Pernod Ricard

Créateurs de convivialité

2018/19 HALF-YEAR
SALES AND RESULTS

7 February 2019

Contents

All growth data specified in this presentation refers to organic growth, unless otherwise stated.
Data may be subject to rounding.

This presentation can be downloaded from our website: www.pernod-ricard.com
Limited audit procedures have been carried out on the half-year financial statements. The Auditors' report on their limited review is being prepared and will be available on our website: www.pernod-ricard.com

Executive summary

Pernod Ricard

+7.8%

Organic Sales

+12.8%

Organic PRO

Very strong H1, further enhanced by phasing

Continued dynamic growth, thanks to consistent implementation of medium-term growth and operational excellence roadmap:

- **good diversified growth**
- **strong price / mix,** particularly on Strategic International Brands
- positive impact of **earlier Chinese New Year**[1] which will unwind in H2
- **significant progress on FY16-20 Operational Excellence roadmap**: expectation is to complete €200m P&L savings by end June 2019, one year ahead of plan

Very strong financial delivery

- excellent Profit from Recurring Operations ("PRO") **organic margin improvement** enhanced by timing of CNY[1] and A&P phasing
- negative impact of FX due to weakening emerging market currencies: **-€26m impact on PRO and €69m increase in Net Debt**
- **recurring Free Cash Flow**: €622m, -€68m vs. H1 FY18 due mainly to increased working capital to support business growth
- continued deleveraging with **Net debt reduction of c.€0.2bn** to €7.2bn vs. 31 Dec 2017 and **Net debt / EBITDA at 2.6**[2] vs 2.9 at 31 Dec 2017

1. *CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018*
2. *Based on average EUR/USD rates: 1.18 in 2018 vs. 1.13 in 2017*

Pernod Ricard

Key figures

+11%[2]

Recurring Net profit[1]

€585m

Free Cash Flow

	H1 FY19	H1 FY19 vs. H1 FY18	
		Reported	Organic
Sales	**€ 5,185 m**	+5.0%	**+7.8%**
Mature markets	*€ 2,897 m*		+1%
Emerging markets	*€ 2,288 m*		+18%
PRO	**€ 1,654 m**	+10.6%	**+12.8%**
PRO / Sales	**31.9%**	+160bps	**+148bps**
Net Profit from Recurring Operations[1]	**€ 1,105 m**	**+11%**	
Net Profit[1]	**€ 1,023 m**	**-11%**	
Free Cash Flow	**€ 585 m**	**-27%**	

1. Group share *2. Reported*

Sales: consolidation of dynamic growth

Pernod Ricard

+7.8%

Organic Sales

+5.0%

Reported Sales

Strong dynamism, reflecting consistent long-term investment

- **Americas:** robust growth **+4%,** with USA growing broadly in line with market
- **Asia-Rest of World:** strong acceleration **+16%**, thanks to very strong performance in China and India, with both markets further enhanced by technical factors[1], and Africa Middle East
- **Europe**: stable overall, with continued very good momentum in Eastern Europe but contrasted performance in Western Europe

Very strong performance across portfolio, with strong price/mix at +2.3%

- **Strategic International Brands: +10%**, strong growth driven by Martell, Jameson, Scotch, Gin and Champagne and very good price/mix effect at +5.9%
- **Strategic Local Brands: +11%,** acceleration thanks to Seagram's Indian whiskies (including positive pricing)
- **Specialty[2] Brands: +11%** with very strong growth of Lillet, Monkey 47 and Altos
- **Strategic Wines: -8%,** due to implementation of value strategy and high comparison basis on Campo Viejo (+23% in H1 FY18)

1 CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018; India: low comparison basis due to lapping highway ban in Q1 FY18
2 New category within House of Brands – cf p18&19 of this presentation

Sales analysis

Pernod Ricard

+7.8%

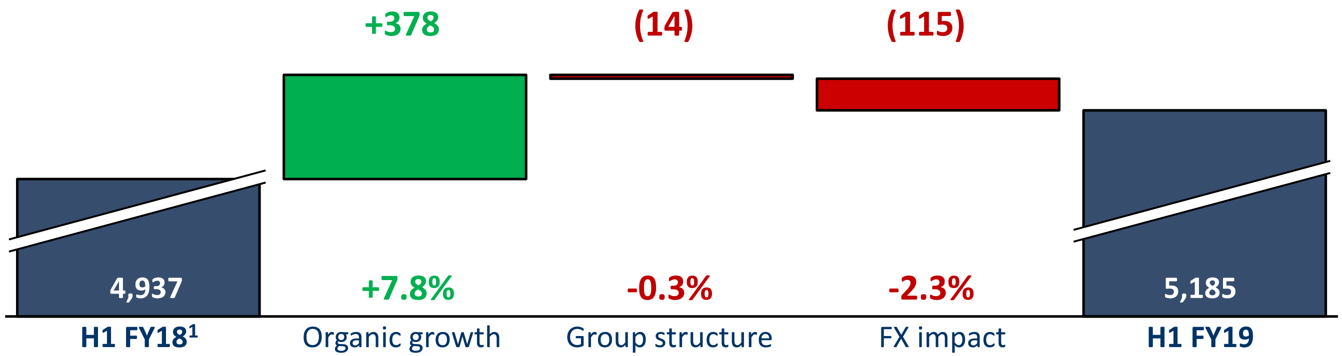
Organic Sales

+5.0%

Reported Sales

Sales growth vs. H1 FY18

Half-year (€ millions)



Very strong H1, driven by very dynamic Asia-RoW (partly enhanced by earlier CNY[2]), robust growth from Americas and stability in Europe

Positive impact of USD (1.15 in H1 FY19 vs. 1.18 in H1 FY18) **more than offset by weaker emerging market currencies** (TRY, INR and RUB)

Q2 FY19

- **Sales +5.6%**
- slower Q2 following Q1 enhanced by phasing and comparison base

1. *FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018*
2. *CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018*

Sales analysis

by region

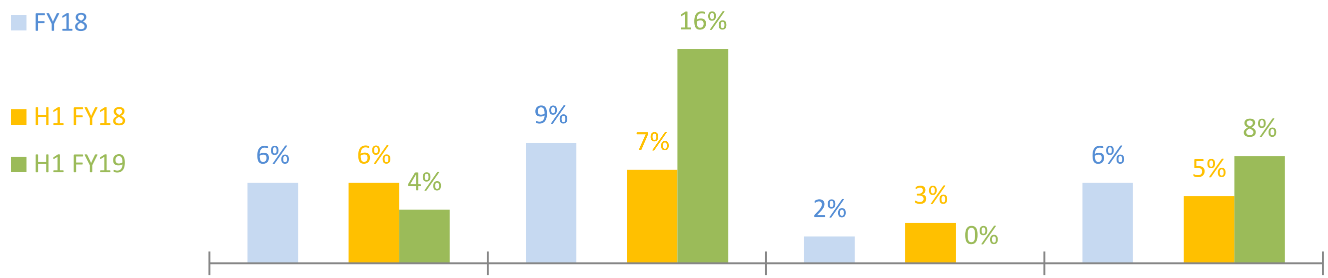
Pernod Ricard

+7.8%

Organic Sales

Organic Sales growth by region

Americas	Asia-RoW	Europe	World



Americas	Asia-RoW	Europe	World
Robust growth, with USA growing broadly in line with market	**Very dynamic growth** thanks to China and India, with both markets further enhanced by technical factors[1], and Africa Middle East	**Stable overall**, with continued strong momentum in Eastern Europe but contrasted performance in Western Europe	**Very strong H1**

% of Sales

Note: FY18 figures above are pre-restatement for IFRS 15 norm

1. CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018; India: low comparison basis due to lapping highway ban in Q1 FY18

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+4%

Sales in USA

USA: broadly in line with market

Strengthening position, following organisational and investment changes made in 2016:

- **performance broadly in line with market growth rate**[1]
- **price increases** on key brands
- **H2 finished goods' inventory optimisation at wholesalers** to deliver operational efficiencies across supply chain as part of new contracts:
  - **H2 shipments expected to be impacted by c. 1-2 weeks**
  - **savings generated to be redeployed** in additional in-State activation

Consistent brand portfolio strategy:

Nielsen / NABCA[2] *Annual Value*	Jameson	Absolut	Malibu	The Glenlivet	Martell	Altos	Avion
	+12% / +14%	-6% / -4%	+3% / +6%	+2% / +1%	+45% / +7%	+23% / +38%	+11% / +9%

- **Jameson:** continued strong growth, including price increases across the range
- **Absolut:** Flavours in growth driven by successful launch of Grapefruit however brand remains in decline. Launch of "Planet Earth's Favourite Vodka" campaign and Absolut Juice innovation in H2
- **Malibu:** continuing to outperform category. Pineapple and recent Lime innovations performing strongly
- **The Glenlivet:** price increases across range and Founder's Reserve performing well. Launch of 12-year-old first fill in October 2018
- **Growth relays gaining momentum:**
  - **Martell:** continuing to outperform Cognac category[2] with targeted price increases. Blue Swift building on success and rolling out nationwide. Performance accelerating in NABCA: 26wks +49%
  - **Altos and Avion Tequilas**: continued strong momentum with selected price increases

1. *Pernod Ricard internal estimate: market return to long term trend of +4% in 2018*
2. *Nielsen XAOC + liquor Plus 12 months to 5 Jan, 2019; NABCA 12 months to 31 December 2018 (excl Michigan)*

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+5%

Sales in Americas excl. USA

Americas excluding USA
Good growth

Travel Retail Americas: +6%

- **growth driven by Strategic International Brands**, in particular Scotch portfolio
- **positive price and mix**, particularly on Martell and Chivas

Canada

- **return to growth** thanks to Absolut, Jameson and The Glenlivet
- successful launch of Absolut "Planet Earth's Favourite Vodka" campaign in Q2 2018

Brazil: +6%

- **outperforming market[1],** with good sell-out for Absolut and Chivas, and strong performance of Passport and Beefeater
- softer Q2 following phasing impact in Q1 of truck driver strike

Mexico

- decline due to high comparison basis, particularly on Chivas
- **underlying mid-single-digit sell-out growth[1]** with market share gains in key premium categories

1 52wk Nielsen value data ending Nov 2018; Brazil market at -5%

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+16%

Sales in Asia-RoW

Asia-Rest of World

Excellent growth, resulting from consistent long-term investment

China: +28%, benefitting from earlier CNY[1]

- **Martell**
    - **very strong** performance across all qualities
    - very positive price and mix, with price increases and reduction in promotional spend. **Further +5% price increase in February 2019**
    - **H2 to be impacted by inventory management** of Martell, to ensure growth sustainability
- **Chivas:**
    - **continued double-digit growth**, with NBA sponsorship and Kris Wu endorsement resonating very well with consumers
    - long term growth relaunch plan now in second year and continuing to build momentum
- **Premium brands:** strong double-digit growth, in particular Absolut, The Glenlivet, Mumm and Jacob's Creek, as result of creation of Premium route-to-market

India: +24%

- **very good performance across portfolio,** with Scotch, Wines and Seagram's Indian whiskies all in strong double-digit growth, enhanced by low basis of comparison in Q1
- **positive pricing** with annualised impact of price increases across portfolio
- **positive mix**, both in terms of brands and States
- **market** leadership position consolidated[2]
- H2 expected in line with medium-term low-double-digit growth objective

1. *CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018*
2. *Pernod Ricard internal estimate*

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+16%

Sales in Asia-RoW

Asia-Rest of World

Excellent growth, resulting from consistent long-term investment

Africa / Middle East

- **double-digit growth** thanks in particular to Turkey (with strong pricing and solid volume growth), Nigeria, South Central and West Africa

Travel Retail Asia: +6%

- **growth driven by Martell and Chivas,** enhanced by the earlier CNY[1]
- launch of Chivas XV

Japan: +10%

- **strong growth driven by Strategic International Brands,** with particularly good performance, including **positive price and mix,** for Whisky and Champagne

Korea

- **H1 in decline** due to Imperial
- **significant change in route-to-market**
  - **Imperial distribution** to move to Drinks International in March 2019
  - **streamlined Pernod Ricard Korea organisation** to focus on Strategic International Brands

Australia

- **decline driven by Wines**, due to implementing value strategy and customer destocking
- **Jameson, The Glenlivet**, **Ballantine's and Kahlua** all performing strongly

1. CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018

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Stable

Sales in Europe

Europe

Western Europe: contrasted performance

France: -3%

- **difficult deflationary environment**
- pressure on Whiskies and Aniseed categories
- strong H1 shipments for Ricard ahead of retailer dispute started at end H1; H2 to slow

Spain: -2%

- modest decline in a decelerating market
- shipments and depletions almost stable in Q2 following stock correction in Q1
- continued **good performance of Seagram's Gin**

UK

- **decline driven by value approach on Wines,** with focus on Jacob's Creek's higher styles and less promotional activity on Campo Viejo, lapping high comparison basis in H1 FY18
- **out-performing spirits market** with double-digit sell-out[1]
- particularly strong performance on Gin (with very successful launch of **Beefeater Pink**) and Jameson

Germany

- **decline** driven by commercial dispute (expected to continue into H2) and impact of significant price increases on Ramazzotti
- **Lillet and Perrier-Jouët** remain in very strong growth

Travel Retail Europe

- **weaker performance** driven by negative environment in Russia and reduced promotional activity on Martell

1 Latest 52wk Nielsen value data available at end December 2018

Pernod Ricard

Stable

Sales in Europe

Eastern Europe: continued strong momentum

Russia: +7%

- performance in line with **strong underlying growth**[1]
- **good momentum on Strategic International Brands:** Ballantine's, Mumm, Martell and Beefeater in particular
- **strong double-digit growth** for Brancott Estate and Campo Viejo

Poland: +6%

- **outperforming market** (in slight decline[1])
- continued strong momentum from whiskies thanks to consumer trading up from local vodkas

Other markets

- strong performance in **Ukraine, Romania and Kazakhstan**

1 52wk Nielsen value data ending Nov 2018

Sales analysis

by category

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New "Specialty" brands category

House of brands sharpened as part of "Transform & Accelerate" 3-year plan

House of Brands

- **unique portfolio of Premium brands**, one of most extensive within wine and spirits industry
- portfolio structured as "House of Brands", dynamic prioritisation framework, with:
  - **13 Strategic International brands** at core of group priorities
  - **15 Strategic Local brands** building key strategic complement to reach local consumer needs in selected markets
  - **Premium wines** covering additional Moments of Convivialité
  - **New**: as recognition of incremental opportunity linked to increasing consumer demand for **smaller-scale "craft brands"**, set of brands identified as **"Specialty"**

What are Specialty Brands?

- brands crafted at **smaller scale, with focus on where, how and by whom** they are produced
- with **strong human connection** and consumer confidence
- often sold in specialists outlets, with complementary **route-to-market/route-to-consumer**
- represent c. 2% of global spirits market value and **3% of Pernod Ricard Sales**

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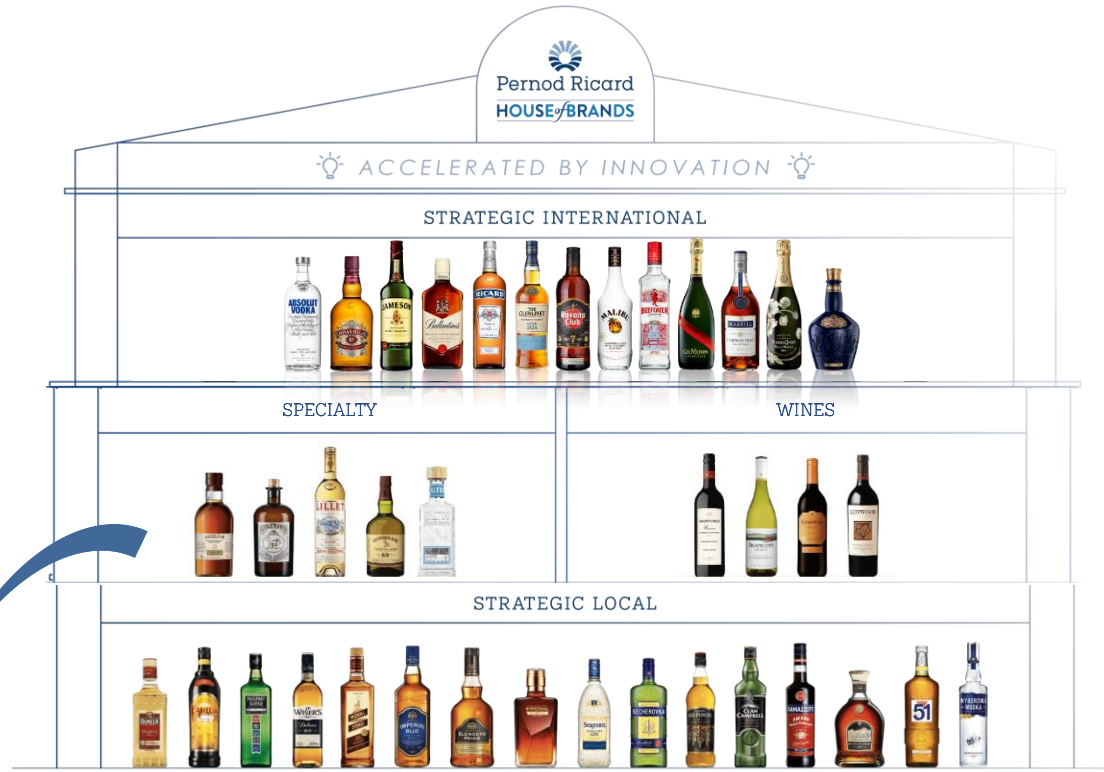
New House of brands

New “Specialty” brands category



SPECIALTY

Single Malts | Irish / Single Pot Still | Gins | Tequila & Mezcal | North American Whiskies | Others

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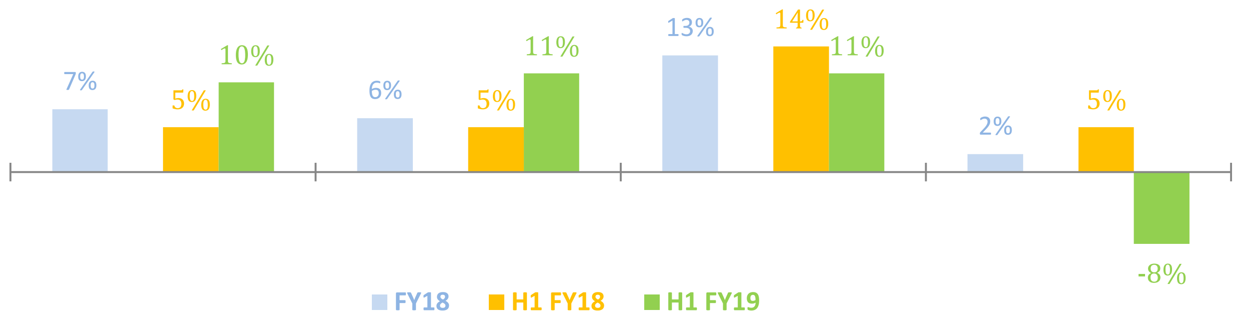
Very strong H1

+7.8%

Organic Sales

Strategic International Brands	Strategic Local Brands	Specialty Brands	Strategic Wines
Strong growth driven by Martell, Jameson, Scotch, Gin and Champagne and very good price/mix effect (+5.9%)	**Acceleration thanks to** Seagram's Indian Whiskies	**Very strong growth of Lillet, Monkey 47 and Altos**	**Implementation of value strategy in UK** and high basis of comparison on Campo Viejo



% of Sales

Innovation: delivering +2% incremental Group topline growth

Price / mix: +2.3%

Note: FY18 and H1 FY18 figures above are pre-restatement for IFRS 15 norm

Pernod Ricard

+10%

Strategic International Brands' Sales

Strategic International Brands
Strong performance driven by Martell, Jameson, Scotch, Gin and Champagne, with good price effect

Martell: +23%, with strong internationalisation

- **China:** excellent growth thanks to double-digit volumes, very positive price and mix, further benefitting from earlier CNY[1]. Further +5% price increase in China in February 2019.
- **Travel Retail Asia:** +12%, also favoured by earlier CNY
- **USA:** very dynamic, continuing to gain market share, including double digit price/mix
- **H2 to moderate** to bring volume growth in line with sustainable growth targets

Jameson: +8%, continued strong growth

- **USA:** +12%[2]/+14%[3], with continued strong momentum
- **price increases** across all regions, and positive mix
- **globalisation strategy gaining momentum**: double-digit growth in Asia and South America and high-single digit in Europe

Scotch Whiskies: +9%, strong acceleration

- **Chivas:** +7%, relaunch in China continuing to perform strongly. Strong performance also from Turkey, India and Japan
- **Ballantine's:** +8%, with strong growth in Russia, Latam and Asia-RoW
- **The Glenlivet:** +11%, driven by Eastern Europe, Asia-RoW and Americas
- **Royal Salute:** +15%, return to growth, with all regions performing strongly

1. CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018
2. Nielsen XAOC + liquor Plus 12 months to 5 Jan, 2019;
3. NABCA to 31 December 2018 (excl. Michigan)

Pernod Ricard

+10%

Strategic International Brands' Sales

Strategic International Brands

Strong performance driven by Martell, Jameson, Scotch, Gin and Champagne, with good price effect

Absolut: -1%

- **outside USA (>60% of Sales):** +4%, continued double-digit growth in Canada and Asia-RoW, and single-digit growth in Europe
- **USA**: -6%[1] /-4%[2], decline in difficult category. Launch of Grapefruit in H1 and "Planet Earth's Favourite Vodka" campaign in H2 after successful introduction in Canada, together with Juice innovation

Other brands: good overall growth

- **Ricard:** +5%, growth driven by customer shipments in France. H2 to be weaker
- **Malibu:** -5%, driven mainly by shipment phasing in USA, H2 to be stronger
- **Beefeater:** +9%, all regions performing strongly. Good development of Beefeater Pink, in particular in UK
- **Havana Club:** +1%, driven by Cuba
- **Mumm:** +2%, driven by Americas and Asia-ROW, most notably USA and China
- **Perrier-Jouët:** +12%, with all regions performing strongly

1. *Nielsen XAOC + liquor Plus 12 months to 5 Jan, 2019*
2. *NABCA to 31 December 2018 (excl. Michigan)*

Pernod Ricard

+11%

Strategic Local Brands' Sales

Strategic Local Brands
Growth acceleration driven by Seagram's Indian Whiskies

Seagram's Indian Whiskies: +23%
- **very dynamic** underlying demand with positive pricing across all brands
- favoured by basis of comparison (Q1 FY18 impacted by highway ban)

Kahlua: +1%
- **good performance from core**
- range rationalisation in USA

Seagram's Gin
- **good growth in Spain** partly offset by weaker performance in USA

Olmeca
- **dynamism in Africa Middle East, most notably in Turkey**

Pernod Ricard

+11%

Specialty Brands' Sales

Specialty Brands

Strong growth across all regions

Aberlour

- **double-digit growth in Asia-RoW** but difficult environment in France

Lillet: +38%

- **strong growth** driven by Germany, with continued share gains in booming aperitif segment
- double-digit growth in all regions, particularly France, Spain, UK and USA

Monkey 47: +21%

- **strong growth in all regions**
- very strong initial development in USA

Altos

- **double-digit performance** across Europe, Americas and Asia, most notably in USA

Avion

- **strong Sales in Europe and Asia-RoW**
- decline in USA due to shipment phasing; Sell-out +11%[1]

1. *Nielsen XAOC + liquor Plus 12 months to 5 Jan, 2019*

Pernod Ricard

-8%

Strategic Wines' Sales

Strategic Wines

Implementation of value strategy impacting H1 Sales – stronger H2 expected

Very strong price / mix: +4%

Campo Viejo: -9% vs +23% H1 FY18

- **high basis of comparison** and reduced promotional activity in UK
- dynamic **Sell-out at +18%[1] in USA**, thanks in particular to strong growth in Ontrade with launch of Cava, but negative shipment phasing and high comparison basis

Jacob's Creek

- decline driven by **value-based approach** in UK, with focus on Jacob's Creek higher styles
- continued development in Asia, with **double-digit growth** in China and India

Brancott Estate

- **decline** driven by Australia and New Zealand, in a very competitive environment

Kenwood

- **adverse H1/H2 shipment phasing** in USA

1. 52wk Nielsen value data ending 29 Dec 2018

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Innovation adding +2% to Group topline growth

Innovation and Luxury

Big Bets' strong momentum continues

Luxury portfolio accelerating

Innovation

- **continued strong momentum of Big Bets** (in particular Martell Blue Swift, Beefeater Pink, Lillet, Jameson Caskmates, Martell CB Extra, Altos, Absolut Lime and Jacobs Creek Double Barrel)
- **slow build innovations in strong development** (in particular Chivas Mizunara, Monkey 47, Del Maguey and Smooth Ambler)
- **premiumising impact** of innovation on overall portfolio: Sales/case significantly above Group average

Luxury: +19%

- representing **14% of Group** Sales in H1 FY19
- **Le Cercle Portfolio accelerating:** +19% vs. +11% in H1 FY18
- driven mainly by **China**, **USA** and **South East Asia**

Marketing, innovation and S&R

Pernod Ricard

Consumer centric

CHIVAS

Chivas becomes Manchester United's official partner

By joining forces, Chivas and Manchester United intend to proclaim to the world this shared conviction: together make us better, whether in life, in football or in whisky

BALLANTINE'S

Ballantine's x Boiler Room True Music

Ballantine's has renewed a three year partnership with Boiler Room, which has previously given more than 220 artists a global audience of more than 115 million viewers from more than 150 countries

Ballantine's is about bringing people together and encouraging them to be their true selves, and nothing does this quite like music

MARTELL

"Two cups, Martell pour it neat"

The superstar rapper Quavo is making Blue Swift THE trendy drink in the USA.

Having endorsed Martell for the last two years, this year, his Martell-related Instagram posts have generated 1.3M likes and he has also made two product placements in his music videos (120 million views in total.)

Quavo's love for the brand even led him to mention Martell in one of his songs, with a line that has gained popularity among his fans: "Two cups, Martell pour it neat."

Consumer centric

#BEACONVIVIALIST

Our first corporate campaign

Pernod Ricard launched on February1st its first major global corporate campaign, "Be A Convivialist". The dedicated platform (theconvivialists.com) hosts among other content a documentary, "The Power of Conviviality", collecting heartfelt testimonies of real people around the world evoking the importance of sharing genuine moments. After the early launch in China ahead of CNY and global roll-out, the campaign has already reached more than 30 million people.

JAMESON

Jameson Distillery Bow Street named 'World's Leading Distillery Tour" and alive on smartphone with AI

On Saturday 1 December the Jameson Distillery Bow St. was honoured with a prestigious award at the World Travel Awards held in Lisbon, Portugal.

Jameson now uses innovative artificial intelligence to offer immersive virtual tours of the Jameson Distillery Bow St. on smartphone!

ALTOS

Altos Huichol: when hand-crafted tequila and ancestral Huichol tradition meet

As part of House of Tequila's commitment to support communities in the Mexican state of Jalisco, the brand has launched several projects to improve the lives of people who live and work in the tequila sector. This time, Altos has collaborated with a Huichol community to produce Altos Huichol, an e-commerce exclusive in which every bottle is a unique piece of art

Innovation

ABSOLUT

Planet Earth's favorite vodka: an Out of Home Campaign in Canada to promote quality

Through the lenses of sustainability and purpose, this campaign promotes sustainability (drink good) combined with our equality messaging (do good). Present on more than 1000 billboards across Canada, it generated more than 34 millions impressions

Absolut Grapefruit, a new fruit flavour made with no added sugar and promoted via the campaign #NoSugarCoating.

Made with locally sourced winter wheat, water and natural flavours, Absolut Grapefruit offers a "fresh, fruity taste"

HAVANA CLUB

Havana Club unveils a new experimental range of rums exclusively for bartenders

Havana Club presented the world's first range of Cuban rums created with bartenders and exclusively for bartenders: the Havana Club Professional Edition range

Pernod Ricard

Innovation

MALIBU

Malibu connected bottles across Europe as part of Malibu Games

Malibu has scaled up this summer the connected bottle project with 300,000 NFC-labeled bottles. Consumers have the opportunity to join the Malibu Games 'Because Summer' experience through the connected bottle, by sharing their summer moments and Games' entries to win prizes. The UK bottle also features drinks recipes and rotating seasonal content.

KAHLUA

Kahlúa Espresso Martini RTD

Everywhere in the world, coffee is booming in all its forms. At the same time, consumers are waiting for more opportunities for homemade cocktails. This is where Kahlúa comes in, with the launch of its new Kahlúa Espresso Martini Ready-To-Drink

Pernod Ricard

Sustainability and responsibility

GLOBAL INITIATIVES

Strong recognition of Pernod Ricard's S&R efforts

Global Compact LEAD

Only Wine & Spirits company recognised for active participation in helping achieve the **United Nations Sustainable Development Goals** (32 companies globally)

Signatory of the New Plastics Economy
Led By The Ellen MacArthur Foundation

IARD partnership with leading social media platforms
Protecting minors from exposure to alcohol-related marketing online

Participation in the Women's Forum for the Economy and Society

Partnering with bartenders on sustainable practices
with Altos Tequila and Absolut Vodka

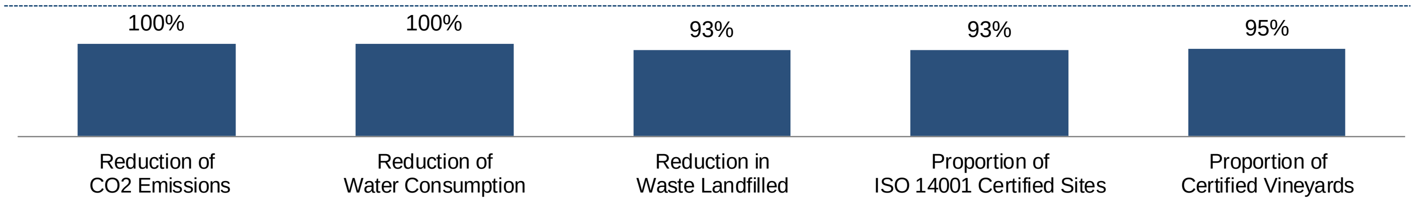
Pernod Ricard

Sustainability and responsibility

Greater than 90% achievement on all 2020 Environmental Objectives, 2 years ahead of target

Objectives

30% [1]	20% [1]	Zero Waste to landfill	100%	100%



Achievements

New Strategy including 2030 objectives will be communicated in Spring 2019

1. *Reduction per unit production between FY10 and FY18*

Profit from Recurring Operations

Summary income statement

+12.8%

Organic PRO

€ millions	H1 FY18[1]	H1 FY19	reported Δ	organic Δ
Sales	4,937	**5,185**	+5.0%	+7.8%
Gross margin after logistics costs (GM)	3,027	**3,239**	+7%	+9%
GM / Sales	*61.3%*	***62.5%***		*+71bps*
Advertising & prom. expenditure (A&P)	(771)	**(799)**	+4%	+5%
A&P / Sales	*15.6%*	***15.4%***		*-36bps*
Contribution after A&P expenditure (CAAP)	2,257	**2,440**	+8%	+10%
CAAP / Sales	*45.7%*	***47.1%***		*+107bps*
Profit from Recurring Operations (PRO)	1,496	**1,654**	+10.6%	+12.8%
PRO / Sales	*30.3%*	***31.9%***		*+148bps*

1. *FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018*

Pernod Ricard

+12.8%

Organic PRO

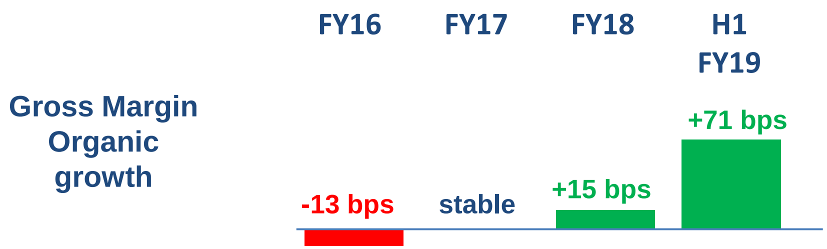
Excellent PRO growth

Very strong topline growth

- **acceleration** driven by Asia, further enhanced by earlier CNY[1]

Gross margin expansion +71bps, partially favoured by earlier CNY

- **improved pricing** driven by Martell, Seagram's Indian Whiskies, Chivas, Jameson and Perrier-Jouët
- **negative mix** impact due to acceleration of Seagram's Indian Whiskies, although their margin is improving
- COGS **inflationary pressure** mostly offset by **Operational excellence** initiatives



A&P: +5%

- reduction in A&P ratio due to **H1/H2 phasing**

Structure costs: +5%

- **strict discipline**, with reducing ratio

PRO +12.8% / +148bps

- **excellent H1 PRO performance**
- **faster completion of €200m** FY16-20 operational excellence roadmap P&L savings by end FY19
- **H2 margin to be softer** due to managing Martell growth sustainability, finished goods' inventory optimisation in USA and A&P phasing

1. *CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018*

Pernod Ricard

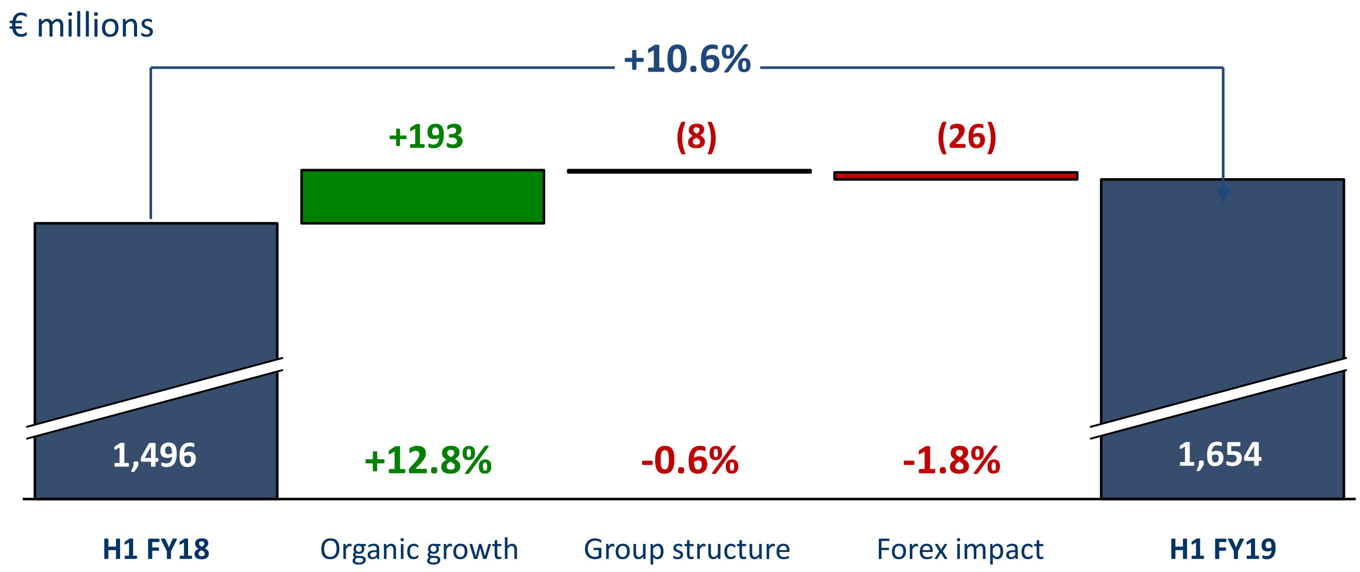
+12.8%

Organic PRO

+10.6%

Reported PRO

Change in PRO



Excellent H1

Negative impact driven by weaker Turkish Lira, Indian Rupee and Russian Ruble

For full-year FY19, positive FX impact on PRO of c. +€30m is expected[1]

1. Based on average FX rates for full FY19 projected on 24 January 2019, particularly EUR/USD = 1.14

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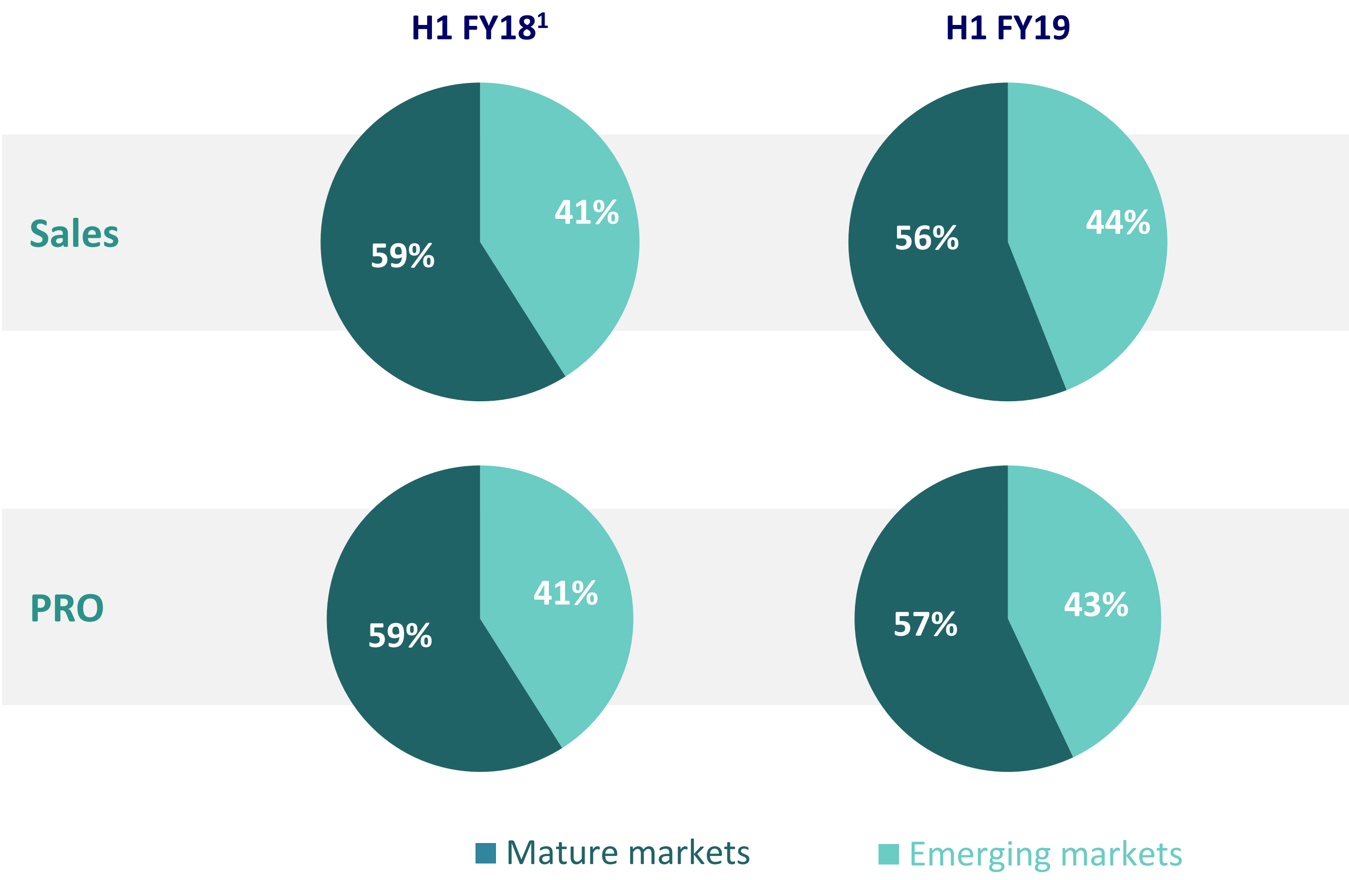
Increasing weight of Emerging Markets driven by dynamism in China, India and Africa Middle East

Analysis by market type



1: H1 FY18 Sales figures above are pre-restatement for IFRS 15 norm

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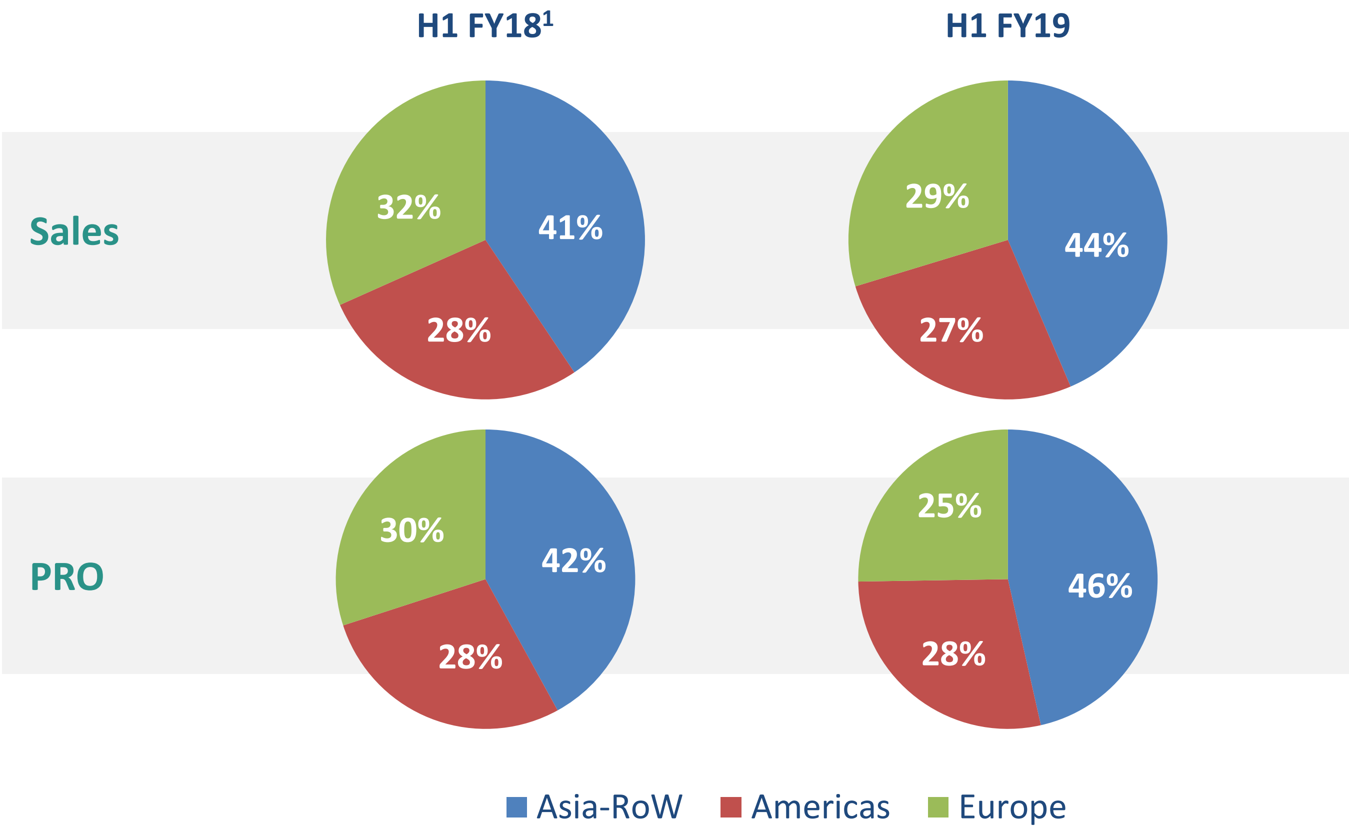
Healthy geographical balance

Analysis by region



Asia-RoW increase driven by dynamism in China and India, further enhanced by positive phasing to unwind in H2[2]

1. FY18 Sales figures above are pre-restatement for IFRS 15 norm
2. CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018

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+8%

Americas Organic PRO

Americas

Strong PRO growth driven by robust top line growth, A&P phasing and structure cost discipline

€ millions	H1 FY18[1]	H1 FY19	reported Δ	organic Δ
Sales	1,369	**1,389**	+1%	+4%
GM	908	**942**	+4%	+3%
GM / Sales	*66.3%*	***67.8%***		*-29bps*
A&P	(283)	**(276)**	-3%	-1%
A&P / Sales	*20.7%*	***19.8%***		*-101bps*
CAAP	625	**666**	+7%	+5%
CAAP / Sales	*45.6%*	***48.0%***		*+72bps*
PRO[2]	423	**470**	+11%	+8%
PRO / Sales	*30.9%*	***33.8%***		*+142bps*

- **robust organic Sales growth,** with USA growing in line with market
- **Gross margin rate in slight decline** due to negative mix and Agave cost inflation
- **A&P** at -1% due to phasing of investments to support priority brands (in particular Martell and Jameson in USA)
- **Structure cost increase at +1%**, thanks to strong discipline
- **positive FX** impact linked to USD strength

1. FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018
2. Head office costs allocated in proportion to CAAP

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+26%

Asia-RoW Organic PRO

Asia-Rest of World

Excellent PRO performance driven by topline growth, mix and pricing

€ millions	H1 FY18[1]	H1 FY19	reported Δ	organic Δ
Sales[2]	2,015	**2,266**	+12%	+16%
GM	1,166	**1,353**	+16%	+20%
GM / Sales	*57.9%*	***59.7%***		*+186bps*
A&P	(279)	**(309)**	+11%	+13%
A&P / Sales	*13.8%*	***13.6%***		*-34bps*
CAAP	887	**1,044**	+18%	+22%
CAAP / Sales	*44.0%*	***46.1%***		*+220bps*
PRO[3]	628	**766**	+22%	+26%
PRO / Sales	*31.2%*	***33.8%***		*+282bps*

- **Sales acceleration** driven by China (with earlier CNY[4] to unwind in H2) and India
- **significant Gross margin expansion** due mainly to price increases (Martell & Seagram's Indian whiskies)
- **A&P increase** broadly in line with topline growth, supporting key campaigns, particularly on Martell and Chivas in China
- Structure cost growth reflecting **targeted investment in growth relays**
- **negative FX impact** mainly due to weaker Turkish Lira and Indian Rupee

1. *FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018*
2. *Including customs duties*
3. *Head office costs allocated in proportion to CAAP*
4. *CNY: Chinese New Year on 5 February 2019 vs. 16 February 2018*

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-2%

Europe Organic PRO

Europe
Slight decline driven by contrasted performance and A&P phasing

€ millions	H1 FY18[1]	H1 FY19	reported Δ	organic Δ
Sales	1,552	**1,530**	-1%	*stable*
GM	953	**944**	-1%	+1%
GM / Sales	*61.4%*	***61.7%***		*+46bps*
A&P	(208)	**(214)**	+3%	+3%
A&P / Sales	*13.4%*	***14.0%***		*+42bps*
CAAP	745	**730**	-2%	*stable*
CAAP / Sales	*48.0%*	***47.7%***		*+4bps*
PRO[2]	445	**418**	-6%	-2%
PRO / Sales	*28.7%*	***27.3%***		*-69bps*

- **Sales growth stable,** with continued strong momentum in Eastern Europe but contrasted performance in Western Europe
- **Gross margin increase** thanks to operational excellence initiatives and positive mix (UK / Central Europe) and price (particularly Germany and UK)
- **A&P increase** in support of Strategic brands with increased H1 weighting, which will unwind in H2
- **Structure costs** at +1%, thanks to strong discipline
- **negative FX impact** mainly due to weaker Russian Ruble

1. FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018
2. Head office costs allocated in proportion to CAAP

Net profit

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Group share of Net Profit from Recurring Operations and EPS

€ millions	H1 FY18	H1 FY19	Reported Δ
Profit from Recurring Operations	1,496	1,654	+10.6%
Financial income (expense) from recurring operations	(153)	(157)	+2%
Income tax on recurring operations	(333)	(379)	+14%
Minority interests and other	(16)	(13)	
Group share of Net Profit from Recurring Operations	**994**	**1,105**	**+11%**
Diluted net earnings per share from recurring operations "EPS" (€/share)	**3.74**	**4.16**	**+11%**

- increase of **+11% in Net Profit from Recurring Operations and EPS**, thanks mainly to excellent improvement in Profit from Recurring Operations
- Tax rate on recurring items **close to 25% in H1**, in line with FY18
  - for full-year FY19, tax rate of c. 26% expected (as anticipated in 29 August 2018 communication)
- **minor increase in financial expenses**, mainly due to higher short-term USD interest rate over period and FX effect (stronger USD) to lesser extent

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Group share of Net profit

€ millions	H1 FY18	H1 FY19	Reported Δ
Profit from Recurring Operations	**1,496**	**1,654**	**+10.6%**
Non-recurring operating income and expenses	62	(66)	
Operating profit	**1,558**	**1,588**	**+2%**
Financial income (expense) from recurring operations	(153)	(157)	
Non-recurring financial items	4	1	
Corporate income tax	(246)	(397)	
Non-controlling interests and other	(16)	(13)	
Group share of net profit	**1,147**	**1,023**	**-11%**

- **-€66m non-recurring operating expense** driven mainly by one-off, non-cash, Allied Domecq pension fund re-evaluation (following equalisation reform)
- **higher total tax charge in H1 FY19 vs. H1 FY18, mainly driven by non-recurring positive one-off effects in H1 FY18** (French 3% tax on dividends reimbursement and revaluation of USA deferred tax pursuant to USA Tax reform)
- reduction in Group share of Net profit despite **excellent improvement in Profit from Recurring Operations** due to non-recurring items (including tax)

Cashflow

& Debt

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€622m

Recurring Free Cash Flow

Cash flow statement

€ millions	H1 FY18	H1 FY19	reported Δ	% Δ
Profit from Recurring Operations	**1,496**	**1,654**	**+158**	**+10.6%**
Amortisation, depreciation and provision movements and other	106	**101**	(5)	
Self-financing capacity from recurring operations	**1,602**	**1,756**	**+154**	**+10%**
Decrease (increase) in strategic stocks[1]	*31*	***(7)***	*(38)*	
Decrease (increase) in operating WCR	*(485)*	***(644)***	*(159)*	
Decrease (increase) in recurring WCR	(453)	**(651)**	(198)	
Non-financial capital expenditure	(135)	**(130)**	+5	
Financial income (expense) and taxes	(324)	**(353)**	(29)	
Recurring Free Cash Flow	**690**	**622**	**(68)**	**-10%**
Non-recurring items	109	**(37)**	(146)	
Free Cash Flow (FCF)	**799**	**585**	**(214)**	**-27%**

1. *Ageing stocks and wine inventories*

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€585m

Free Cash Flow

Free Cash Flow below H1 FY18, mainly due to lapping positive non-recurring items

Free Cash Flow of €585m

- **Recurring Free Cash Flow at €622m, -€68m vs H1 FY18:**
  - excellent Profit from recurring operations (+10.6%)
  - increase in strategic inventories to sustain future growth (following positive variation in H1 FY18)
  - negative WCR variation mainly coming from business growth
- **Non-recurring Free Cash Flow of -€37m, below H1 FY18 due to non-repeat of:**
  - one-off sale of bulk Scotch inventory in H1 FY18
  - reimbursement of French 3% tax on FY13-17 dividends

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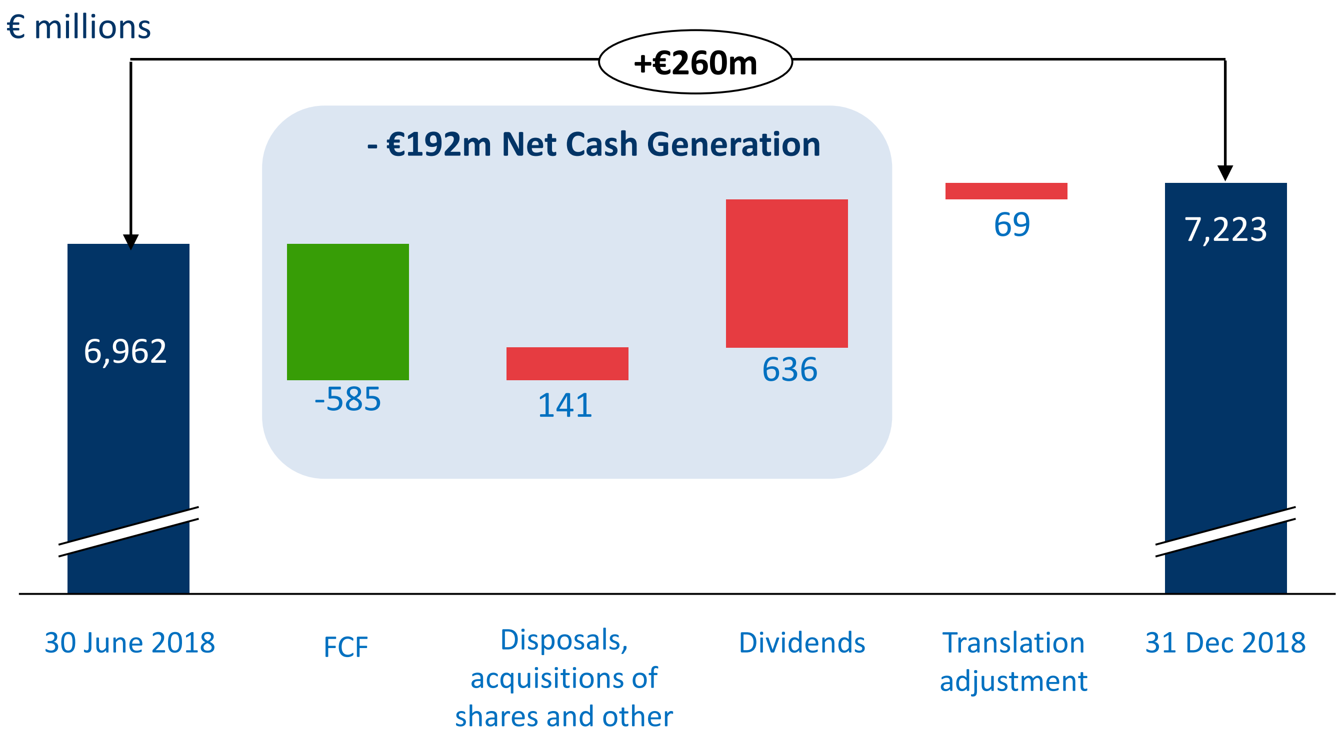
€260m

Increase in Net Debt vs. 30 June 18

€152m

Decrease in Net Debt vs. 31 Dec 17

Increase in Net Debt due mainly to increased dividend and FX



- **€260m increase in Net Debt vs 30 June 2018**, due to:
  - cash generation offset by increase in dividend payout (full payment in H1)
  - **M&A** mainly linked to **Jumia** minority stake acquisition
  - **negative translation adjustment**, mainly on USD-denominated debt which represented 54% of Gross Debt at 31 December 2018 (EUR/USD at 1.15 at 31 December 2018 vs. 1.17 at 30 June 2018)
- **€152m decrease in Net Debt vs. 31 December 2017**, despite €93m increase in dividend

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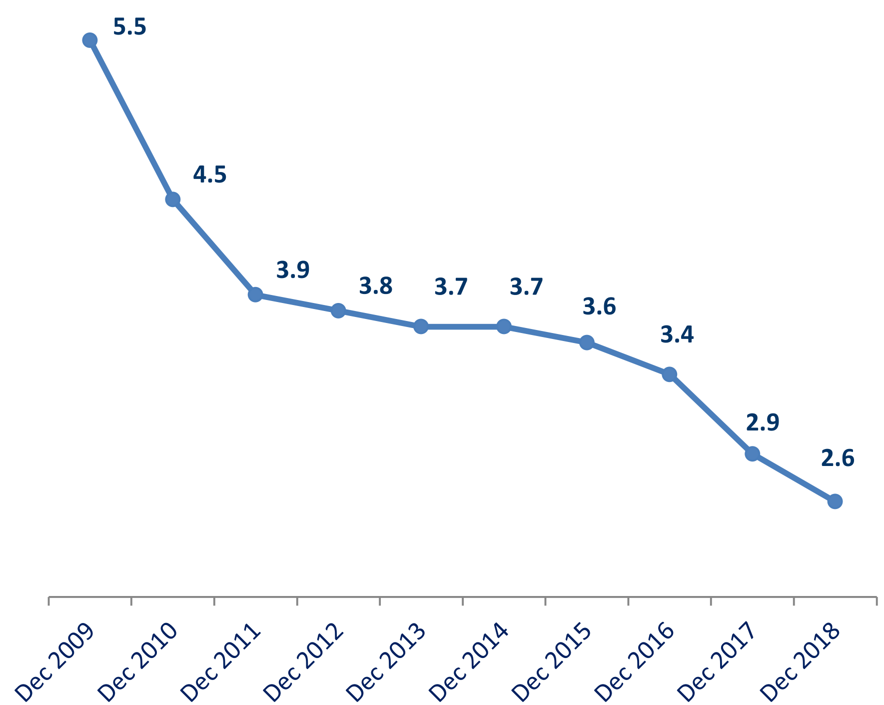
Continued deleveraging: Net Debt/EBITDA ratio decrease to 2.6x[1]

2.6x

Net Debt / EBITDA ratio



1. Based on average EUR/USD rates: 1.18 in 2018 vs. 1.13 in 2017

Conclusion and outlook

Pernod Ricard

Conclusion & FY19 Outlook

Very strong H1

For full-year FY19, in uncertain environment, Pernod Ricard expects:

- **good diversified growth** to continue
- **H2 growth to moderate** due to Martell sustainable growth management, wholesaler inventory optimisation in USA, and commercial dispute in France and Germany
- continuation of **good price-mix**
- **faster completion of €200m** FY16-20 operational excellence roadmap P&L savings, by end FY19
- **c.50 bps organic improvement in PRO margin**
- **FX** impact of c.+€30m[1] on PRO

Upgrade of FY19 Guidance[2]:
Organic growth in PRO between +6% and +8%

1. *Based on average FX rates for full FY19 projected on 24 January 2019, particularly EUR/USD = 1.14*
2. *vs. Guidance provided to market on 29 August 2018 of organic growth in PRO of between +5% and +7%*

Strategic outlook

3-Year Plan FY19-21: Transform & Accelerate

Group in strong position, having fully delivered on commitments of previous 3-Year Plan

	Objective presented in 2015 Capital Market Day	Target	FY18 Achievements	
Sales	Grow faster than industry	4% to 5% organic growth	+6%	✓
	Reignite our growth in USA	Close to mid-single digit growth	+4%	✓
	Return to strong topline growth in China	High-single digit growth	+17%	✓
	Continue building our growth engine in India		+14% growth in India	✓
	Innovation: Expand and drive growth		1/3 of total growth	✓
P&L	Positive price mix		+2.3%	✓
	Improve gross margin		15bps, despite significant headwinds	✓
	Maintain our A&P at c.19% of Sales *(pre-IFRS15)*		19.1%	✓
	Maintain growth of Structure costs below Sales growth		2/3 growth	✓
	Grow operating profit ahead of Sales		14bps	✓

FY19-21 plan to continue to leverage successful strategy:

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Better, Agile, Together:

TRANSFORM AND ACCELERATE

plan presented to Top Management Seminar in October 2018

4 ESSENTIALS

- OPERATIONAL EXCELLENCE
- TALENT DEVELOPMENT
- SUSTAINABILITY & RESPONSIBILITY
- ROUTE TO MARKET / CONSUMER

4 ACCELERATORS

- PORTFOLIO MANAGEMENT
- PREMIUMISATION AND LUXURY
- INNOVATION
- DIGITAL ACCELERATION

MORE FROM THE CORE

More from the Core

ACCELERATE

Prepare the Future

TRANSFORM

Pernod Ricard best-placed to capture industry growth:

Leverage our key competitive advantages to further accelerate performance

1 Unique Premium Portfolio

- **Leading brands** in all key categories
- **Full consumer-centricity**, covering all moments of consumption
- **Active portfolio management**

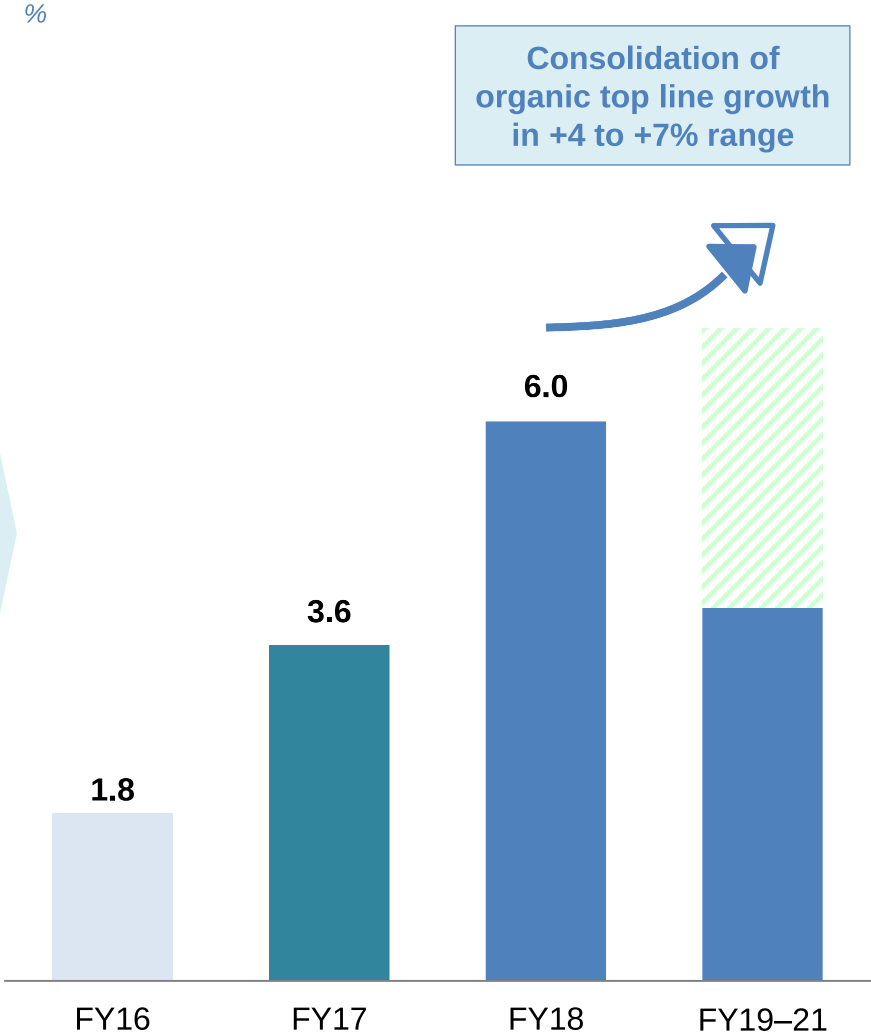
2 Unique Distribution Network

- **Direct presence in 86 countries**
- **Full strategic alignment** from production to distribution
- **Unique dual leadership** in China and India
- **Balanced** spread between mature and emerging markets

3 Unique Culture and Values

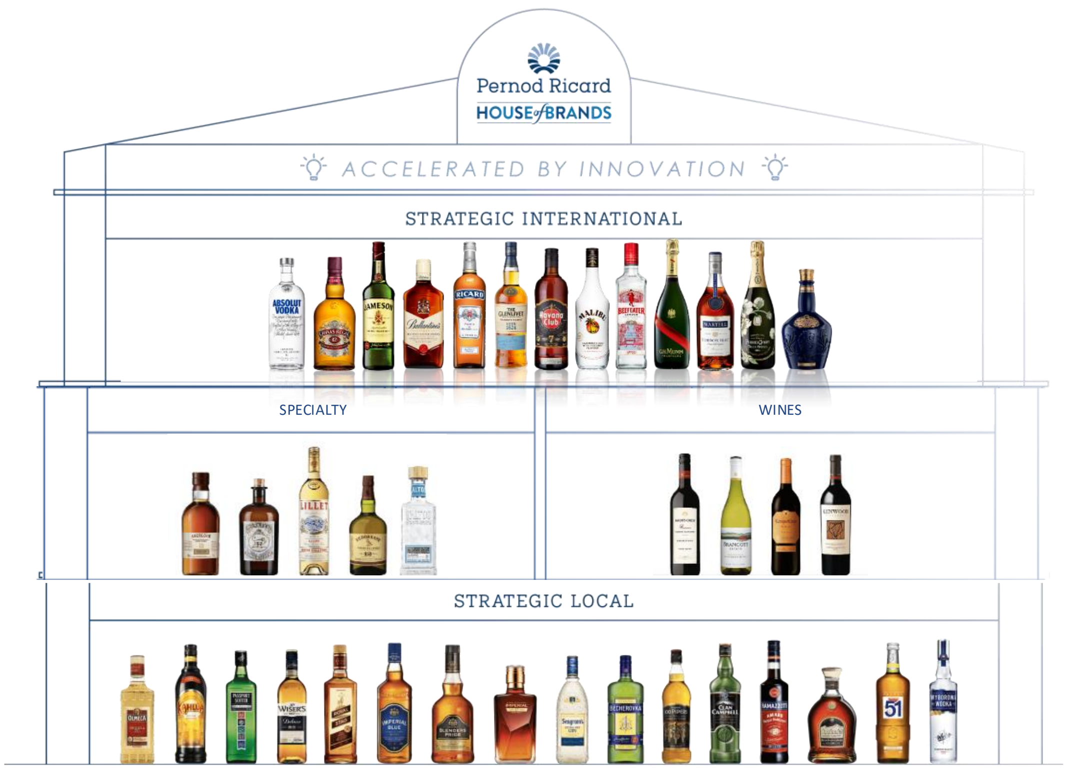
- **Experienced**, **committed** and **renewed** management team
- Highly **engaged** employees
- New **Sustainability & Responsibility strategy**

Acceleration of Sales Growth



1 Leverage our unique premium portfolio

New Consumer Centric House of Brands



Capturing new Consumer trends

Continued Focus on Innovation

- 1/3 organic growth in FY18

Active Portfolio Management

- Acquisitions of Monkey 47, Ungava, Smooth Ambler and Del Maguey
- Sale of Paddy, Frïs, Mexican Brandies, Glenallachie, Spanish and Argentinian wines

Granular targeted Consumer approach

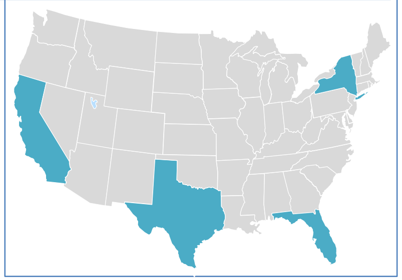
Focus On Luxury & Prestige With *Le Cercle Portfolio*

- 12% of Sales in FY18
- +10% growth in FY18

Creation of Specialty Brands

- 20 brands
- 3% Group Sales, overindexing industry
- +13% in FY18

2 Leverage our unique geographical exposure: Focus on our 4 Must-win markets



	China	India	United States	Global Travel Retail
Key Market Trend	• **MAC population increase:** ~440m to ~525m by 2021 • +7m affluent consumer p.a. • current **low penetration of International Spirits** (c. 1% of market)	• Legal drinking age population **increasing by ~20MM YoY** • **Premiumisation potential** given emergence of middle class	• **Market growth stabilizing** to its long-term trend of ca.4% driven by **sustained dynamics** (GDP growth, demographics, premiumisation)	• c. 5% growth in value in 2017 *(source: Generation research)* • benefits from **secular increase in air travel**
Competitive advantage	• **c. 45% market share** • **full portfolio** incl **leadership in Cognac** and wide portfolio of premium brands • **unique RTM** with prestige and premium networks	• **c. 45% market share** • **20 years of consistent brand building** and value strategy • **leading local and international brands**	• **successful strategy, RTM and organisation: Jameson** driving portfolio and dynamic growth relays, incl. **Cognac** (disruptive brand with higher stock availability than market)	• **leader** in premium and prestige segments • **dedicated global organisation** delivering strong rebound
Pernod Ricard Projected Growth	**High-Single to Low-Double-Digit**	**Low-Double-Digit**	**Mid-Single-Digit**	

Unique dual leadership across two large and fast-growing markets

Leverage our unique culture, blending performance and convivialité, to drive engagement

transfOHRm

Talent-centric, performance-based HR strategy, fully embedded in « Transform & Accelerate »:

Refreshed leadership model, the How of What we do, based on idea that everyone is a leader: 6 leadership attributes to drive growth and develop our c. 18,500 employees

Blenders: leadership booster program for top 150 execs based on thorough independent assessment and designed to take us from where we are (very strong) to great

Roll-out of global HR platform worldwide to drive process efficiency, enhance equal opportunities, further improve talent targeting and development, and support Better Balance throughout the organisation

Towers Watson « I-say » survey results (June 2017):
88% engagement rate
94% employees proud to be associated to Pernod Ricard

Leverage our Sustainability & Responsibility Strategy
Bringing Good times from a Good place

3

New strategy based on 4 commitments

1
Protecting and nurturing our terroirs

2
Valuing people across our value chain

3
Making our products with circular mindset

4
Promoting responsible consumption

To launch in Spring FY19

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Leverage our digital capability

Skills and organisation

Strong sponsorship and commitment at all levels
150 digital experts

Leveraging Data for more Media impact

Capturing rapid growth in eCommerce

- Good presence and partnerships
  - c. 2% PR sales online
- On-line branding of our portfolio

Building direct access to Consumers that matter most

- 9m profiles captured
- 2,5m consumers activated / month

Digitalise and embrace technology to gain accuracy, efficiency and speed in **all functions**

- Operations (robotisation)
- HR management
- Finance 4.0
- Sales & Marketing (account segmentation, social listening)

Leverage successful completion 1 year in advance of FY16-20 Operational Excellence programme to launch new set of initiatives for FY20-21

1. Revenue Growth

Promotional effectiveness
Price increases

A&P

Efficiency (programmatic media, digital…)
Stronger arbitration
Stable ratio

2. €100m
Operational excellence additional savings by FY21

Cost of goods

Efficiencies and productivity measures in manufacturing and supply. Pack optimisation and sustainability

Structure costs

Strong discipline
Arbitration & agility
< Sales growth

FY19-21 ambition

"Transform & Accelerate" started in FY19, focused on embedding dynamic growth and delivering operating leverage, in line with **objective of maximising long-term value creation**

FY19-21 ambition: +4% to +7% topline growth with c. 50-60bps operating leverage

- **+4 to +7% topline growth**, leveraging key competitive advantages and consistent investment behind key priorities
- focus on **pricing** and building on **operational excellence** initiatives, with new plan aiming at delivering **additional savings of €100m by FY21**
- **strong A&P investment, maintained at c.16% of Sales**, with careful arbitration to support must-win brands and markets while stimulating innovation
- **discipline on Structure costs**, investing in priorities while maintaining agile organisation, with growth below topline growth rates
- **Operating leverage of c.50-60 bps pa, provided topline within +4 to +7% bracket**

Reminder of financial policy:

- progressively **increase dividend distribution to c. 50%** of Net profit from Recurring Operations by FY20 (NB FY18 dividend at 41%)
- commitment to **active portfolio management** and value-creating M&A while retaining **investment grade rating**

Appendices

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Upcoming communications

DATE[1]	EVENT
Tuesday 19 March 2019	**EMEA LATAM conference call**
Thursday 18 April 2019	**Q3 FY19 Sales**
Tuesday 4 June 2019	**Asia Conference call**
Thursday 29 August 2019	**FY19 Full-year Sales & Results**
Wednesday 16 October 2019	**Q1 FY20 Sales**

1 The above dates are indicative and are liable to change

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.

Free cash flow

Free cash flow comprises the net cash flow from operating activities excluding the contributions to Allied Domecq pension plans, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of the capital expenditures.

“Recurring” indicators

The following 3 measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their unusual occurrence, cannot be considered as inherent to the recurring performance of the Group:

- **Recurring free cash flow**

Recurring free cash flow is calculated by restating free cash flow from non-recurring items.

- **Profit from recurring operations**

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

- **Group share of net profit from recurring operations**

Group share of net profit from recurring operations corresponds to the Group share of net profit excluding other non-current operating income and expenses, non-recurring financial items and corporate income tax on non-recurring items.

Net debt

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at the closing rate), including fair value and net foreign currency assets hedging derivatives (hedging of net investments and similar), less cash and cash equivalents.

EBITDA

EBITDA stands for “earnings before interest, taxes, depreciation and amortization”. EBITDA is an accounting measure calculated using the Group's profit from recurring operations excluding depreciation and amortization on operating fixed assets.

Emerging Markets

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

Strategic International Brands organic Sales growth

	Volumes H1 FY19 (in 9Lcs millions)	Organic Sales growth H1 FY19	Volumes	Price/mix
Absolut	6.2	-1%	-2%	1%
Chivas Regal	2.6	7%	2%	5%
Ballantine's	4.3	8%	8%	0%
Ricard	2.5	5%	6%	-1%
Jameson	4.3	8%	6%	2%
Havana Club	2.5	1%	2%	-2%
Malibu	1.8	-5%	-6%	1%
Beefeater	1.7	9%	10%	-1%
Martell	1.7	23%	15%	8%
The Glenlivet	0.7	11%	10%	1%
Royal Salute	0.1	15%	15%	0%
Mumm	0.5	2%	0%	2%
Perrier-Jouët	0.2	12%	5%	7%
Strategic International Brands	**29.1**	**10%**	**4%**	**6%**

Sales Analysis by Period and Region

Net Sales (€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,369	*27.7%*	1,389	*26.8%*	20	*1%*	51	*4%*	(5)	*0%*	(26)	*-2%*
Asia / Rest of World	2,015	*40.8%*	2,266	*43.7%*	251	*12%*	323	*16%*	(0)	*0%*	(73)	*-4%*
Europe	1,552	*31.4%*	1,530	*29.5%*	(23)	*-1%*	4	*0%*	(9)	*-1%*	(17)	*-1%*
World	**4,937**	***100.0%***	**5,185**	***100.0%***	**248**	***5%***	**378**	***8%***	**(14)**	***0%***	**(115)**	***-2%***

Net Sales (€ millions)	Q1 FY18		Q1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	639	*28.7%*	636	*26.6%*	(3)	*0%*	15	*2%*	(3)	*0%*	(15)	*-2%*
Asia / Rest of World	916	*41.1%*	1,084	*45.4%*	169	*18%*	208	*23%*	(0)	*0%*	(39)	*-4%*
Europe	671	*30.2%*	667	*27.9%*	(4)	*-1%*	7	*1%*	(4)	*-1%*	(8)	*-1%*
World	**2,226**	***100.0%***	**2,387**	***100.0%***	**161**	***7%***	**230**	***10%***	**(7)**	***0%***	**(62)**	***-3%***

Net Sales (€ millions)	Q2 FY18		Q2 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	730	*26.9%*	753	*26.9%*	23	*3%*	36	*5%*	(2)	*0%*	(10)	*-1%*
Asia / Rest of World	1,100	*40.6%*	1,182	*42.2%*	82	*7%*	116	*11%*	(0)	*0%*	(34)	*-3%*
Europe	881	*32.5%*	863	*30.8%*	(18)	*-2%*	(4)	*0%*	(5)	*-1%*	(9)	*-1%*
World	**2,711**	***100.0%***	**2,798**	***100.0%***	**87**	***3%***	**148**	***6%***	**(8)**	***0%***	**(53)**	***-2%***

Note:
Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Pernod Ricard

Summary Consolidated Income Statement

(€ millions)	H1 FY18	H1 FY19	Change
Net sales	**4,937**	**5,185**	**5%**
Gross Margin after logistics costs	**3,027**	**3,239**	**7%**
Advertising and promotion expenses	(771)	(799)	4%
Contribution after A&P expenditure	**2,257**	**2,440**	**8%**
Structure costs	(761)	(786)	3%
Profit from recurring operations	**1,496**	**1,654**	**11%**
Financial income/(expense) from recurring operations	(153)	(157)	2%
Corporate income tax on items from recurring operations	(333)	(379)	14%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(16)	(13)	-19%
Group share of net profit from recurring operations	**994**	**1,105**	**11%**
Other operating income & expenses	62	(66)	NA
Financial income/(expense) from non-recurring operations	4	1	NA
Corporate income tax on items from non recurring operations	87	(18)	NA
Group share of net profit	**1,147**	**1,023**	**-11%**
Non-controlling interests	16	14	-17%
Net profit	**1,163**	**1,036**	**-11%**

Note:
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Profit from Recurring Operations by Region (1/2)

World

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	4,937	*100.0%*	5,185	*100.0%*	248	*5%*	378	*8%*	(14)	*0%*	(115)	*-2%*
Gross margin after logistics costs	3,027	*61.3%*	3,239	*62.5%*	212	*7%*	270	*9%*	(3)	*0%*	(55)	*-2%*
Advertising & promotion	(771)	*15.6%*	(799)	*15.4%*	(28)	*4%*	(40)	*5%*	(2)	*0%*	13	*-2%*
Contribution after A&P	2,257	*45.7%*	2,440	*47.1%*	184	*8%*	230	*10%*	(5)	*0%*	(41)	*-2%*
Profit from recurring operations	**1,496**	***30.3%***	**1,654**	***31.9%***	**158**	***11%***	**193**	***13%***	**(8)**	***-1%***	**(26)**	***-2%***

Americas

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,369	*100.0%*	1,389	*100.0%*	20	*1%*	51	*4%*	(5)	*0%*	(26)	*-2%*
Gross margin after logistics costs	908	*66.3%*	942	*67.8%*	34	*4%*	29	*3%*	(2)	*0%*	7	*1%*
Advertising & promotion	(283)	*20.7%*	(276)	*19.8%*	8	*-3%*	4	*-1%*	(1)	*1%*	5	*-2%*
Contribution after A&P	625	*45.6%*	666	*48.0%*	42	*7%*	33	*5%*	(4)	*-1%*	12	*2%*
Profit from recurring operations	**423**	***30.9%***	**470**	***33.8%***	**47**	***11%***	**36**	***8%***	**(7)**	***-2%***	**18**	***4%***

Note:
Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Profit from Recurring Operations by Region (2/2)

Asia / Rest of the World

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,015	*100.0%*	2,266	*100.0%*	251	*12%*	323	*16%*	(0)	*0%*	(73)	*-4%*
Gross margin after logistics costs	1,166	*57.9%*	1,353	*59.7%*	187	*16%*	231	*20%*	(0)	*0%*	(44)	*-4%*
Advertising & promotion	(279)	*13.8%*	(309)	*13.6%*	(30)	*11%*	(37)	*13%*	0	*0%*	7	*-2%*
Contribution after A&P	887	*44.0%*	1,044	*46.1%*	157	*18%*	194	*22%*	(0)	*0%*	(37)	*-4%*
Profit from recurring operations	**628**	***31.2%***	**766**	***33.8%***	**138**	***22%***	**167**	***26%***	**0**	***0%***	**(29)**	***-5%***

Europe

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,552	*100.0%*	1,530	*100.0%*	(23)	*-1%*	4	*0%*	(9)	*-1%*	(17)	*-1%*
Gross margin after logistics costs	953	*61.4%*	944	*61.7%*	(9)	*-1%*	9	*1%*	(1)	*0%*	(18)	*-2%*
Advertising & promotion	(208)	*13.4%*	(214)	*14.0%*	(6)	*3%*	(7)	*3%*	(0)	*0%*	2	*-1%*
Contribution after A&P	745	*48.0%*	730	*47.7%*	(15)	*-2%*	2	*0%*	(1)	*0%*	(16)	*-2%*
Profit from recurring operations	**445**	***28.7%***	**418**	***27.3%***	**(27)**	***-6%***	**(10)**	***-2%***	**(2)**	***0%***	**(15)**	***-3%***

Note:
Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Foreign Exchange Impact

Forex impact H1 FY19 (€ millions)		Average rates evolution H1 FY18	H1 FY19	%	On Net Sales	On Profit from Recurring Operations
US dollar	USD	1.18	1.15	-2.0%	26	16
Chinese yuan	CNY	7.81	7.91	1.2%	(7)	(5)
Indian rupee	INR	75.87	81.93	8.0%	(45)	(16)
Russian rouble	RUB	69.03	76.13	10.3%	(13)	(10)
Turkish Lira	TRL	4.30	6.44	49.6%	(19)	(18)
Pound sterling	GBP	0.89	0.89	-0.3%	1	(1)
Other					(58)	7
Total					**(115)**	**(26)**

For full-year FY19, a positive FX impact on PRO of c. +€30m is expected[1]

Notes:
Impact on PRO includes strategic hedging on Forex
1. Based on average FX rates for full FY 19 projected on 24 January 2019, particularly EUR/USD = 1.14

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a **1% appreciation of the USD** and linked currencies[1]

Impact on the income statement[2]	(€ millions)
Profit from recurring operations	+21
Financial expenses	(2)
Pre-tax profit from recurring operations	**+19**

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	**+41**

(1) CNY, HKD

(2) Full-year effect

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Balance Sheet: Assets

Assets (€ millions)	30/06/2018	31/12/2018
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,858	16,998
Tangible assets and other assets	3,322	3,408
Deferred tax assets	1,556	1,571
Total non-current assets	**21,737**	**21,976**
Current assets		
Inventories	5,472	5,515
of which aged work-in-progress	*4,532*	*4,581*
of which non-aged work-in-progress	*71*	*84*
Receivables (*)	1,122	1,991
Trade receivables	*1,031*	*1,932*
Other trade receivables	*91*	*59*
Other current assets	280	282
Other operating current assets	*273*	*275*
Tangible/intangible current assets	*7*	*7*
Tax receivable	177	80
Cash and cash equivalents and current derivatives	771	928
Total current assets	**7,821**	**8,797**
Assets held for sale	0	6
Total assets	**29,558**	**30,779**
(*) after disposals of receivables of:	**610**	**772**

Balance Sheet: Liabilities and Shareholders' Equity

Liabilities and shareholders' equity (€ millions)	30/06/2018	31/12/2018
Group Shareholders' equity	**14,797**	**15,479**
Non-controlling interests	181	180
of which profit attributable to non-controlling interests	*26*	*14*
Total Shareholders' equity	**14,978**	**15,659**
Non-current provisions and deferred tax liabilities	3,567	3,643
Bonds non-current	6,777	6,865
Non-current financial liabilities and derivative instruments	494	475
Total non-current liabilities	**10,838**	**10,983**
Current provisions	143	133
Operating payables	1,951	2,214
Other operating payables	960	750
of which other operating payables	*621*	*683*
of which tangible/intangible current payables	*338*	*66*
Tax payable	225	238
Bonds - current	93	96
Current financial liabilities and derivatives	371	706
Total current liabilities	**3,743**	**4,137**
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	**29,558**	**30,779**

Analysis of Working Capital Requirement

(€ millions)	June 2017	December 2017	June 2018	December 2018	H1 FY18 WC change*	H1 FY19 WC change*
Aged work in progress	4,416	4,356	4,532	4,581	(25)	64
Advances to suppliers for wine and ageing spirits	5	24	10	29	20	19
Payables on wine and ageing spirits	(107)	(153)	(96)	(172)	(47)	(77)
Net aged work in progress	**4,314**	**4,228**	**4,447**	**4,439**	**(52)**	**7**
Trade receivables before factoring/securitization	1,617	2,603	1,641	2,704	1,042	1,054
Advances from customers	(16)	(8)	(6)	(6)	8	(1)
Other receivables	333	315	353	305	5	(1)
Other inventories	818	837	869	849	42	(16)
Non-aged work in progress	72	59	71	84	(12)	11
Trade payables and other	(2,323)	(2,565)	(2,471)	(2,719)	(302)	(238)
Gross operating working capital	**502**	**1,241**	**457**	**1,217**	**782**	**809**
Factoring/Securitization impact	(557)	(840)	(610)	(772)	(294)	(162)
Net Operating Working Capital	**(56)**	**402**	**(153)**	**445**	**489**	**648**
Net Working Capital	**4,258**	**4,630**	**4,294**	**4,884**	**436**	**654**
				Of which recurring variation	**453**	**651**
				Of which non recurring variation	**(17)**	**3**

* without FX effects and reclassifications

Pernod Ricard

Net Debt

(€ millions)	30/06/2018			31/12/2018		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	**93**	**6,777**	**6,869**	**96**	**6,865**	**6,961**
Syndicated loan	-	-	-	-	-	-
Commercial paper	280	-	280	505	-	505
Other loans and long-term debts	80	463	542	195	455	651
Other financial liabilities	**360**	**463**	**822**	**700**	**455**	**1,156**
Gross Financial debt	**452**	**7,239**	**7,691**	**796**	**7,320**	**8,117**
Fair value hedge derivatives – assets	-	-	-	-	-	-
Fair value hedge derivatives – liabilities	-	25	25	-	14	14
Fair value hedge derivatives	**-**	**25**	**25**	**-**	**14**	**14**
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Net asset hedging derivative instruments – assets	(1)	-	(1)	-	-	-
Net asset hedging derivative instruments – liabilities	-	-	-	2	-	2
Net asset hedging derivative instruments	**(1)**	**-**	**(1)**	**2**	**-**	**2**
Financial debt after hedging	**452**	**7,265**	**7,716**	**798**	**7,334**	**8,132**
Cash and cash equivalents	**(754)**	**-**	**(754)**	**(910)**	**-**	**(910)**
Net financial debt	**(303)**	**7,265**	**6,962**	**(112)**	**7,334**	**7,223**

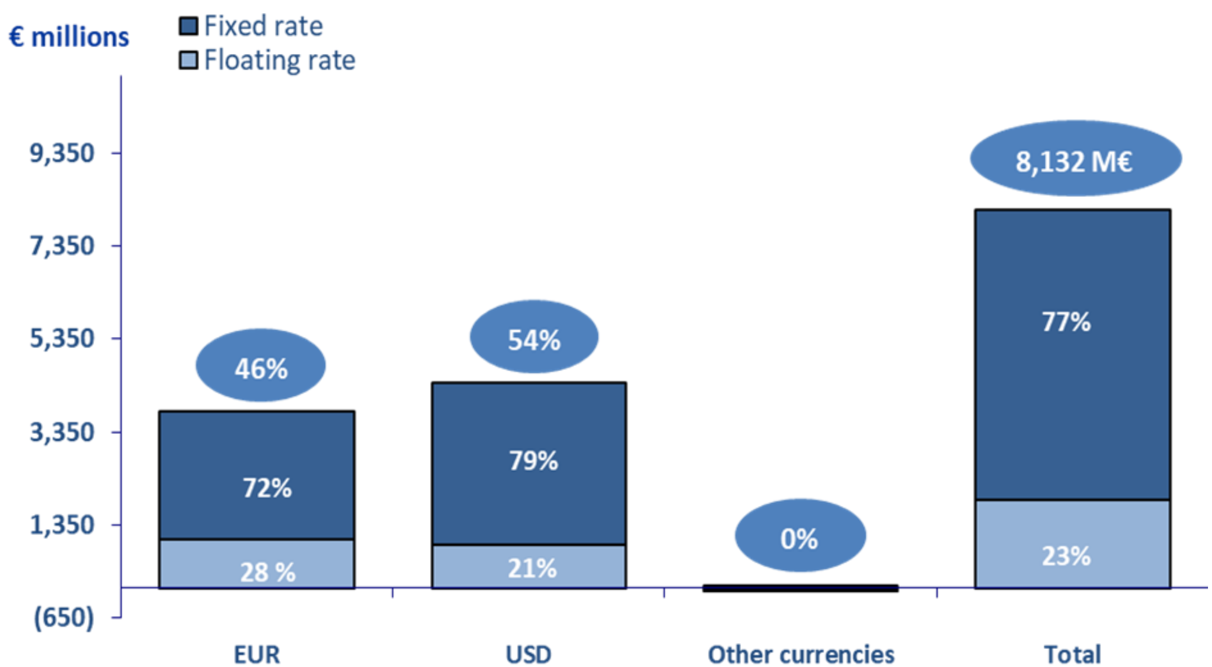
Change in Net Debt

(€ millions)	31/12/2017	31/12/2018
Operating profit	1,558	1,588
Depreciation and amortisation	106	111
Net change in impairment of goodwill, PPE and intangible assets	1	26
Net change in provisions	(17)	4
Retreatment of contributions to pension plans acquired from Allied Domecq and others	3	3
Changes in fair value on commercial derivatives and biological assets	(2)	(5)
Net (gain)/loss on disposal of assets	(39)	(1)
Share-based payments	18	18
Self-financing capacity before interest and tax	**1,628**	**1,744**
Decrease / (increase) in working capital requirements	(436)	(654)
Net interest and tax payments	(263)	(374)
Net acquisitions of non financial assets and others	(129)	(131)
Free Cash Flow	**799**	**585**
of which recurring Free Cash Flow	***690***	***622***
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq and	8	(103)
Dividends paid	(543)	(636)
(Acquisition) / Disposal of treasury shares and others	(32)	(54)
Decrease / (increase) in net debt (before currency translation adjustments)	**231**	**(208)**
IFRS 15 opening adjustment		16
Foreign currency translation adjustment	245	(69)
Decrease / (increase) in net debt (after currency translation adjustments)	**476**	**(260)**
Initial net debt	(7,851)	(6,962)
Final net debt	(7,375)	(7,223)

Debt Maturity at 31 December 2018

Available cash at end December 2018: €0.9bn in cash and €2.5bn syndicated credit not used (syndicated credit coming to maturity in June 2023)

Gross Debt Hedging at 31 December 2018[1]



Natural debt hedging maintained: EUR/USD breakdown close to that of EBITDA

77% of Gross debt at fixed rates

1. *includes fair value and net foreign currency asset hedge derivatives*

Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 850 m	2.000%	20/03/2014	22/06/2020
	€ 650 m	2.125%	29/09/2014	27/09/2024
	€ 500 m	1.875%	28/09/2015	28/09/2023
	€ 600 m	1.500%	17/05/2016	18/05/2026
USD	$ 1,000 m	5.750%	07/04/2011	07/04/2021
	$ 1,500 m	4.450%	25/10/2011	15/01/2022
	$ 1,650 m o/w: $ 800 m at 10.5 years $ 850 m at 30 years	 4.250% 5.500%	12/01/2012	 15/07/2022 15/01/2042
	$ 201 m	Libor 6m + spread	26/01/2016	26/01/2021
	$ 600 m	3.250%	08/06/2016	08/06/2026

Net debt / EBITDA evolution

	Closing rate	Average rate[2]
EUR/USD rate: Jun FY18 → Dec FY19	*1.17 → 1.15*	*1.19 → 1.18*
Ratio at 30/06/2018	**2.7**	**2.6**[1]
EBITDA & cash generation excl. Group structure effect and forex impact	**(0.1)**	**(0.1)**
Group structure and forex impacts	+0.1	+0.1
Ratio at 31/12/2018	**2.6**	**2.6**

1 Syndicated credit spreads and covenants are based on the same ratio at the average rate of the last twelve months of closing date

2 Average rate of last twelve months of closing date

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Diluted EPS

(x 1,000)	H1 FY18	H1 FY19
Number of shares in issue at end of period	265,422	265,422
Weighted average number of shares in issue (pro rata temporis)	265,422	265,422
Weighted average number of treasury shares (pro rata temporis)	(1,388)	(1,215)
Dilutive impact of stock options and performance shares	1,437	1,274
Number of shares used in diluted EPS calculation	**265,471**	**265,481**

(€ millions and €/share)	H1 FY18	H1 FY19	reported △
Group share of net profit from recurring operations	994	1,105	11%
Diluted net earnings per share from recurring operations	**3.74**	**4.16**	**11%**