

Q3 FY19 Sales

Press release - Paris, 18 April 2019

**VERY STRONG AND DIVERSIFIED YTD SALES: +6.3% ORGANIC GROWTH
(REPORTED: +4.9%)**

Q3: +2.5% SOLID ORGANIC GROWTH, AS EXPECTED, REFLECTING CHINESE NEW YEAR PHASING¹ AND START OF WHOLESALE INVENTORY OPTIMISATION IN USA

**INCREASED FY19 GUIDANCE²:
ORGANIC GROWTH IN PROFIT FROM RECURRING OPERATIONS OF C. +8%**

Year-to-date Sales

Sales for the first 9 months of FY19 totalled € 7,188 million, with organic growth of +6.3%, driven by the Emerging markets (+15%):

- **Americas +3%:** good performance with USA broadly in line with market; start of USA wholesaler inventory optimisation in Q3
- **Asia-RoW +12%:** very strong performance driven by dynamic growth in China and India
- **Europe +1%:** very good Sales in Eastern Europe and contrasted performance in Western Europe.

Reported growth was +4.9% due to an unfavourable FX impact. For full-year FY19, a positive FX impact of c. +€20m is expected³.

Q3 Sales

Sales for the third quarter of FY19 totalled € 2,003 million, including organic growth of +2.5% and reported growth of +4.5%:

- **Americas +2%:** improving performance in Latin America and shipments reflecting start of wholesaler inventory optimisation in USA
- **Asia-RoW +3%:** growth in line with expectations, with sustainable growth management of Martell following earlier Chinese New Year¹ and route-to-market change in Korea
- **Europe +2%:** improvement driven by very strong performance in Russia and UK, despite commercial dispute in France and Germany

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

"Growth was very strong and diversified in the first 9 months of FY19, responding to our long-term investment strategy.

For full year FY19, in an environment that remains uncertain, we aim to continue dynamic and diversified growth across our regions and brands.

We expect organic growth in Profit from Recurring Operations of c.+8%. We will continue to roll out our strategic plan "Transform & Accelerate", focused on investing for sustainable and profitable long-term growth."

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

² Guidance communicated to market on 29 August 2018 of organic growth in Profit from Recurring Operations of +5% to +7%, revised on 7 February 2019 to between +6% and +8%

³ Based on average FX rates projected at 11 April 2019, particularly a EUR/USD rate of 1.14

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All growth data specified in this press release refers to organic growth (at constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

A detailed presentation of Sales for the third quarter of FY19 can be downloaded from our website: www.pernod-ricard.com

Definitions and reconciliation of non-IFRS measures to IFRS measures

Pernod Ricard's management process is based on the following non-IFRS measures which are chosen for planning and reporting. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures and reported movements therein.

Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements and acquisitions and disposals.

Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates.

For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculation from the anniversary of the acquisition date in the current year.

Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the prior year, the Group, in the organic movement calculations, excludes the results for that business from the prior year. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.

This measure enables us to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

Profit from recurring operations

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

About Pernod Ricard

Pernod Ricard is the world's n°2 in wines and spirits with consolidated Sales of €8,987m 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 19,000 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.

Contacts

Julia Massies / VP, Investor Relations & Internal Audit

+33 (0)1 41 00 41 07

Adam Ramjean / Investor Relations Manager

+33 (0)1 41 00 41 59

Fabien Darrigues / External Communications Director

+33 (0)1 41 00 44 86

Emmanuel Vouin / Press Relations Manager

+33 (0)1 41 00 44 04

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APPENDICES

Q3 FY19 Sales by Region

Net Sales (€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Americas	1,369	27.7%	1,389	26.8%	20	1%	51	4%	(5)	0%	(26)	-2%
Asia / Rest of the 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)	Q3 FY18		Q3 FY19		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Americas	530	27.6%	567	28.3%	37	7%	11	2%	(4)	-1%	31	6%
Asia / Rest of the World	878	45.8%	922	46.0%	44	5%	27	3%	(0)	0%	17	2%
Europe	509	26.6%	515	25.7%	6	1%	11	2%	(3)	-1%	(2)	0%
World	1,916	100.0%	2,003	100.0%	87	5%	48	3%	(7)	0%	46	2%

Net Sales (€ millions)	9M FY18		9M FY19		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Americas	1,899	27.7%	1,956	27.2%	57	3%	61	3%	(9)	0%	5	0%
Asia / Rest of the World	2,893	42.2%	3,188	44.3%	295	10%	350	12%	(0)	0%	(56)	-2%
Europe	2,061	30.1%	2,044	28.4%	(17)	-1%	14	1%	(12)	-1%	(19)	-1%
World	6,853	100.0%	7,188	100.0%	335	5%	426	6%	(21)	0%	(70)	-1%

Notes:

FY18 has been adjusted to reflect the IFRS15 update as per press release 25th September 2018 "Application of IFRS 15 norm"

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

Foreign exchange impact on YTD FY19 Sales

Forex impact 9M FY19 (€ millions)		Average rates evolution			On Net Sales
		FY18	FY19	%	
US dollar	USD	1.19	1.15	-3.8%	70
Indian rupee	INR	76.97	81.34	5.7%	(47)
Turkish Lira	TRL	4.43	6.31	42.3%	(22)
Russian Rouble	RUB	69.34	75.71	9.2%	(15)
Pound sterling	GBP	0.89	0.88	-0.6%	2
Other currencies					(57)
Total					(70)

Upcoming communications

DATE ¹	EVENT
Tuesday 4 June 2019	Asia Conference call
Tuesday 25 June 2019	Marketing in the digital age Conference Call
Thursday 29 August 2019	FY19 Full-year Sales & Results
Wednesday 16 October 2019	Q1 FY20 Sales
Friday 8 November 2019	Annual General Meeting

¹ The above dates are indicative and are liable to change