



Pernod Ricard
Créateurs de convivialité

2015/16 FULL-YEAR SALES AND RESULTS

1 September 2016



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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

Audit procedures have been carried out on the full-year financial statements. The Statutory Auditors' report will be issued following their review of the management report.

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.

The background is a solid teal color with two lighter teal geometric shapes: a triangle in the top-left corner and a trapezoid in the bottom-right corner.

Executive summary



Pernod Ricard

+2%

Sales

+2%

PRO

2015/16 Full-year Results
1 September 2016

A solid and encouraging year

Delivery of quantitative objectives

- **Sales +2%**, improving vs. FY15 when restated for the French technical impact⁽¹⁾
- **Pricing improving: +1%** (vs. flat in FY15)
- Profit from Recurring Operations (**PRO**) **organic growth +2%, in line with guidance**
- **PRO margin improving +7bps**, thanks to tight management of resources and operational efficiency initiatives
- **Solid Net income from recurring operations +4% (reported), at a historical high**
- **Strong Free Cash Flow: €1,061m, up +31%**
- **Continued deleveraging:** Net Debt down €0.3bn and Net debt/EBITDA ratio down to 3.4 (decrease of 0.3 excl. FX)

Significant initiatives to deliver mid-term strategic roadmap and further improve performance

- **USA accelerating and higher delivery of innovation**
- **Organisational changes** to drive stronger performance (USA, Travel Retail, China, Korea...)
- Implementation of **operational efficiency roadmap** covering supply chain, manufacturing, procurement and A&P
- Active **portfolio and resource allocation** management
 - Targeted M&A with disposal of non-core assets (eg Paddy) and acquisition focus on fast-growing premium+ segments (**Monkey 47**)
- **Sound management of trade inventories**
- **Refinancing** at excellent conditions and **Moody's upgrade** to Baa2/P2

⁽¹⁾ Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



Pernod Ricard

+43%

Net profit⁽¹⁾

€1,061m

**Free Cash
Flow**

2015/16 Full-year Results
1 September 2016

Key figures

	<i>FY16</i>	<i>FY16 vs. FY15</i>
Sales	€ 8,682 m	+2% <i>reported growth: +1%</i>
<i>Mature markets</i>	<i>€ 5,409 m</i>	<i>+1%</i>
<i>Emerging markets</i>	<i>€ 3,273 m</i>	<i>+3%</i>
PRO	€ 2,277 m	+2% <i>reported growth: +2%</i>
PRO / Sales	26.2%	+7bps
Net Profit from recurring operations ⁽¹⁾	€ 1,381m	<i>reported growth</i> +4%
Net Profit ⁽¹⁾	€ 1,235 m	<i>reported growth</i> +43%
Free Cash Flow	€ 1,061 m	<i>reported growth</i> +31%

(1) Group share



Pernod Ricard

+2%

Organic
Sales

+1%

Reported
Sales

2015/16 Full-year Results
1 September 2016

Solid Sales in a contrasted environment

Improvement driven by USA and Spain

- **Americas: acceleration of growth +4%** vs. +2% in FY15, notably driven by **USA** (+4% in FY16 vs. stable in FY15)
- **Asia-Rest of World: +1%** thanks to double-digit growth in India and Africa/Middle East but difficulties in China (-9%), Korea and Travel Retail
- **Europe: improvement** (+1% vs. stable in FY15) **driven by Spain**, with encouraging growth in most markets, but a technical⁽¹⁾ decline in **France**. **European growth restated for French technical impact⁽¹⁾: +3%**

Stable Top 14 and good dynamism of Priority Premium Wines and Key Local Brands

- **Strong performance of Jameson, Ballantine's, Perrier-Jouët and Indian whiskies**
- **Difficulties for Chivas and Absolut** (but improving yoy underlying trends in USA)
- **Priority Premium Wines: growth acceleration driven by Campo Viejo**

Innovation driving growth

- **Sustained A&P investment** driving encouraging **results on innovation: +1%** out of overall Group Sales growth of +2% in FY16
- Innovation driving premiumisation
- **Successful launch of Jameson Caskmates, The Glenlivet Founder's Reserve and Chivas Extra**

(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



Pernod Ricard

Organisational changes to drive further growth, effective 1 July 2016

Simplification of Americas region

Creation of 2 Management Entities in Mexico and Brazil

Creation of Global Travel Retail, reporting directly to HQ

Finalisation of transformation of Pernod Ricard USA

- **Enhance consumer-centricity** through the reorganisation of the Marketing team into brand units structured around five key moments of *convivialité*
- **Increase focus of Pernod Ricard USA resources in the field** to accelerate decision-making and improve execution in the on- and off-premise.
 - 4 single-State Market Entities
 - 3 multi-State Divisions
 - Dedicated Chains Division
 - Route to Market centre of excellence
- **Stimulate growth relays** by creating 'incubation' division, the New Brand Ventures

Adjustment of organisation in China to new market context

- Creation of a **dedicated salesforce for premium brands**, consistent with resource reallocation from traditional to new emerging channels and brands
- Reorganisation of Marketing by moments of *convivialité*

Organisational changes in Korea

- Implementation of **new leadership and commercial team** to turnaround business performance

Good progress made on implementation of FY16-20 Operational excellence roadmap

Operational excellence is a key business priority



Global initiatives launched in H2 FY15 covering:

- A&P effectiveness (digital media buying, POS VAP, content production)
- Supply chain
 - Sales & Operations Planning
 - Reduce portfolio complexity (up to 30% reduction in number of SKUs)
 - Lead time reduction
 - Cost to Serve Optimisation
- Procurement
 - Indirect (T&E, IT, A&P)
 - Value engineering
- Manufacturing optimisation

Progress





Pernod Ricard

Quantitative stakes of FY16-20 Operational excellence roadmap

Gross savings will impact mainly A&P (efficiency) and Gross margin, and to a lesser extent Structure costs

Targeting total gross P&L savings of €200m over the period FY16 to FY20, of which around half will be reinvested in A&P

Targeting total cash savings over the period FY16 to FY20 of €200m, mainly related to supply chain improvements

Initiatives will contribute to improving PRO margin medium-term

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Sales analysis



Pernod Ricard

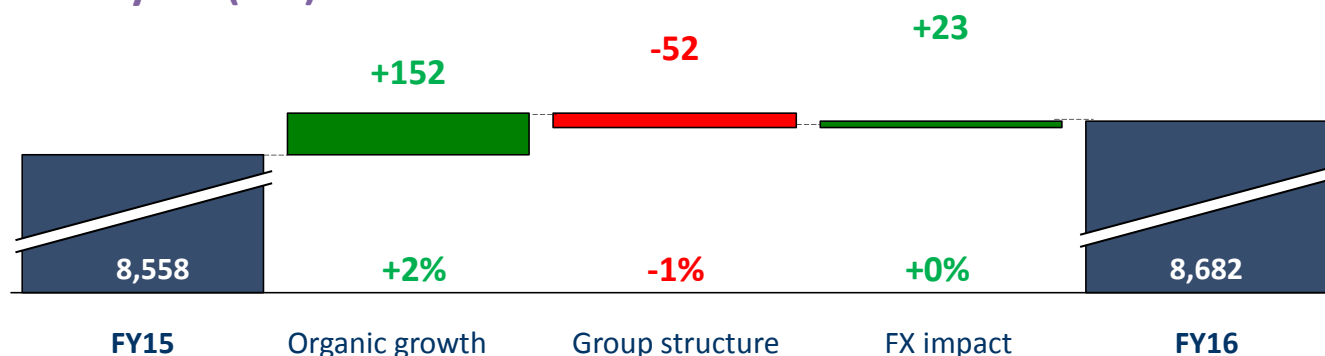
+2%
Organic
FY Sales

+1%
Reported
FY Sales

2015/16 Full-year Results
1 September 2016

Sales growth vs. FY15

Full year (€m)



Solid Sales in a contrasted environment.
Performance Improving vs. FY15 when restated for French IT switch⁽¹⁾

Modestly Positive
Primarily due to USD (average EUR/USD rate of 1.11 in FY16 vs. 1.20 in FY15) despite weakness of Emerging market currencies

Q4

- Sales -1%. Restated by technical impact in France⁽¹⁾ and shipment phasing in USA, Sales at +2%, consistent with underlying trends and full-year performance.

(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



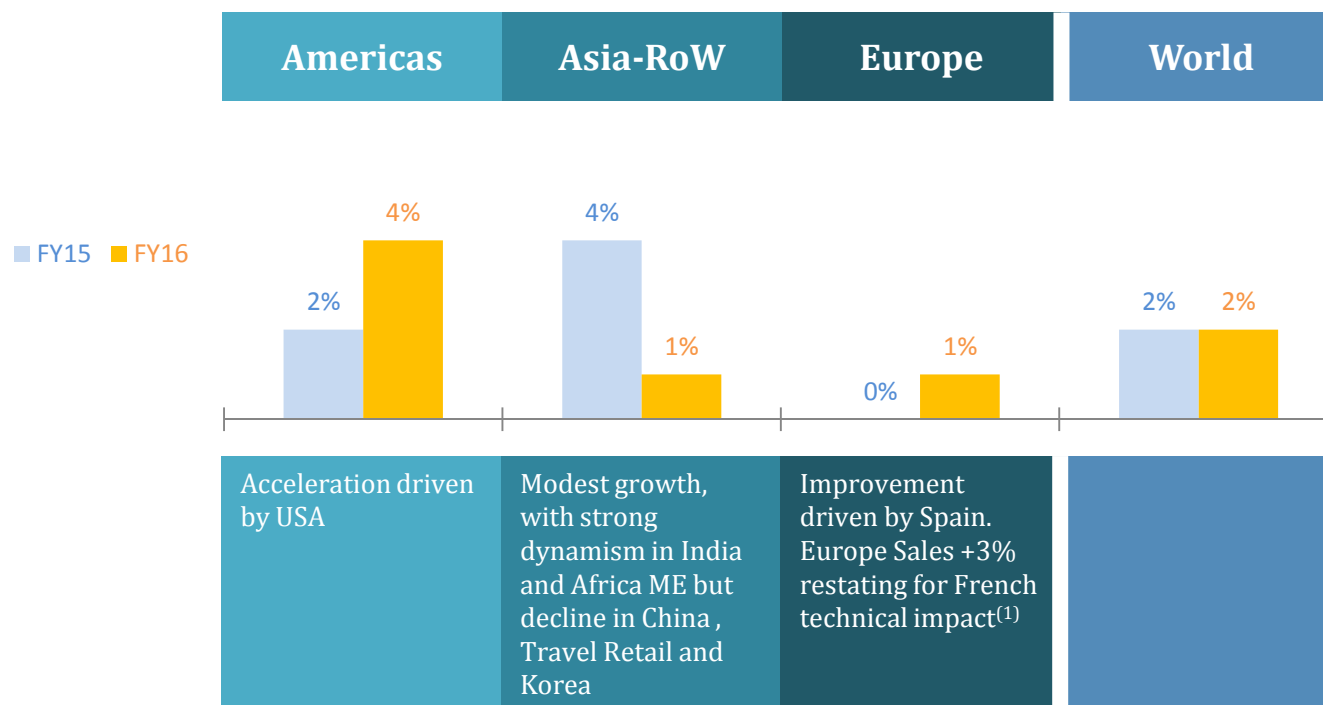
Pernod Ricard

+2%

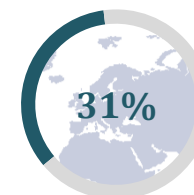
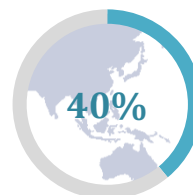
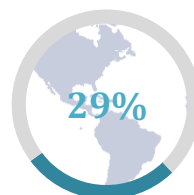
Sales

2015/16 Full-year Results
1 September 2016

Organic Sales growth by region



%
of Sales



(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



Americas: +4%
Acceleration driven by USA



Pernod Ricard

+4%

**USA Sales
vs. stable in
FY15**

2015/16 Full-year Results
1 September 2016

Americas

United States: growth acceleration

Market: strong growth through FY16

- Annual Nielsen volumes +2.7% and **value +5.9%**⁽¹⁾
- **Premiumisation** remains strong, driven mainly by mix
- **Slightly slower trend in H2** linked to a deceleration in mix, with value at +5.1% vs. 5.9% for full-year FY16⁽¹⁾

Pernod Ricard USA accelerated during FY16 thanks to the implementation of a new strategic roadmap

- **Significantly improved performance vs. FY15**
 - Annual Nielsen **value +5.3%**⁽¹⁾ vs. +3.9% in FY15⁽²⁾
 - **Gap to overall market reduced to below 1pt**
 - **Depletions showing significant improvement: +2% vs. -1% in FY15**⁽³⁾
 - **Organisational changes to deliver medium-term objective of gaining market share:**
 - Strengthening distributor resources, with dedicated manpower x3
 - Increased A&P focus behind key priority Brands x States
 - Stronger focus and streamlined process on innovation
 - New internal marketing organisation structured by consumer demand space
 - New internal commercial organisation delayering regional levels and reinforcing field resources
- Effective July 2016

(1) Nielsen XAOC + liquor Plus to July 16, 2016

(2) Nielsen XAOC + liquor Plus to July 18, 2015

(3) Strategic Spirits depletions from Pernod Ricard wholesalers to retailers



Pernod Ricard

+4%

USA Sales
vs. stable in
FY15

2015/16 Full-year Results
1 September 2016

Americas

United States: growth acceleration

	Jameson	Absolut	Malibu	The Glenlivet	Martell
Nielsen / NABCA ⁽¹⁾	+23% / +22%	-3% / stable	+2% / +4%	+9% / +4%	+25% / +24%

Jameson continuing to grow strongly

- **Very sound brand health** and continued strong recruitment thanks to sustained A&P investment
- Successful launch of **Jameson Caskmates** driven by high appeal to craft beer drinkers
- Continued **share gains**
- **Price increase and positive mix, in particular** through innovation

Absolut still down in value but underlying trends improving, on track to stabilise the brand medium-term

- Improved **depletions from -4% to -2%**, with momentum on both Absolut Blue and Flavours improving
- **Reduction in wholesaler inventory levels** vs. June 2015
- Implementation of stabilisation plan now fully underway with media launched in May.

Growth relays and innovation starting to significantly impact Sales

- **Malibu** continuing to grow, **driven by successful Because Summer** campaign
- **Tequilas (Altos and Avi3n)** growing double-digit and now accounting for c. 300,000 cases at Premium and Ultra-premium price points
- **Elyx** progressing distribution and rotation within target accounts (on and off premise)
- **Martell** growing **very strongly** in a buoyant cognac category
- **The Glenlivet** maintaining its leadership as No1 Scotch malt

(1) Nielsen XAOC + liquor Plus, 52 weeks value to July 16, 2016; NABCA 12month value to June 30th, 2016



Pernod Ricard

+4%

**Sales in
Americas
excl. USA**

2015/16 Full-year Results
1 September 2016

Americas Other markets

Creation of 2 Management Entities in Latin America reporting into Pernod Ricard EMEA to leverage the Region's expertise and optimize the organisation

- **Brazil as lead market**, together with Argentina, Uruguay and Chile
- **Mexico as lead market**, together with Venezuela, Colombia and Peru

Brazil: +5%

- **Resilient** in spite of difficult environment, with overall economy in recession
- **Double-digit average price increases** to compensate for FX and inflation
- **Tight management of A&P and structure costs**

Mexico

- **Quasi-stability**
- Good performance of Top 14, Passport and Wines with favourable pricing

Travel Retail Americas: -9%

- **Difficult year**, due mainly to context in Brazil and FX (USD appreciation)
- Decline mainly volume led (in particular on Chivas and Absolut), with some negative pressure on pricing but positive market and quality mix

Canada

- **Solid growth** driven in particular by Jameson and Jacob's Creek
- **Good growth of overall Top 14** thanks to positive volume and pricing



Asia-Rest of World

Modest growth: +1%



Pernod Ricard

+1%

**Sales in
Asia-RoW**

2015/16 Full-year Results
1 September 2016

Asia-Rest of World

Very good performance in India, Africa Middle East, Japan and Australia

India: +12%

- **#2 market in Sales terms globally**
- **Continuation of very strong performance** driven by double-digit volume growth of both local and imported whiskies
- **Positive pricing** on Top 14 and on Key local brands
- **Overall share gain** in the large local whiskies category, driven by strong performance from Blenders Pride and Imperial Blue
- **Difficult tax and regulatory environment** (prohibition in Bihar; Goods and Services Tax voted for implementation in April 2017; Service tax)

Africa / Middle East

- **Continued double-digit growth** across the African continent and notably in South Africa, driven by Top 14
- **Chivas and Jameson both up +19%**, driven by strong volume growth reflecting the development across the region and pricing
- Macroeconomic and geopolitical context more difficult since H2, leading to growth deceleration

Japan

- **Continued strong growth**
- Double-digit performance of Top 14, in particular thanks to **Perrier-Jouët**
- **Premiumisation driven by mix and pricing**

Australia

- **Strong growth** driven by Jacob's Creek and double-digit growth of Top 14
- Very strong growth of **champagnes** Mumm and Perrier-Jouët
- **Market share gain**



Pernod Ricard

+1%

Sales in
Asia-RoW

2015/16 Full-year Results
1 September 2016

Asia-Rest of World

Decline in China, Korea and Travel Retail

China: -9%

- Full year Sales in line with expectations communicated at Q3
- **Difficult environment** and subdued On-trade demand, with Cognac more resilient than Scotch
- **Martell volume depletions⁽¹⁾ in slight growth**, with Noblige, Distinction and XO in modest growth but Cordon Bleu still in decline
- **Scotch whiskies: double-digit decline**, although Ballantine's Finest growing driven by emerging middle class opportunity
- **Mix improving vs. FY15**
- **Reallocation of resource** from traditional to new emerging channels and brands:
 - **Creation of a dedicated salesforce for premium brands** to more efficiently address the emergence of the MACs⁽²⁾ and of new distribution channels
- **Confidence** in FY16 initiatives and FY17 action plan to drive improvement vs FY16

Korea

- **Continued decline** driven by Imperial, in a declining category
- Shift towards **lower ABV Spirits**
- **Implementation of new leadership and commercial team** to turnaround business performance

Travel Retail Asia

- Sales decrease due mainly to **domestic market weakness** (mainly China and Korea) and currency fluctuations
- **Declines driven by Scotch portfolio**
- Tough commercial and competitive environment

(1) YTD volume depletions at Tier1 + Tier 2 levels

(2) Middle Affluent Class



Europe

Improvement vs. FY15: +1% (+3% restated⁽¹⁾)

(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



Pernod Ricard

Stable

Sales in Western Europe

(+2% restated for French technical impact⁽¹⁾)

2015/16 Full-year Results
1 September 2016

Europe

Western Europe: improvement driven by Spain

France: -7% (Stable when adjusting for advance shipments at the end of FY15⁽¹⁾)

- Market remaining subdued, with a tough pricing environment
- Continued market share gains

Spain +8%

- Strong year driven mainly by Scotch and gin
- Modest price increases
- Market share gains⁽²⁾ continuing: overall Pernod Ricard value at +7% vs. market at +5%

UK

- Good growth resulting in continued market share gains
- Continued good performance of Top 14, in particular Absolut, Jameson, Chivas and Mumm
- Good wine performance, driven by Campo Viejo and Brancott Estate

Travel Retail Europe

- Small decline in a context that remains difficult
- Russian situation and Ruble devaluation continue to impact commercial performance

(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015

(2) Nielsen latest 12 month value to August 2016



Pernod Ricard

+5%

Sales in
Eastern
Europe

2015/16 Full-year Results
1 September 2016

Europe

Eastern Europe

Russia: +2%

- **Resilience in a difficult environment**, in particular linked to currency volatility
- **Underlying trend: high single digit growth**, stronger than shipments due to distributor destocking
- Growth driven by **Ararat** outperforming in a declining category thanks to Modern trade support
- **Double digit pricing** on overall portfolio
- **Top 14 in small decline**, due to volume weakness resulting from significant price increases and destocking

Poland +10%

- Pernod Ricard **regaining market share** but environment remains commercially aggressive
- Growth driven by **whisky** portfolio (Chivas, Ballantine's and Passport) and **premium vodkas**

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Sales analysis

by brand

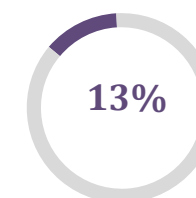
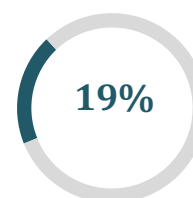
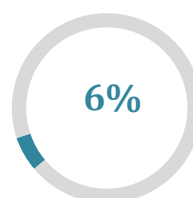
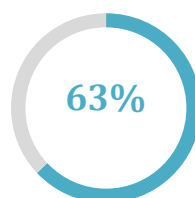
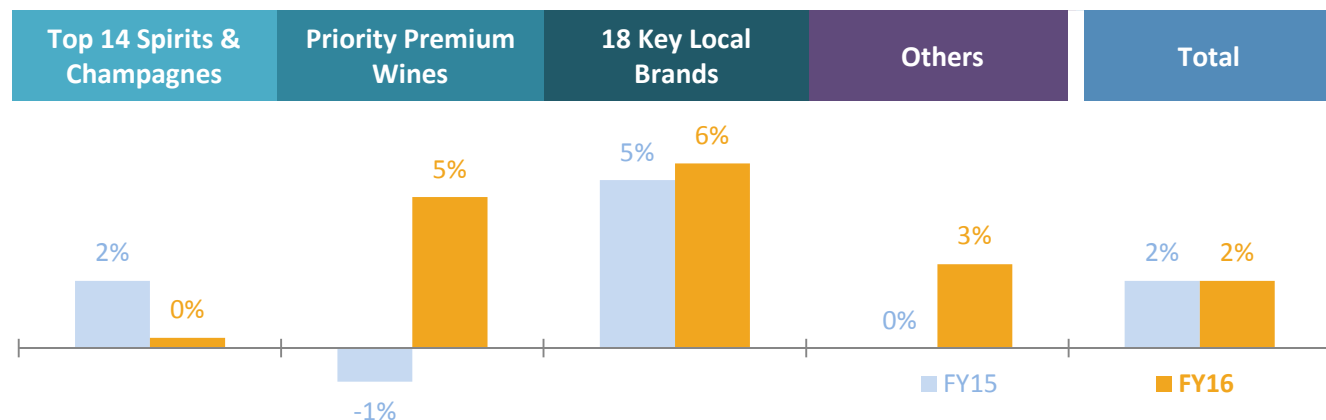


Pernod Ricard

+2%
Sales

2015/16 Full-year Results
1 September 2016

Organic Sales growth by category



% of Sales

Premium brands⁽²⁾: 75% of Sales, in line with FY15

(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015
(2) RSP in the US >= USD 17 for spirits and > USD 5 for wines



Pernod Ricard

Stable

Top 14 Sales

2015/16 Full-year Results
1 September 2016

Top 14 Spirits & Champagnes

Volumes: **stable**

Sales: **stable**

% of Group Sales:

63%

Volumes and Sales flat vs. FY15

- Adjusting for French technical impact⁽¹⁾, Volumes +1% and Sales +1%
- Growth driven by Jameson, Ballantine's, The Glenlivet and Perrier-Jouët

Pricing subdued but slightly improving

- Pricing modestly positive: +1% vs. flat in FY15
- Strong commercial discipline

Overall mix slightly negative due to impact of geographic and quality mix from Martell



(1) Shipments brought forward from July to June 2015 ahead of back-office mutualisation between Ricard and Pernod on 1 July 2015



Pernod Ricard

Stable

Top 14 Sales

2015/16 Full-year Results
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Top 14 Spirits & Champagnes

Jameson: +16%, continued very strong performance

- Driven by USA and South Africa
- **USA: +23%** ⁽¹⁾, with brand now representing close to ¼ of total USA Sales
- **Difficulties in Russia** linked to price increases to offset weakening Rouble and slowing of On-Trade and traditional channels.

Martell: -4%, due to Asia

- **Sales +7% excluding Asia**, with strong development of Martell in Africa, Travel Retail Americas and USA
- **Destocking** in South-East Asia and **China negatively impacted by adverse comparative basis** (stock increase in June 2015)
- **Pricing and volumes** are broadly flat but **negative mix** due to China
- Ambitious plan in China and Rest of World with the **objective to return to global growth in FY17**

Perrier-Jouët: +9%, continued very strong performance in Japan

- Continued strong development of Perrier-Jouët in **Japan, Germany, France and Australia**



(1) Nielsen XAOC + liquor plus, 12month value to 16 July 2016



Pernod Ricard

Stable

Top 14 Sales

2015/16 Full-year Results
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Top 14 Spirits & Champagnes

Scotch whiskies: Flat

- **Chivas -4%**, volume driven difficulties linked to FX and recession in Brazil impacting Travel Retail Americas and continued challenging market conditions in China
- **The Glenlivet +3%**, strong performance in the USA driven by Founders' Reserve innovation and 12YO. Pricing also positive across all lines
- **Ballantine's: +3%**, driven by Ballantine's Finest +7%, with growth in Europe, especially Poland, Spain and Africa/Middle East.

Other spirits

- **Absolut: -4%**
 - **USA still in decline but improvement in underlying trends**, in line with objective to stabilise the brand medium-term. Depletions improvement (-4% to -2%) not reflected in shipments due to destocking
 - Growth outside USA and Travel Retail, in particular thanks to Europe, Africa and Canada
- **Ricard -8%**: impacted by shipment phasing in France (due to back-office merger between Pernod and Ricard in July.) **Underlying trend is closer to stability**
- **Beefeater +4%**, driven by recovery across Europe
- **Havana Club +3%**: **good growth**, driven by Cuba (increased tourism)





Pernod Ricard

+5%

Priority Premium Wines Sales

2015/16 Full-year Results
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Priority Premium Wines

Volumes +6%

Sales +5%

% of Group Sales:

6%

Growth acceleration

Strong performance of Brancott Estate and Campo Viejo

- Growth expanding across a number of markets including USA, UK, Sweden, Ireland and Russia

Return to Growth for Jacob's Creek

- Strong performance in **Australia** offsetting decline in the UK





Pernod Ricard

+6%

**Key Local
Brands
Sales**

2015/16 Full-year Results
1 September 2016

18 Key Local Brands

Volumes **+8%**

Sales **+6%**

% of Group Sales:

19%

Indian whiskies: **+13%**

- Very strong growth of Imperial Blue, Royal Stag and Blender's Pride

Seagram's Gin

- Strong performance driven by Spain, despite ongoing decline in USA

Development of standard Scotches, in particular Passport and Something Special

- Rapid development in Latin America and Sub-Saharan Africa

Imperial

- Continued **decline** in a structurally contracting Korean market





Pernod Ricard

+41%

**Innovation
Sales**

2015/16 Full-year Results
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Innovation delivering +1% incremental topline growth

Growth accelerating vs. FY15

Significant momentum behind Big bets such as Chivas Extra, Jameson Caskmates, premium plus tequilas (Olmeca Altos and Tequila Avi3n) and Elyx

Premiumising impact of innovation on overall portfolio

- Sales per case significantly above Group average



Marketing, innovation & CSR



Pernod Ricard

New products

MUMM

Mumm Grand Cordon New Bottle

Breaking with convention, the bottle has no front label : The G.H. Mumm signature and eagle emblem are printed in gold directly on the glass. The most eye-catching feature of the Mumm Grand Cordon bottle is its reinterpretation of the famous Cordon Rouge red sash, transformed into a genuine red ribbon, which – in a feat of technology – is actually indented in the glass.

Mumm Grand Cordon was created by award-winning designer Ross Lovegrove



JAMESON

The Deconstructed Series

The Deconstructed Series offers our consumers the opportunity to experience taste and understand it in a new way by introducing three new whiskeys with three unique styles, all taking inspiration from Jameson Original. Jameson Bold highlights the pot still component of Jameson Original, Jameson Lively brings out the grain elements, and Jameson Round highlights the wood influence on the whiskey.

The Deconstructed Series is a Super-Premium range of whiskeys, exclusive to Travel Retail.

Taste exploration is at the core of this collection, giving Jameson fans the chance to divide and conquer

2015/16 Full-year Results

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THE GLENLIVET

Cipher

The Glenlivet Cipher is a limited edition launched as a mystery product; in a black opaque bottle, with no tasting notes, cask information or age statement.

Single malt drinkers are challenged to decode the aroma and taste through an engaging digital campaign, aiming to find out the secret tasting notes of this enigmatic whisky





Pernod Ricard

RICARD

Ricard Bleu

Ricard has chosen the colour Blue for its new limited Summer edition. Along with the bottle comes a suggested recipe made of Ricard and blue mint syrup in order to shake things up and add a hint of freshness for the new Summer drink.

CET ÉTÉ,
LE JAUNE
EST AUSSI
EN BLEU



ROYAL SALUTE

« Bohemian Aristocracy »

Inspired by intellectual aristocrat and Bloomsbury patron, Lady Ottoline Morrell, the new artistic "creative circle" campaign, has been created in collaboration with fashion and art photographer **Michelangelo Di Battista**. Michelangelo's impressive visuals and film showcase models Gary Greengood, Joel Frampton and Iris Strubegger, wearing contemporary British luxury clothes in muse Lady Ottoline Morrell's manor house. This perfectly reflects Royal Salute's new brand vision: a modern British luxury brand steeped in the traditions of royalty and aristocracy but interpreting the world with a modern take on contemporary culture



New campaigns



MALIBU

Malibu #BecauseSummer

The new Summer campaign aims at making Malibu the go-to Summer drink. #BecauseSummer is carried out through a series of TV commercials, Youtube videos, social media activations and a series of events which communicate the festive and light hearted nature of Malibu drinks. Seven of the youtube videos are accompanied by Major Lazer's *Light it Up* track. <https://www.youtube.com/watch?v=k28A3FgiXEA>



SEAGRAM IMPERIAL BLUE

« Men will be Men »

With its catchy slogan "Men will be men", Imperial Blue is back with the self-mockery and offbeat tone of voice, featuring the little habits which men are struggling to get rid of.



Pernod Ricard

New activation

PERRIER JOUËT

L'Eden Tokyo

April 22, Perrier-Jouët inaugurated a pop-up bar in Tokyo: "L'Eden by Perrier-Jouët", featuring works of glass artist, Ritsue Mishima and viennese design-duo mischer'traxler. From April 23 to May 8, at the "WALL" in Aoyama, Perrier-Jouët offered a variety of seminars and talks.

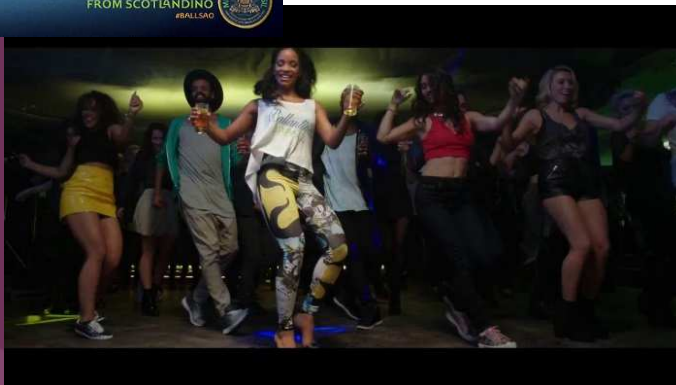
Various performers, from the world of art, introduced visitors to the idea of "bringing beauty to everyday life".



BALLANTINE'S

Ballantine's Brasil Shake

« Brasil Shake » is Ballantine's Brasil new 360° summer campaign putting music and dance in the spotlight. The campaign has been launched all around Europe and features Alexxa, a rising Brazilian star and DJ Sky Adams who is a well established music icon.



MARTELL

La French Touch « The unexpected Journey »

To support the launch of Martell French Touch Limited Edition, Martell has released a breakthrough integrated VR experience, becoming the first spirit brand to transform its own packaging into a cardboard google.

The packaging folds into a cardboard headset which drinkers can use to play an interactive virtual reality game and share in-game achievements through social media. The initiative has been amplified by markets locally to collect datas and extend consumer experience, in particular in China, Vietnam, HK, UK, and Taiwan.





Pernod Ricard

New activation

ABSOLUT



#AbsolutNights

The #AbsolutNights campaign shows in multiple emotional stories and executions how we as Absolut view the night. The campaign dramatises our insight that a night that you will remember only happens when we are truly ourselves and open to live in the moment. The campaign inspires consumers to have their own #Absolutnights, hence creates a more open world in the nightlife territory.



JACOB'S CREEK

"Made by" film series with Novak Djokovic

The films show a side of Novak the world has perhaps not seen before. We see the real Novak, recounting the never before told life stories from Belgrade, Serbia, celebrating the people, places and passions that have made him the tennis champion he is today. Titled 'Made By Determination', the documentary style film series takes viewers back to the beginning of Novak's journey, from growing up in war-torn Serbia, to the dedication and commitment of his first coach Jelena Gencic.



Pernod Ricard

Artistic & celebrity partnerships



HAVANA CLUB

Rumba Sessions: La Clave

The latest chapter in the longstanding relationship between Gilles Peterson, Havana Cultura and the music of Cuba is the feature-length documentary "Rumba Sessions: La Clave" by Charlie Inman. The documentary sees him explore the roots of rumba through interviews with leading figures of the rumba scene in Cuba — from Muñequitos de Matanzas to Rumberos de Cuba, Osain del Monte, Timbalaye and Raíces Profundas.

The documentary is produced in collaboration with Havana Cultura platform dedicated to promote contemporary Cuban culture.

VILLA VASSILIEFF

Launch of Pernod Ricard Fellowship

4 international artists and curators are invited to spend three months in residency within a refurbished studio at the historical Villa Vassilieff. Selected by an international committee of leading figures from arts and culture, the fellows will enjoy **bespoke support** from researchers and art professionals, along with **access to a rich network of institutions** in France and abroad, such as the **Centre Pompidou**. A unique opportunity to enhance their vision and to focus on their own work or any other projects.



Evolution of Portfolio segmentation

New House of brands to better target consumer opportunities

- Strengthen resource allocation framework
- Support luxury portfolio and innovation
- Implemented 1 July 2016

As a consequence, new segmentation for Financial communications:

STRATEGIC INTERNATIONAL BRANDS



WINES



STRATEGIC LOCAL BRANDS





Pernod Ricard

Strong current progress on the 2020 Environmental roadmap:

- **17% less water consumed per unit between 2010 and 2016;**
- **25% less CO₂ emitted per unit between 2010 and 2016;**
- **82% of vineyards operated by the Group are certified according to environmental standards in 2016.**

2015/16 Full-year Results
1 September 2016

Sustainability & Responsibility:

Pernod Ricard engaged in the United Nations Sustainable Development Goals (SDGs)

CORPORATE

An opportunity for all stakeholders to play a role

Launched in September 2015, the Sustainable Development Goals (SDGs) were adopted by all countries of the United Nations as a plan of action for people, planet and prosperity to transform our world.

The United Nations recognized the private sector's role to play and Pernod Ricard is convinced that everyone has a role to play towards these Goals for 2030.





Profit from Recurring Operations



PRO

Summary income statement



Pernod Ricard

+2%
FY PRO

2015/16 Full-year Results
1 September 2016

Summary income statement

(€ millions)	FY 15	FY 16	reported Δ	organic Δ
Sales	8,558	8,682	+1%	+2%
Gross margin after logistics costs (GM)	5,296	5,371	+1%	+2%
<i>GM / Sales</i>	61.9%	61.9%		-13bps
Advertising & prom. expenditure (A&P)	(1,625)	(1,646)	+1%	+1%
<i>A&P / Sales</i>	19.0%	19.0%		-17bps
Contribution after A&P expenditure (CAAP)	3,671	3,725	+1%	+2%
<i>CAAP / Sales</i>	42.9%	42.9%		+4bps
Profit from Recurring Operations (PRO)	2,238	2,277	+2%	+2%
<i>PRO / Sales</i>	26.2%	26.2%		+7bps



Pernod Ricard

+2%
PRO

Income statement key comments

Lower Gross Margin pressure: -13bps in FY16 vs. -105bps in FY15

- **Pricing** still challenging but **gradually improving: +1% in FY16** vs. flat for FY15
- **Negative mix** driven by **geography** (India growth vs. China decline), less acute than in FY15 due to rebound of USA in FY16
- **Tight management of Cost Of Goods Sold (COGS)** thanks to operational efficiency initiatives starting to deliver
 - +1% COGS growth at constant mix/volume

A&P +1% with quasi stability in ratio at 19% of Sales

- Increase in support for **key innovation projects**
- **Focus on key must-win markets, USA** in particular
- Numerous initiatives to **drive stronger efficiency**

Structure costs⁽¹⁾ very tightly managed

- **Growing c. 2%**, in line with Sales
- **Allegro⁽²⁾ savings** delivered to plan

Slight improvement in PRO margin: +7bps while increasing A&P

⁽¹⁾ Structure costs = Selling expenses + General expenses + Other income and expenses from recurring operations

⁽²⁾ Operational efficiency programme launched in 2014



Pernod Ricard

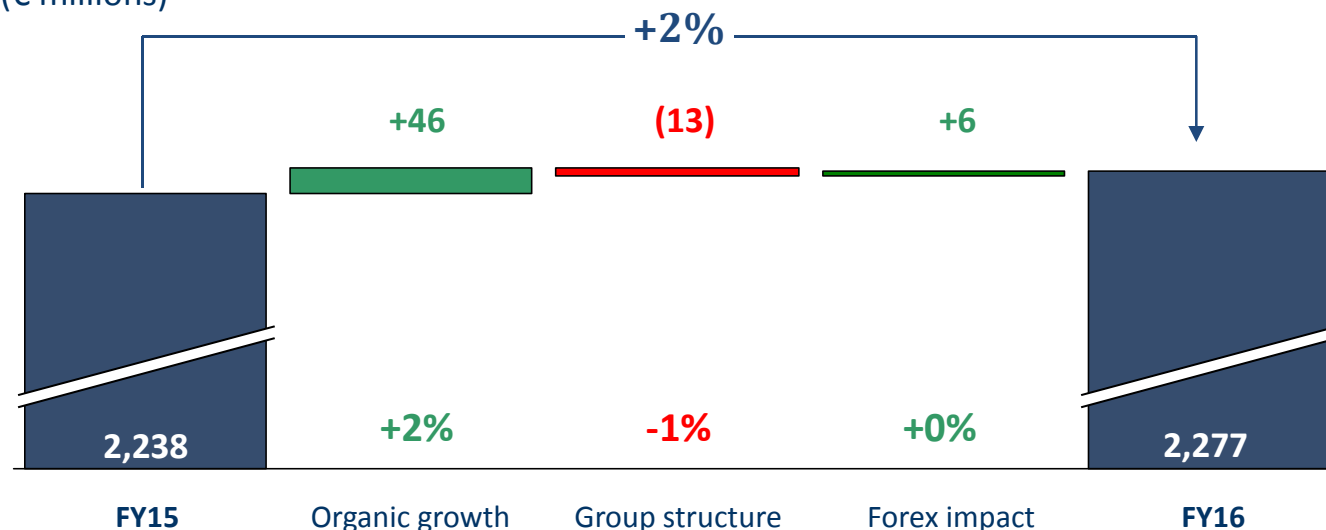
+2%
Organic PRO

+2%
Reported PRO

2015/16 Full-year Results
1 September 2016

Change in PRO

(€ millions)



PRO growth in line with guidance

Mainly Caribe Cooler

Modestly positive impact driven by USD and CNY but offset by RUB and Emerging market currencies



Pernod Ricard

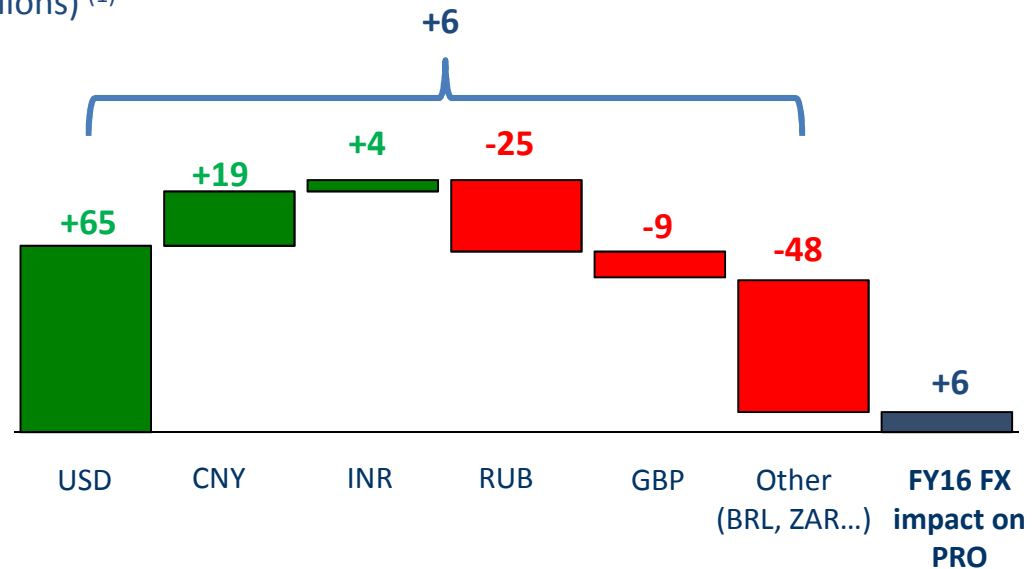
Modestly Positive FX impact on PRO in FY

2015/16 Full-year Results
1 September 2016

Change in PRO – FX impact

For full-year FY16, +€6m FX impact on PRO due to a stronger USD and CNY offset by the devaluation of RUB and many other Emerging market currencies

(€ millions) ⁽¹⁾



(1) Includes impact of strategic hedging on Forex



PRO

Analysis by region

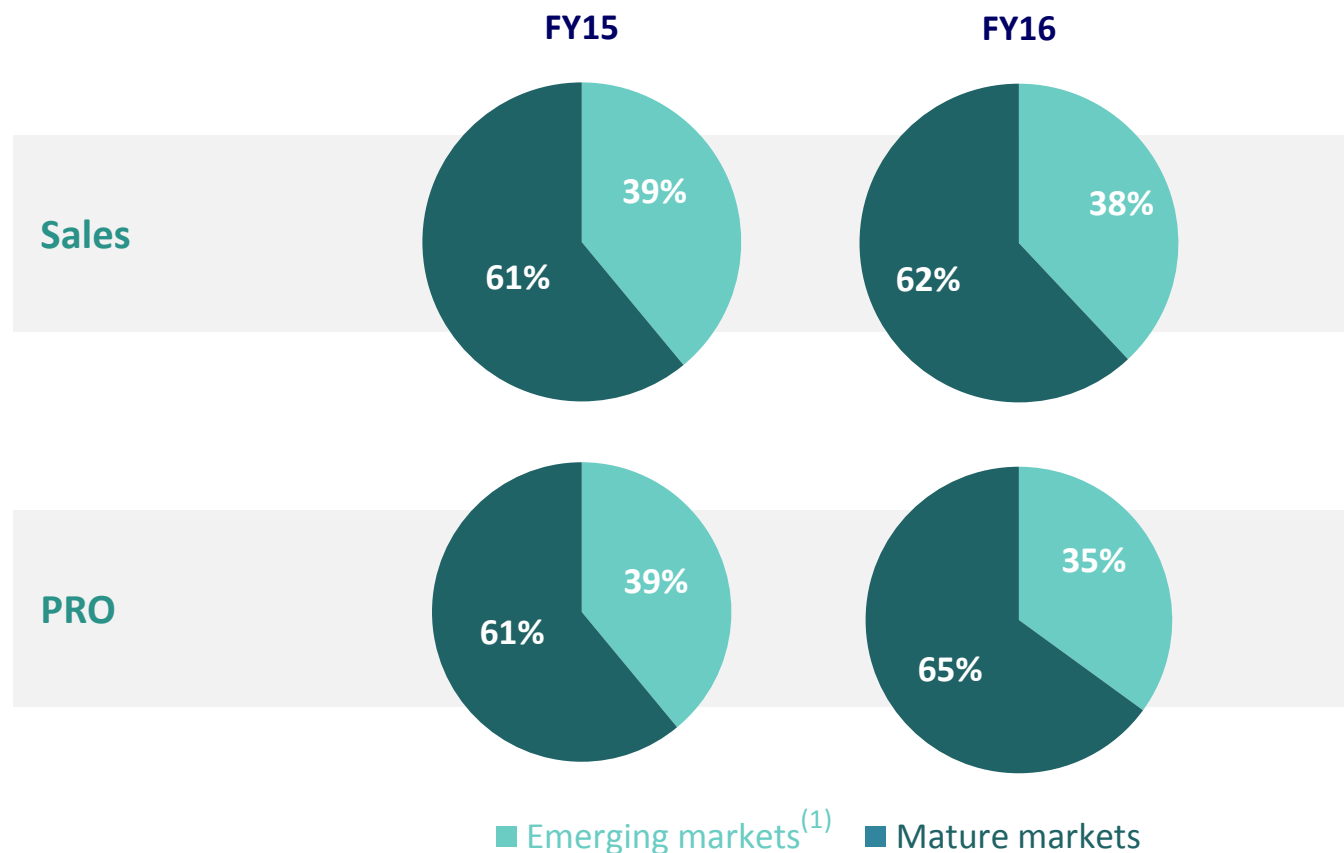


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Healthy balance between emerging and mature markets

2015/16 Full-year Results
1 September 2016

Analysis by market type



Relative shares of Mature vs. Emerging markets in Group PRO impacted primarily by FX in FY16

(1) List of Emerging markets available in appendix

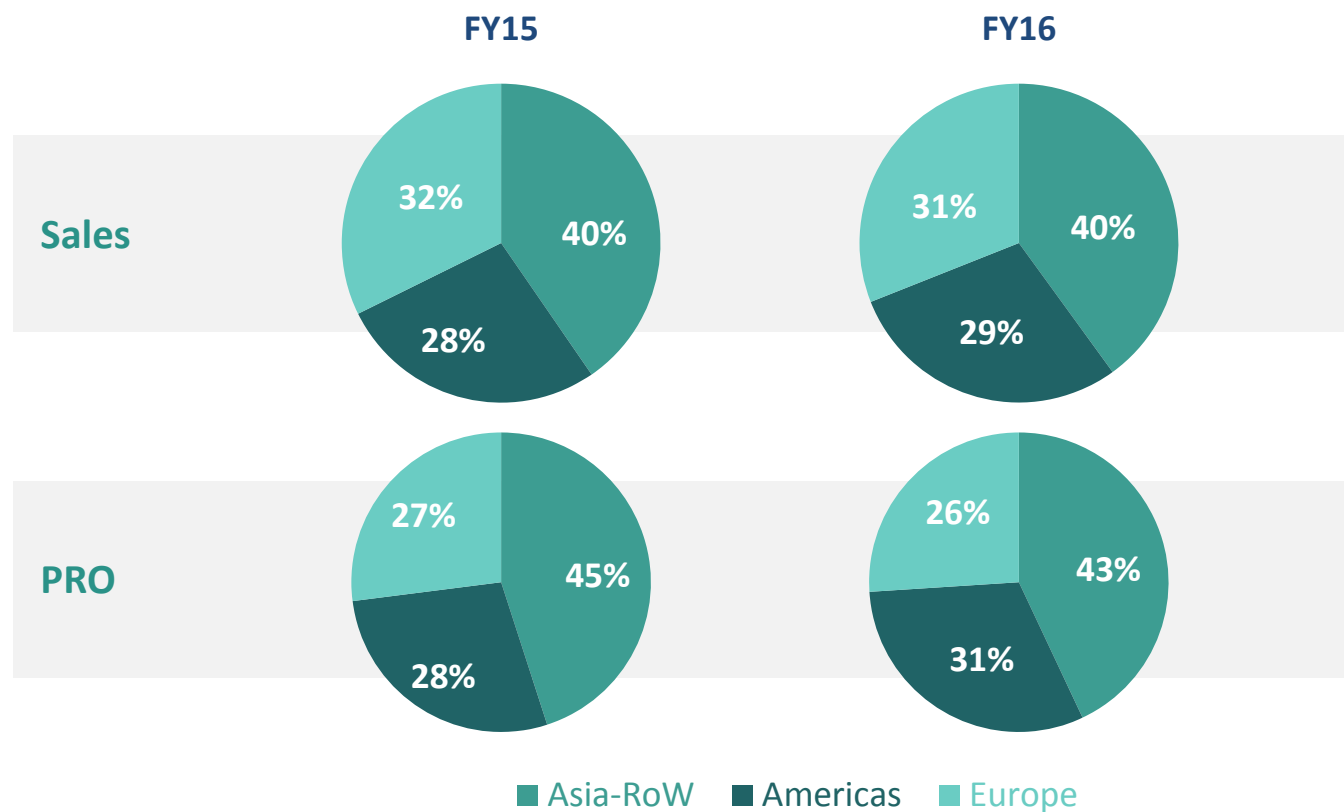


Pernod Ricard

Healthy geographical balance

2015/16 Full-year Results
1 September 2016

Analysis by region





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+4%

**Americas
PRO**

2015/16 Full-year Results
1 September 2016

Americas

Good performance driven by USA and further enhanced by FX

(€ millions)	FY15	FY16	reported Δ	organic Δ
Sales	2,382	2,476	+4%	+4%
Gross margin after logistics costs (GM)	1,519	1,639	+8%	+4%
<i>GM / Sales</i>	63.8%	66.2%		<i>flat</i>
Advertising & promotion expenditure (A&P)	(478)	(509)	+7%	+6%
<i>A&P / Sales</i>	20.1%	20.5%		+28bps
Contribution after A&P expenditure (CAAP)	1,041	1,130	+8%	+3%
<i>CAAP / Sales</i>	43.7%	45.6%		-27bps
Profit from Recurring Operations ⁽¹⁾ (PRO)	632	706	+12%	+4%
<i>PRO / Sales</i>	26.5%	28.5%		+11bps

- **Improvement in Sales growth due to acceleration in USA**
- **Gross margin rate flat organically** with favourable impact of USA growth offset by decrease in Travel Retail
- **Increase of A&P** ahead of Sales driven by USA (strategic market), particularly the investment behind innovation Big bets (Chivas Extra, Jameson Caskmates, Elyx)
- **Tight management of Structure costs** leading to slight improvement in PRO margin
- **Reported PRO up double-digit** thanks to dynamic USA Sales and favourable USD movement

(1) Head office costs are allocated in proportion to CAAP



Pernod Ricard

-2%

Asia PRO

2015/16 Full-year Results

1 September 2016

Asia-Rest of World

Small decline in PRO driven by China and Travel Retail

(€ millions)	FY15	FY16	reported Δ	organic Δ
Sales ⁽¹⁾	3,446	3,498	+1%	+1%
Gross margin after logistics costs (GM)	2,073	2,071	0%	-1%
<i>GM / Sales</i>	60.2%	59.2%		-88bps
Advertising & promotion expenditure (A&P)	(627)	(621)	-1%	-2%
<i>A&P / Sales</i>	18.2%	17.8%		-52bps
Contribution after A&P expenditure (CAAP)	1,446	1,450	0%	0%
<i>CAAP / Sales</i>	42.0%	41.5%		-36bps
Profit from Recurring Operations ⁽²⁾ (PRO)	999	982	-2%	-2%
<i>PRO / Sales</i>	29.0%	28.1%		-93bps

- **Sales growth +1%** driven by India and Africa ME but negatively impacted by China
- **Gross margin still under pressure due to adverse geographic mix** (strong growth of India vs. China and Travel Retail decline)
- **Modest decline in A&P** while maintaining investment behind key strategic priorities, in particular China despite the topline weakness
- **Limited favourable FX impact** resulting from positive movements on Chinese yuan and Indian rupee but negative evolution of South African Rand and other Emerging market currencies

(1) Including customs duties

(2) Head office costs are allocated in proportion to CAAP



Pernod Ricard

+7%

**Europe
PRO**

2015/16 Full-year Results
1 September 2016

Europe

Very strong growth of PRO, favoured by tight management of resources

(€ millions)	FY15	FY16	reported Δ	organic Δ
Sales	2,731	2,709	-1%	+1%
Gross margin after logistics costs (GM)	1,704	1,662	-2%	+2%
<i>GM / Sales</i>	62.4%	61.3%		+63bps
Advertising & promotion expenditure (A&P)	(521)	(516)	-1%	0%
<i>A&P / Sales</i>	19.1%	19.1%		-16bps
Contribution after A&P expenditure (CAAP)	1,183	1,145	-3%	+3%
<i>CAAP / Sales</i>	43.3%	42.3%		+79bps
Profit from Recurring Operations ⁽¹⁾ (PRO)	608	588	-3%	+7%
<i>PRO / Sales</i>	22.2%	21.7%		+129bps

- **Sales growth at +1%**, negatively impacted by timing of IT switch in France
- **Improvement in Gross margin** due essentially to product mix and certain price increases (Jameson in particular)
- **Tight management of resources** (A&P and Structure costs), in line with Group strategy
- **Very significant organic improvement of operating margin +129bps**
- Significant gap between organic (+7%) and reported (-3%) profit due mainly to negative impact of **Ruble and GBP**

(1) Head office costs are allocated in proportion to CAAP



Net profit



Pernod Ricard

Lowering cost of debt

Financial income (expense) from recurring operations

(€ million)	FY15	FY16	reported Δ
Financial income (expense) from recurring operations	(457)	(422)	+35
<i>Cost of debt</i>	4.4%	4.1%	

- **Significant reduction in Financial expenses from recurring operations: +€35m**
 - Reduction in cost of debt from 4.4% to 4.1% thanks to cost of bond decrease
 - Improved cashflow
 - Negative FX impact versus FY15: (19 M€), due to 61% of the gross debt being in USD
- Expect cost of debt to further decline to c. 3.8% in FY17



Corporate income tax on recurring items

(€ millions)	FY15	FY16
Corporate income tax on recurring items	(434)	(455)
Rate	24.4%	24.5%

- Tax rate on recurring items quasi stable close to 25%, in line with annual objective



Pernod Ricard

Group share of Net Profit from Recurring Operations and EPS

(€ millions)	FY15	FY16	Reported Δ
Profit from Recurring Operations	2,238	2,277	+2%
Financial income (expense) from recurring operations	(457)	(422)	-8%
Income tax on recurring operations	(434)	(455)	+5%
Minority interests and other	(18)	(20)	
Group share of Net Profit from Recurring Operations	1,329	1,381	+4%
Number of shares used in diluted EPS calculation ('000)	266,230	265,633	
Diluted net earnings per share from recurring operations "EPS" (€/share)	4.99	5.20	+4%

- Increase of +4% in Net Profit from Recurring Operations and EPS, due to PRO organic growth and a reduction in financial expenses
- Net PRO at a historical high



Non-recurring items

(€ millions)	FY15	FY16
Capital gains/losses and impairment	(560)	(54)
Restructuring and reorganisation costs	(68)	(98)
Other non-recurring income and expenses	(21)	(30)
Non-recurring operating income and expenses	(649)	(182)
Non-recurring financial items	(32)	(10)
Corporate income tax on non-recurring items	213	46

- **Capital gains/losses and Impairment charge**
 - Impairment charge of €105m linked mainly to
 - Brancott Estate (weakening of GBP)
 - Wyborowa
 - Capital gain linked to Paddy disposal
- **Restructuring and reorganisation costs linked to organisational changes made to deliver medium-term strategy** (Allegro, USA, Global Travel Retail, China, Korea, Americas region...)



Pernod Ricard

Group share of Net profit

(€ millions)	FY15	FY16	Reported Δ
Profit from Recurring Operations	2,238	2,277	+2%
Non-recurring operating income and expenses	(649)	(182)	
Operating profit	1,590	2,095	+32%
Financial income (expense) from recurring operations	(457)	(422)	
Non-recurring financial items	(32)	(10)	
Corporate income tax	(221)	(408)	
Non-controlling interests and other	(18)	(20)	
Group share of net profit	861	1,235	+43%

- Strong increase in Group share of net profit, due to significant reduction in non-recurring expenses

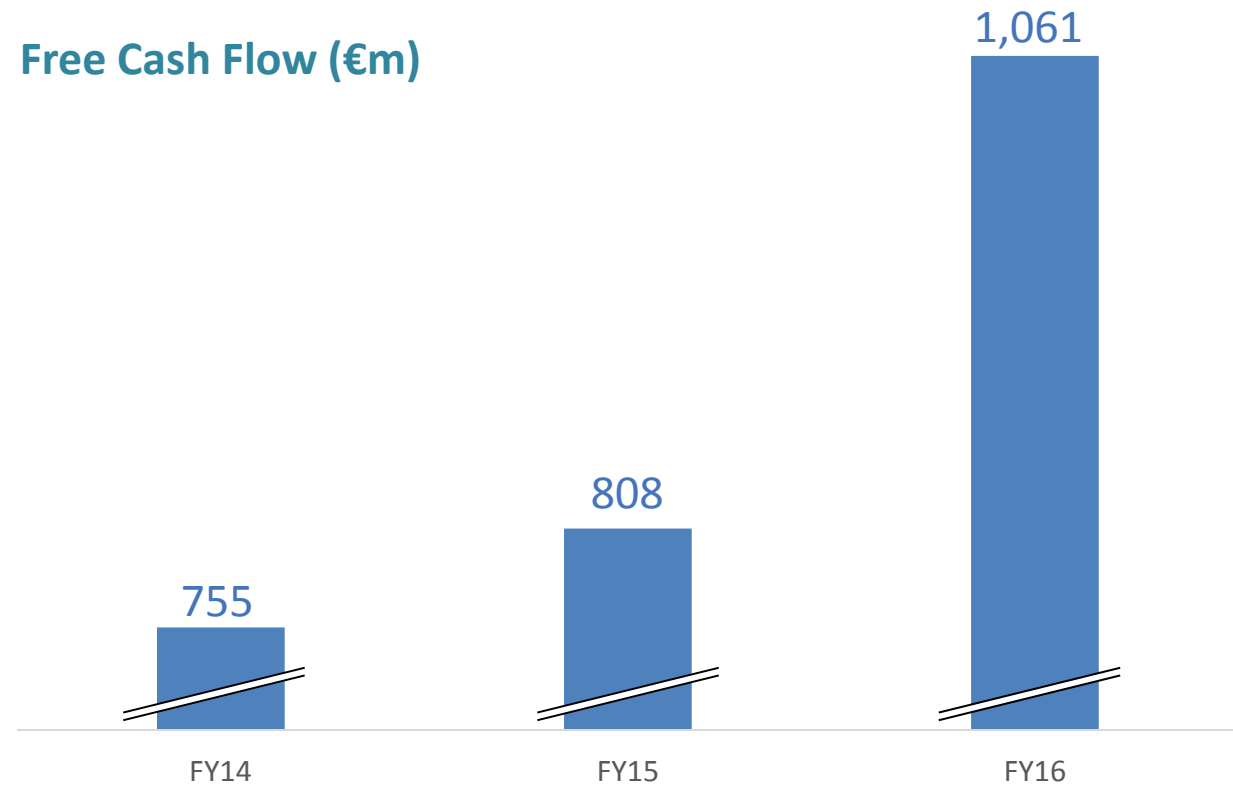
The background is a solid orange color with a subtle geometric pattern of overlapping triangles. A thin white vertical line is positioned to the left of the text.

Cashflow & Debt



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Strong increase in Free Cash Flow: +31% vs FY15





Pernod Ricard

Cash flow statement:

Free Cash Flow increased +31%

(€ millions)	FY15	FY16	reported Δ	% Δ
Profit from Recurring Operations	2,238	2,277	+39	+2%
Amortisation, depreciation and provision movements and other	228	252	+25	
Self-financing capacity from recurring operations	2,466	2,529	+63	+3%
<i>Decrease/(increase) in strategic stocks⁽¹⁾</i>	(236)	(192)	+45	
<i>Decrease/(increase) in operating WCR</i>	44	(20)	(64)	
Decrease/(increase) in recurring WCR	(192)	(211)	(19)	
Non-financial capital expenditure	(313)	(337)	(23)	
Financial income (expense) and taxes	(807)	(781)	+25	
Free Cash Flow from recurring operations (Recurring FCF)	1,154	1,200	+46	+4%
Non-recurring items	(346)	(138)	+208	
Free Cash Flow (FCF)	808	1,061	+254	+31%



Free Cash Flow increased +31%

Recurring FCF at €1,200m, +€46m / +4% vs FY15, with high conversion of EBIT into Cash (87%):

- **Solid PRO growth**
- **Lower growth in strategic inventory build: +€45m (-€192m in FY16 vs. -€236m in FY15)**
 - Cash-out slightly down, in particular on Scotch
 - Continued strategy of adjusting supply to long-term growth
- **Modest Increase in capital expenditure** linked mainly to industrial investments: (€23m)
- **Tight management of Operating Working Capital Requirement**, increasing by only €20m despite adverse French technical impact ⁽¹⁾

Very significant reduction in non recurring items: (€138m) vs (€346m) in FY15.

- **Items mainly linked to Restructuring and reorganisation costs**, including Allegro cash out (€45m)



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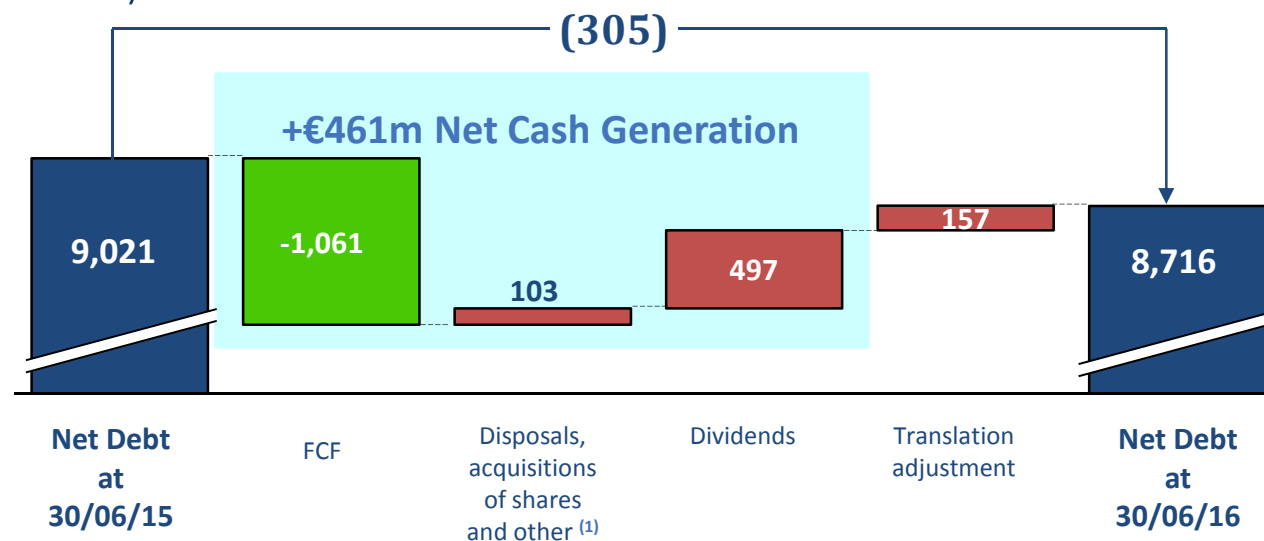
€461m

Net Cash
Generation
before
translation
adjustment

2015/16 Full-year Results
1 September 2016

Net Cash Generation +56% with resulting reduction in Net Debt

(€ millions)



- **Strongly improved Net Cash Generation: +€461m vs +€296m in FY15**
 - Free Cash Flow improvement +€254m
 - **No more contribution to Allied Domecq pension fund** for period Jan 2016 to June 2018 thanks to its healthy position
 - Despite higher net cash-out on **M&A** (mainly **Monkey 47** and **Paddy**) of €78m (-€47m in FY16 vs. +31m in FY15) and higher dividend

(1) Includes contributions to Allied Domecq pension plans of (€43m)



Pernod Ricard

3.4

Leverage ratio

2015/16 Full-year Results
1 September 2016

Deleveraging

	Closing rate	Average rate
<i>EUR/USD rate: FY15 → FY16</i>	<i>1.12 → 1.11</i>	<i>1.20 → 1.11</i>
Ratio at 30/06/2015	3.6	<3.5⁽¹⁾
EBITDA & cash generation excl. Group structure effect and forex impact	(0.3)	(0.3)
Group structure and forex impacts	0.1	0.2
Ratio at 30/06/2016	3.4	3.4

Ratio Net debt / EBITDA down to 3.4

Significant organic improvement: 0.3, dampened by adverse FX on emerging market currencies

(1) Syndicated credit spreads and covenants are based on the same ratio at the average rate



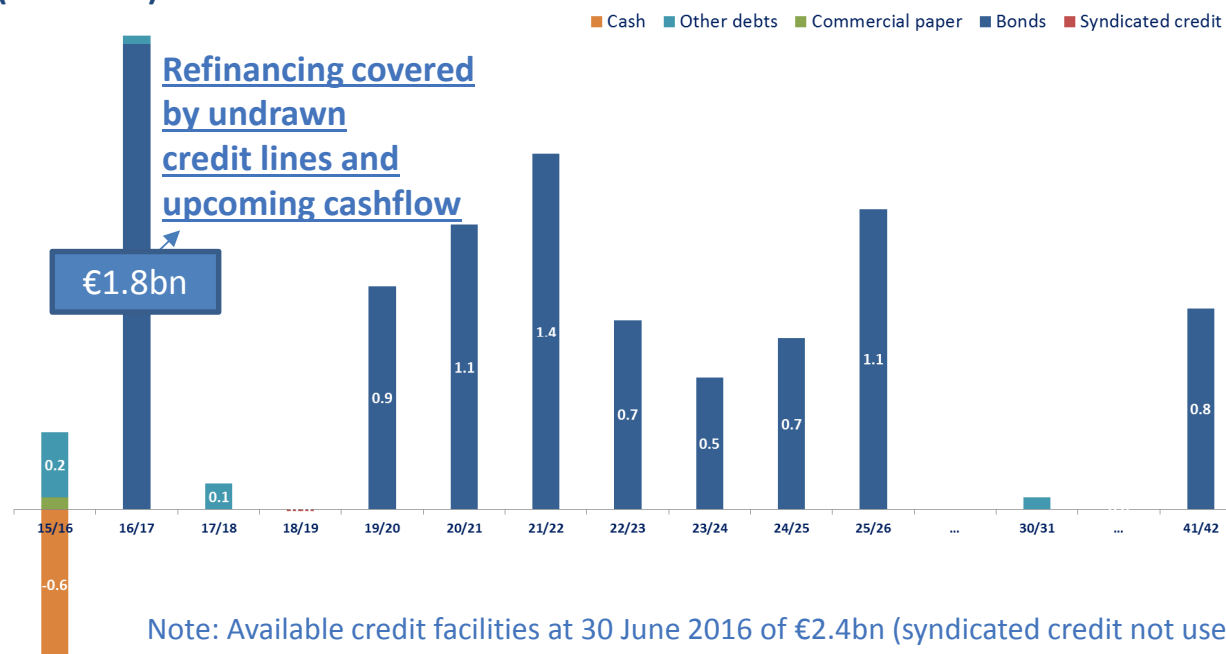
Debt profile / rating

Upgrade from Moody's to Baa2/P2 in May 2016

Debt profile actively managed: opportunistic bond issuances to partially cover €1.8bn bonds maturing in FY17

- 10-year €600m bond with 1.5% coupon in May 2016
- 10-year USD600m bond with 3.25% coupon in June 2016

(€ billions)





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Proposed dividend: € 1.88 per share

€	FY12	FY13	FY14	FY15	FY16 ⁽¹⁾
Dividend	1.58	1.64	1.64	1.80	1.88

Proposed dividend increase: +4% vs. FY15

- Compared to the previous financial year

Pay-out ratio of 36%

- In line with the customary policy of cash distribution of approximately one-third of Group net profit from recurring operations

The background is a solid maroon color. It features a vertical white line on the left side, positioned to the left of the text. There are also two diagonal white lines that create a sense of depth and structure, one running from the top-left towards the center and another from the bottom-right towards the center.

Conclusion and outlook



Pernod Ricard

Conclusion: Solid and encouraging performance, consistent with medium-term growth roadmap

Acceleration in USA and Spain and continued dynamic growth in India and Africa, but ongoing tough conditions in China

Focused investment behind strategic priorities, including innovation

Good progress on implementation of Operational excellence roadmap

PRO growth: +2%, in line with guidance, and return to positive operating leverage

Strong FCF: +31% resulting in reduction in Net debt and deleveraging



Outlook

Continued execution of consistent strategy, as outlined during the June 2015 Capital Market Day, and confidence in ability to deliver medium-term objectives:

- Topline growth 4 to 5 %
- PRO margin improvement

For FY17, Pernod Ricard expects:

- Good Sales growth to continue in USA, India, Jameson and innovation
- Sales to improve vs. FY16 in China, Absolut and Chivas
- Continued focus on the operational efficiency roadmap and priority brands and innovations
- Continued strong cash flow generation

FY17 Guidance:

**Organic growth in Profit from Recurring Operations
between +2% and +4%**



| Appendices



Pernod Ricard

Upcoming communications

DATE⁽¹⁾

EVENT

Thursday 20 October 2016

Q1 2016/17 Sales

Thursday 17 November 2016

Annual General Meeting



Pernod Ricard

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

Top 14 Spirits and Champagnes organic Sales growth

	Volumes FY16 (in 9Lcs millions)	Organic Sales growth FY16	Volumes	Price/mix
Absolut	10.9	-4%	-2%	-1%
Chivas Regal	4.3	-4%	-5%	1%
Ballantine's	6.5	3%	5%	-2%
Ricard	4.5	-8%	-8%	0%
Jameson	5.7	16%	12%	4%
Havana Club	4.0	3%	1%	2%
Malibu	3.4	1%	1%	0%
Beefeater	2.7	4%	3%	1%
Kahlua	1.5	-2%	-2%	0%
Martell	2.1	-4%	-1%	-3%
The Glenlivet	1.0	3%	-2%	5%
Royal Salute	0.2	4%	5%	-1%
Mumm	0.7	0%	2%	-2%
Perrier-Jouët	0.3	9%	7%	1%
Top 14	47.9	0%	0%	0%



Pernod Ricard

Sales Analysis by Region

Net Sales (€ millions)	FY15		FY16		Change		Organic Growth		Group Structure		Forex impact	
Europe	2,731	31.9%	2,709	31.2%	(21)	-1%	29	1%	1	0%	(51)	-2%
Americas	2,382	27.8%	2,476	28.5%	94	4%	96	4%	(49)	-2%	48	2%
Asia / Rest of the World	3,446	40.3%	3,498	40.3%	51	1%	27	1%	(3)	0%	27	1%
World	8,558	100.0%	8,682	100.0%	124	1%	152	2%	(52)	-1%	23	0%

Net Sales (€ millions)	Q4 2015		Q4 2016		Change		Organic Growth		Group Structure		Forex impact	
Europe	647	32.1%	635	34.0%	(12)	-2%	7	1%	3	0%	(22)	-3%
Americas	637	31.6%	577	30.9%	(59)	-9%	(8)	-1%	(12)	-2%	(40)	-6%
Asia / Rest of the World	732	36.3%	657	35.1%	(76)	-10%	(14)	-2%	0	0%	(62)	-8%
World	2,016	100.0%	1,869	100.0%	(147)	-7%	(14)	-1%	(9)	0%	(124)	-6%

Net Sales (€ millions)	H2 2015		H2 2016		Change		Organic Growth		Group Structure		Forex impact	
Europe	1,152	29.3%	1,139	30.6%	(12)	-1%	15	1%	5	0%	(32)	-3%
Americas	1,140	29.0%	1,106	29.7%	(34)	-3%	49	4%	(21)	-2%	(61)	-5%
Asia / Rest of the World	1,645	41.8%	1,479	39.7%	(166)	-10%	(63)	-4%	0	0%	(104)	-6%
World	3,937	100.0%	3,725	100.0%	(212)	-5%	1	0%	(16)	0%	(197)	-5%



Pernod Ricard

Summary Consolidated Income Statement

(€ millions)	FY15	FY16	Change
Net sales	8,558	8,682	1%
Gross Margin after logistics costs	5,296	5,371	1%
Advertising and promotion expenses	(1,625)	(1,646)	1%
Contribution after A&P expenditure	3,671	3,725	1%
Structure costs	(1,433)	(1,448)	1%
Profit from recurring operations	2,238	2,277	2%
Financial income/(expense) from recurring operations	(457)	(422)	-8%
Corporate income tax on items from recurring operations	(434)	(455)	5%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(18)	(20)	6%
Group share of net profit from recurring operations	1,329	1,381	4%
Other operating income & expenses	(649)	(182)	NA
Financial income/(expense) from non-recurring operations	(32)	(10)	NA
Corporate income tax on items from non recurring operations	213	46	NA
Group share of net profit	861	1,235	43%
Non-controlling interests	19	20	6%
Net profit	880	1,255	43%



Pernod Ricard

Profit from Recurring Operations by Region (1/2)

World

(€ millions)	FY15		FY16		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	8,558	100.0%	8,682	100.0%	124	1%	152	2%	(52)	-1%	23	0%
Gross margin after logistics costs	5,296	61.9%	5,371	61.9%	76	1%	83	2%	(14)	0%	7	0%
Advertising & promotion	(1,625)	19.0%	(1,646)	19.0%	(21)	1%	(14)	1%	5	0%	(12)	1%
Contribution after A&P	3,671	42.9%	3,725	42.9%	54	1%	68	2%	(9)	0%	(5)	0%
Profit from recurring operations	2,238	26.2%	2,277	26.2%	39	2%	46	2%	(13)	-1%	6	0%

Asia / Rest of the World

(€ millions)	FY15		FY16		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,446	100.0%	3,498	100.0%	51	1%	27	1%	(3)	0%	27	1%
Gross margin after logistics costs	2,073	60.2%	2,071	59.2%	(2)	0%	(14)	-1%	(0)	0%	13	1%
Advertising & promotion	(627)	18.2%	(621)	17.8%	6	-1%	13	-2%	(0)	0%	(7)	1%
Contribution after A&P	1,446	42.0%	1,450	41.5%	4	0%	(1)	0%	(0)	0%	5	0%
Profit from recurring operations	999	29.0%	982	28.1%	(16)	-2%	(24)	-2%	(0)	0%	8	1%



Pernod Ricard

Profit from Recurring Operations by Region (2/2)

Americas

(€ millions)	FY15		FY16		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,382	100.0%	2,476	100.0%	94	4%	96	4%	(49)	-2%	48	2%
Gross margin after logistics costs	1,519	63.8%	1,639	66.2%	120	8%	61	4%	(17)	-1%	75	5%
Advertising & promotion	(478)	20.1%	(509)	20.5%	(31)	7%	(26)	6%	5	-1%	(11)	2%
Contribution after A&P	1,041	43.7%	1,130	45.6%	88	8%	35	3%	(11)	-1%	65	6%
Profit from recurring operations	632	26.5%	706	28.5%	75	12%	28	4%	(14)	-2%	60	10%

Europe

(€ millions)	FY15		FY16		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,731	100.0%	2,709	100.0%	(21)	-1%	29	1%	1	0%	(51)	-2%
Gross margin after logistics costs	1,704	62.4%	1,662	61.3%	(42)	-2%	36	2%	3	0%	(81)	-5%
Advertising & promotion	(521)	19.1%	(516)	19.1%	4	-1%	(1)	0%	(1)	0%	6	-1%
Contribution after A&P	1,183	43.3%	1,145	42.3%	(38)	-3%	34	3%	2	0%	(75)	-6%
Profit from recurring operations	608	22.2%	588	21.7%	(20)	-3%	42	7%	1	0%	(62)	-10%



Foreign Exchange Impact

Forex impact FY16 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		FY15	FY16	%		
US dollar	USD	1.20	1.11	-7.7%	165	65
Chinese yuan	CNY	7.43	7.15	-3.8%	29	19
Indian rupee	INR	74.48	73.61	-1.2%	10	4
Pound sterling	GBP	0.76	0.75	-1.7%	7	(9)
Russian rouble	RUB	59.35	74.91	26.2%	(40)	(25)
Other					(148)	(48)
Total					23	6

Note : Impact on PRO includes strategic hedging on Forex

Sensitivity of profit and debt to EUR/USD exchange rate

FY16 Estimated impact of a **1% appreciation of the USD** and linked currencies⁽¹⁾

Impact on the income statement⁽²⁾ (€ millions)

Profit from Recurring Operations +16

Financial expenses (3)

Pre-tax Profit from Recurring Operations +14

Impact on the balance sheet (€ millions)

Increase/(decrease) in net debt +55



Pernod Ricard

Balance Sheet: Assets

Assets (€ millions)	30/06/2015	30/06/2016
(Net book value)		
Non-current assets		
Intangible assets and goodwill	17,706	17,572
Tangible assets and other assets	2,933	3,233
Deferred tax assets	2,339	2,505
Total non-current assets	22,978	23,310
Current assets		
Inventories	5,351	5,294
<i>of which aged work-in-progress</i>	<i>4,430</i>	<i>4,364</i>
<i>of which non-aged work-in-progress</i>	<i>73</i>	<i>73</i>
Receivables (*)	1,152	1,068
<i>Trade receivables</i>	<i>1,084</i>	<i>998</i>
<i>Other trade receivables</i>	<i>68</i>	<i>70</i>
Other current assets	260	251
<i>Other operating current assets</i>	<i>245</i>	<i>240</i>
<i>Tangible/intangible current assets</i>	<i>15</i>	<i>11</i>
Tax receivable	61	92
Cash and cash equivalents and current derivatives	595	577
Total current assets	7,419	7,282
Assets held for sale	1	6
Total assets	30,398	30,598
 (*) after disposals of receivables of:	 591	 520



Pernod Ricard

Balance Sheet: Liabilities and Shareholders' Equity

Liabilities and shareholders' equity (€ millions)	30/06/2015	30/06/2016
Group Shareholders' equity	13,121	13,337
Non-controlling interests	167	169
<i>of which profit attributable to non-controlling interests</i>	<i>19</i>	<i>20</i>
Total Shareholders' equity	13,288	13,506
Non-current provisions and deferred tax liabilities	4,427	4,718
Bonds non-current	6,958	7,078
Non-current financial liabilities and derivative instruments	587	341
Total non-current liabilities	11,972	12,137
Current provisions	173	167
Operating payables	1,696	1,688
Other operating payables	920	909
<i>of which other operating payables</i>	<i>623</i>	<i>592</i>
<i>of which tangible/intangible current payables</i>	<i>297</i>	<i>317</i>
Tax payable	116	101
Bonds - current	1,514	1,884
Current financial liabilities and derivatives	719	207
Total current liabilities	5,138	4,955
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	30,398	30,598



Pernod Ricard

Analysis of Working Capital Requirement

(€ millions)	June 2014	June 2015	June 2016	FY15 WC change*	FY16 WC change*
Aged work in progress	3,963	4,430	4,364	233	190
Advances to suppliers for wine and ageing spirits	6	8	5	1	(2)
Payables on wine and ageing spirits	97	107	109	8	4
Net aged work in progress	3,872	4,331	4,260	226	184
Trade receivables before factoring/securitization	1,469	1,674	1,517	129	(98)
Advances from customers	3	3	2	(0)	(1)
Other receivables	243	305	305	47	27
Other inventories	833	847	857	(13)	43
Non-aged work in progress	65	73	73	1	4
Trade payables and other	1,963	2,208	2,168	115	44
Gross operating working capital	645	689	582	50	(68)
Factoring/Securitization impact	479	591	520	(84)	61
Net Operating Working Capital	165	98	62	(34)	(7)
Net Working Capital	4,037	4,428	4,322	193	178
* without FX effects and reclassifications				192	211
Of which recurring variation				0	(34)
Of which non recurring variation					



Pernod Ricard

Net Debt

(En millions d'euros)	30/06/2015			30/06/2016		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	1,514	6,958	8,473	1,884	7,078	8,962
Syndicated loan	-	-	-	-	-	-
Commercial paper	459	-	459	45	-	45
Other loans and long-term debts	79	500	580	98	257	355
Other financial liabilities	538	500	1,039	143	257	400
GROSS FINANCIAL DEBT	2,052	7,459	9,511	2,027	7,335	9,362
Fair value hedge derivatives – assets	(15)	(51)	(66)	-	(77)	(77)
Fair value hedge derivatives – liabilities	-	-	-	-	-	-
Fair value hedge derivatives	(15)	(51)	(66)	-	(77)	(77)
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	-	-	-	-	-
Net asset hedging derivative instruments – assets	-	-	-	-	-	-
Net asset hedging derivative instruments – liabilities	121	-	121	-	-	-
Net asset hedging derivative instruments	121	-	121	-	-	-
Financial debt after hedging	2,159	7,408	9,566	2,027	7,258	9,285
Cash and cash equivalents	(545)	-	(545)	(569)	-	(569)
Net financial debt	1,614	7,408	9,021	1,458	7,258	8,716



Pernod Ricard

Change in Net Debt

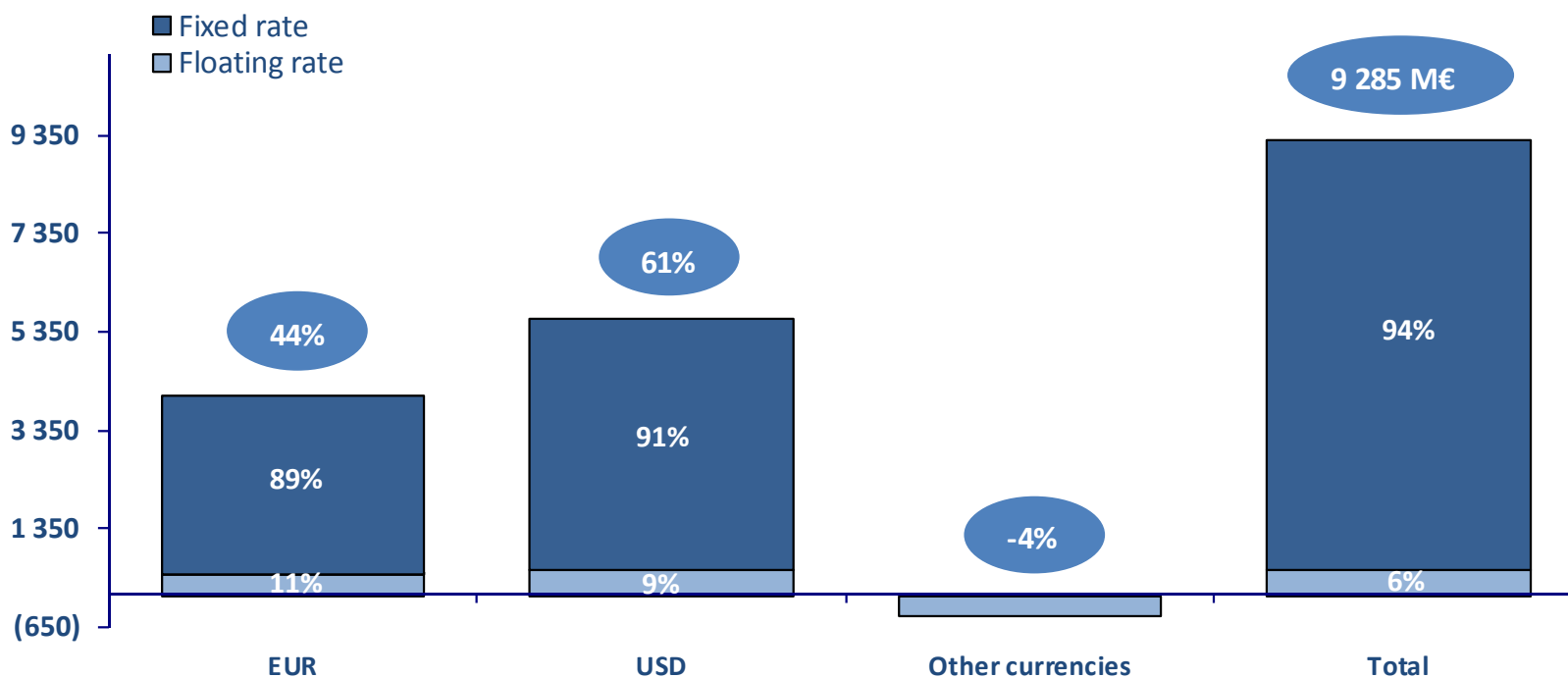
(€ millions)	30/06/2015	30/06/2016
Operating profit	1,590	2,095
Depreciation and amortisation	214	219
Net change in impairment of goodwill, PPE and intangible assets	656	107
Net change in provisions	(156)	(76)
Retreatment of contributions to pension plans acquired from Allied Domecq	75	43
Changes in fair value on commercial derivatives and biological assets	(12)	(4)
Net (gain)/loss on disposal of assets	(98)	(59)
Share-based payments	27	32
Self-financing capacity before interest and tax	2,296	2,358
Decrease / (increase) in working capital requirements	(193)	(178)
Net interest and tax payments	(992)	(801)
Net acquisitions of non financial assets and others	(302)	(317)
Free Cash Flow	808	1,061
<i>of which recurring Free Cash Flow</i>	<i>1,154</i>	<i>1,200</i>
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq	(37)	(85)
Dividends paid	(461)	(497)
(Acquisition) / Disposal of treasury shares and others	(14)	(18)
Decrease / (increase) in net debt (before currency translation adjustments)	296	461
Foreign currency translation adjustment	(964)	(157)
Decrease / (increase) in net debt (after currency translation adjustments)	(668)	305
Initial net debt	(8,353)	(9,021)
Final net debt	(9,021)	(8,716)



Pernod Ricard

Gross Debt Hedging at 30 June 2016

(€ millions)



Natural debt hedging maintained: EUR/USD breakdown close to that of EBITDA
Large part of Gross debt at fixed rates (94%)



Pernod Ricard

Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 1,000 m	5.000%	15/03/2011	15/03/2017
	€ 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
	\$ 2,500 m o/w: \$ 850 m at 5 years \$ 800 m at 10.5 years \$ 850 m at 30 years	2.950% 4.250% 5.500%	12/01/2012	15/01/2017 15/07/2022 15/01/2042
	\$ 201 m	Libor 3m + spread	26/01/2016	26/01/2021
	\$ 600 m	3.250%	08/06/2016	08/06/2026



Pernod Ricard

Number of shares used in diluted EPS calculation

(x 1,000)	FY15	FY16
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)	(1,441)	(1,427)
Dilutive impact of stock options and performance shares	2,250	1,638
Number of shares used in diluted EPS calculation	266,230	265,633

(€ millions and €/share)	FY15	FY16	reported Δ
Group share of net profit from recurring operations	1,329	1,381	+4%
Diluted net earnings per share from recurring operations	4.99	5.20	+4%