



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 two lighter teal geometric shapes: a triangle in the top-left corner and a trapezoid in the bottom-right corner.

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%

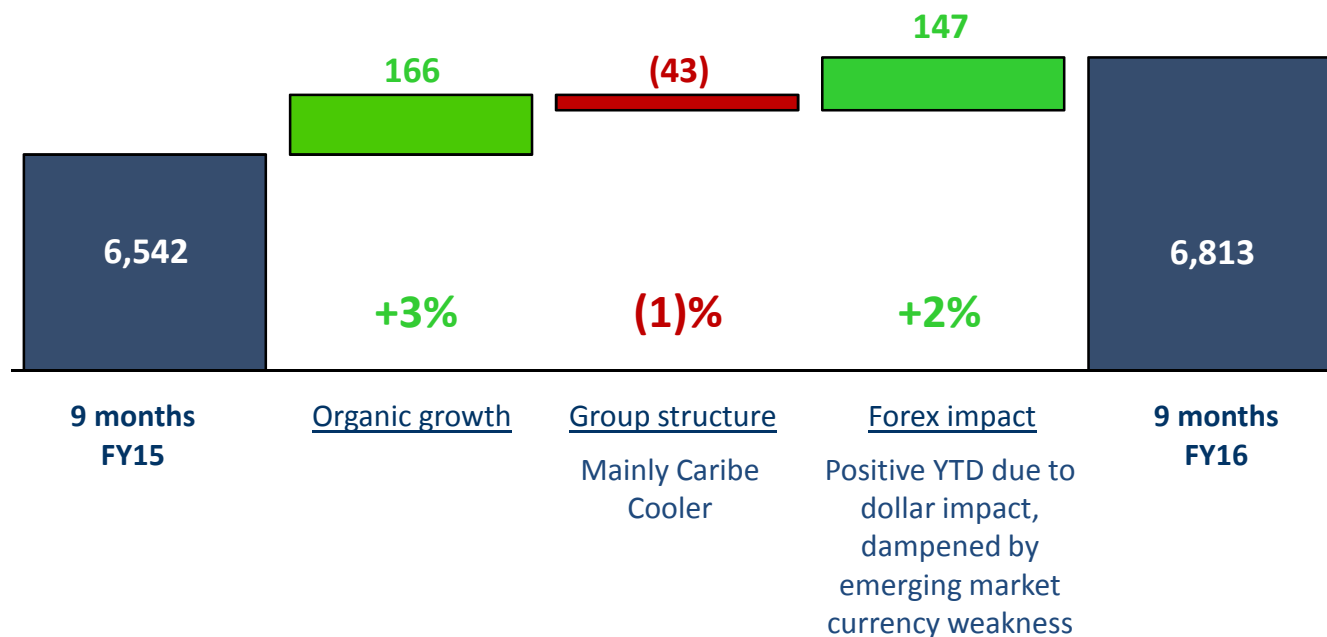
**YTD Organic
Sales**

+4%

**YTD Reported
Sales**

9M FY16 Sales
21 April 2016

YTD Sales growth





Pernod Ricard

+1%

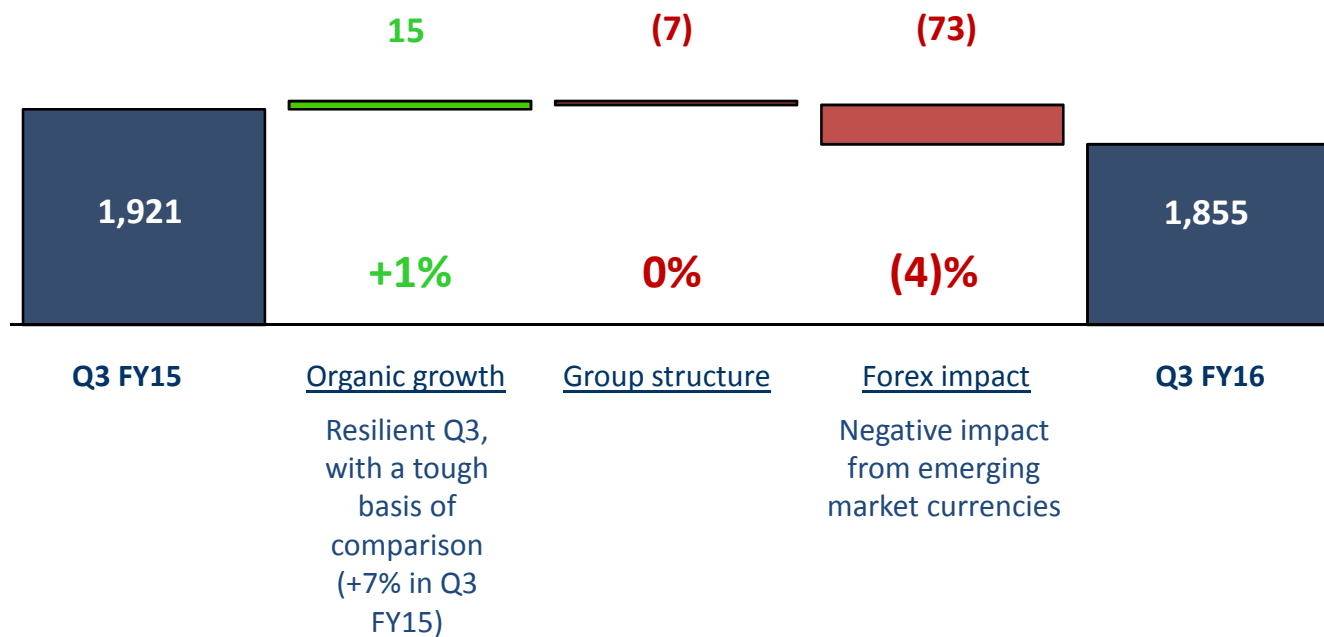
**Q3 Organic
Sales**

-3%

**Q3 Reported
Sales**

9M FY16 Sales
21 April 2016

Q3 Sales growth





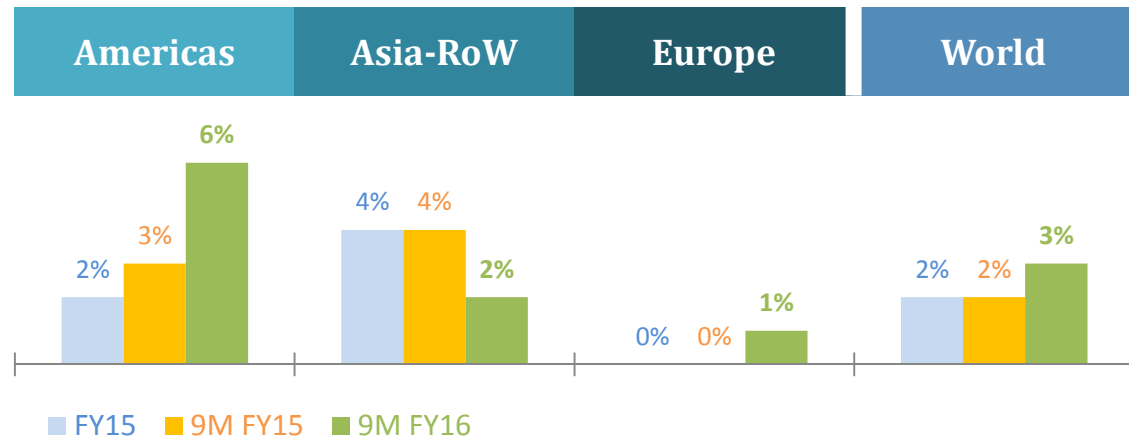
| Sales analysis



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Growth driven by Americas

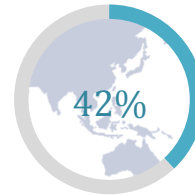
Organic sales growth by region



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

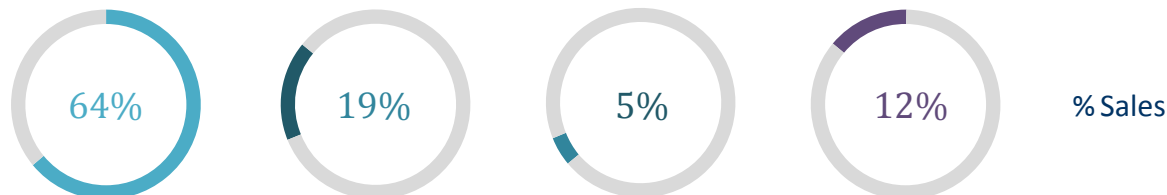
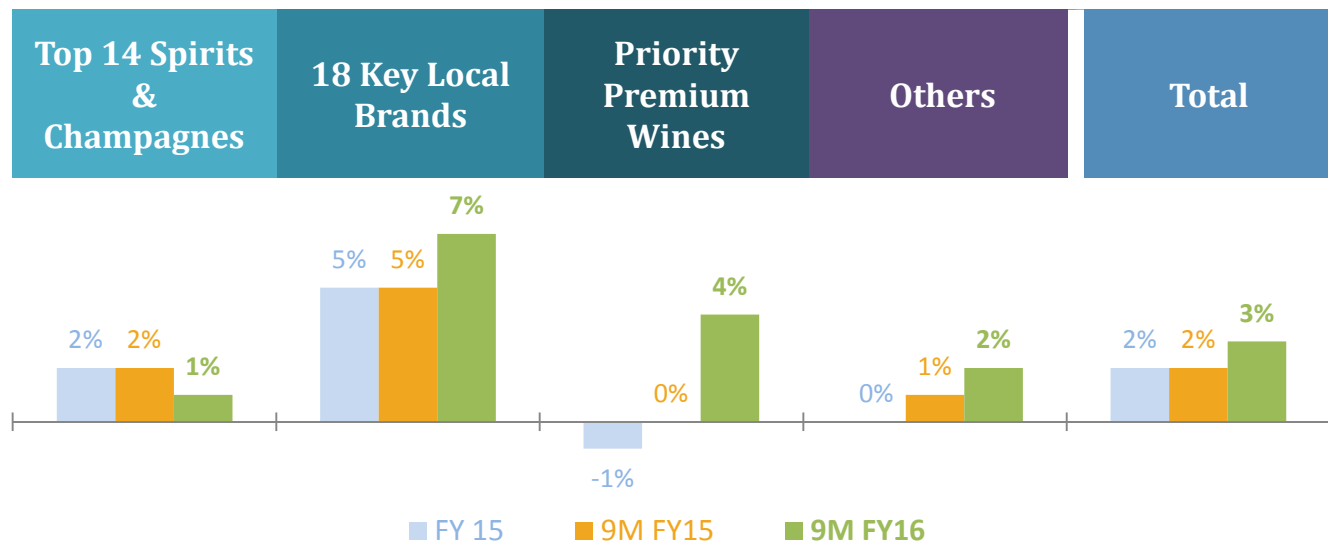


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**Solid Sales
driven in
particular by
innovation**

9M FY16 Sales
21 April 2016

Organic sales growth by category





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+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**

The background is a solid orange color with a subtle geometric pattern of diagonal lines. A thin white vertical line is positioned to the left of the word 'Conclusion'.

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



Appendices



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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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