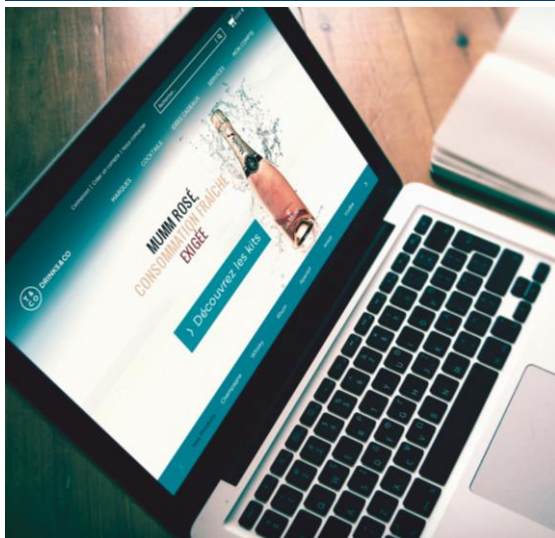
OUR ANSWER

BOOST THE DIGITAL ENGAGEMENT OF OUR CONSUMERS

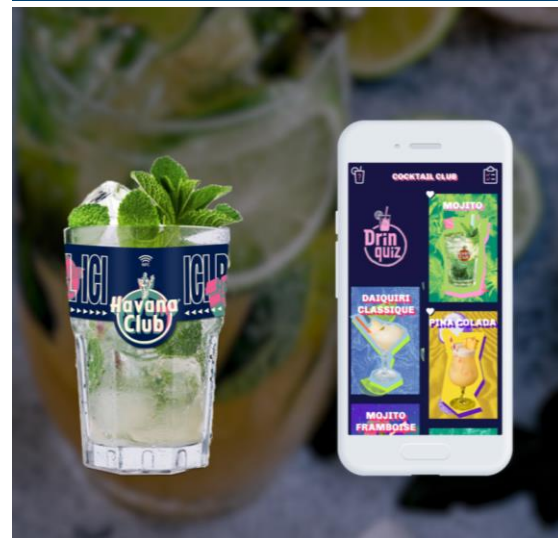
SOCIAL LISTENING



E-COMMERCE



CONNECTED DEVICES



OUR ANSWER

WIN IN EFFICIENCY TO CONCENTRATE ON THE ESSENTIALS



CHALLENGE 5

ATTRACT, DEVELOP AND RETAIN TALENT

69% OF EMPLOYEES

Believe that diversity is « essential for the company »*

83% OF MILLENNIALS

Anticipate an internal or external mobility within 2 years**

61% OF EMPLOYEES

Intend to take part in a training session in the next 12 months***

*Study conducted by Hays

** Study conducted by Deloitte

*** Study conducted by IFOP

OUR ANSWER

THE PERNOD RICARD MINDSET: A PERFORMANCE CULTURE

The creation of a new leadership model

PROVIDE PERSONAL DEVELOPMENT IN 3 STEPS



Development
of leadership skills
for managers



Strengthening
leadership skills
for senior managers



Leadership of Top
Executives

FOCUS

BETTER BALANCE



Make diversity a growth factor :
raise awareness of all managers

YOUTH ACTION COUNCIL



Make the voice of young employees
heard at Top Management level : 9
employees under 30 years old are
elected members of the YAC for a
two-year period

PERNOD RICARD UNIVERSITY



Make training become a talent
revealer : 400,000 hours of
training given to our employees
through FY18

OUR ANSWER

A NEW HEADQUARTERS EMBODYING OUR VISION

All teams gathered in one place for more efficiency

A unique building :

- in the heart of Paris, near our consumers
- respecting all environmental standards
- housing all our Parisian subsidiaries in one place
- organised around a 100% collaborative approach
- planned move: April 2020





AN ENGAGED TEAM



The 280 Top Managers
of the Group were at
PERNOD RICARD UNIVERSITY
on October 24th
to launch the new strategic three-year plan

Better, Agile, Together:

**TRANSFORM AND
ACCELERATE**

CONSOLIDATED FINANCIAL STATEMENTS



Pernod Ricard
Créateurs de convivialité

HÉLÈNE DE TISSOT

EVP, FINANCE, IT & OPERATIONS



Pernod Ricard

Créateurs de convivialité

FY18: CLEAR ACCELERATION OF GROWTH THANKS TO CONSISTENT STRATEGY IMPLEMENTATION

- **CONSISTENT STRATEGY IMPLEMENTATION**
- **CLEAR SALES ACCELERATION: +6.0% vs. +3.6% IN FY17**
 - > Strong diversified growth
 - > Improved price/mix
- **VERY STRONG FINANCIAL DELIVERY +6.3% PRO vs. +3.3% IN FY17**
- **OPERATING MARGIN IMPROVEMENT: +14 bps**
- **NET PROFIT¹: +13%**

¹ Reported Group share

*Numbers refer to organic growth unless otherwise specified

FY18: VERY STRONG CASH PERFORMANCE

- **VERY STRONG FREE CASH FLOW, REACHING HISTORIC HIGH**
 - > Free Cash Flow €1,433m, up +10% vs. FY17
- **SIGNIFICANT REDUCTION IN NET DEBT: - €0.9BN TO €7.0BN**
- **NET DEBT/EBITDA RATIO DECREASE OF -0.4 TO 2.6X IN FY18**
- **PROPOSED DIVIDEND INCREASE: +17% vs. FY17 (€2.36/SHARE)**
 - > Payout ratio of 41%¹

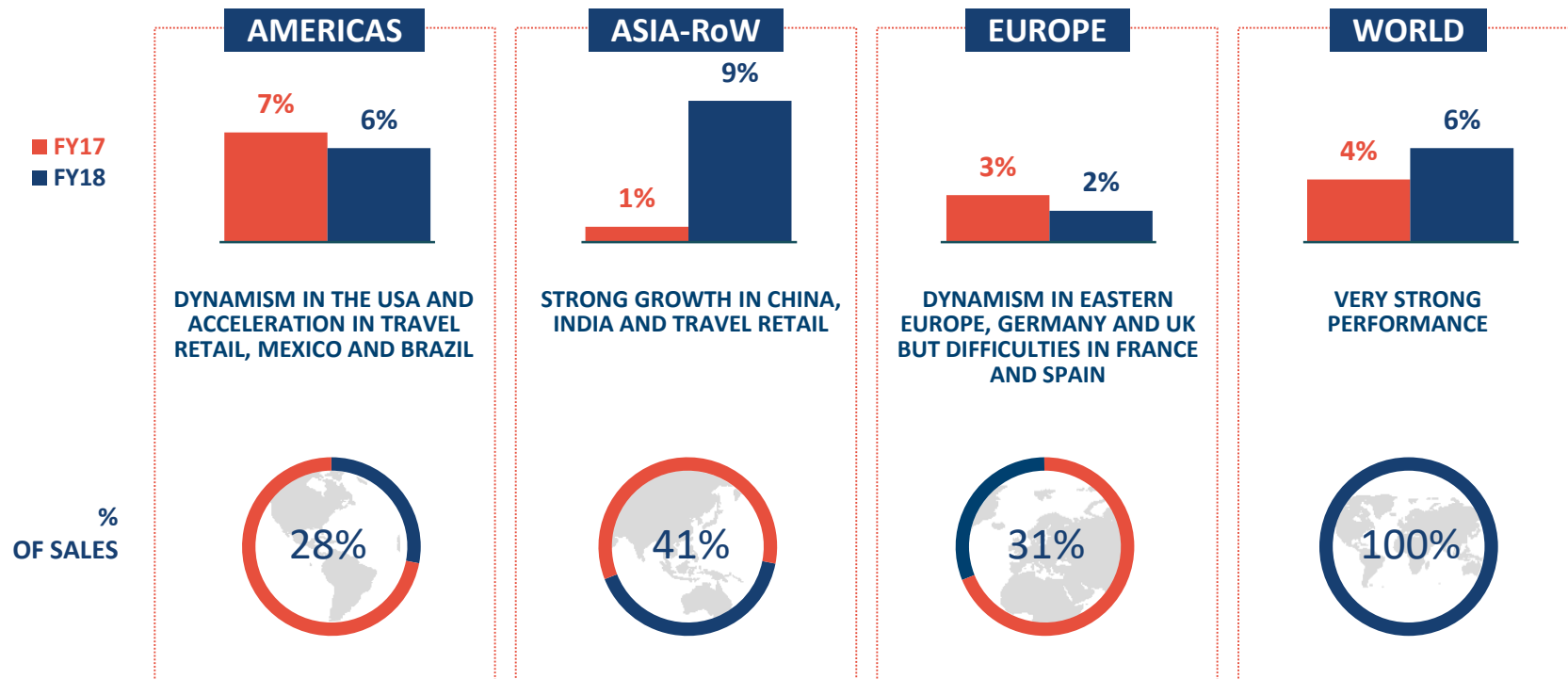
¹ Decision to increase payout from 1/3 to c. 50% of Net Profit from recurring operations announced on 19 April 2018

KEY FIGURES

€ millions	FY18	ORGANIC Δ	REPORTED Δ
SALES	8,987	+6.0%	-0.3%
Profit from Recurring Operations (PRO)	2,358	+6.3%	-1.5%
PRO/sales	26.2%	+14 bps	-34 bps
NET PROFIT FROM RECURRING OPERATIONS¹	1,511		+2%
Net Profit¹	1,577		+13%
Free Cash Flow	1,433		+10%

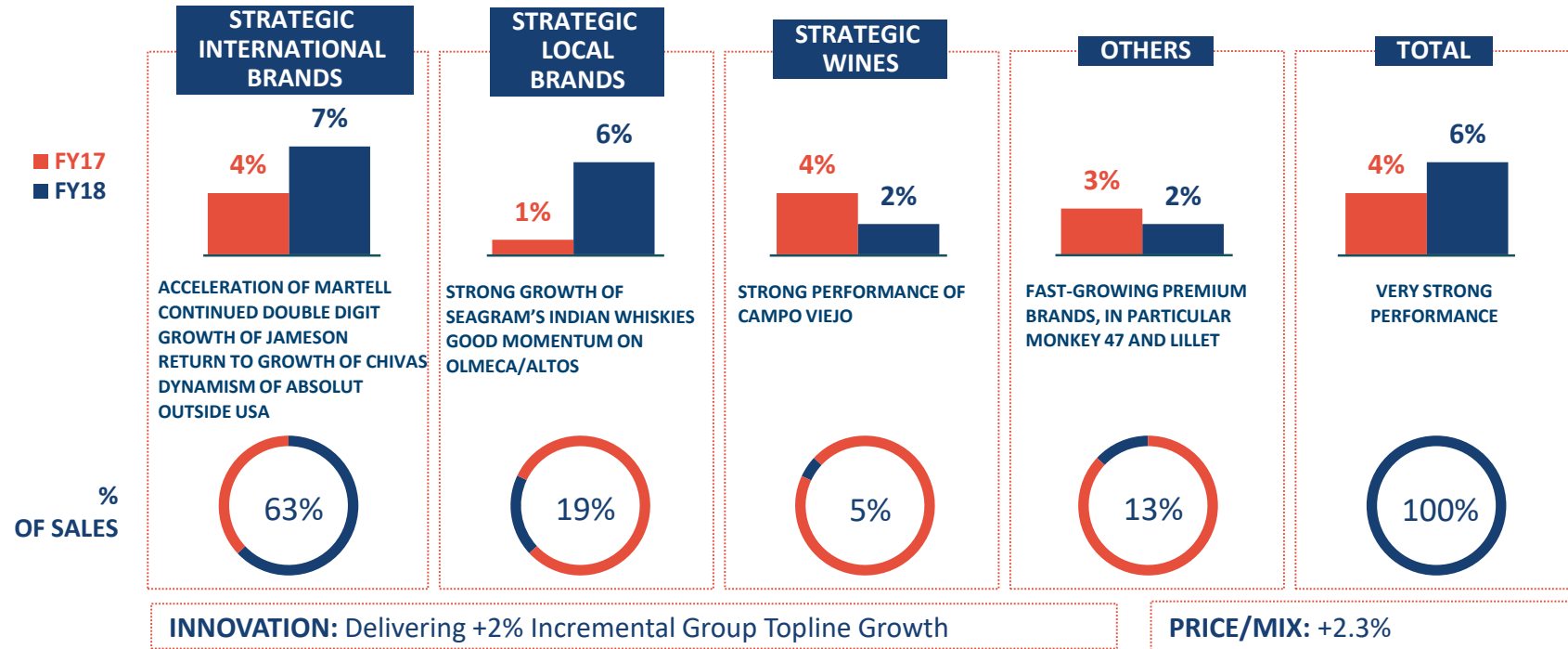
¹ Group share

ALL REGIONS GROWING



**Numbers refer to organic growth unless otherwise specified*

ACCELERATION DRIVEN BY STRATEGIC INTERNATIONAL BRANDS



**Numbers refer to organic growth unless otherwise specified*

INNOVATION DELIVERING +2% INCREMENTAL GROUP SALES

- CONTINUED STRONG MOMENTUM BEHIND BIG BETS
- MONKEY 47 IN STRONG DEVELOPMENT: +50%
- AVION, OLMECA/ALTOS AND DEL MAGUEY IN STRONG GROWTH
- PREMIUMISING IMPACT OF INNOVATION ON OVERALL PORTFOLIO



**Numbers refer to organic growth unless otherwise specified*

SUMMARY INCOME STATEMENT

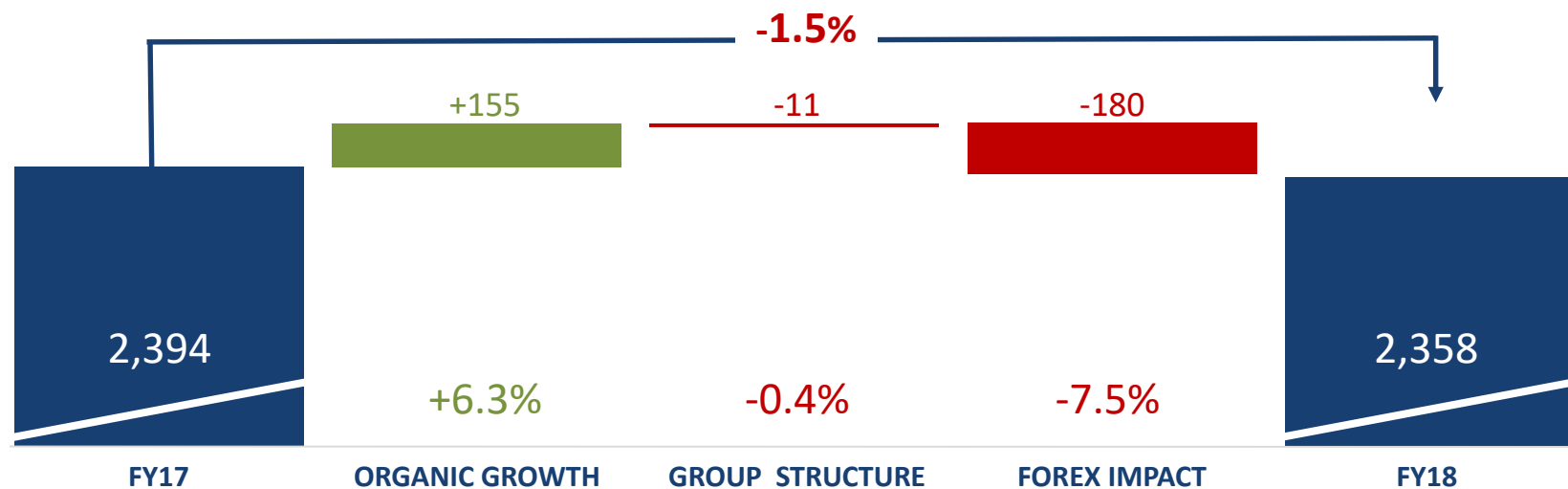
€ millions	FY17	FY18	ORGANIC Δ	REPORTED Δ
SALES	9,010	8,987	+6.0%	-0.3%
Gross margin after logistics costs (GM) <i>GM/Sales</i>	5,602 62.2%	5,604 62.4%	+6% <i>+15 bps</i>	stable
Advertising & promotional expenditure (A&P) <i>A&P/Sales</i>	(1,691) 18.8%	(1,720) 19.1%	+7% <i>+21 bps</i>	+2%
PROFIT FROM RECURRING OPERATIONS (PRO) <i>PRO/Sales</i>	2,394 26.6%	2,358 26.2%	+6.3% <i>+14 bps</i>	-1.5%

INCOME STATEMENT COMMENTS

- **GROSS MARGIN RATIO UP +15 bps**
 - > Operational excellence
 - > Pricing improving
- **A&P +7%, RATIO BROADLY STABLE AT APPROXIMATELY 19%**
- **STRUCTURE COSTS EXCL. OTHER INCOME AND EXPENSE: +4%**

CHANGE IN PRO

€ millions



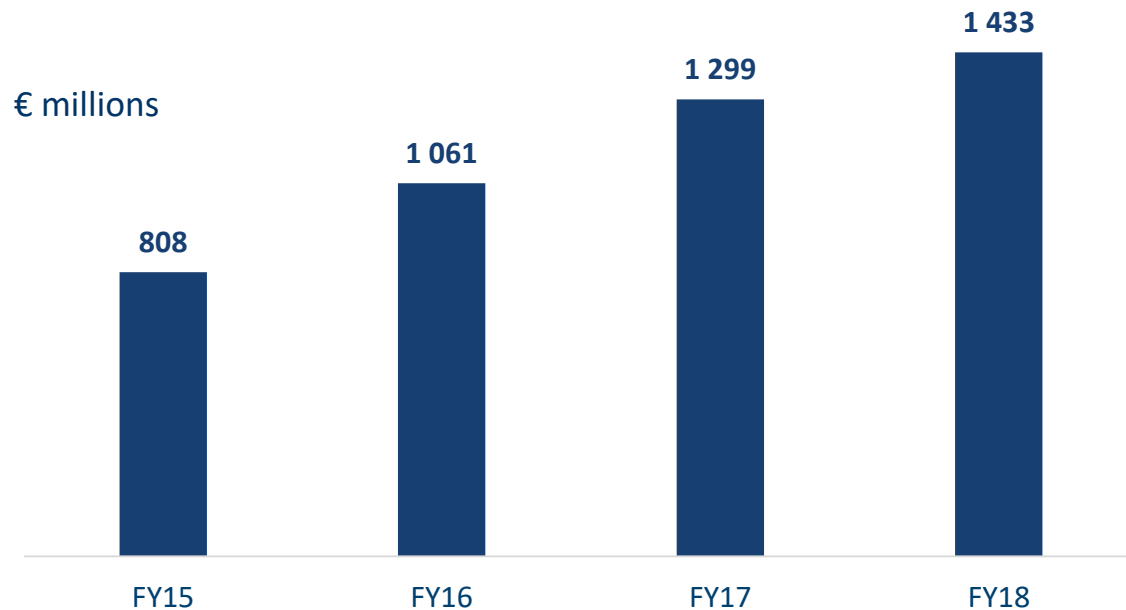
GROUP SHARE OF NET PROFIT

€ millions	FY17	FY18	REPORTED Δ
PROFIT FROM RECURRING OPERATIONS	2,394	2,358	-1.5%
Non-recurring operating income and expenses	(163)	(62)	
OPERATING PROFIT	2,232	2,296	+3%
Financial income (expense) from recurring operations	(376)	(301)	
Non-recurring financial items	3	(1)	
Corporate income tax	(438)	(392)	
Non-controlling interests and other	(27)	(26)	
GROUP SHARE OF NET PROFIT	1,393	1,577	+13%

STRONG INCREASE IN GROUP SHARE OF NET PROFIT, THANKS IN PARTICULAR TO SIGNIFICANT REDUCTION IN FINANCIAL EXPENSES

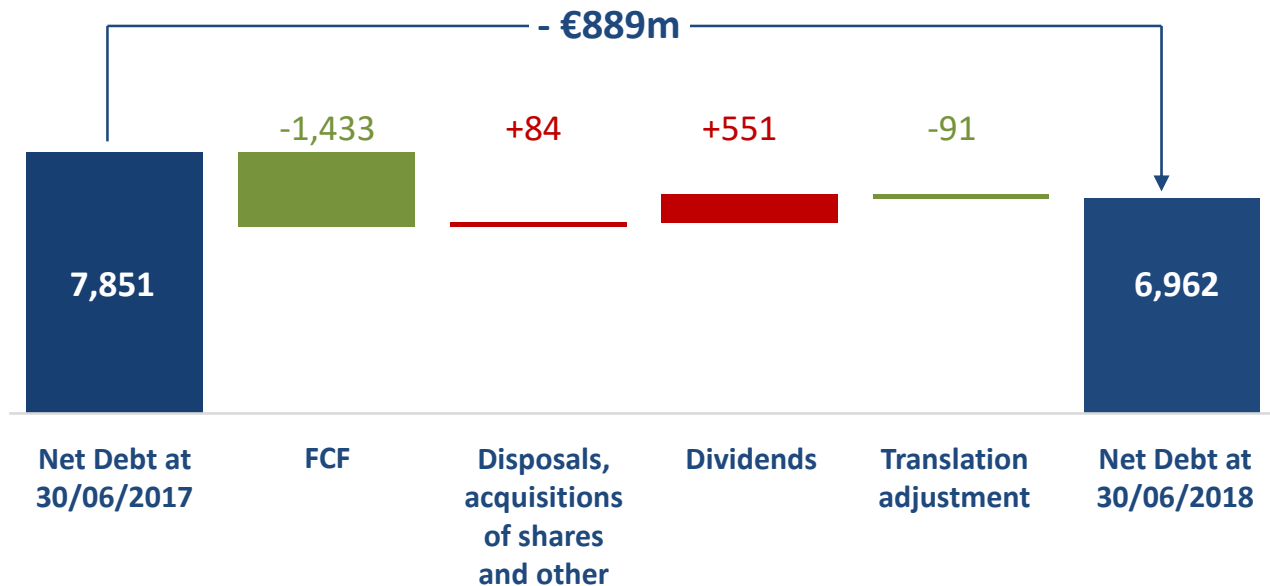
CONTINUED VERY STRONG INCREASE IN FREE CASH FLOW

New historic high



NET DEBT DECREASE OF -€0.9BN, DOWN TO €7BN

€ millions



FINANCIAL STATEMENTS

PERNOD RICARD SA
AT 30 JUNE 2018



Pernod Ricard
Créateurs de convivialité

FINANCIAL STATEMENTS PERNOD RICARD SA

€ millions	FY16	FY17	FY18
Operating Profit	(71)	(74)	(74)
Financial income (expense)	696	797	482
Non-recurring items	(22)	129	(21)
Income tax	160	114	179
NET PROFIT	764	967	566

PROFIT OF €566M, DOWN -€401M, MAINLY DUE TO FINANCIAL INCOME AND NON-RECURRING ITEMS

PROPOSED DIVIDEND: €2.36 PER SHARE

	FY14	FY15	FY16	FY17	FY18 ¹
Dividend	1.64	1.80	1.88	2.02	2.36

- **PROPOSED DIVIDEND INCREASE: +17% VS. FY17**
- **PAYOUT RATIO OF 41% ²**

¹ The FY18 dividend will be submitted for approval to the Annual General Meeting of 21 November 2018

² Reflecting the Group's new policy of gradually increasing cash distribution from approximately one-third of Group Net Profit from Recurring Operations to c. 50% by FY20 (announced on 19 April 2018)

FIRST QUARTER

FY19



Pernod Ricard
Créateurs de convivialité

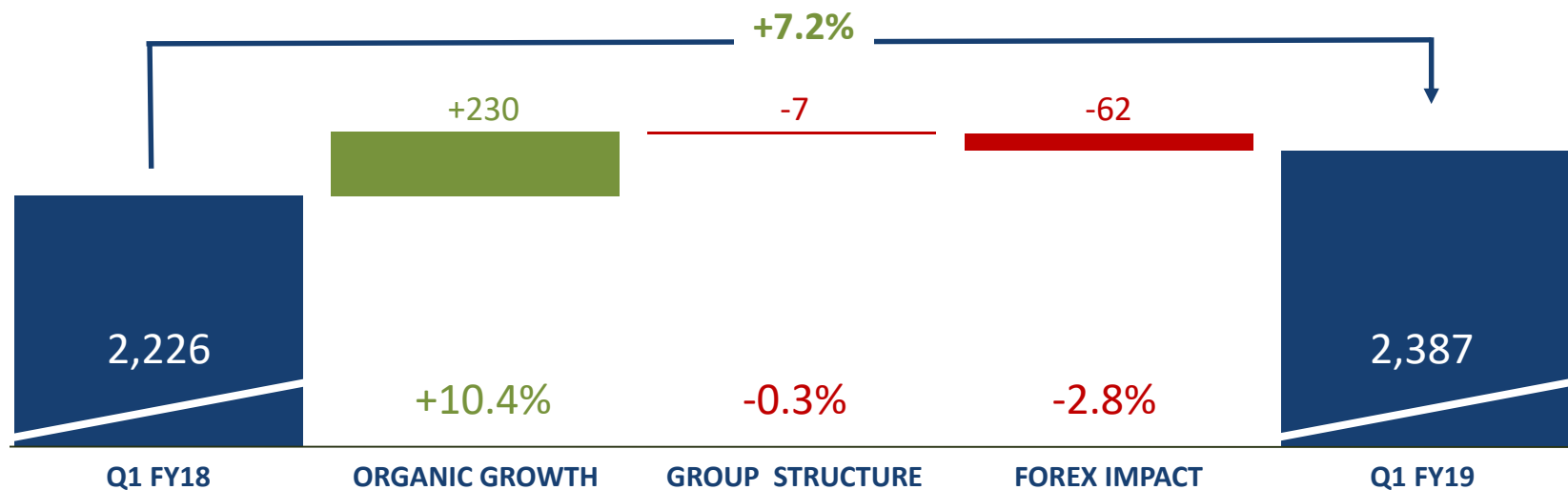
VERY STRONG START: +10.4%, FAVOURED BY TECHNICAL IMPACTS

Growth to moderate in full-year FY19

- **MODEST GROWTH IN THE AMERICAS: +2%**
- **VERY DYNAMIC ASIA-ROW: +23%**
- **MIXED PERFORMANCE IN EUROPE: +1%**
- **ACCELERATION DRIVEN BY STRATEGIC INTERNATIONAL AND LOCAL BRANDS**
- **PRICE / MIX IMPROVING: +2.9%**

KEY FIGURES Q1 FY19

€ millions



OUTLOOK



Pernod Ricard
Créateurs de convivialité

ALEXANDRE RICARD

CHAIRMAN & CHIEF EXECUTIVE OFFICER



Pernod Ricard
Créateurs de convivialité

OUTLOOK FOR FY19

For FY19, in an uncertain geopolitical and monetary environment, Pernod Ricard expects:

- **Broad-based Sales growth to continue, albeit moderating vs. Q1 FY19 in Asia**
- **Improved pricing vs. FY18**
- **Pressure on input costs**
- **FX impact on Profit from Recurring Operations slightly negative¹**

CONFIRMATION OF FY19 GUIDANCE:

ORGANIC GROWTH IN PROFIT FROM RECURRING OPERATIONS BETWEEN +5% AND +7%

¹ Based on average FX rates projected at 12 October 2018, particularly a EUR/USD rate of 1.16

BOARD OF DIRECTORS & COMMITTEES



Pernod Ricard
Créateurs de convivialité

THE BOARD OF DIRECTORS



MS VERONICA VARGAS
DIRECTOR



MR PIERRE PRINGUET
VICE-CHAIRMAN
OF THE BOARD OF DIRECTORS



MR ALEXANDRE RICARD
CHAIRMAN OF THE BOARD
& CEO



MS NICOLE BOUTON
INDEPENDENT
DIRECTOR



MR WOLFGANG COLBERG
INDEPENDENT
DIRECTOR



MR STÉPHANE EMERY
DIRECTOR REPRESENTING
THE EMPLOYEES



MR HERVÉ JOUANNO
EMPLOYEE REPRESENTATIVE
(NON DIRECTOR)



MR PAUL-CHARLES RICARD
PERMANENT REPRESENTATIVE
OF SOCIÉTÉ PAUL RICARD,
DIRECTOR



MS KORY SORENSON
INDEPENDENT
DIRECTOR



MR IAN GALLIENNE
INDEPENDENT
DIRECTOR



MR CÉSAR GIRON
DIRECTOR



MR GILLES SAMYN
INDEPENDENT
DIRECTOR



MS ANNE LANGE
INDEPENDENT
DIRECTOR



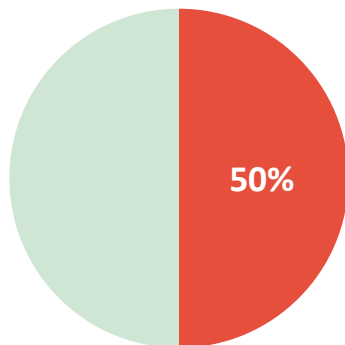
**MS MARTINA
GONZALEZ-GALLARZA**
DIRECTOR



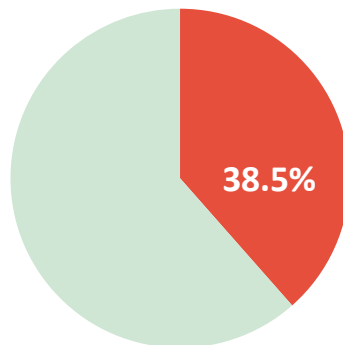
THE BOARD OF DIRECTORS

COMPOSITION OF THE BOARD: 13 MEMBERS
(INCLUDING 1 DIRECTOR REPRESENTING THE EMPLOYEES)

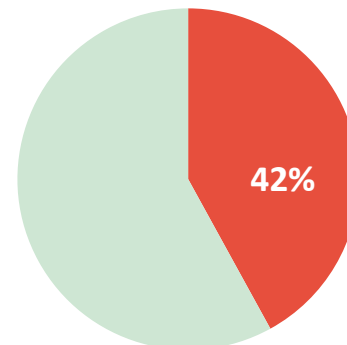
INDEPENDANCE RATE⁽¹⁾



INTERNATIONALISATION RATE



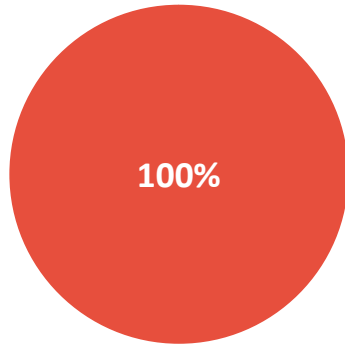
FEMALE RATIO⁽¹⁾



⁽¹⁾ In accordance with the Afep-Medef rules, the Director representing the employees is not taken into account.

THE BOARD OF DIRECTORS

ATTENDANCE RATE



MAIN ACTIVITIES IN FY18

- Drawing up of the **annual and half-year financial statements**
- **Review of the budget**
- **Preparation of the Annual Shareholders' Meeting** (notably draft resolutions)
- **Review and validation of the Group strategy**
- **Establish the FY19 compensation policy** for the Chairman & CEO and **evaluate his variable compensation** for the past financial year without him being present
- **Executive session** relating to the operations of the Board and its Committees (without the Directors from the Top Management in attendance)
- Carrying out **an external and formal review** of its operations with the support of an external consulting firm
- Examination of **governance issues**

THE BOARD OF DIRECTORS

4 DEDICATED COMMITTEES

- **Audit Committee**
- **Nominations, Governance and CSR Committee**
- **Compensation Committee**
- **Strategic Committee**

THE AUDIT COMMITTEE



KORY SORENSON



WOLFGANG COLBERG
CHAIRMAN

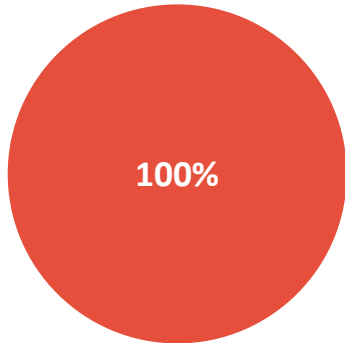


GILLES SAMYN

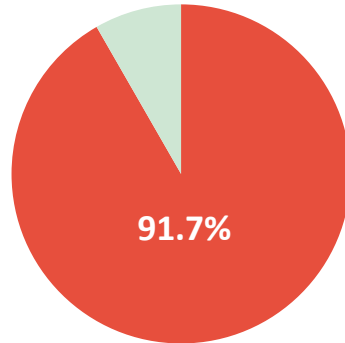
THE AUDIT COMMITTEE

MAIN ROLES

INDEPENDANCE
RATE



ATTENDANCE
RATE



- **Review** of the Group's draft **annual and half-year statements** (Parent Company and consolidated)
- **Follow up on the Treasury and Group debt**
- **Review of all significant risks** and assessment of risk management by the Group
- **Assessment of the internal controls' systems** and review of the internal audit plans and actions

THE NOMINATIONS, GOVERNANCE AND CSR COMMITTEE



WOLFGANG COLBERG



NICOLE BOUTON
CHAIRWOMAN

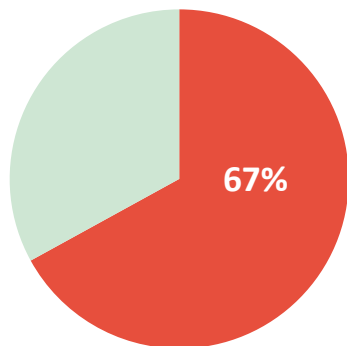


CÉSAR GIRON

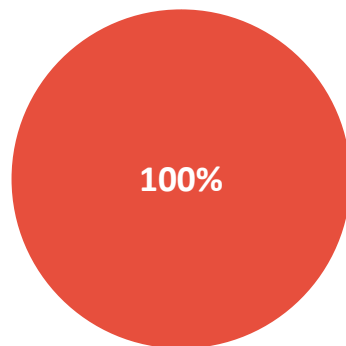
THE NOMINATIONS, GOVERNANCE AND CSR COMMITTEE

MAIN ROLES

INDEPENDENCE
RATE



ATTENDANCE
RATE



- Reflection on the **governance of the Group**
- **Review of the composition of the Board and the independence** of the Directors
- Periodic assessment of the **operation of the Board**
- Review of the Group's S&R challenges and performance
- Proposal of matters to be examined to **improve the operation of the Board of Directors**

THE COMPENSATION COMMITTEE



KORY SORENSON



IAN GALLIENNE



NICOLE BOUTON
CHAIRWOMAN



PIERRE PRINGUET



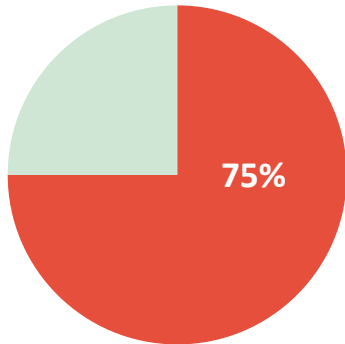
STEPHANE EMERY

DIRECTOR REPRESENTING THE EMPLOYEES

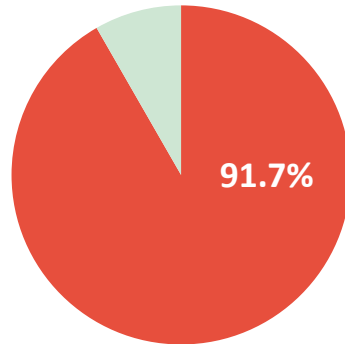
THE COMPENSATION COMMITTEE

MAIN ROLES

INDEPENDANCE
RATE



ATTENDANCE
RATE



- Review of the **Chairman & CEO's compensation policy** and the variable portion of his compensation for FY18
- **Review of market practices** as part of the annual fixed compensation of the Chairman & CEO
- Review of the **Board attendance fees**
- Review of the **supplementary pension scheme** of the Chairman & CEO

THE STRATEGIC COMMITTEE



ALEXANDRE RICARD
CHAIRMAN



ANNE LANGE



WOLFGANG COLBERG



IAN GALLIENNE



CÉSAR GIRON

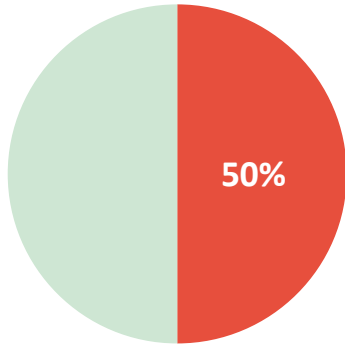


PIERRE PRINGUET

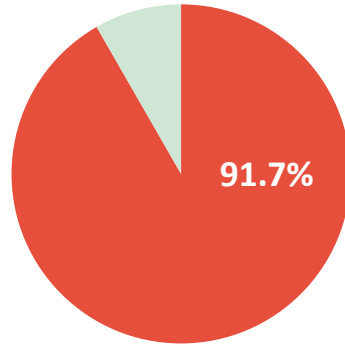
THE STRATEGIC COMMITTEE

CREATED IN FEBRUARY 2015

INDEPENDANCE
RATE



ATTENDANCE
RATE



MAIN ROLES

- **Review of the key strategic issues** of the Group
- Review of the **Group's cybersecurity roadmap**
- **Review of the** Group's financial policy

EXECUTIVE DIRECTOR'S COMPENSATION POLICY



Pernod Ricard
Créateurs de convivialité

NICOLE BOUTON

CHAIRWOMAN OF THE COMPENSATION COMMITTEE



Pernod Ricard

Créateurs de convivialité

EXECUTIVE DIRECTOR'S COMPENSATION POLICY

Two resolutions submitted to vote

VOTE « EX-POST »

**Approval vote on the compensation due
or granted for FY18
(Resolution n°11)**

VOTE « EX-ANTE »

**Approval on the compensation policy
(Resolution n°10)**

FY18 ITEMS OF COMPENSATION OF EXECUTIVE DIRECTOR – VOTE EX-POST

Fixed Compensation	€950,000 unchanged since his appointment in February 2015	
Variable Compensation	€1,534,155 161.49% of fixed compensation (target 110% and max 180%)	
Stock-options and Performance- based shares	25 050 stock options 4 000 performance-based shares 6 600 performance-based shares	External performance condition (3 years) Internal performance condition (3 years) Internal and external performance condition (3 years)
Supplementary pension scheme	Grant of performance-based shares: 460 shares with internal performance condition and 760 shares with internal and external performance condition (5% of fixed + variable compensation) Payment of €109,653 (5% of fixed + variable compensation)	
Other benefits	Company car / Collective healthcare and welfare schemes	

COMPENSATION PRINCIPLES FOR THE EXECUTIVE DIRECTOR – VOTE EX-ANTE

Fixed Compensation	€1,100,000 as of July 2018
Variable Compensation	Target : 110% – Max : 180% (Quantitative objectives: target 80% - Qualitative objectives: target 30%)
Stock-options and Performance-based shares	Max 150% of the annual fixed compensation
Deferred commitments	Non-compete clause + imposed departure clause : overall max. 24 months' compensation (fixed + variable)
Supplementary pension scheme	10% of his fixed + variable compensation (5% in performance-based shares and 5% in cash)
Multi-year variable compensation / exceptional compensation	No multi-year variable compensation nor exceptional compensation except in certain circumstances which must be precisely communicated and justified.
Other benefits	Company car / Collective healthcare and welfare schemes

STATUTORY AUDITORS' REPORTS



Pernod Ricard

Créateurs de convivialité

DAVID DUPONT-NOËL

DELOITTE & ASSOCIES



Pernod Ricard

Créateurs de convivialité

REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS AND ON THE STATUTORY ACCOUNTS

Pages 200-203 and 229-231 of the registration document

- **Objective:** obtain reasonable assurance that the financial statements do not contain any material misstatements and give a true and fair view of the assets and liabilities, of the financial position and of the results of operations for the year then ended
 - > Key audit matters detailed in our reports:
 - Consolidated financial statements: brands' valuation, tax risks, recoverability of deferred tax assets relating to tax loss carryforwards, post-employment benefit commitments
 - Statutory accounts: investments' valuation
 - > Unqualified opinion with no observations on both the group consolidated financial statements (IFRS) and the parent company financial statements (French GAAP)
- **No observations** on the Group and parent company management reports
- **Attestation of the accuracy and fair presentation of disclosures** on compensation and benefits paid to corporate officers

SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Pages 232-233 of the registration document

- **No new regulated agreements or commitments authorized during the year to be submitted to the approval of the Shareholder's Meeting**
- **Regulated agreements and commitments previously approved by the Shareholders' Meeting in prior years that remained in force during the financial year :**
 - > €2.5 bn Multicurrency Revolving Facility Agreement
 - > Loan from Pernod Ricard to Havana Club Holding (HCH)
 - > Commitments concerning Mr. Alexandre Ricard related to a non-compete clause, forced departure clause subject to performance conditions (compensation corresponding to 12 months' remuneration), and benefit of collective healthcare and welfare schemes

SPECIAL REPORTS REGARDING THE COMBINED SHAREHOLDERS' MEETING

Pages 247-248 of the registration document

Reports on the issue of shares or securities granting access to the share capital, reserved for employees and executive officers (13th and 14th resolutions)

- **Neither report contains observations, it being noted that:**
 - > The proposed transactions comply with the provision set out by law
 - > All necessary disclosures to enable you to assess the proposed cancellation of shareholder preferential subscription rights have been brought to your attention
 - > As the final terms and conditions of the issuances have not yet been determined, we do not express an opinion on the terms and conditions under which the issuances will be made, or on the proposed cancellation of preferential subscription rights.
 - > We will issue an additional report, if necessary, when your Board of Directors uses the authorisation to issue shares or securities

PRESENTATION OF THE RESOLUTIONS



Pernod Ricard
Créateurs de convivialité

PHILIPPE PROUVOST

SECRETARY OF THE BOARD OF DIRECTORS



Pernod Ricard

Créateurs de convivialité

ORDINARY RESOLUTIONS

FIRST RESOLUTION

APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2018

The purpose of this resolution is to approve the financial statements for the financial year ended 30 June 2018, which show a net profit of €565,822,840.50.

ORDINARY RESOLUTIONS

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The purpose of this resolution is to approve the consolidated financial statements for the financial year ended 30 June 2018.

ORDINARY RESOLUTIONS

THIRD RESOLUTION

ALLOCATION OF THE NET RESULT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 AND SETTING OF THE DIVIDEND

The purpose of this resolution is to allocate the results for the financial year ended 30 June 2018.

It is proposed to set the dividend at €2.36 per share. An interim dividend payment of €1.01 having been paid on 6 July 2018, the balance amounting to €1.35 per share would be detached on 28 November 2018 and paid on 30 November 2018.

ORDINARY RESOLUTIONS

FOURTH RESOLUTION

APPROVAL OF THE REGULATED AGREEMENTS AND COMMITMENTS REFERRED
TO IN ARTICLES L. 225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

The purpose of this resolution is for you to approve the regulated agreements and commitments described in the Statutory Auditors' special report.

ORDINARY RESOLUTIONS

FIFTH RESOLUTION

RENEWAL OF THE DIRECTORSHIP OF MS MARTINA GONZALEZ-GALLARZA

It is proposed that, by voting on this resolution, you renew the directorship of Ms Martina Gonzalez-Gallarza for a term of 4 years.

ORDINARY RESOLUTIONS

SIXTH RÉSOLUTION

RENEWAL OF THE DIRECTORSHIP OF MR IAN GALLIENNE

It is proposed that, by voting on this resolution, you renew the directorship of Mr Ian Gallienne for a term of 4 years.

ORDINARY RESOLUTIONS

SEVENTH RESOLUTION

RENEWAL OF THE DIRECTORSHIP OF MR GILLES SAMYN

It is proposed that, by voting on this resolution, you renew the directorship of Mr Gilles Samyn for a term of 4 years.

ORDINARY RESOLUTIONS

EIGHTH RESOLUTION

APPOINTMENT OF MS PATRICIA BARBIZET AS A DIRECTOR

It is proposed that, by voting on this resolution, you appoint Ms Patricia Barbizet as Director for a term of 4 years.

ORDINARY RESOLUTIONS

NINTH RESOLUTION

SETTING OF THE ANNUAL AMOUNT OF DIRECTORS' FEES

The purpose of this resolution is to set the aggregate annual amount of Directors' fees allocated to the Board of Directors for the current financial year at €1,250,000.

ORDINARY RESOLUTIONS

TENTH RESOLUTION

APPROVAL OF THE COMPENSATION POLICY ITEMS APPLICABLE TO
MR ALEXANDRE RICARD, CHAIRMAN & CEO

The purpose of this resolution is to submit for your approval the compensation policy items applicable to Mr Alexandre Ricard, Chairman & CEO, as described in pages 59 to 65 of the Registration Document.

ORDINARY RESOLUTIONS

ELEVENTH RÉSOLUTION

APPROVAL OF THE COMPONENTS OF THE COMPENSATION DUE OR GRANTED FOR FY18 TO
MR ALEXANDRE RICARD, CHAIRMAN & CEO

The purpose of this resolution is to submit for your approval the elements of compensation due or granted to Mr Alexandre Ricard, Chairman & CEO, for FY18 as described in pages 65 to 67 of the Registration Document.

ORDINARY RESOLUTIONS

TWELFTH RESOLUTION

AUTORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO REPURCHASE
THE SHARES OF THE COMPANY

The purpose of this resolution is to allow the Company to trade in its own shares:

- Period of validity: **18 months**
- Maximum purchase price per share: **€240**
- Maximum holding: **10% of the share capital**

EXTRAORDINARY RESOLUTIONS

THIRTEENTH RESOLUTION

SHARE CAPITAL INCREASES RESERVED FOR MEMBERS OF COMPANY SAVINGS PLANS

The purpose of this resolution is to authorise such share issues:

- Period of validity: **until 8 January 2020***
- Maximum amount: **2% of the share capital (common cap with 14th resolution)**

** Expiry date of the 15th resolution of the Shareholders' Meeting of 9 November 2017*

EXTRAORDINARY RESOLUTIONS

FOURTEENTH RESOLUTION

SHARE CAPITAL INCREASES RESERVED FOR CERTAIN CATEGORIES OF BENEFICIARIES

The purpose of this resolution is to authorise such share issues:

- **Period of validity: until 8 January 2020***
- **Maximum amount: 2% of the share capital (common cap with 13th resolution)**

**Expiry date of the 15th resolution of the Shareholders' Meeting of 9 November 2017*

EXTRAORDINARY RESOLUTIONS

FIFTEENTH RESOLUTION

AMENDMENT TO ARTICLE 11, III OF THE COMPANY'S BYLAWS TO ALIGN THE NOTIFICATION PERIOD
OF A STATUTORY THRESHOLD CROSSING WITH THE LEGAL PERIOD

**It is proposed to align the current notification period of fifteen (15) days' for
statutory threshold crossings to the four (4) day period applicable to legal thresholds.**

EXTRAORDINARY RESOLUTIONS

SIXTEENTH RESOLUTION

AMENDMENT TO ARTICLE 11, III OF THE COMPANY'S BYLAWS TO INCLUDE THE ASSIMILATED SHARES IN THE STATUTORY THRESHOLD CROSSING NOTIFICATIONS

The following shares would thus be taken into account to calculate the statutory thresholds:

- Shares deemed to be held by the person required to provide the information; and
- Shares assimilated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code

EXTRAORDINARY RESOLUTIONS

SEVENTEENTH RESOLUTION

AMENDMENT TO ARTICLE 29 OF THE COMPANY'S BYLAWS TO REMOVE THE REFERENCE TO THE
ALTERNATE STATUTORY AUDITORS

It is proposed to delete the reference to the alternate Statutory Auditors to comply with the “Sapin 2” law of 9 December 2016.

EXTRAORDINARY RESOLUTIONS

EIGHTEENTH RESOLUTION

POWERS TO CARRY OUT THE NECESSARY LEGAL FORMALITIES

The purpose of this resolution is to authorise the Board of Directors to carry out the required legal formalities that follow the decisions of the Shareholders' Meeting.

QUESTIONS FROM SHAREHOLDERS



Pernod Ricard
Créateurs de convivialité

VOTE ON THE RESOLUTIONS



Pernod Ricard
Créateurs de convivialité

CLOSING



Pernod Ricard
Créateurs de convivialité



Pernod Ricard

Créateurs de convivialité