



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

**GOOD FY14/15 BUSINESS PERFORMANCE: +2% ORGANIC SALES GROWTH
(+8% REPORTED), IN AN ENVIRONMENT THAT REMAINS CHALLENGING**

**ORGANIC PROFIT FROM RECURRING OPERATIONS IN LINE WITH GUIDANCE: +2%
(+9% REPORTED PRO GROWTH)**

SUMMARY

Solid results

- **Confirmation of the gradual improvement in Sales: +2%** vs. flat in FY 13/14 (+8% reported)
- **Market share gains** in most key markets
- **Profit from Recurring Operations (PRO) organic growth: +2%, in line with the guidance** of +1% to +3%. Reported PRO growth was +9%, with a very favourable FX impact.
- **Recurring Free Cash Flow: + 38%**
- **Group share of Net PRO +12%**. Group share of Net profit -15% due to impairment charge on Absolut (+25% excluding net impairment charge of €404m)
- **Leverage ratio further reduced**
- **Proposed dividend: €1.80, up +10%** vs. FY 13/14

Healthy growth

- Increase in **A&P investment: +2%**, in particular to support innovation
- Negative mix, but **stable pricing**
- **Strong cost discipline**

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, declared, *“Our full year results are solid, delivering improving Sales and Profit from recurring operations in line with guidance. Our strategy has remained consistent and is delivering results.*

For FY15/16, despite a challenging and volatile macroeconomic environment, we aim to continue gradually improving our business performance. We will continue to support priority brands and innovations while focusing on operational excellence.”



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

SALES

Sales for the full year 2014/15 totalled €8,558m. Organic Sales growth was +2%. Reported Sales growth was +8% with a very favourable FX impact.

This **gradual improvement** was driven by:

- **Asia-Rest of the World: +4% return to growth** thanks to improving Sales in China (-2% vs. -23% in FY13/14) and continued very strong dynamism in India (+18%);
- **Americas: +2%** with USA stable for full year (improving in H2) and growth in rest of region;
- **Europe: stability** with a return to growth in Spain +2% but difficulties in Eastern Europe and Travel Retail.

In terms of categories, **growth was driven by whiskies** (continued strong performance of Jameson, The Glenlivet, Ballantine's and Indian whiskies) and also of **champagnes** Mumm and Perrier-Jouët, both in high single digit growth. **Martell returned to growth**, despite negative mix (China). **Absolut was impacted by a challenging USA market** but grew outside the USA.

The Top 14 returned to growth: +2% (vs. -2% in FY13/14), with a performance improvement driven by Ballantine's and Martell and **continued strong growth of Jameson and The Glenlivet**.

Key Local Brands performed well: +5% driven by Indian whiskies and standard Scotch brands, despite the decline of Imperial in Korea.

Priority Premium Wines were stable with the growth of Campo Viejo offsetting Jacob's Creek.

There were market share gains in most key markets.

Q4 Organic Sales growth was +3%, with a favourable basis of comparison (destocking in Q4 13/14.) Reported Q4 Sales were up +15%, due to a stronger USD.

RESULTS

Full year PRO increased +9% (+2% organically) to € 2,238m and the PRO margin to 26.2% thanks to a favourable FX impact. Key organic margin drivers were:

- **Decrease in Gross Margin ratio: -105bps**, with stable pricing in a challenging and competitive environment, negative mix due to geographic mix and quality mix (Martell) yet good cost control
- **Increase in A&P: +2%**, overall in line with top line, with a focus on Top 14 and new business opportunities and double-digit increase in support for key innovation projects, partly financed by €25m reinvestment from Allegro, as expected
- **Strong decrease in structure costs driven by Allegro: -3%**, better than initially planned due to vacancies linked to implementation of new organisation.

FX impact on reported PRO was +€155m, mainly driven by USD.

The cost of debt was lowered to 4.4% and **is expected to be close to 4.2%** for FY15/16.

The corporate income tax rate on recurring items slightly decreased to 24.4%.

Reported group share of Net PRO was up +12%. Reported Group share of Net profit was down -15%, due to an impairment charge on Absolut (+25% excluding the impairment charge.) The latter was driven by lower growth in the USA, but has no cash or business impact. Group mid- to long-term prospects presented during the Capital Market Day in June are unchanged.



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

FREE CASH FLOW AND DEBT

Reported Free Cash Flow from recurring operations improved significantly, close to historically high levels (€1,154m, +38%) due in particular to tight working capital management. **EBIT cash conversion was excellent at 88%, +6pts vs FY13/14**, while the Group continued to invest in the long-term.

Free Cash Flow increased +€53m to €808m, impacted by non-recurring items of -€346m, mainly relating to the settlement of accrued tax and restructuring liabilities.

Net debt increased by +€668m to €9,021m mainly driven by a mechanical **FX impact (+€964m due to variation of €/USD parity** between 30 June 2014 at **1.37** and 30 June 2015 at **1.12**.)

The leverage ratio at average rates was reduced to below 3.5 from 3.6 for FY13/14 (with €/USD parity at 1.36 in FY13/14 vs. 1.20 in FY14/15.)

PROPOSED DIVIDEND

A dividend of €1.80 is proposed for the AGM, **+10% vs FY13/14**, corresponding to a **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.

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

A detailed presentation of Sales and Results can be downloaded from our website: www.pernod-ricard.com

In line with its standard practice, Pernod Ricard will communicate earnings guidance for the current financial year as part of its Q1 2015/16 sales communication on 22 October 2015.

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



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

About Pernod Ricard

Pernod Ricard is the world's co-leader in wines and spirits with consolidated Sales of € 8,558 million in 2014/15. Created in 1975 by the merger of Ricard and Pernod, the Group has undergone sustained development, based on both organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard holds one of the most prestigious brand portfolios in the sector: Absolut Vodka, Ricard pastis, Ballantine's, Chivas Regal, Royal Salute and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Kahlúa and Malibu liqueurs, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek, Brancott Estate, Campo Viejo, Graffigna and Kenwood wines. Pernod Ricard employs a workforce of approximately 18,000 people and operates through a decentralised organisation, with 6 "Brand Companies" and 80 "Market Companies" established in each key market. Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption. Pernod Ricard's strategy and ambition are based on 3 key values that guide its expansion: entrepreneurial spirit, mutual trust and a strong sense of ethics.

Pernod Ricard is listed on Euronext (Ticker: RI; ISIN code: FR0000120693) and is part of the CAC 40 index.

Contacts Pernod Ricard

Julia Massies / VP, Financial Communication & Investor Relations	+33 (0)1 41 00 41 07
Sylvie Machenaud / Director External Communications	+33 (0)1 41 00 42 74
Alison Donohoe / Investor Relations	+33 (0)1 41 00 42 14
Emmanuel Vouin / Press Relations Manager	+33 (0)1 41 00 44 04



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Appendices

Top 14 brands and Priority Premium Wines organic sales growth

	Volumes FY 2014/15 (in 9Lcs millions)	Net Sales	Volumes	Price/mix
Absolut	11.2	-1%	0%	-1%
Chivas Regal	4.5	0%	-1%	0%
Ballantine's	6.2	3%	4%	-1%
Ricard	4.9	0%	2%	-2%
Jameson	5.1	10%	9%	2%
Havana Club	4.0	0%	1%	-1%
Malibu	3.4	-3%	-3%	0%
Beefeater	2.6	3%	2%	1%
Kahlua	1.5	2%	-1%	3%
Martell	2.1	2%	8%	-6%
The Glenlivet	1.1	11%	7%	3%
Royal Salute	0.2	-8%	-9%	2%
Mumm	0.7	7%	13%	-6%
Perrier-Jouët	0.3	9%	11%	-2%
Top 14	47.8	2%	2%	0%
Jacob's Creek	6.0	-3%	-4%	0%
Brancott Estate	2.2	1%	6%	-5%
Campo Viejo	2.2	9%	9%	0%
Kenwood	0.5	na	na	na
Graffigna	0.2	-22%	-18%	-4%
Priority Premium Wines	11.2	-1%	1%	-1%



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Sales analysis by region

Net Sales (€ millions)	FY 2013/14		FY 2014/15		Change		Organic Growth		Group Structure		Forex impact	
Europe	2,773	34.9%	2,731	31.9%	(42)	-2%	8	0%	(11)	0%	(40)	-1%
Americas	2,142	27.0%	2,382	27.8%	240	11%	51	2%	13	1%	176	8%
Asia / Rest of the World	3,031	38.1%	3,446	40.3%	415	14%	120	4%	(6)	0%	301	10%
World	7,945	100.0%	8,558	100.0%	613	8%	180	2%	(4)	0%	437	6%

Net Sales (€ millions)	Q4 2013/14		Q4 2014/15		Change		Organic Growth		Group Structure		Forex impact	
Europe	638	36.3%	647	32.1%	9	1%	5	1%	(2)	0%	6	1%
Americas	529	30.1%	637	31.6%	107	20%	10	2%	(2)	0%	100	19%
Asia / Rest of the World	592	33.7%	732	36.3%	140	24%	30	5%	(2)	0%	113	19%
World	1,759	100.0%	2,016	100.0%	257	15%	45	3%	(6)	0%	218	12%

Net Sales (€ millions)	HY2 2013/14		HY2 2014/15		Change		Organic Growth		Group Structure		Forex impact	
Europe	1,161	34.4%	1,152	29.3%	(9)	-1%	1	0%	(3)	0%	(6)	-1%
Americas	932	27.6%	1,140	29.0%	207	22%	30	3%	(2)	0%	179	19%
Asia / Rest of the World	1,282	38.0%	1,645	41.8%	363	28%	124	10%	(5)	0%	244	19%
World	3,375	100.0%	3,937	100.0%	562	17%	156	5%	(10)	0%	416	12%

Summary consolidated income statement

(€ millions)	30/06/2014	30/06/2015	Change
Net sales	7,945	8,558	8%
Gross Margin after logistics costs	4,987	5,296	6%
A&P expenditure	(1,503)	(1,625)	8%
Contribution after A&P expenditure	3,484	3,671	5%
Structure costs	(1,428)	(1,433)	0%
Profit from recurring operations	2,056	2,238	9%
Financial income/(expense) from recurring operations	(444)	(457)	3%
Corporate income tax on items from recurring operations	(416)	(434)	4%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(11)	(18)	68%
Group share of net profit from recurring operations	1,185	1,329	12%
Other operating income & expenses	(240)	(649)	NA
Non-recurring financial items	(41)	(32)	NA
Corporate income tax on items from non recurring operations	111	213	NA
Group share of net profit	1,016	861	-15%
Non-controlling interests	11	19	69%
Net profit	1,027	880	-14%

FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Profit from recurring operations by region

World

(€ millions)	FY 2013/14	FY 2014/15	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	7,945 100.0%	8,558 100.0%	613 8%	180 2%	(4) 0%	437 6%
Gross margin after logistics costs	4,987 62.8%	5,296 61.9%	309 6%	27 1%	(3) 0%	284 6%
Advertising & promotion	(1,503) 18.9%	(1,625) 19.0%	(122) 8%	(32) 2%	(2) 0%	(88) 6%
Contribution after A&P	3,484 43.9%	3,671 42.9%	187 5%	(5) 0%	(5) 0%	196 6%
Profit from recurring operations	2,056 25.9%	2,238 26.2%	182 9%	33 2%	(7) 0%	155 8%

Asia / Rest of the World

(€ millions)	FY 2013/14	FY 2014/15	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	3,031 100.0%	3,446 100.0%	415 14%	120 4%	(6) 0%	301 10%
Gross margin after logistics costs	1,848 61.0%	2,073 60.2%	225 12%	16 1%	(1) 0%	210 11%
Advertising & promotion	(550) 18.1%	(627) 18.2%	(77) 14%	(23) 4%	0 0%	(54) 10%
Contribution after A&P	1,298 42.8%	1,446 42.0%	148 11%	(7) -1%	(1) 0%	156 12%
Profit from recurring operations	884 29.2%	999 29.0%	115 13%	(11) -1%	(1) 0%	127 14%

Americas

(€ millions)	FY 2013/14	FY 2014/15	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	2,142 100.0%	2,382 100.0%	240 11%	51 2%	13 1%	176 8%
Gross margin after logistics costs	1,394 65.1%	1,519 63.8%	125 9%	15 1%	0 0%	110 8%
Advertising & promotion	(412) 19.3%	(478) 20.1%	(65) 16%	(27) 7%	(3) 1%	(35) 9%
Contribution after A&P	982 45.8%	1,041 43.7%	59 6%	(12) -1%	(3) 0%	74 8%
Profit from recurring operations	579 27.0%	632 26.5%	53 9%	11 2%	(5) -1%	46 8%

Europe

(€ millions)	FY 2013/14	FY 2014/15	Change	Organic Growth	Group Structure	Forex impact
Net sales (Excl. T&D)	2,773 100.0%	2,731 100.0%	(42) -2%	8 0%	(11) 0%	(40) -1%
Gross margin after logistics costs	1,745 62.9%	1,704 62.4%	(41) -2%	(3) 0%	(2) 0%	(35) -2%
Advertising & promotion	(541) 19.5%	(521) 19.1%	20 -4%	18 -3%	1 0%	2 0%
Contribution after A&P	1,204 43.4%	1,183 43.3%	(21) -2%	15 1%	(2) 0%	(34) -3%
Profit from recurring operations	593 21.4%	608 22.2%	14 2%	33 6%	(2) 0%	(17) -3%

FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Foreign exchange impact

Forex impact FY 2014/15 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		2013/14	2014/15	%		
US dollar	USD	1.36	1.20	-11.4%	233	105
Chinese yuan	CNY	8.33	7.43	-10.7%	87	56
Russian rouble	RUB	45.95	59.35	29.2%	(54)	(40)
Indian rupee	INR	83.36	74.48	-10.7%	77	30
Hong Kong Dollar	HKD	10.52	9.32	-11.5%	12	(13)
Korean won	KRW	1.45	1.29	-10.6%	25	13
Venezuelan bolivar	VEF	23.48	60.07	155.8%	(11)	(10)
Other currencies					70	12
Total					437	155

Note: Impact on PRO includes strategic hedging on Forex

Sensitivity of profit and debt to EUR/USD exchange rate: Estimated impact of a +1% appreciation of the USD and linked currencies⁽¹⁾

Impact on the income statement ⁽²⁾	(€ millions)
Profit from recurring operations	+17
Financial expenses	(3)
Pre-tax profit from recurring operations	+14

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	+56

Notes: (1) CNY, HKD, (2) Full-year effect



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Balance sheet (assets)

Assets (€ millions)	30/06/2014	30/06/2015
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,449	17,706
Tangible assets and other assets	2,594	2,933
Deferred tax assets	1,926	2,339
Total non-current assets	20,968	22,978
Current assets		
Inventories	4,861	5,351
<i>of which aged work-in-progress</i>	<i>3,963</i>	<i>4,430</i>
<i>of which non-aged work-in-progress</i>	<i>65</i>	<i>73</i>
Receivables (*)	1,051	1,152
<i>Trade receivables</i>	<i>990</i>	<i>1,084</i>
<i>Other trade receivables</i>	<i>61</i>	<i>68</i>
Other current assets	194	260
<i>Other operating current assets</i>	<i>188</i>	<i>245</i>
<i>Tangible/intangible current assets</i>	<i>6</i>	<i>15</i>
Tax receivable	37	61
Cash and cash equivalents and current derivatives	503	595
Total current assets	6,646	7,419
Assets held for sale	2	1
Total assets	27,616	30,398
(*) after disposals of receivables of:	479	591



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Balance sheet (liabilities and shareholders' equity)

Liabilities and shareholders' equity (€ millions)	30/06/2014	30/06/2015
Group Shareholders' equity	11,621	13,121
Non-controlling interests	157	167
<i>of which profit attributable to non-controlling interests</i>	<i>11</i>	<i>19</i>
Total Shareholders' equity	11,778	13,288
Non-current provisions and deferred tax liabilities	4,174	4,427
Bonds	6,844	6,958
Non-current financial liabilities and derivative instruments	915	587
Total non-current liabilities	11,933	11,972
Current provisions	251	173
Operating payables	1,463	1,696
Other operating payables	887	920
<i>of which other operating payables</i>	<i>600</i>	<i>623</i>
<i>of which tangible/intangible current payables</i>	<i>287</i>	<i>297</i>
Tax payable	56	116
Bonds	929	1,514
Current financial liabilities and derivatives	319	719
Total current liabilities	3,905	5,138
Liabilities held for sale	0	0
Total current liabilities	27,616	30,398



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Analysis of Working Capital Requirement

(€ millions)	June 2013	June 2014	June 2015	FY 13/14 WC change*	FY 14/15 WC change*
Aged work in progress	3,617	3,963	4,430	258	233
Advances to suppliers for wine and ageing spirits	6	6	8	1	1
Payables on wine and ageing spirits	91	97	107	4	8
Net aged work in progress	3,532	3,872	4,331	254	226
Trade receivables before factoring/securitization	1,595	1,469	1,674	(92)	129
Advances from customers	12	3	3	(8)	(0)
Other receivables	266	243	305	(11)	47
Other inventories	799	833	847	47	(13)
Non-aged work in progress	69	65	73	(1)	1
Trade payables and other	2,079	1,963	2,208	(77)	115
Gross operating working capital	638	645	689	28	50
Factoring/Securitization impact	505	479	591	25	(84)
Net Operating Working Capital	133	165	98	53	(34)
Net Working Capital	3,665	4,037	4,428	308	193
* without FX effects and reclassifications				319	192
				(12)	0

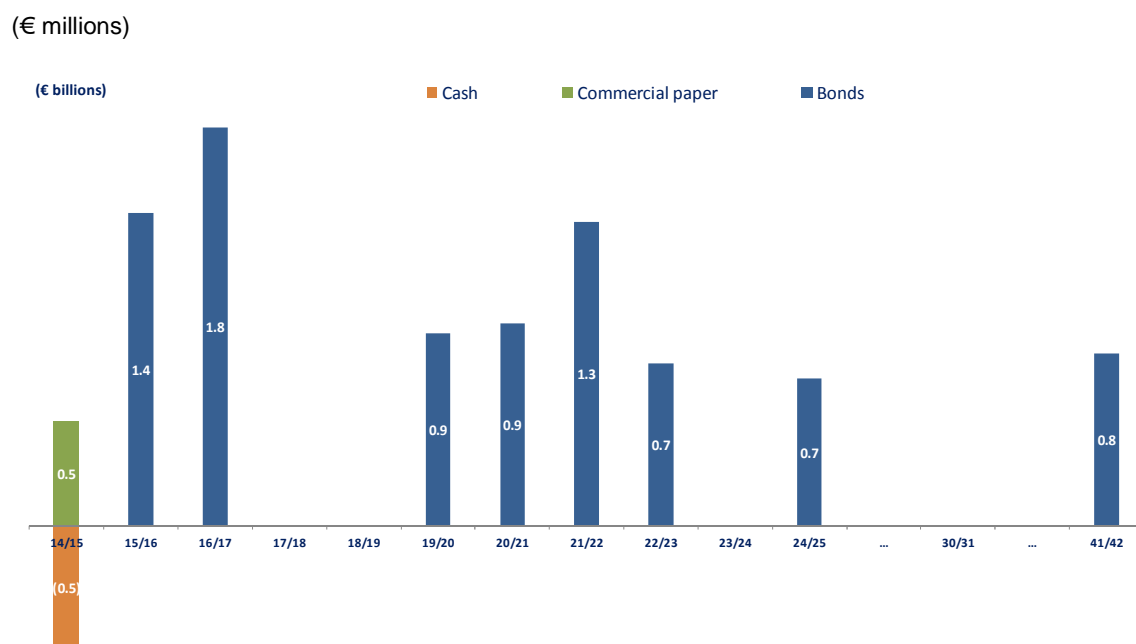
FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Change in Net Debt

(€ millions)	30/06/2014	30/06/2015
Self-financing capacity before interest and tax	2,157	2,296
Decrease (increase) in working capital requirements	(308)	(193)
Financial result and tax cash	(841)	(992)
Net acquisitions of non financial assets	(253)	(302)
Free Cash Flow	755	808
Disposals/acquisitions assets and others	(142)	(51)
Change in Group structure		
Dividends and others	(448)	(461)
Decrease (increase) in net debt (before currency translation adjustments)	165	296
Foreign currency translation adjustment	209	(964)
Decrease (increase) in net debt (after currency translation adjustments)	374	(668)
Initial net debt	(8,727)	(8,353)
Final net debt	(8,353)	(9,021)

Debt Maturity at 30 June 2015



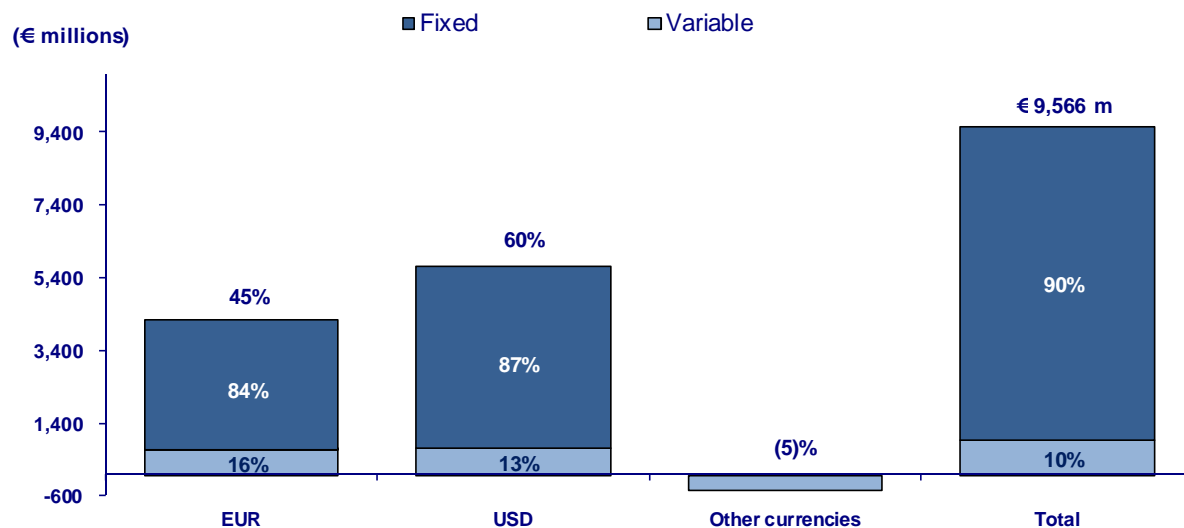
Gross debt maturity at end June 2015: 6 years and 1 months

- Syndicated credit not used
- Available cash at end June 2015: € 0.5 billion in cash and € 1.9 billion in available credit facilities

FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Gross Debt Hedging at 30 June 2015



Natural debt hedging maintained: EUR/USD breakdown close to that of EBITDA
Large part of Gross debt at fixed rates (90%)

Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 1,200 m	4.875%	18/03/2010	18/03/2016
	€ 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
USD	\$ 201 m	Libor 3M + spread	21/12/2010	21/12/2015
	\$ 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



FY 2014/15 SALES AND RESULTS

Press release - Paris, 27 August 2015

Diluted EPS calculation

(x 1,000)	FY 13/14	FY 14/15
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)	(2,107)	(1,441)
Dilutive impact of stock options and performance shares	2,502	2,250
Number of shares used in diluted EPS calculation	265,816	266,230

(€ millions and €/share)	FY 13/14	FY 14/15	reported Δ
Group share of net profit from recurring operations	1,185	1,329	+12%
Diluted net earnings per share from recurring operations	4.46	4.99	+12%