Press release - Paris, 12th December 2018

Pernod Ricard responds to Elliott Management's communication

Pernod Ricard (EPA: RI) notes the public statement from the activist fund Elliott. Shareholder engagement is a priority for the Company and Pernod Ricard values constructive input from its shareholders, towards the shared goal of enhancing long-term value creation. While it is the Company's policy not to comment on interactions with specific shareholders, it is important to note that members of Pernod Ricard's senior management team have held discussions with Elliott over the past few weeks. The Pernod Ricard Board of Directors and management team are committed to acting in the best interests of the Company and its shareholders and will continue to take action to achieve this important objective.

As the world's second-largest wine and spirits company, with the best positioned portfolio in the industry and strong innovation capabilities, Pernod Ricard is well placed to continue to execute on its strategic roadmap and fulfill consumers' aspirations. We have established a foundation built on operational excellence, talent management, sustainability and responsibility, and route to market / consumer. These are essential to our company and we are determined to continue to transform and accelerate to set te pace within a changing industry and consumer landscape. Consequently, over the past three years, the Pernod Ricard Board of Directors and management team have executed a new strategic consumer-centric model aimed at transforming each consumption moment into a true convivial experience. As part of this strategic model, the Company has focused on areas that will leverage the fundamentals that underpin its success: a complete portfolio of Premium brands, premiumisation and luxury, innovation and digital acceleration.

These actions are yielding results:

- Sales and profits from recurring operations increased 6% and 6.3% respectively in 2017/18 compared to 3.6% and 3.3% during the prior year, which is already above the mid-term guidance of 4 to 5% top line growth shared with our investors in 2015
- This growth is diversified and spread across all regions and categories. Importantly, innovation represents a third of this growth. We have also become the leader in Ultra-Premium and Prestige segments, with our luxury portfolio growing 10% over the past year
- Our operational excellence initiatives (€200m savings in P&L and €200m savings in cash) are also delivering ahead of plan, with nearly 2/3 of cost savings already achieved and 50% reinvested into the business
- We have also achieved a record level of free cash flow of €1.4bn (+77% increase since 2014/15) and significantly reduced debt down to 2.6x Net Debt / EBITDA
- The acceleration of our top line growth was confirmed during our Q1 communication

At our recent shareholders' meeting, we confirmed our guidance for 2018/19 of 5 to 7% organic growth on profit from recurring operations. We also announced our new strategic plan "Transform and Accelerate" the objective of which is to solidify the acceleration of our growth while pursuing our transformation. Pernod Ricard will further communicate on February 7th, 2019 during the H1 2019 results announcement on its financial performance.

Pernod Ricard's Board is composed of 14 highly qualified and diverse directors who bring together a wide variety of consumer brand management, marketing, operational and finance expertise, as well as public company board and senior executive experience. Moreover, the Company has demonstrated a commitment to Board refreshment, having added three directors over the last three years and most recently Patricia Barbizet. Patricia will bring her expertise in terms of governance, management, retail and luxury. The Board regularly evaluates its composition to ensure the appropriate skills and experience necessary to drive growth for all Pernod Ricard shareholders and will continue to do so.

Alexandre Ricard stated: "*We are a Group with strong family values committed to long-term value creation. Over the past three years, we have created more than €11bn of value and our share price has increased by +37.7%, significantly outperforming the CAC40 index (+5.6%) and the Eurostoxx Food & Beverage index (-13.4%). That being said, long-term value creation is not measured by share price performance alone but by taking into account the interests of all stakeholders: our shareholders, our 19,000 employees, our consumers, our partners and suppliers. Our strategy is working and is the right one combining short-term profitability and sustainable, profitable and responsible growth under a consistent and long-term roadmap*."

About Pernod Ricard

Pernod Ricard is the world's n°2 in wines and spirits with consolidated Sales of €8,987 million in FY18. 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 18,900 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.

Pernod Ricard Contacts	
Julia Massies/VP, Financial Communication & Investor Relations	+33 1 41 00 42 02
Adam Ramjean/Investor Relations Manager	+33 1 41 00 41 59
Olivier Cavil, Group Communications Director	+33 1 41 00 40 96
Fabien Darrigues/External Communications Director	+33 1 41 00 44 86
Emmanuel Vouin/Press Relations Manager	+33 1 41 00 44 04