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## Pernod Ricard SA financial statements

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## PERNOD RICARD SA INCOME STATEMENT

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016 AND 30 JUNE 2017

€ thousand	30.06.2016	30.06.2017
Royalties	29,101	32,300
Other income	137,684	147,475
Reversals of financial provisions and expense transfers	5,832	3,165
<b>OPERATING INCOME</b>	<b>172,617</b>	<b>182,940</b>
Purchases of goods and supplies not for stock and external services	(140,684)	(144,653)
Duties and taxes	(2,998)	(4,861)
Payroll expenses	(74,371)	(74,832)
Depreciation, amortisation and provision charges	(20,828)	(24,635)
Other expenses	(4,523)	(7,495)
<b>OPERATING EXPENSES</b>	<b>(243,404)</b>	<b>(256,476)</b>
<b>Operating profit (loss)</b>	<b>(70,787)</b>	<b>(73,536)</b>
Income from investments	899,472	783,497
Interest and related income	316,113	225,554
Reversals of financial provisions and expense transfers	288,871	229,473
Foreign exchange gains	15,480	571,148
<b>FINANCIAL INCOME</b>	<b>1,519,936</b>	<b>1,809,672</b>
Provision charges	(232,623)	(375,206)
Interest and related expenses	(546,509)	(398,205)
Foreign exchange losses	(44,472)	(239,498)
<b>FINANCIAL EXPENSES</b>	<b>(823,604)</b>	<b>(1,012,909)</b>
<b>Financial income/(expense)</b>	<b>696,332</b>	<b>796,763</b>
<b>Profit/(loss) from continuing operations</b>	<b>625,545</b>	<b>723,227</b>
<b>Exceptional items</b>	<b>(21,882)</b>	<b>129,087</b>
<b>Net profit/(loss) before tax</b>	<b>603,663</b>	<b>852,314</b>
Corporate income tax	160,415	114,462
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>764,078</b>	<b>966,776</b>

## PERNOD RICARD SA BALANCE SHEET

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016 AND 30 JUNE 2017

### Assets

€ thousand	Net value 30.06.2016	Gross value 30.06.2017	Depreciation, amortisation & provisions	Net value 30.06.2017	Notes
Concessions, patents and licences	29,500	33,286	(3,823)	29,463	
Other intangible assets	4,252	35,424	(32,817)	2,607	
Advances and down payments	6,469	9,486	-	9,486	
<b>Intangible assets</b>	<b>40,221</b>	<b>78,196</b>	<b>(36,640)</b>	<b>41,556</b>	<b>2</b>
Land	587	587	-	587	
Buildings	297	504	(218)	286	
Machinery & equipment	117	403	(296)	107	
Other property, plant and equipment	6,101	16,645	(10,405)	6,240	
Advances and down payments	23,794	36,554	-	36,554	
<b>Property, plant and equipment</b>	<b>30,896</b>	<b>54,693</b>	<b>(10,919)</b>	<b>43,774</b>	
Investments	12,812,153	12,827,390	(88,142)	12,739,248	3
Loans and advances to affiliates and associates	51,356	61,945	-	61,945	3 and 4
Other financial assets	7,772	8,006	-	8,006	3 and 4
<b>Financial assets</b>	<b>12,871,281</b>	<b>12,897,341</b>	<b>(88,142)</b>	<b>12,809,199</b>	<b>3</b>
<b>TOTAL FIXED ASSETS</b>	<b>12,942,398</b>	<b>13,030,230</b>	<b>(135,701)</b>	<b>12,894,529</b>	
<b>Advances and supplier prepayments</b>	<b>194</b>	<b>71</b>	<b>-</b>	<b>71</b>	<b>4</b>
Trade receivables	137,569	159,059	(3,408)	155,651	
Other receivables	2,329,677	1,649,850	(3,114)	1,646,735	
<b>Receivables</b>	<b>2,467,246</b>	<b>1,808,909</b>	<b>(6,522)</b>	<b>1,802,386</b>	<b>4</b>
<b>Marketable securities</b>	<b>81,650</b>	<b>117,590</b>	<b>-</b>	<b>117,590</b>	<b>5</b>
<b>Cash</b>	<b>626,913</b>	<b>494,290</b>	<b>-</b>	<b>494,290</b>	
<b>Prepaid expenses</b>	<b>17,292</b>	<b>11,032</b>	<b>-</b>	<b>11,032</b>	<b>6</b>
<b>TOTAL CURRENT ASSETS</b>	<b>3,193,295</b>	<b>2,431,892</b>	<b>(6,522)</b>	<b>2,425,369</b>	
<b>Bond redemption premiums</b>	<b>23,595</b>	<b>20,181</b>	<b>-</b>	<b>20,181</b>	<b>6</b>
<b>Currency translation adjustment – Assets</b>	<b>780,617</b>	<b>605,338</b>	<b>-</b>	<b>605,338</b>	<b>6</b>
<b>TOTAL ASSETS</b>	<b>16,939,905</b>	<b>16,087,641</b>	<b>(142,223)</b>	<b>15,945,418</b>	

## Liabilities

€ thousand	30.06.2016	30.06.2017	Notes
<b>Capital</b>	<b>411,403</b>	<b>411,403</b>	<b>7</b>
<b>Share premiums</b>	<b>3,039,030</b>	<b>3,039,030</b>	
Statutory reserves	41,140	41,140	
Regulated reserves	179,559	179,559	
Other reserves	195,013	195,013	
<b>Reserves</b>	<b>415,712</b>	<b>415,712</b>	
<b>Retained earnings</b>	<b>1,624,034</b>	<b>1,891,345</b>	
<b>Profit for the financial year</b>	<b>764,078</b>	<b>966,776</b>	
<b>Interim dividends pending allocation</b>	<b>(238,880)</b>	<b>(249,496)</b>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,015,377</b>	<b>6,474,770</b>	<b>8</b>
<b>Provisions for risks and contingencies</b>	<b>490,251</b>	<b>480,147</b>	<b>9</b>
Bonds	8,945,558	7,032,122	4 and 13
Bank debt	127,503	97,502	4 and 14
Other debt	-	-	4
<b>Debt</b>	<b>9,073,061</b>	<b>7,129,624</b>	
Trade payables	78,416	74,070	
Taxes and social charges	30,493	35,114	
Amounts due on non-current assets and related accounts	-	-	
Other payables	259,134	1,264,232	
<b>Trade and other accounts payable</b>	<b>368,043</b>	<b>1,373,416</b>	<b>4</b>
<b>Deferred income</b>	<b>232</b>	<b>188</b>	<b>4 and 11</b>
<b>TOTAL LIABILITIES</b>	<b>9,441,336</b>	<b>8,503,228</b>	
<b>Currency translation adjustment – Liabilities</b>	<b>992,941</b>	<b>487,272</b>	<b>11</b>
<b>TOTAL LIABILITIES</b>	<b>16,939,905</b>	<b>15,945,418</b>	

## PERNOD RICARD SA CASH FLOW STATEMENT

FOR THE FINANCIAL YEARS ENDED 30 JUNE 2016 AND 30 JUNE 2017

€ thousand	30.06.2016	30.06.2017
<b>Operating activities</b>		
Net profit	764,078	966,776
Net depreciation, amortisation and provision charges	(21,296)	78,865
Changes in provisions	(38,365)	(8,908)
Net (gain)/loss on disposal of assets and other items	3,751	-
<b>Cash flow</b>	<b>708,169</b>	<b>1,036,732</b>
Decrease/(increase) in working capital requirements	(75,173)	(640,908)
<b>Change in net debt from operating activities</b>	<b>632,996</b>	<b>395,825</b>
<b>Investing activities</b>		
Capital expenditure	(7,191)	(21,315)
Purchases of financial assets (net of disposals)	(1,744)	(9,683)
<b>Change in net debt from investing activities</b>	<b>(8,935)</b>	<b>(30,998)</b>
<b>Financing activities</b>		
Long-term and medium-term bond issue	(1,288,758)	(121,141)
Loans and medium-term and long-term debt	(54,322)	(94,086)
Other changes in shareholders' equity	-	-
Dividends paid	(496,233)	(507,383)
<b>Change in net debt from financing activities</b>	<b>(1,839,313)</b>	<b>(722,610)</b>
<b>Change in short-term net debt</b>	<b>(1,215,252)</b>	<b>(357,783)</b>
Short-term net debt at the beginning of the year	1,023,243	(192,009)
Short-term net debt at the end of the year	(192,009)	(549,792)

### Note: Presentation of cash flow statement

Changes in net debt comprise changes in both debt and "cash and cash equivalents".

Net debt breaks down as follows:

€ thousand	30.06.2017
Loans and long-term debts	(97,502)
Bonds	(93,706)
Net balance on current account with Pernod Ricard Finance	(970,464)
Marketable securities	117,590
Cash	494,290
<b>SHORT-TERM NET DEBT AT THE END OF THE YEAR</b>	<b>(549,792)</b>
Bonds	(6,938,416)
Loans and long-term debts	20,181
Pernod Ricard Finance loan	-
<b>MEDIUM-TERM AND LONG-TERM NET DEBT AT THE END OF THE YEAR</b>	<b>(6,918,235)</b>
<b>TOTAL NET DEBT AT THE END OF THE YEAR</b>	<b>(7,468,027)</b>

## ANALYSIS OF PERNOD RICARD SA RESULTS

### RELATIONS BETWEEN THE PARENT COMPANY AND ITS AFFILIATES

The main role of Pernod Ricard SA, the Group's Parent Company, is to carry out general interest and coordination activities in strategy, financial control of affiliates, external growth, marketing, development, research, Human Resources and communication. Pernod Ricard SA's financial relations with its affiliates mainly involve the billing of royalties for the operation of brands owned by Pernod Ricard SA, various billings and the receipt of dividends.

### HIGHLIGHTS OF THE FINANCIAL YEAR

#### Bond redemption and new issues

On 14 June 2017, Pernod Ricard SA signed a new multi-currency syndicated loan agreement amounting to €2.5 billion.

On 15 March 2011, Pernod Ricard SA issued bonds totalling €1 billion, with a fixed interest rate of 5%. This issue was redeemed on 15 March 2017.

On 12 January 2012, Pernod Ricard SA issued US\$2.5 billion in bonds. This issue comprised three tranches, including one of US\$ 850 million, with a fixed interest rate of 2.95%. This tranche of US\$ 850 million was repaid on 15 January 2017.

### INCOME STATEMENT AND BALANCE SHEET AS AT 30 JUNE 2017

#### Analysis of the 2016/17 income statement

The operating income represents a total €183 million at 30 June 2017, an increase of €10 million compared with 30 June 2016, mainly due to rebillings to affiliates.

The amount of operating expenses as at 30 June 2017 is €(256) million compared with €(243) million in the previous year, i.e. a rise in expenses of €13 million. The main changes are explained by:

- an increase in taxes of €2 million;
- an increase in amortisation allowances and other operating expenses of €4 million and €7 million respectively.

The operating income amounted to €(74) million at 30 June 2017, i.e. a reduction of €(3) million compared to 30 June 2016.

The amount of financial income was €797 million at 30 June 2017, compared to €696 million at 30 June 2016. This increase of €101 million was mainly attributable to:

- the significant reduction in net financial interest charges of €58 million;
- a positive variation in the foreign exchange gains and losses of €361 million;
- a reduction in the dividends received from the consolidated and non-consolidated affiliates of €(116) million;
- a fall in the provisions and reversals of provisions for risks amounting to €(202) million.

The operating result before tax amounted to a profit of €723 million.

The extraordinary result as at 30 June 2017 represents a product of €129 million linked to a net profit on provisions and reversals for risk over the 2016/17 financial year amounting to €101 million and to expenses and ongoing products amounting to €28 million.

Lastly, the income tax item is made up of a tax product of €114 million relating to the effects of the tax consolidation over the 2016/17 period of €130 million and a charge of €(16) million related to the additional 3% tax on dividends.

As a result, net profit for the 2016/17 financial year was €967 million.

## Analysis of the 2016/17 balance sheet

### Assets

Total net fixed assets stood at €12,895 million on 30 June 2017 compared with €12,942 million for the previous year, *i.e.* a reduction of €(48) million. The main changes observed are as follows:

- an increase of €14 million in property, plant and equipment and intangible assets;
- a decrease of €(62) million in financial assets due primarily:
  - to provisions and reversals of provisions for €(72) million, particularly on the Pernod Ricard Central and South America securities for €(73) million,
  - to the €9 million variation in dividends receivable;

Current assets fell by €(768) million during the financial year. The main movements include:

- an increase of €18 million in trade receivables;
- a fall of €683 million in other receivables, due in particular to:
  - the repayment of debt in US dollars and euros by Pernod Ricard Finance over the period amounting to €(994) million,
  - the repayment of debt in US dollars by Austin Nichols & Co over the period amounting to €(798) million,
  - the establishment of debt in US dollars with Allied Domecq Westport Ltd amounting to €1,117 million;
- a reduction in cash amounting to €(133) million mainly attributable to the reduction in cash instruments;
- a €36 million rise in marketable securities.

The accruals and deferred income amounting to €637 million consist of the currency translation adjustment – Assets, bond redemption premiums and prepaid expenses, which decreased respectively by €(175) million, €(3) million and €(6) million between 30 June 2016 and 30 June 2017.

### Liabilities

Shareholders' equity amounted to €6,475 million at 30 June 2017, compared with €6,015 million at 30 June 2016. The main movements for the period were:

- profit for the financial year of €967 million;
- the payment of the balance of the dividend for the 2015/16 financial year of €259 million;
- the payment of an interim dividend of €0.94 per share in respect of the 2016/17 financial year, amounting to €249 million. This interim dividend was paid on 7 July 2017.

Provisions for risks and charges fell by €(10) million. This change was attributable to:

- a net reversal of provision for post-employment benefits of €51 million;
- a €61 million increase in the provision for foreign exchange losses;
- a €(20) million reduction in other provisions for risks.

During the period, financial debts of €(1,943) million fell, particularly as a result of:

- the repayment of a bond maturing on 15 January 2017 for US\$ (850) million, equivalent to €(766) million;
- the repayment of a bond maturing on 15 March 2017 for a total of €(1,000) million;
- the partial redemption of the loan from Mediobanca for €(30) million;
- the €147 million revaluation of US dollar-denominated bonds.

The €1,005 million increase in operating debts is explained primarily by:

- the increase in other debts amounting to €1,005 million, €990 million of which are an increase in the Pernod Ricard Finance current account, €(17) million in reduced intra-group creditors' tax current accounts and €21 million of dividends to pay;
- the €(4) million reduction in supplier payables and related accounts;
- the €5 million increase in tax and social security payables.

The accruals and deferred income of €487 million at 30 June 2017 are comprised of the currency translation adjustment – Liabilities item for €(506) million compared to 30 June 2016 following redemptions of receivables and debts denominated in US dollars.

## NOTES TO THE PERNOD RICARD SA FINANCIAL STATEMENTS

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Pernod Ricard SA is a French public limited company (*société anonyme*), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 12, place des États-Unis, 75016 Paris and is listed on Euronext.

The balance sheet total for the financial year which ended 30 June 2017 was €15,945,418,061.53. The income statement for the year records a profit of €966,776,000.84. The financial year covered the 12-month period from 1 July 2016 to 30 June 2017.

### Note 1 Accounting policies

The annual financial statements for the financial year were prepared in accordance with the provisions of ANC regulation 2016-07 of 04 November 2016 relating to the new French general accounting standards. General accounting principles were applied, in accordance with the prudence principle, using certain assumptions whose objective is to provide a true and fair view of the Company. These principles are:

- going concern;
- consistency of accounting policies from one financial year to the next;
- accruals basis of accounting;
- relative importance;
- no compensation;
- good information;
- and in accordance with the general rules of drawing up and presenting the annual financial statements.

Balance sheet assets and liabilities are measured, depending on the specific items, at their historical cost, contribution cost or market value.

#### 1. Intangible assets

The brands acquired from the merger of Pernod and Ricard in 1975 and from subsequent mergers are the Company's main intangible assets.

Intangible assets are valued at acquisition cost.

#### 2. Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost (purchase price plus ancillary costs but not including acquisition fees). Depreciation is calculated using the straight-line or reducing balance methods, on the basis of the estimated useful lives of the assets:

- buildings: between 20 and 50 years (straight line);
- fixtures and fittings: 10 years (straight line);
- machinery and equipment: 5 years (straight line);
- office furniture and equipment: 10 years (straight-line) or 4 years (reducing balance).



### 3. Financial assets

The gross value of investments is composed of their acquisition cost, excluding ancillary costs, increased by the impact of legal revaluations where applicable.

If the value in use of the investments is less than their net carrying amount, a provision for impairment is recognised for the difference.

Value in use is determined based on a multi-criteria analysis, taking into account the share of the affiliate shareholders' equity that the investment represents, the value based on dividend yield and the financial and economic potential of the affiliate, with particular reference also being made to the market value of its net assets.

The Treasury shares item includes own shares held by Pernod Ricard SA, which can be awarded to employees.

### 4. Receivables

Receivables are recognised at their nominal value. A provision is recognised in the event that their value falls below the net carrying amount at the balance sheet date.

### 5. Marketable securities

This item includes the treasury shares acquired for the allocation of stock option plans from the time of acquisition.

A liability is recognised when it becomes probable that the rights to receive the marketable securities concerned under the plans will be exercised. For other marketable securities, an impairment provision is recognised when the cost price is higher than the market price.

### 6. Bonds

Redemption premiums are amortised over the life of the loans.

### 7. Provisions for risks and charges

Provisions for risks and charges are recognised in accordance with French accounting regulation 2000-06 on liabilities, issued on 7 December 2000 by the French Accounting Regulatory Committee (CRC).

This accounting regulation provides that a liability be recognised when an entity has an obligation towards a third party and that it is probable or certain that this obligation will cause an outflow of resources to the

third party without equivalent consideration being received. A present obligation must exist at the balance sheet date for a provision to be recognised.

### 8. Pensions and other long-term employee benefits

Since the year that ended on 30 June 2014, the Company has opted to recognise the full liability for pensions and other long-term employee benefits in the balance sheet, as provided by recommendation 2013-02. At 30 June 2017, the provision for pensions and equivalent long-term employee benefits is €58 million.

### 9. Translation of foreign currency-denominated items

Payables, receivables and cash balances denominated in foreign currencies are translated into euro as follows:

- translation of all payables, receivables and cash balances denominated in foreign currencies at year-end rates;
- recognition of differences compared to the amounts at which these items were initially recognised as currency translation adjustment assets or liabilities in the balance sheet;
- recognition of a provision for currency risk for any unrealised currency losses, after taking into account the effect of any offsetting foreign exchange hedging transactions.

### 10. Derivative financial instruments

Differences arising from changes in the value of financial instruments used as hedges are recognised in profit and loss in a manner symmetrical to that in which income and expenses relating to the hedged item are recognised.

### 11. Corporate income tax

Pernod Ricard SA is subject to the French tax consolidation system defined by the law of 31 December 1987. Under certain conditions, this system allows income taxes payable by profitable companies to be offset against tax losses of other companies. The scheme is governed by articles 223 A *et seq.* of the French Tax Code.

Each company in the tax group calculates and accounts for its tax expenses as if it were taxed as a stand-alone entity.

The effects of tax consolidation are recognised in the Pernod Ricard SA financial statements.

## Note 2 Intangible assets

### 1. Gross value

€ thousand	At 01.07.2016	Acquisitions	Disposals	At 30.06.2017
Brands	32,560	-	-	32,560
Brand costs	726	-	-	726
Software	31,211	4,213	-	35,424
Advances and down payments on intangible assets	6,469	7,576	(4,559)	9,486
<b>TOTAL</b>	<b>70,966</b>	<b>11,789</b>	<b>(4,559)</b>	<b>78,196</b>

## 2. Depreciation, amortisation & provisions

€ thousand	At 01.07.2016	Allowances	Reversals	At 30.06.2017
Brands	(3,670)	-	-	(3,670)
Brand costs	(116)	(37)	-	(153)
Software	(26,959)	(5,858)	-	(32,817)
<b>TOTAL</b>	<b>(30,745)</b>	<b>(5,895)</b>	<b>-</b>	<b>(36,640)</b>

## Note 3 Financial assets

### 1. Gross value

€ thousand	At 01.07.2016	Acquisitions/Inflows	Disposals	At 30.06.2017
Investments in consolidated entities	12,817,759	56	(1,463)	12,816,352
Investments in non-consolidated entities	10,131	267	-	10,398
Other investments	640	-	-	640
Advance on investment	-	-	-	-
<b>Investments</b>	<b>12,828,530</b>	<b>323</b>	<b>(1,463)</b>	<b>12,827,390</b>
Loans and advances to affiliates and associates	51,356	19,627	(9,038)	61,945
Loans	-	-	-	-
Guarantee deposits	2,674	402	(187)	2,889
Liquidity agreement	5,099	18	-	5,117
Treasury shares	-	-	-	-
<b>TOTAL</b>	<b>12,887,658</b>	<b>20,370</b>	<b>(10,688)</b>	<b>12,897,341</b>

The change in the investments in consolidated entities item was mainly due to the universal transmission of €1,462,769 of the assets of SOPEBSA to Pernod Ricard and the acquisition of the Lina 10 and Lina 15 companies for €55,241.

The change in the non-consolidated securities item is explained by the creation of five new companies, each with capital of €40,000, and the €67,200 capital increase of the Lina 8 company.

In accordance with article L. 225-210 of the French Commercial Code, Pernod Ricard SA holds reserves under liabilities on its balance sheet, in addition to the statutory reserve, of an amount at least equal to the value of all the shares it owns.

### 2. Provisions

€ thousand	At 01.07.2016	Allowances	Reversals	At 30.06.2017
Investments in consolidated entities <sup>(1)</sup>	(10,910)	(72,730)	1,035	(82,605)
Investments in non-consolidated entities <sup>(2)</sup>	(4,827)	(70)	-	(4,897)
Other investments	(640)	-	-	(640)
Advance on investment	-	-	-	-
<b>Investments</b>	<b>(16,377)</b>	<b>(72,800)</b>	<b>1,035</b>	<b>(88,142)</b>
Treasury shares	-	-	-	-
<b>TOTAL</b>	<b>(16,377)</b>	<b>(72,800)</b>	<b>1,035</b>	<b>(88,142)</b>

(1) Change explained by the recovery of €1 million of provisions on SOPEBSA and Residences de Cavalière securities and the granting of a €(73) million provision for Pernod Ricard CESAM.

(2) Change in the provision for depreciation for Geo Sandeman shares.

## Note 4 Maturity of receivables and payables

### 1. Receivables

€ thousand	Gross amount	Due in one year or less	Due in more than one year
Loans and advances to affiliates and associates	61,945	4,332	57,613
Loans	-	-	-
Other financial assets	8,006	5,117	2,889
<b>Receivables and other financial assets</b>	<b>69,951</b>	<b>9,449</b>	<b>60,502</b>
Current assets other than marketable securities and cash	1,808,980	242,312	1,566,668
Prepaid expenses	11,032	11,032	-
<b>TOTAL</b>	<b>1,889,963</b>	<b>262,793</b>	<b>1,627,170</b>

### 2. Liabilities

€ thousand	Gross amount	Due in one year or less	Due in one to five years	Due in more than five years
Bonds	7,032,122	93,706	3,216,807	3,721,609
Bank debt	97,502	97,502	-	-
Other debt	-	-	-	-
Trade payables	74,070	74,070	-	-
Taxes and social charges	35,114	35,114	-	-
Amounts due on non-current assets and related accounts	-	-	-	-
Other payables	1,264,232	1,264,232	-	-
Deferred income	188	188	-	-
<b>TOTAL</b>	<b>8,503,228</b>	<b>1,564,812</b>	<b>3,216,807</b>	<b>3,721,609</b>

## Note 5 Marketable securities

€ thousand or in quantities	At 01.07.2016		Acquisitions <sup>(1)</sup>		Capital transaction		Reclassification		Exercises/ Disposals <sup>(2)</sup>		At 30.06.2017	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pernod Ricard shares	-	-	-	-	-	-	-	-	-	-	-	-
■ Gross value	995,594	81,650	778,729	70,386	-	-	-	-	404,455	34,446	1,369,868	117,590
■ Impairment	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET VALUE</b>	<b>995,594</b>	<b>81,650</b>	<b>778,729</b>	<b>70,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>404,455</b>	<b>34,446</b>	<b>1,369,868</b>	<b>117,590</b>

(1) Incl. €20 million relating to the November 2016 plan, €30 million relating to the 2010 and 2011 stock options plan and €20 million relating to the November 2013 bonus share plan.

(2) Incl. €(27) million for raising stock options (2010 and 2011 plans), and €(7) million of final allocation of bonus shares (2013 plan).

## Note 6 Prepaid expenses and deferred charges

€ thousand	At 01.07.2016	Increases	Decreases	At 30.06.2017
Prepaid expenses <sup>(1)</sup>	17,292	12,897	(19,157)	11,032
Bond redemption premiums	23,595	-	(3,414)	20,181
Currency translation adjustment – Assets <sup>(2)</sup>	780,617	605,338	(780,617)	605,338
<b>TOTAL</b>	<b>821,504</b>	<b>618,235</b>	<b>(803,188)</b>	<b>636,551</b>

(1) The reduction in the Prepaid expenses item is mainly due to the completion of repurchases for the 2010 and 2011 plans.

(2) The €605 million asset arising from currency translation adjustments at 30 June 2017 is mainly due to the revaluation of assets and liabilities at the closing euro/US dollar exchange rate on 30 June 2017.

## Note 7 Composition of share capital

At 30 June 2017, the share capital comprised 265,421,592 shares with a par value of €1.55 per share. The total share capital thus amounted to €411,403,467.60.

## Note 8 Shareholders' equity

€ thousand	At 01.07.2016	Allocation of income	Changes in accounting policies	Distribution of dividends	Profit 2017	At 30.06.2017
Capital	411,403	-	-	-	-	411,403
Share premiums	3,039,030	-	-	-	-	3,039,030
Statutory reserves	41,140	-	-	-	-	41,140
Regulated reserves	179,559	-	-	-	-	179,559
Other reserves	195,013	-	-	-	-	195,013
Retained earnings	1,624,034	764,078	-	(496,767)	-	1,891,345
Profit for the financial year	764,078	(764,078)	-	-	966,776	966,776
Interim dividends to be paid <sup>(1)</sup>	(238,880)	-	-	(10,616)	-	(249,496)
<b>TOTAL</b>	<b>6,015,377</b>	<b>-</b>	<b>-</b>	<b>(507,383)</b>	<b>966,776</b>	<b>6,474,770</b>

(1) The Board of Directors' meeting on 19 April 2017 resolved to pay an interim dividend of €0.94 per share in respect of the 2016/17 financial year, i.e. a total of €249 million. This interim dividend was paid on 7 July 2017.

## Note 9 Provisions

€ thousand	At 01.07.2016	Increases in the year	Changes in accounting policies	Reversals (used)	Reversals (not used)	At 30.06.2017
<b>Provisions for risks and charges</b>						
Provision for currency losses	99,826	161,160	-	(99,826)	-	161,160
Other provisions for risks <sup>(1)</sup>	281,438	163,220	-	(183,536)	-	261,122
Provisions for pensions and other long-term employee benefits	108,987	11,993	-	(63,115)	-	57,865
<b>TOTAL 1</b>	<b>490,251</b>	<b>336,373</b>	<b>-</b>	<b>(346,477)</b>	<b>-</b>	<b>480,147</b>
<b>Provisions for depreciation and amortisation</b>						
On financial assets <sup>(2)</sup>	16,377	72,800	-	(1,035)	-	88,142
On trade receivables	2,135	3,408	-	(2,135)	-	3,408
On other receivables	3,193	-	-	(79)	-	3,114
On marketable securities	-	-	-	-	-	-
<b>TOTAL 2</b>	<b>21,705</b>	<b>76,208</b>	<b>-</b>	<b>(3,249)</b>	<b>-</b>	<b>94,664</b>
<b>OVERALL TOTAL</b>	<b>511,956</b>	<b>412,581</b>	<b>-</b>	<b>(349,726)</b>	<b>-</b>	<b>574,811</b>

(1) Change due to the €(17) million provisions on the stock options and allocation plan for performance-based shares, the granting of €(7) million provisions for compensation risk and for the €44 million recovery to provisions for risk.

(2) Changes relating to provisions for €72.7 million in depreciation of equities securities for Pernod Ricard CESAM, €(1) million for Sopebsa and Résidences de Cavalière

## Provisions for risks and charges

### Provision for currency losses

The €161 million provision for currency losses as at 30 June 2017 consists of the unrealised currency loss for unhedged US dollar receivables and payables.

### Other provisions for risks

Other provisions for risks correspond to:

- provisions for risks attached to:
  - stock options relating to the November 2014, November 2015 and November 2016 €9 million plans maturing at the end of 2017, 2018 and 2019,
  - performance-based shares relating to the November 2013, November 2014, November 2015 and November 2016 €118 million plans, maturing in November 2017, 2018, 2019 and 2020,
  - losses on stock options relating to the 2010 and 2011 €10 million plans, maturing in 2018 and 2019;
- provisions for risks and charges relating to tax consolidation for €97 million;
- various provisions amounting to €26 million.

### Provisions for pensions and other long-term employee benefits

#### Description and recognition of employee benefit obligations

Pernod Ricard SA's employee benefit obligations are composed of:

- long-term post-employment benefits (retirement bonuses, medical expenses, etc.);
- long-term benefits payable during the period of employment.

The liability arising as a result of the Company's net employee benefit obligation is recognised in provisions for risks and charges on the balance sheet.

#### Calculation of the provision with respect to the net benefit obligation

The provision recognised by Pernod Ricard SA is equal to the difference, for each benefit plan, between the present value of the employee benefit obligation and the value of plan assets paid to specialised entities in order to fund the obligation.

The present value of employee benefit obligations is calculated using the prospective method involving the calculation of a projected salary at the retirement date (projected unit credit method). The measurement is made at each balance sheet date and the personal data concerning employees is revised at least every three years. The calculation requires the use of economic assumptions (inflation rate and discount rate) and assumptions concerning employees (mainly average salary increase, rate of employee turnover and life expectancy).

At 30 June 2017, the total amount of benefit obligations was €58 million. These obligations are fully provisioned.

For information, the inflation rate used for the valuation at 30 June 2017 was 1.75% and the discount rate was 0.5%.

Plan assets are measured at their market value at each balance sheet date.

#### Accounting for actuarial gains and losses

Actuarial gains and losses arise primarily when estimates differ from actual outcomes, or when there are changes in long-term actuarial assumptions (e.g. discount rate, rate of increase of salaries, etc.).

After applying the corridor method up to 30 June 2013, the Company chose to apply, from the year ending 30 June 2014, the option set out in recommendation 2013-02 and to recognise the full pension liability.

#### Components of the expense recognised for the financial year

The expense recognised in respect of the benefit obligations described above incorporates:

- expenses corresponding to the acquisition of an additional year's rights;
- interest expense arising on the unwinding of the discount applied to vested rights at the start of the year (as a result of the passage of time);
- income corresponding to the expected return on plan assets measured using the discount rate which is used to measure plan liabilities;
- the income or expense corresponding to actuarial gains or losses;
- income or expense related to changes to existing plans or the creation of new plans;
- the income or expense related to any plan curtailments or settlements.

## Note 10 Deferred income and adjustment accounts

€ thousand	At 01.07.2016	Increases	Decreases	At 30.06.2017
Deferred income	232	-	(44)	188
Currency translation adjustment – Liabilities <sup>(1)</sup>	992,941	487,272	(992,941)	487,272
<b>TOTAL</b>	<b>993,173</b>	<b>487,272</b>	<b>(992,985)</b>	<b>487,460</b>

(1) The €487 million liability arising from currency translation adjustments at 30 June 2017 is mainly due to the revaluation of assets and liabilities at the closing EUR/US dollar exchange rate on 30 June 2017.

## Note 11 Accrued income and expenses

### Accrued income

€ thousand	Amount
<b>Amount of accrued income in the following balance sheet items</b>	
Loans and advances to affiliates and associates	61,945
Trade receivables	155,651
Other receivables	1,646,735
Cash	494,290
<b>TOTAL</b>	<b>2,358,621</b>

### Accrued expenses

€ thousand	Amount
<b>Amount of accrued expenses in the following balance sheet items</b>	
Bank debt	97,502
Trade payables	74,070
Taxes and social charges	35,114
Other payables	1,264,232
<b>TOTAL</b>	<b>1,470,918</b>

## Note 12 Bonds

	Amount (US\$ thousand)	Amount (€ thousand)	Maturity date	Accrued interest (€ thousand)	Rate	Total (€ thousand)
Bond of 29.09.2014		650,000	27.09.2024	10,482	2.125%	660,482
Bond of 20.03.2014		850,000	22.06.2020	419	2%	850,419
Bond of 15.03.2011 <sup>(1)</sup>		-	15.03.2017	-		-
USD bond of 07.04.2011	1,000,000	876,271	07.04.2021	11,702	5.75%	887,973
USD bond of 25.10.2011	1,500,000	1,314,406	15.01.2022	26,983	4.45%	1,341,389
USD bond of 12.01.2012 <sup>(2)</sup>	-	-	15.01.2017	-		-
USD bond of 12.01.2012	850,000	744,830	15.01.2042	18,899	5.5%	763,729
USD bond of 12.01.2012	800,000	701,016	15.07.2022	13,745	4.25%	714,761
Bond of 28.09.2015		500,000	29.09.2023	7,089	1.875%	507,089
USD PANDIOS bond of 26.01.2016	201,000	176,130	26.01.2021	2,229	Libor 6 months + margin	178,359
Bond of 17.05.2016		600,000	18.05.2026	1,085	1.50%	601,085
USD bond of 08.06.2016	600,000	525,762	08.06.2026	1,074	3.25%	526,836
<b>TOTAL</b>		<b>6,938,415</b>		<b>93,707</b>		<b>7,032,122</b>

(1) Repayment of the €1 billion bond with a fixed interest rate of 5% on 15 March 2017.

(2) Repayment of the US\$850 million bond with a fixed interest rate of 2.95%, on 15 January 2017.

## Note 13 Bank debt

### Syndicated loan

On 14 June 2017, Pernod Ricard SA finalised a new, revolving 5-year multi-currency Credit Agreement for €2.5 billion. The new agreement

meant that the syndicated loan from April 2012 could be refinanced in full.

At 30 June 2017, no drawdowns had been made by Pernod Ricard SA.

## Note 14 Breakdown of income tax

€ thousand	Total	Profit (loss) from continuing operations	Exceptional items
Net profit/loss before tax	852,314	723,227	129,087
Additional contribution	(15,579)		
Income tax prior to consolidation			
Net impact of tax consolidation	130,041		
<b>PROFIT AFTER TAX</b>	<b>966,776</b>	<b>723,227</b>	<b>129,087</b>

The French second amending finance law of 2012 instigated a contribution of 3% on dividends paid to shareholders, applicable to amounts distributed that were paid after 17 August 2012. The contribution relating to the dividends approved at the Shareholders' Meeting of 7 November 2016 was thus €7.7 million and the contribution relating to the interim dividend approved at the Board of Directors' meeting on 19 April 2017 was €7.8 million.

Within the framework of the tax consolidation, the tax loss carry-forwards (tax basis) of the Pernod Ricard tax group amount to €(646) million, a €(178) million diminishing deficit over the financial year.

## Note 15 Increases and decreases in future tax liabilities

### Type of temporary differences

€ thousand	Amount of tax
<b>INCREASES</b>	<b>NONE</b>
"Organic" local tax and other	194
Other provisions for risk	-
Provision for pensions and other long-term employee benefits	19,923
<b>DECREASES IN FUTURE TAX LIABILITIES</b>	<b>20,117</b>

The tax rate used is the rate in force in 2017, i.e. 34.43%.

## Note 16 Compensation

Compensation paid to Executive Directors and members of the Board of Directors amounted to €2,652,751.

## Note 17 Income

Operating income reached €183 million for the 2016/17 financial year, compared to €173 million for 2015/16. It principally comprises €147 million in rebilling of overheads to Group affiliates and €32 million in royalties.

## Note 18 Financial income and expenses

€ thousand	Amount at 30.06.2017
Income from investments	783,497
Income from other fixed asset securities and receivables	-
Interest and related income	225,554
Reversals of financial provisions and expense transfers <sup>(1)</sup>	229,473
Foreign exchange gains	571,148
Net gains on disposals of marketable securities	-
<b>TOTAL FINANCIAL INCOME</b>	<b>1,809,672</b>

(1) Of which €8.3 million are expense transfers.

€ thousand	Amount at 30.06.2017
Depreciation, amortisation and provision charges	(375,206)
Interest and related expenses	(398,205)
Foreign exchange losses	(239,498)
Net expenses on disposals of marketable securities	-
<b>TOTAL FINANCIAL EXPENSES</b>	<b>(1,012,909)</b>



## Note 19 Exceptional items

<i>€ thousand</i>	<b>Amount at 30.06.2017</b>
Net profit on management operations	15,994
Net profit on capital operations	-
Charges and reversals of financial provisions and expense transfers	113,093
<b>EXCEPTIONAL ITEMS</b>	<b>129,087</b>

At 30 June 2017, exceptional items amounted to a €129 million expense mainly relating to €101 million net reversals of provisions

for risks and charges and €(28) million for other non-current income expenses.

## Note 20 Off-balance sheet commitments

### Guarantees granted

#### Commitments made

<i>€ thousand</i>	<b>Amount</b>
Guarantees on behalf of affiliates	949,668
Other leases	797
Rent	28,657
<b>TOTAL</b>	<b>979,122</b>

Commitments granted include guarantees, in particular those related to bonds, commercial paper and the syndicated loan.

#### Derivative instruments

<b>Hedging for Pernod Ricard SA</b>	<b>Nominal value (US\$ thousand)</b>	<b>Fair value at 30 June 2017 (i€ thousand)</b>
Interest rate swaps	1,150,000	10,201
Currency swaps	3,098,000	500,278
<b>TOTAL</b>	<b>4,248,000</b>	<b>510,479</b>

Interest rate swaps provide hedging for Pernod Ricard SA's external or internal debts that bear fixed-rate interest. At 30 June 2017 these broke down as follows:

<b>USD interest rate hedge</b>	<b>Maturity</b>	<b>Net base (US\$ thousand)</b>
Interest rate swap	April 2018	350,000
Interest rate swap	July 2022	600,000
Interest rate swap	June 2026	100,000
Interest rate swap	June 2026	100,000

<b>EUR interest rate hedge</b>	<b>Maturity</b>	<b>Net base (€ thousand)</b>
Interest rate swap	-	-

The value of financial instruments hedging euro-denominated fixed-rate debt at 30 June 2017 was zero.

<b>Currency hedge</b>	<b>Maturity</b>	<b>Base (US\$ thousand)</b>
Currency swap	April 2021	1,000,000
Currency swap	January 2022	1,500,000
Currency swap	December 2022	800,000
Currency swap	July 2022	(202,000)
<b>Currency swaps</b>		<b>3,098,000</b>
Financial assets		1,857,409
Financial liabilities		(5,036,168)
<b>TOTAL</b>		<b>(80,759)</b>

Payables and receivables denominated in foreign currencies are hedged by currency swaps. The Company had a residual US dollar position of US\$(81) million at 30 June 2017.

The fair value of currency swaps at the end of the year was €500 million.

#### Other

Pernod Ricard SA guaranteed the contributions owed by Allied Domecq Holdings Ltd and its subsidiaries to the Allied Domecq pension funds.

Pernod Ricard SA, pursuant to Section 357 of the Companies Act, 2014 (Republic of Ireland), irrevocably guaranteed the liabilities of the following affiliates for the 2016/17 financial year: Irish Distillers Group Unlimited,

Irish Distillers Ltd, Watercourse Distillery Ltd, Smithfield Holdings Ltd, Ermine Ltd, Proudlen Liqueurs Ltd, Ind Coope Holding Ltd, The West Coast Cooler Co. Ltd, and Comrie Limited.

Pernod Ricard SA guaranteed Corby Distilleries Ltd the payment of liabilities which are due by the Group's affiliates involved in the representation agreement for Group brands in Canada, signed on 29 September 2006.

Pernod Ricard SA gave the Directors of Goal Acquisitions (Holding) Limited a comfort letter in which the Group undertook to provide financial support to enable Goal Acquisitions (Holding) Limited to honour its short-term intra-group liabilities.

## Note 21 Average headcount at 30 June 2017

	<b>Employees</b>	<b>Temporary employees (for all reasons)</b>
Managers <sup>(1)</sup>	319	-
Supervisors and technicians	47	10
Employees	6	-
<b>AVERAGE HEADCOUNT</b>	<b>372</b>	<b>10</b>
Work-study contracts	19	-

(1) Including 110 expatriate employees.

**Note 22 Affiliates and associates at 30 June 2017**

€ thousand	Capital	Shareholders' equity before appropriation of results	Interest in entity's share capital (%)	Carrying amount of investment		Loans	Guarantees and endorsements	Net sales excluding taxes and duties	Net profit	Dividends received
				Gross	Net					
<b>Investments whose carrying amount exceeds 1% of Pernod Ricard SA's share capital</b>										
<b>AGROS <sup>(1)</sup></b>	-	177,200	100	122,008	122,008	4.6	-	6	-	-
Ul. Chalubinskiego 8 00-613 Warsaw (Poland)										
<b>House of Campbell Limited <sup>(2)</sup></b>	7,467	75,802	100	40,538	40,538	-	-	-	1,751	-
111/113 Renfrew Road Paisley, PA3 4DY (Scotland)										
<b>Geo G Sandeman Sons &amp; Co Ltd <sup>(3)</sup></b>	2	16,512	30	9,180	4,955	-	-	1,247	248	74
400 Capability Green Luton, Bedfordshire, LU1 3AE (England)										
<b>Pernod SAS</b>	40,000	137,218	100	94,941	94,941	309	-	436,650	20,935	20,935
120, avenue du Maréchal-Foch 94015 Créteil (France)										
<b>Pernod Ricard Asia SAS</b>	4,512	91,385	100	42,457	42,457	-	-	-	600,370	7,300
12, place des États-Unis 75116 Paris (France)										
<b>Pernod Ricard Central and South America</b>	52,198	14,538	100	131,040	51,130	-	-	-	(30,063)	-
12, place des États-Unis 75116 Paris (France)										
<b>Pernod Ricard Europe Middle East Africa</b>	40,000	182,458	100	36,407	36,407	32	-	-	28,211	20,000
23, rue Amiral d'Estaing 75116 Paris (France)										
<b>Pernod Ricard North America SAS</b>	39,398	147,559	100	126,735	126,735	-	-	-	(90)	104,000
12, place des États-Unis 75116 Paris (France)										
<b>Pernod Ricard Finance SA</b>	232,000	555,701	100	238,681	238,681	-	949,614	-	227,245	-
12, place des États-Unis 75116 Paris (France)										
<b>Pernod Ricard Pacific Holdings <sup>(4)</sup></b>	145,027	136,835	100	151,789	151,789	-	-	370,473	(6,973)	-
167 Fullarton Road Dulwich SA 5065 (Australia)										
<b>Ricard SAS</b>	54,000	131,769	100	67,227	67,227	-	-	479,764	46,166	46,165
4 and 6, rue Berthelot 13014 Marseille (France)										
<b>Lina 3</b>	819,730	14,349,293	100	11,690,953	11,690,953	-	-	-	459,693	363,275
12, place des États-Unis 75116 Paris (France)										
<b>Lina 5</b>	30,640	691,136	100	30,631	30,631	-	-	-	500,082	119,000
12, place des États-Unis 75116 Paris (France)										
<b>Yerevan Brandy Company <sup>(5)</sup></b>	19,207	138,298	100	27,856	27,856	-	-	42,274	7,949	7,623
2, Admiral Isakov Avenue, Yerevan 375092 (Republic of Armenia)										
<b>TOTAL 1</b>				<b>12,810,443</b>	<b>12,726,308</b>				<b>688,372</b>	
<b>Affiliates:</b>										
French				4,406	2,673					-
Foreign				10,683	9,721					95,093
<b>Associates:</b>										
French				1,198	545					32
Foreign				20	1					
<b>TOTAL 2</b>				<b>16,307</b>	<b>12,940</b>				<b>95,125</b>	
<b>TOTAL 1 + 2</b>				<b>12,826,750</b>	<b>12,739,248</b>				<b>783,497</b>	

Information relating to the accounts of French affiliates at 30.06.2016

(1) Information from the AGROS financial statements at 30.06.2017.

(2) Information from the House of Campbell Limited at 30.06.2016.

(3) Information from Geo G Sandeman Sons & Co Ltd's financial statements at 31.12.2016.

(4) Information from Pernod Ricard Pacific Holdings' financial statements at 30.06.2016.

(5) Information from Yerevan Brandy Company's financial statements at 30.06.2016.

## **Note 23 Tax credit**

### **1. CICE**

The amount of tax credit for competitiveness and employment (CICE) recorded in the Company's accounts at 30 June 2017 was €111,413.

CICE has also been recognised as a reduction of personnel expenses in accordance with the detailed information of the ANC of 28 February 2013.

This tax credit is being used to finance investment expenditure.

### **2. Other tax credits**

Pernod Ricard SA also has €469,540 tax credit for research, €713,296 for sponsorship activities and €177,218 family tax credit.

The company accounts detailed in the previous pages are those of Pernod Ricard S.A. and are the subject of the Statutory Auditor's report on the annual statements.

The elements relating to the company accounts in the Management Report of the Board of Directors are included in the following pages. The sections concerned are:

- other financial elements:
  - expenses and charges referred to in Article 223 quater of the CGI (French Tax Code)
  - the breakdown of supplier payables set out in articles L. 441-6-1 and D. 441-4 of the French Commercial Code
  - the information on the supplier payment deadlines set out in Article D. 441-4 of the French Commercial Code in its wording under Decree no. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016.
- financial results over the last five financial years
- dividends distributed over the last five financial years
- inventory of marketable securities.

## OTHER ELEMENTS RELATING TO THE FINANCIAL STATEMENTS

### Expenses and charges referred to in article 223 quater of the CGI (French Tax Code)

It is specified that the total amount of expenses and charges referred to in article 223 quater of the French Tax Code and the amount of the applicable tax due to these expenses and charges amount to:

<i>in euros</i>	2017
Costs and expenses	243,479
Corresponding tax	83,830

### Supplier payment deadlines

In accordance with the French Law on the Modernization of the Economy of 4 August 2008 and the subsequent articles L. 441-6-1 and D 441-4 of the French Commercial Code, the year-end breakdown of Pernod Ricard SA's debt balance to suppliers is as follows:

<i>in euros</i>	2017
<b>Trade payables not due</b>	<b>34,560,588</b>
at 30 days	32,936,149
between 30 and 45 days	(68,748)
beyond 45 days	1,693,187
<b>Trade payables past due</b>	<b>4,422</b>

Pursuant to article D 441-4 of the French Commercial Code in its wording under Decree no. 2015-1553 of 27 November 2015, implemented by the Order of 6 April 2016, the information on the supplier payment deadlines is as follows:

<i>in euros</i>	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (over 1 day)
<b>(A) Late payment categories</b>						
Number of invoices concerned	1	-	-	-	-	1
Total amount from invoices concerned excluding taxes	4,422	-	-	-	-	4,422
Percentage of total purchase amount excluding tax for the financial year	-	-	-	-	-	-
<b>(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables</b>						
Number of excluded invoices	50	39	4	15	30	138
Total amount of excluded invoices excluding tax	382,653	394,169	24,067	923,380	123,625	1,847,893
<b>(C) Reference payment delays used to calculate delays (Article L.441-6 or Article L.443-1 of the French Commercial Code)</b>						
<input checked="" type="checkbox"/> Contractual payment terms (45 days end of month, 30 days end of month or 15 days end of month)						
<input type="checkbox"/> Statutory time frame						

### Trade receivable payment times

Since the company's receivables only comprise receivables from group companies, some of the information required by Article D. 441-1 of the French Commercial Code are not presented below as they are deemed non-material.

Information on receivables are below:

- Trade receivables not due: €150,038,495
- Trade receivables past due: €8,158,536
- Total trade receivables not due and past due: €158,197,031
- Of which disputed receivables: €3,408,348

## FINANCIAL RESULTS OVER THE LAST FIVE FINANCIAL YEARS

<i>in euros</i>	30.06.2013	30.06.2014	30.06.2015	30.06.2016	30.06.2017
<b>Financial position at year-end</b>					
Share capital	411,403,468	411,403,468	411,403,468	411,403,468	411,403,468
Number of shares outstanding	265,421,592	265,421,592	265,421,592	265,421,592	265,421,592
Number of convertible bonds in issue	-	-	-	-	-
Number of bonus shares granted on 16 January 2007 (dividend rights from 1 July 2006)	-	-	-	-	-
Number of shares created by the capital increase of 14 May 2009	-	-	-	-	-
Number of bonus shares granted on 18 November 2009 (dividend rights from 1 July 2009)	-	-	-	-	-
<b>Operating results</b>					
Sales (excluding taxes and duties)	1,457,195	699,007	72,349,685	137,322,737	147,044,350
Profit before taxes, amortisation, depreciation and allowances to provisions	(6,575,949)	343,291,521	1,564,703,879	547,695,859	926,378,106
Corporate income tax	299,024,699	167,807,564	143,419,324	160,415,191	114,461,535
Profit after taxes, amortisation, depreciation and allowances to provisions	380,968,585	462,677,928	1,614,768,789	764,078,429	966,776,001
Dividends distributed <sup>(1)</sup>	431,763,486	432,824,096	474,999,305	496,766,932	-
<b>Earnings per share</b>					
Profit after taxes, but before amortisation, depreciation and allowances to provisions	1.1	1.93	6.44	2.67	3.92
Profit after taxes, amortisation, depreciation and allowances to provisions	1.44	1.74	6.08	2.88	3.64
Dividend paid per share <sup>(1)</sup>	1.64	1.63	1.80	1.88	-
<b>Personnel</b>					
Number of employees	327	349	362	373	372
Total payroll	50,668,738	53,399,561	51,445,974	49,175,332	52,442,536
Employee-related benefits paid during the year	28,795,172	27,819,911	29,223,152	25,196,150	22,389,498

(1) The amount of dividends for 2017 will be known with certainty after the Shareholders' Meeting of 9 November 2017. (Dividends relating to the financial year from 1 July 2016 to 30 June 2017).

## DIVIDENDS DISTRIBUTED OVER THE LAST FIVE FINANCIAL YEARS

<i>in euros</i> <b>Year</b>	<b>Date of payment</b>	<b>Net amount</b>	<b>Total amount of the financial year</b>
2012/13	04.07.2013	0.79	-
	06.11.2013	0.85	1.64
2013/14	08.07.2014	0.82	-
	17.11.2014	0.82	1.64
2014/15	08.07.2015	0.82	-
	18.11.2015	0.98	1.80
2015/16	08.07.2016	0.90	-
	30.11.2016	0.98	1.88
2016/17	07.07.2017 <sup>(1)</sup>	0.94	-

(1) An interim dividend for 2016/17 was paid on 7 July 2017. The balance will be decided by the Shareholders' Meeting of 9 November 2017 called to approve the financial statements for the year ended 30 June 2017.

## INVENTORY OF MARKETABLE SECURITIES

<i>in euros</i>	<b>Number of</b>	
<b>French investments with a net carrying amount in excess of €100,000</b>	<b>shares held</b>	<b>Net carrying amount</b>
Lina 3	61,209,716	11,690,953,301
Lina 5	306,400	30,630,500
Pernod SAS	2,580,000	94,941,256
Pernod Ricard Asia SAS	2,785,000	42,457,051
Pernod Ricard Central and South America	386,650	51,130,000
Pernod Ricard Europe, Middle East Africa	1,000,000	36,407,284
Pernod Ricard Finance SA	29,000,000	238,680,987
Pernod Ricard North America SAS	4,377,500	126,734,557
Ricard SAS	1,750,000	67,227,401
Résidence de Cavalières	205,950	1,392,350
Lina 19	10,100	1,143,338
<b>SUBTOTAL</b>	<b>103,611,316</b>	<b>12,381,698,025</b>
Other shareholdings in French companies	19,617	682,545
Investments in unlisted foreign companies	25,705,455	356,867,484
<b>TOTAL MARKETABLE SECURITIES AT 30.06.2017</b>	<b>129,336,388</b>	<b>12,739,248,054</b>