



Pernod Ricard
Créateurs de convivialité

SALES TO 31 MARCH 2016

21 April 2016



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*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

The background is a solid teal color with a diagonal line running from the top-left corner to the bottom-right corner, creating two triangular sections. The text is centered in the lower-left portion of the image.

Executive summary



Pernod Ricard

+1%

Q3 Sales

+3%

YTD Sales

9M FY16 Sales

21 April 2016

Solid YTD Sales in a contrasted environment

Q3:

- **Resilient Q3 Sales: +1%** vs. tough comparative of +7% for Q3 FY15, impacted by some technical factors

YTD:

- **Strong growth in the Americas (+6% YTD)** driven by dynamic USA (partly enhanced by shipment phasing)
- **Modest growth in Asia-Rest of World (+2% YTD)** with continuation of strong growth in India and Africa but decline in China
- **Resilient Sales in Europe (+1% YTD)**, driven mainly by Spain



Pernod Ricard

+3%

YTD Organic Sales

+4%

YTD Reported Sales

9M FY16 Sales
21 April 2016

Key figures

| | | |
|-------------------------------|------------------|------------------------------------|
| | | 9M FY16 vs. 9M FY15 |
| Sales | € 6,813 m | +3% Reported growth: +4% |
| <i>Mature markets</i> | € 4,137 m | +2% |
| <i>Emerging markets</i> | € 2,676 m | +3% |
| <i>Top 14</i> | € 4,339 m | +1% |
| <i>Key Local Brands</i> | € 1,272 m | +7% |
| <i>Priority Premium Wines</i> | € 371 m | +4% |



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+3%

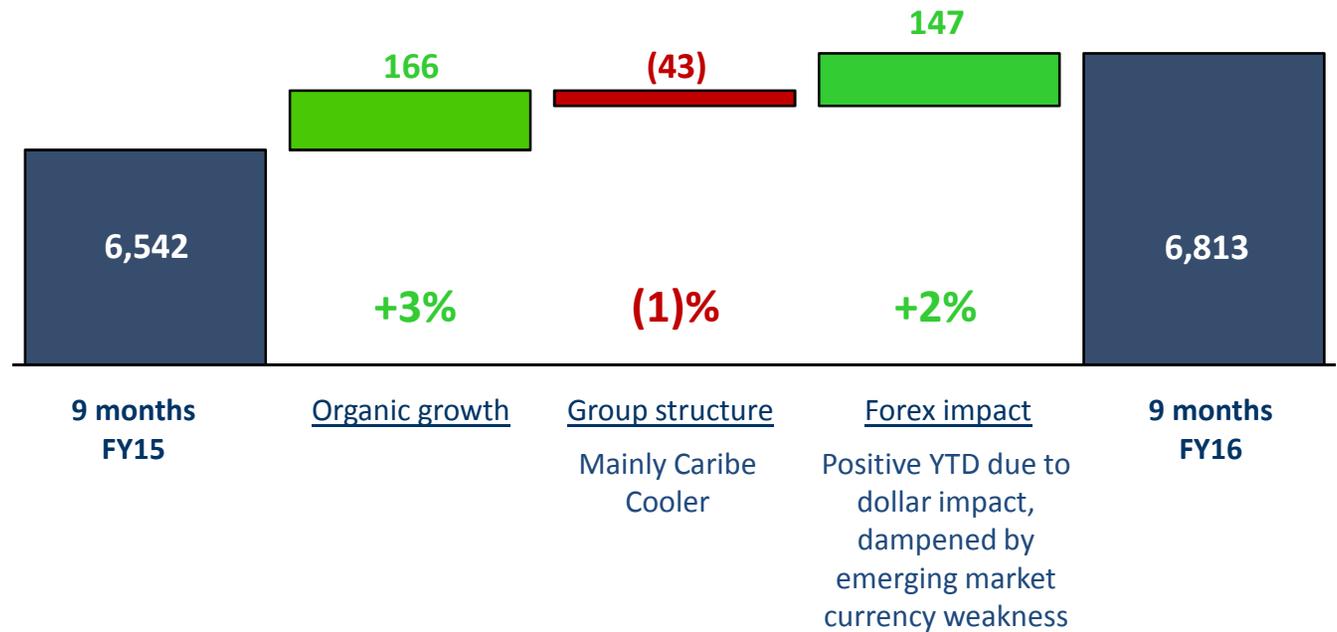
YTD Organic Sales

+4%

YTD Reported Sales

9M FY16 Sales
21 April 2016

YTD Sales growth





Pernod Ricard

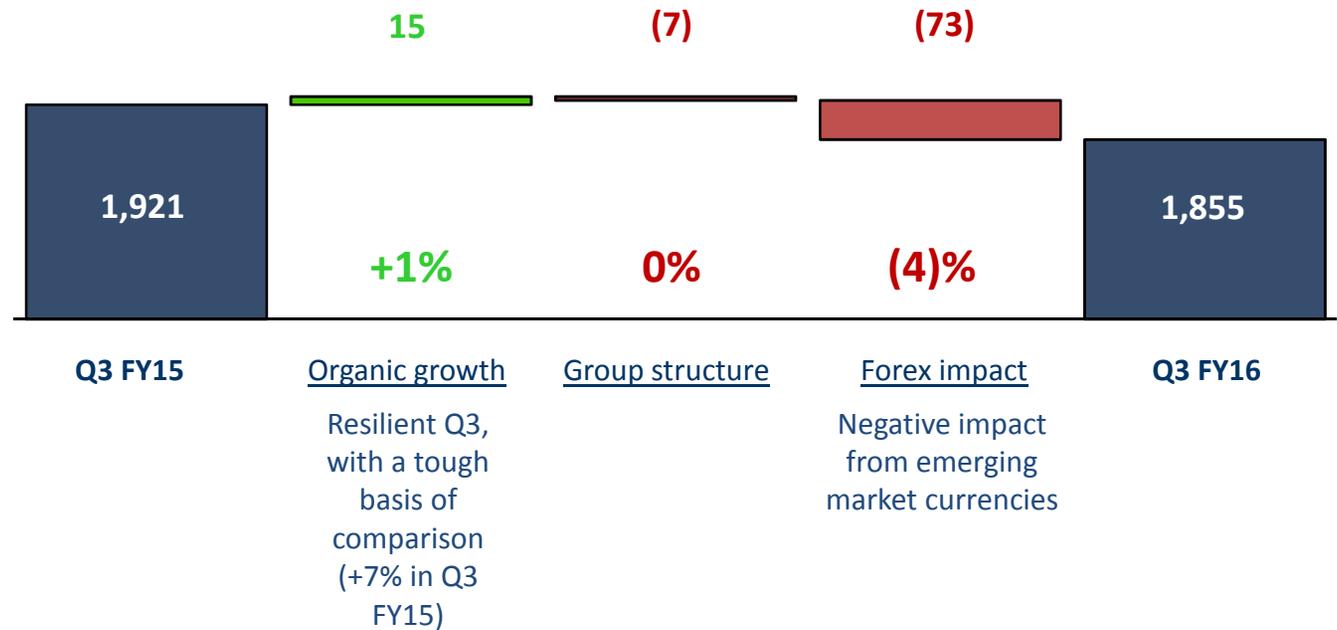
+1%

Q3 Organic Sales

-3%

Q3 Reported Sales

Q3 Sales growth



The background is a solid blue color with a subtle gradient. A thin, light blue vertical line is positioned to the left of the text.

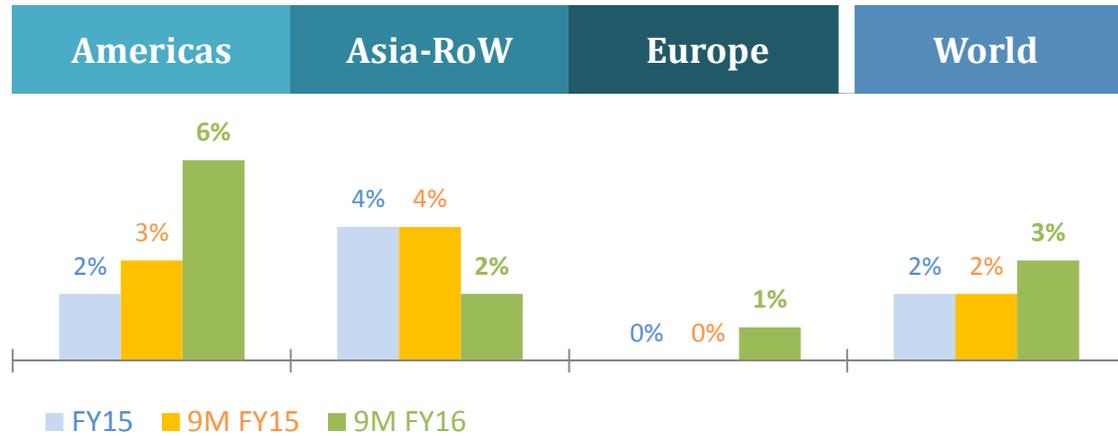
Sales analysis



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Growth driven by Americas

Organic sales growth by region



Strong growth driven by dynamic USA (partly enhanced by phasing)

Modest growth with continued strong growth in India and Africa but decline in China

Resilience, with growth driven mainly by Spain



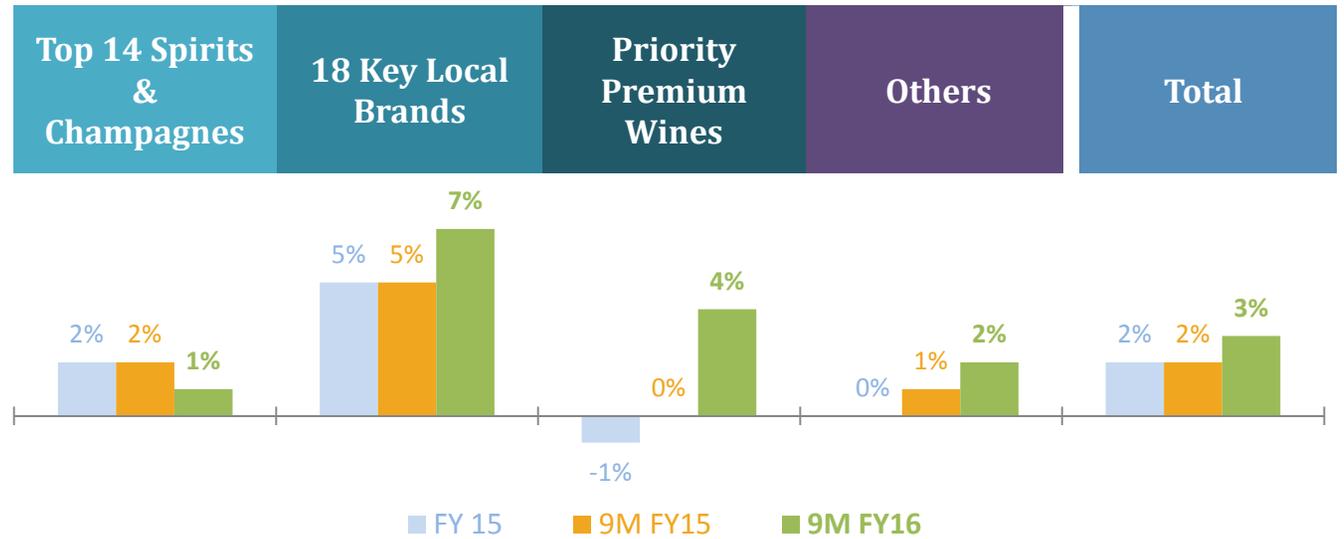
% Sales



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Solid Sales driven in particular by innovation

Organic sales growth by category



Growth driven notably by Jameson and innovation. Neutral price/mix

Growth driven by Indian whiskies and Passport

Acceleration driven by improvement in the UK and Australia

Good growth of Avión and Aberlour



9M FY16 Sales
21 April 2016



Pernod Ricard

+7%

USA

YTD Sales

9M FY16 Sales
21 April 2016

Americas

Improving growth in USA, partly enhanced by phasing

Market: continuation of strong trends

- Nielsen⁽¹⁾ value +6.4%
- Premiumisation remains strong

Pernod Ricard USA: growth acceleration

- **Significantly improved underlying performance, resulting in closing of gap to market:**
 - Nielsen⁽¹⁾ value +5.7%
- **Advance shipments** linked to Distributor supply chain reorganisation, which will reverse in Q4

Strong underlying performance by brand

- **Jameson:** ongoing strong double-digit performance ⁽¹⁾
- **Absolut:** improved performance thanks to progressive roll-out of new strategic approach (-2%, with Absolut Blue flat ⁽¹⁾)
- **The Glenlivet:** +11%, continued outperformance of the whisky category ⁽¹⁾
- **Malibu:** +2% in a flat category ⁽¹⁾
- **Avión and Altos:** strong double-digit growth, outperforming tequila category ⁽¹⁾
- **Martell:** +23%⁽²⁾ thanks to relaunch of VS

⁽¹⁾ Nielsen value YTD to March 26th, 2016

⁽²⁾ Nielsen volume YTD to March 26th, 2016



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+4%

Americas
excl. USA
YTD Sales

9M FY16 Sales
21 April 2016

Americas

Continued growth in rest of Americas

Brazil

- **Market slowdown** in a very difficult context
- **Mid-single digit growth YTD**, but very strong decline in Q3, as expected, following Q2 buy-in (ahead of tax increase)

Travel Retail

- **Decline driven by Duty Free in Brazil and border zones** due to FX volatility and high basis of comparison

Cuba

- **Double digit growth**, due in particular to increased tourism



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+2%

Asia-RoW
YTD Sales

9M FY16 Sales
21 April 2016

Asia-Rest of the World

Modest growth

India: +14%

- **Very strong growth**, both for the Top 14 and Indian whiskies
- Positive price/mix

China: -10%

- **Soft Chinese New Year**, with unchanged trends
- **Off-trade growing but on-trade in decline**, in particular due to Pernod Ricard China's **commercial policy to reduce exposure to non-profitable** contracted on-trade outlets
- **Martell resilient**: depletions⁽¹⁾ volumes trend +1% YTD, with **Noblige +6%**
- **Scotch still in double-digit decline (but double-digit growth⁽¹⁾ of Ballantine's Finest)**
- **Price/mix improving**
- Continued implementation of initiatives to adapt to "new normal" China and **stimulate growth relays – intact confidence in medium-term potential**

Travel Retail Asia

- Decline due to reduced purchasing from Chinese travellers and tough commercial and competitive environment

South-East Asia

- Ongoing difficulties and destocking

Africa and Middle East: +16%

- **Continued very strong growth** driven by Sub-Saharan Africa
- Excellent performance of Scotch whiskies, Jameson and Martell

*NB: Q3 FY16 negatively impacted by earlier Chinese New Year (08/02/16 vs. 19/02/15)
(1) Tier 1 + Tier 2 depletions*



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+1%

**Europe
YTD Sales**

9M FY16 Sales
21 April 2016

Europe

Resilient Sales: West +1% and East +3%

France: -6%

- **-2% adjusting** for advance shipments at the end of FY15 linked to the merger of the back-offices between Pernod and Ricard
- **Market share gains across all major categories**, particularly for the Top 14, in a market that remains sluggish and challenging

Spain: +8%

- Strong performance **led by gin portfolio** (Beefeater, Seagram's Gin) and return to growth of Scotch brands, in an improving market

Travel Retail Europe

- **Modest decline**, due mainly to the Russian situation

Russia

- **Quasi-stability YTD after strong Q3** (favourable basis of comparison linked to destocking in Q3 FY15)
- Declining volumes but **strong positive pricing**
- **Underlying trend: mid-single digit value growth**



Conclusion



Conclusion

Solid Sales in a contrasted environment

- **Year-on-year improvement in USA and Europe but China still difficult**
- **Pricing modestly positive** in spite of commercial and competitive landscape remaining challenging
- **Innovation** contributing to growth

Continued implementation of long-term growth strategy, including operational excellence

- **Strict pricing policy**
- **A&P allocated** to support key projects and innovations
- **Acceleration of Operational excellence** initiatives, with strong cost discipline

Confirmation of FY16 guidance: Organic growth in Profit from Recurring Operations between +1% and +3%

FX impact on PRO expected to be flat to slightly positive for the full FY16⁽¹⁾, in a volatile context

(1) based on average FX rates for full FY16 projected on 31 March 2016, particularly a EUR/USD rate of 1.11



Appendices



Upcoming communications

DATE⁽¹⁾

EVENT

Tuesday 31 May 2016

Asia Conference Call



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Sales Analysis by Region

| Net Sales (€ millions) | H1 14/15 | | H1 15/16 | | Change | | Organic Growth | | Group Structure | | Forex impact | |
|---------------------------|--------------|---------------|--------------|---------------|------------|-----------|----------------|-----------|-----------------|------------|--------------|-----------|
| Asia / Rest of the World | 1,801 | 39.0% | 2,019 | 40.7% | 218 | 12% | 90 | 5% | (3) | 0% | 131 | 7% |
| Americas | 1,242 | 26.9% | 1,369 | 27.6% | 128 | 10% | 47 | 4% | (28) | -2% | 109 | 9% |
| Europe | 1,579 | 34.2% | 1,570 | 31.7% | (9) | -1% | 14 | 1% | (4) | 0% | (19) | -1% |
| World | 4,621 | 100.0% | 4,958 | 100.0% | 336 | 7% | 151 | 3% | (35) | -1% | 221 | 5% |

| Net Sales (€ millions) | Q3 14/15 | | Q3 15/16 | | Change | | Organic Growth | | Group Structure | | Forex impact | |
|---------------------------|--------------|---------------|--------------|---------------|-------------|------------|----------------|-----------|-----------------|-----------|--------------|------------|
| Asia / Rest of the World | 913 | 47.5% | 822 | 44.3% | (91) | -10% | (49) | -5% | 0 | 0% | (42) | -5% |
| Americas | 503 | 26.2% | 529 | 28.5% | 26 | 5% | 56 | 11% | (9) | -2% | (22) | -4% |
| Europe | 505 | 26.3% | 504 | 27.2% | (0) | 0% | 8 | 2% | 2 | 0% | (10) | -2% |
| World | 1,921 | 100.0% | 1,855 | 100.0% | (66) | -3% | 15 | 1% | (7) | 0% | (73) | -4% |

| Net Sales (€ millions) | YTD March 14/15 | | YTD March 15/16 | | Change | | Organic Growth | | Group Structure | | Forex impact | |
|---------------------------|--------------------|---------------|--------------------|---------------|------------|-----------|----------------|-----------|-----------------|------------|--------------|-----------|
| Asia / Rest of the World | 2,714 | 41.5% | 2,840 | 41.7% | 127 | 5% | 41 | 2% | (3) | 0% | 89 | 3% |
| Americas | 1,745 | 26.7% | 1,898 | 27.9% | 153 | 9% | 104 | 6% | (38) | -2% | 87 | 5% |
| Europe | 2,083 | 31.8% | 2,074 | 30.4% | (9) | 0% | 22 | 1% | (2) | 0% | (29) | -1% |
| World | 6,542 | 100.0% | 6,813 | 100.0% | 271 | 4% | 166 | 3% | (43) | -1% | 147 | 2% |



Forex Impact on YTD Sales

| Forex impact 9M 15/16 (€ millions) | | Average rates evolution | | | On Net Sales |
|---------------------------------------|-----|-------------------------|-------|------|-----------------|
| | | 14/15 | 15/16 | % | |
| US dollar | USD | 1.23 | 1.10 | -11% | 175 |
| Chinese yuan | CNY | 7.63 | 7.07 | -7% | 48 |
| Indian rupee | INR | 75.95 | 72.97 | -4% | 25 |
| Pound sterling | GBP | 0.78 | 0.74 | -5% | 18 |
| Bresilian real | BRL | 3.14 | 4.15 | 32% | (27) |
| Russian rouble | RUB | 59.69 | 75.11 | 26% | (32) |
| Other currencies | | | | | (61) |
| Total | | | | | 147 |



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