



Pernod Ricard

Créateurs de convivialité

SALES TO 30 SEPTEMBER 2016

20 October 2016

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

This presentation can be downloaded from our website: www.pernod-ricard.com





Pernod Ricard

+4%

Sales

Executive Summary

Good Q1 Sales, consistent with FY17 outlook given in September

Sales +3% when restated for French technical impact⁽¹⁾

Acceleration of Emerging markets (+6%)

Dynamic Q1 in the Americas (+8%) driven by continued strength in the USA

- **Good Q1 in the USA** consistent with FY16 performance
- Improving trends in **Travel Retail Americas**
- **Decline in Brazil** due to difficult context but **very strong growth in rest of Latin America**

Stability in Asia-Rest of World with China improving but Africa Middle East getting tougher

- **Early signs of recovery in China**
- **Africa Middle East** negatively impacted by the tough geopolitical and macroeconomic conditions
- **Continuation of good growth in India and of difficulties in Korea and Travel Retail Asia**

Solid growth in Europe (+6%), partly favoured by technical impacts

- **Restated for French technical impact⁽¹⁾ growth at +2%**
- **Continued strong growth from Germany, Spain and UK**
- **Russia in good growth in a soft market**

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

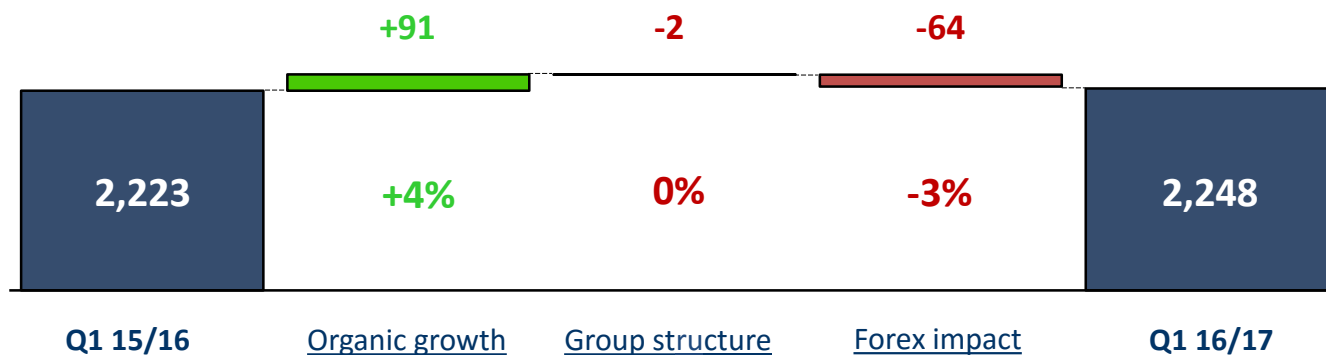


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+4%
Sales

Key figures

		Q1 16/17 vs. Q1 15/16
Sales	€ 2,248 m	+4% Reported growth: +1%
<i>Mature markets</i>	€ 1,383 m	+3%
<i>Emerging markets</i>	€ 865 m	+6%



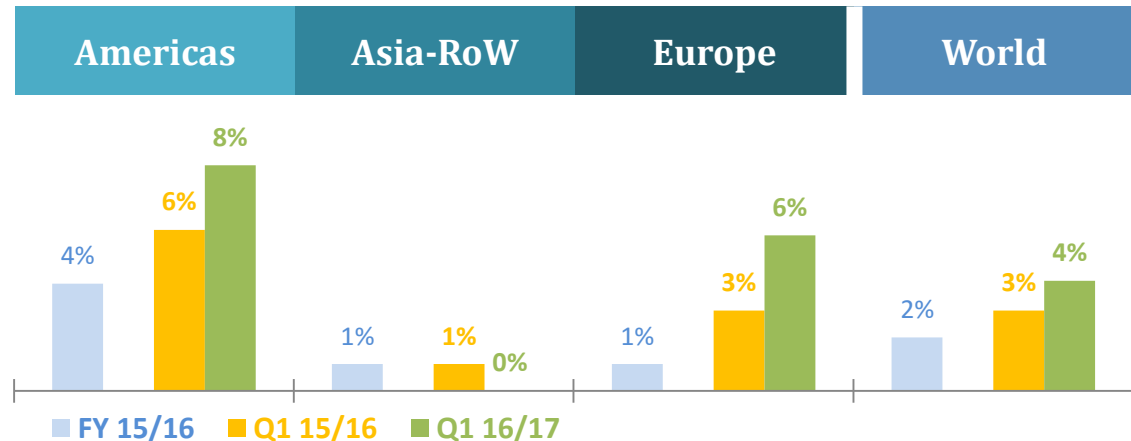
Negatively impacted
by GBP, CNY and ARS



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Good momentum in Americas and Europe and stability in Asia-RoW

Sales growth by region



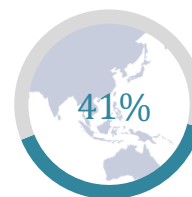
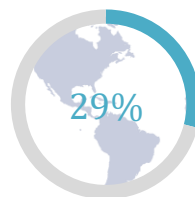
Dynamic Q1 driven by continued strength in the USA

Stability with China improving but Africa Middle East getting tougher

Solid growth, partly favoured by technical impacts

Good Q1

% of Sales





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Improvement driven by Strategic International Brands

Sales growth by category

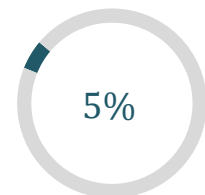
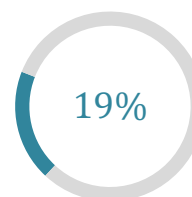
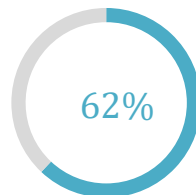


Continued strong momentum on Jameson, good growth on Ballantine's and improvement on Absolut and Martell

Continued good momentum on Indian whiskies and Seagram's gin in Europe, but difficulty on Imperial in Korea

Slow start largely due to shipment phasing

% of Sales





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+8%

Sales
in Americas

Americas

Dynamic Q1 in the Americas driven by continued strength in the USA

USA: +5%

- Market growth still strong but slightly slowing with Nielsen⁽¹⁾ value now at +5.4%
- Pernod Ricard at +4.8% nearing overall market trends, driven by⁽¹⁾:
 - Jameson continued double-digit growth, with price increase in September
 - Modest decline of Absolut, consistent with FY16 trends
 - Continued momentum on Malibu with “Because Summer” campaign
- Innovation with launch of Martell Blue Swift and Chivas Ultis



Travel Retail Americas

- Return to growth with better performance from Duty Free across zone, product mix and pricing

Latin America

- Decline in Brazil due to a difficult macroeconomic environment. Significant price increases, in particular on international brands
- Very strong growth in rest of region, notably Mexico, Argentina, Colombia, Uruguay and Cuba



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Stable

Sales in Asia-RoW

Asia-Rest of World

Stability with China improving but Africa Middle East getting tougher

India: +8%

- **Continued strong growth**, albeit slightly lower than in FY16 (+12%) due to conjunctural regulatory challenges in several States (tax increase in Maharashtra, distributor change in Punjab, Bihar prohibition...)
- **Ongoing premiumisation and innovation** within Indian whisky range: double-digit growth of Blender's Pride and Royal Stag
- **Good growth of imported brands**

China: -1%

- **Early signs of improvement of Pernod Ricard performance**, notably driven by Martell Cordon Bleu and the off trade
- **Market remains challenging for Scotch and On Trade**
- **New premium salesforce in place** to deliver stronger future growth

Korea

- Strong decline in part due to **destocking** of trade inventories
- **New organisation being implemented**, expected to improve performance

Travel Retail Asia

- **Difficult environment** with Q1 impacted by tough commercial negotiations
- Korea Duty Free showing improvement

Africa and Middle East

- Q1 decline due to a **complex macroeconomic situation in Africa and geopolitical tension in Middle East**



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+6%

**Sales in
Europe**

Europe

Solid growth, partly favoured by technical impacts

European growth restated for French technical impact: +2%⁽¹⁾

France

- Double digit growth in Q1, due to technical impact
- Excluding technical impacts, **Sales almost flat** with **market share gains⁽²⁾**

Spain: +5%

- Continuation of strong performance, led by **Seagram's gin**

Germany

- **Very good growth**, in part due to a favourable comparison (trade dispute in Q1 FY16), particularly on Absolut, Lillet and Ramazzotti

UK

- **Strong start** for Strategic International Brands, particularly on Chivas, Absolut and Jameson

Travel Retail Europe

- **Decline** driven in particular by Eastern Europe

Russia: +7%

- Good **resilience in a soft market**
- Pernod Ricard **sell-out in strong growth**, with significant market share gain⁽²⁾



Outlook

For FY17, as indicated in September, 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 deleveraging and strong cash flow generation

Q1 consistent with FY17 Outlook

Confirmation of FY17 Guidance: Organic growth in Profit from Recurring Operations between +2% and +4%



Upcoming communications

DATE⁽¹⁾

EVENT

Thursday 17 November 2016

Annual General Meeting

Tuesday 6 December 2016

North Americas Conference Call

Thursday 9 February 2017

2016/17 Half-Year Results

Appendices

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.

Profit from recurring operations

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

House of Brands effective 1 July 2016

Strategic International Brands



Strategic Local Brands



Strategic Wines



Sales Analysis by Region

Net Sales (€ Million)	Q1 2015/16		Q1 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	627	28.2%	649	28.9%	22	3%	52	8%	(7)	-1%	(24)	-4%
Asia / Rest of the World	938	42.2%	917	40.8%	(21)	-2%	1	0%	(0)	0%	(21)	-2%
Europe	658	29.6%	682	30.3%	24	4%	38	6%	5	1%	(19)	-3%
World	2 223	100.0%	2 248	100.0%	24	1%	91	4%	(2)	0%	(64)	-3%



Forex Impact on Q1 Sales

Forex impact Q1 2016/17 (€ Million)		Average rates evolution			On Net Sales
		Q1 2015/16	Q1 2016/17	%	
US dollar	USD	1.11	1.12	0.4%	(2)
Chinese yuan	CNY	7.01	7.44	6.2%	(14)
Argentinian peso	ARS	10.28	16.68	62.3%	(19)
Pound sterling	GBP	0.72	0.85	18.4%	(21)
Other					(7)
Total					(64)



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