



Pernod Ricard

Créateurs de convivialité

SALES TO 30 SEPTEMBER 2014

23 October 2014





Pernod Ricard

Créateurs de convivialité

All growth data specified in this presentation refers to organic growth, unless otherwise stated.

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

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Overall analysis



+2%

Return to growth in Q1 despite a difficult environment

Key messages

Gradual improvement in Asia-Rest of World (+4%)

- Improved trend in China, in a market that is still in decline
- Excellent Q1 in India
- Good performance of Travel Retail
- Very good Q1 in Africa/Middle East

Mixed performance in Europe (-1%)

- Improvement in Spain and satisfactory performance in France and the UK
- Consumption less dynamic but still in growth in Russia
- Decline in Germany, Poland and Travel Retail (more challenging business environment, unfavourable comparatives)

Continued growth in the Americas (+3%)

- US sales down, but underlying trends unchanged vs. 2013/14 (+1%)
- Good start in Brazil
- Marked rebound of Travel Retail



+2%

Return to growth in Q1 despite a difficult environment

Key figures

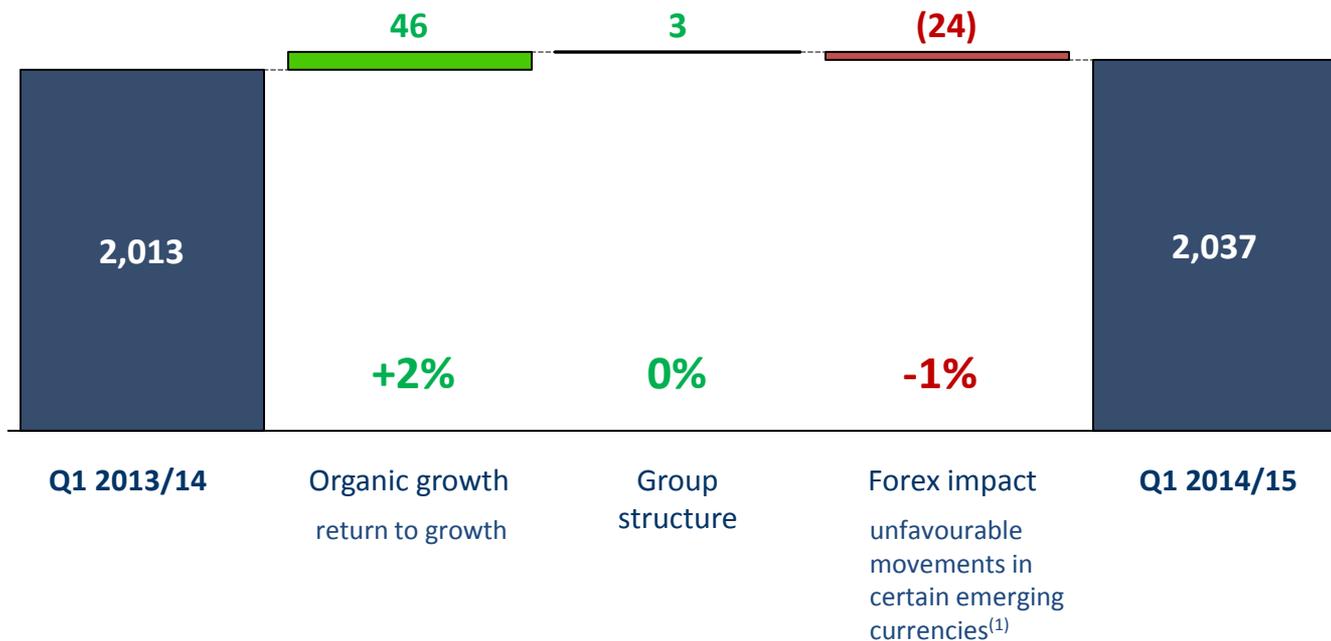
		Q1 2014/15 vs. Q1 2013/14
Sales	€ 2,037 m	+2% reported growth: +1%
<i>Mature markets</i>	€ 1,220 m	stable
<i>Emerging markets⁽¹⁾</i>	€ 817 m	+5%
<i>Top 14</i>	€ 1,305 m	+2%
<i>Priority Premium Wines</i>	€ 104 m	-3%
<i>Key local brands</i>	€ 365 m	+7%



+2%

Return to growth in Q1 despite a difficult environment

Sales growth over 3 months



A stronger USD vs. EUR (no impact on Q1) will contribute to a favourable forex impact over the full-year 2014/15⁽²⁾ estimated at approximately **+€ 80 m on Profit from Recurring Operations**

(1) Argentinian Peso, Venezuelan Bolivar and Russian Rouble

(2) based on 17 October 2014 forex rates, particularly EUR/USD = 1.29

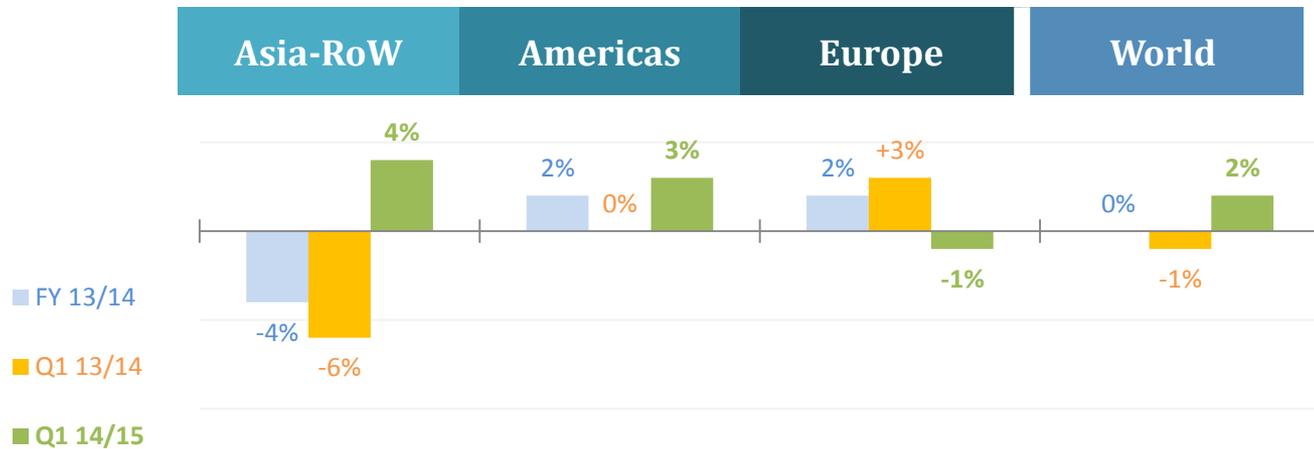
Sales analysis

by region



Return to growth in Q1 despite a difficult environment

Organic sales growth by region



Gradual improvement in trend	Continued growth	Mixed performance	Return to sales growth in Q1 2014/15
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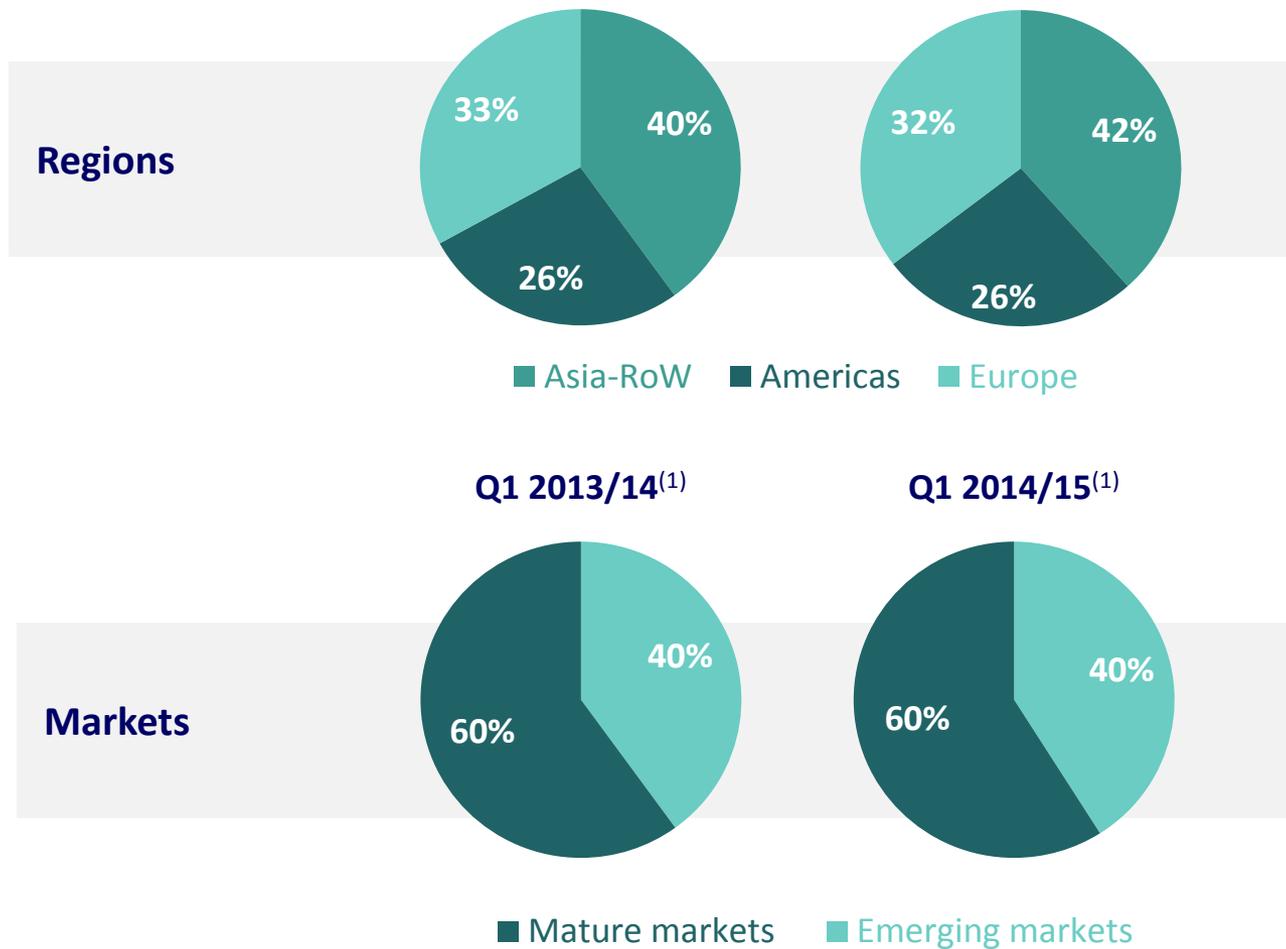
% of sales





Good
geographic
balance

Sales analysis by region and market type



(1) Data may be subject to rounding



Asia-Rest of World

Gradual improvement in trend



**Growth in Asia-
RoW: +4%**

**Gradual
improvement
in trend**

Asia-Rest of World

China

Improvement in volumes, in a market that nevertheless remains difficult:

- Shipments +4%
- Depletions⁽¹⁾ nearly stable (Martell in growth, but Scotch in decline)

Decline in sales (-9%) due to negative mix. Underlying trends consistent with those of sales

Further market share gains boosted by a sales policy that is both sound and consistent over time (inventories and prices)

Good resistance of Martell, driven by Noblige. Scotch still in decline. Ongoing development of new growth drivers

NB: Q2 2014/15 will be adversely impacted by a later Chinese New Year (19 February 2015 vs. 31 January 2014)



Growth in Asia-
RoW: +4%
Gradual
improvement
in trend

Asia-Rest of World

Other markets

India: +21%

- **Excellent start** to the year, both for the Top 14 and Indian whiskies
- Positive price impact on the Top 14 (+4%), particularly for Chivas and Absolut
- FX impact becoming slightly favourable: +€ 4 m (vs. - € 26 m in Q1 2013/14)

Africa and Middle East: +22%

- **Continued very strong growth** driven by the new Sub-Saharan subsidiaries despite a difficult geopolitical (Middle East) and health-related (Ebola in West Africa) environment
- Performance driven by the Top 14 (Chivas, Absolut, Jameson, Ballantine's and Martell)

Japan

- **Good growth** with very favourable price/mix

Travel Retail

- **Double-digit sales growth** driven by Martell and the whisky portfolio

Thailand

- **Technical rebound** related to a very favourable comparison basis in 2013/14

Korea

- **Persistent difficulties** for Imperial and the traditional on-trade
- Top 14 stable



Americas

Continued growth



Continued growth in the Americas: +3%

Americas

United States

Market: slightly slower growth vs. the 2013/14 financial year

- Value Nielsen +1.5% vs. +2.2% (Q1 vs. MAT) and NABCA +4.1% vs. +4.3% (Q1 vs. MAT)
- Continued Premiumisation
- Growth driven by whiskies

Pernod Ricard USA

- **Underlying trends in line with the 2013/14 financial year** (Nielsen +0.8%, NABCA +1.7%)
- But less favourable phasing of shipments vs. Q1 2013/14 => **sales down -3% in Q1 2014/15**
- **Price/mix remained positive**

Underlying performance by brand⁽¹⁾

	Absolut	Jameson	Malibu	The Glenlivet
Nielsen / NABCA	-4% / -2%	+16% / +16%	+2% / +3%	+5% / +6%
	vodka category remains very competitive	continued very dynamic growth	outperformed its category (-2%)	good price/mix

(1) Nielsen value data 13 weeks to September 2014 / NABCA value data 13 weeks ending 31 August 2014



Continued growth in the Americas: +3%

Americas

Other markets

Brazil

- **Very good start** (double-digit growth)
- **Market share gains⁽¹⁾**
 - Absolut +38% (vs. vodka +10%)
 - Chivas +53% , Ballantine's +64%, Passport +33% (vs. whisky +24%)

Mexico and Canada

- **Slight growth**

Travel Retail

- **Very strong rebound** enhanced by a favourable basis of comparison
- Growth driven by Chivas and Ballantine's



Europe

Mixed performance



Mixed performance in Europe: -1%

Europe

Western Europe

France: +2%

- **Good performance**, particularly of the Top 14, with **market share gains⁽¹⁾** for Ballantine's, Absolut et Havana Club
- Difficulties for Ricard in Q1 (weather conditions and unfavourable comparatives), but market share gains⁽¹⁾

Spain

- **Back to growth** for the first time since 2008
- Encouraging performance⁽¹⁾ driven by gins and Havana Club Ritual

Germany

- **Sales decline** due to trade disputes, phasing of promotional activity and an unfavourable base of comparison
- Underlying trends⁽²⁾
 - Scotch whiskies: Ballantine's +5% / market -6%
 - Rum: Havana Club +11% / market -1%
- Prestige portfolio +34%

UK

- **Good business performance**, particularly the Top 14 (Absolut, Jameson). Market share gains⁽¹⁾
- Priority Premium Wines – continuation of high-value strategy: very good performance of Campo Viejo and Brancott Estate

Travel Retail Europe

- **Decline in Q1**, adversely affected in particular by the Ukrainian crisis (decrease in passenger traffic and fall of the rouble)



Mixed performance in Europe: -1%

Europe

Eastern Europe

Russia: +8%

- Wholesaler depletions less dynamic but **still growing**
- Q1 performance enhanced by shipments being brought forward

Poland

- **Double-digit decline** in sales
 - Unfavourable comparatives
 - Very commercially aggressive competition

Kazakhstan

- Continued **double-digit growth** driven by Jameson, Ballantine's and The Glenlivet

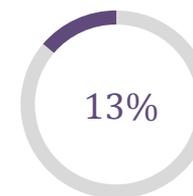
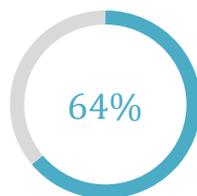
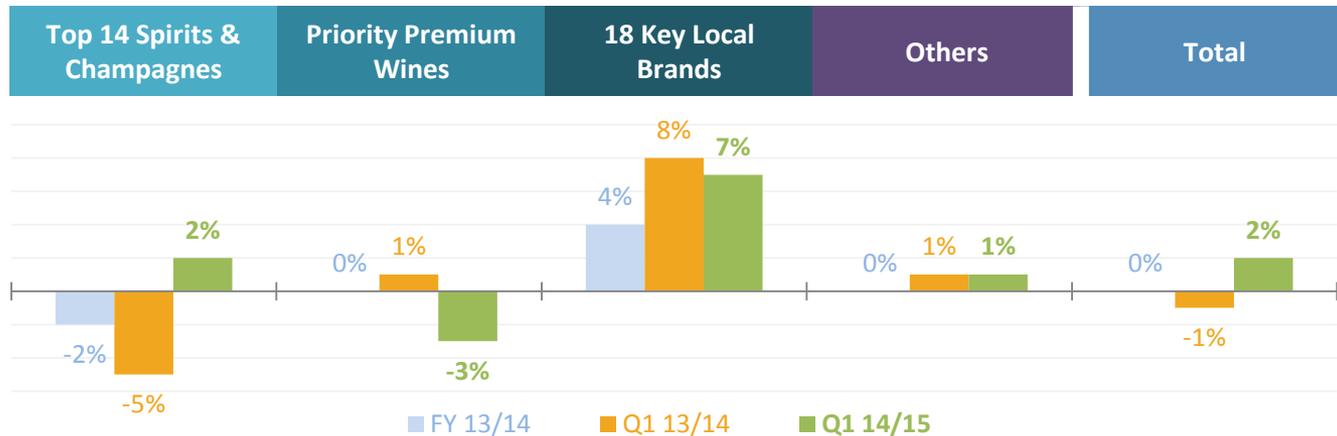


Sales analysis

by brand



Organic sales growth by category



%(2) of sales

Premium brands⁽¹⁾: 76% of sales

(1) RSP in the US => USD 17 for spirits and > USD 5 for wines

(2) Data may be subject to rounding



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+2%

Return to
growth of
Top 14 in Q1

Top 14 Spirits & Champagnes

Volumes +2%

Sales +2%

% of Group sales:

64%

Return to growth in Q1 driven by whiskies and the improved trend of Martell

- Performance driven by volumes
- Slight price/mix
 - Pricing subdued in a more challenging global business environment
 - Mix neutral due to the structural evolution of the Chinese market





+2%

**Return to
growth of
Top 14 in Q1**

Top 14 Spirits & Champagnes

TOP 14 Spirits & Champagnes ⁽¹⁾	Organic sales growth	Volumes	Price/mix
Absolut	-2%	-1%	-1%
Chivas Regal	9%	10%	0%
Ballantine's	9%	7%	2%
Ricard	-4%	-4%	0%
Jameson	9%	8%	1%
Havana Club	-7%	-5%	-2%
Malibu	-7%	-6%	-2%
Beefeater	-3%	-5%	2%
Kahlúa	23%	18%	5%
Martell	-4%	7%	-10%
The Glenlivet	17%	12%	5%
Royal Salute	3%	6%	-3%
Mumm	3%	7%	-4%
Perrier-Jouët	-2%	-4%	2%
TOP 14	2%	2%	0%



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+2%

Return to
growth of
Top 14 in Q1

Top 14 Spirits & Champagnes

Martell: improved trend

- Sales -4% vs. -9% for the 2013/14 financial year
- **Volumes back to growth**
 - China: acceleration of Noblige
 - Global development of the brand: +11% outside China
- Less favourable mix (due to the decline of high-end categories in China)

Jameson: continued very strong performance (+9%)

- Slowdown of shipments to the US in Q1, but **underlying consumption⁽¹⁾ remaining very dynamic: +16%**
- Double-digit growth of other key markets: Russia, South Africa

(1) Nielsen value data 2 months to 16 August 2014





+2%

Return to growth of Top 14 in Q1

Top 14 Spirits & Champagnes

Scotch whiskies: sharp rebound (+9%)

- **Good performance** in Asia and Travel Retail Americas, enhanced by a favourable basis of comparison
- **Return to growth of Chivas, Ballantine's and Royal Salute**
 - **Chivas:** performance driven by Travel Retail and the US
 - **Ballantine's:** continued global development of Finest (Latin America, China); launch of Ballantine's Brasil in Europe and Latin America

White spirits

- **Absolut**
 - **Decline in the US** (difficult environment and phasing of shipments/depletions) and **Germany** (trade disputes and promotional phasing)
 - **Good performances in Africa/Middle East, Brazil, Travel Retail Americas and UK**
 - Good development of **Elyx** in the US
- Difficult start to the year for **Havana Club** and **Malibu** in Europe. **Malibu** impacted in the US by the unfavourable phasing of shipments (underlying trend⁽¹⁾ remaining positive at +2% vs. -2% for the category)

(1) Nielsen value data 2 months to 16 August 2014





-3%

Priority Premium Wines

Volumes **-5%**

Sales **-3%**

% of Group sales:



Good performance of Brancott Estate and Campo Viejo

- Continued growth particularly in the UK

Decline of Jacob's Creek

- Due mainly to a very competitive UK market

Integration of Kenwood in line with plan





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+7%

Dynamic growth

18 Key Local Brands

Volumes +13%

Sales +7%

% of Group sales:

18%

Indian whiskies: +19%

- Continued very strong growth

Passport

- **Rapid development** in Latin America (Brazil and Mexico) and Sub-Saharan Africa

100 Pipers

- Strong development in India
- Technical rebound in Thailand (very favourable comparatives)

Imperial

- Continued **decline** in a falling Korean market



Marketing
initiatives,
innovation & CSR



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Absolut – highlighting creativity

ABSOLUT

Andy Warhol Edition

This limited edition transforms Andy Warhol's original Absolut painting onto the shape of the bottle, allowing anyone to bring home their very own Warhol. In 1986, Warhol was the first artist to create original artwork for Absolut saying, "I love the bottle, I want to do something..." Since then, Absolut has collaborated with thousands of cutting edge artists and creatives. This limited edition features four million bottles globally



ABSOLUT

Makerfest Movement Challenge

A party and concert mixing art and technology. The challenge encouraged Canadian consumers to create inspiring bottles illustrating that when art, innovation and technology collide, anything is possible



ELYX

House of Elyx / Garden of Elyx

Distinctly unique drinks and dining experience serving over 200 influencers during New York fashion week





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Innovations in Scotch whisky

CHIVAS

Chivas 12 “Made for Gentlemen” by Bremont

Collaboration with award-winning luxury British watch brand, Bremont, to create the next installment of Chivas’ Made for Gentlemen Limited Edition collection, available globally from September. This year’s collaboration includes additional collectors’ items such as 12 Chivalry watches, created by Bremont and Chivas to celebrate excellence and precision in luxury



BALLANTINE’S

The Bar Project

Innovative and entrepreneurial challenge offering consumers in France the opportunity to devise a concept for their own dream bar. The winning concept, a nighttime market-inspired bar was brought to life within the famous Parisian club Le Chacha



THE GLENLIVET

The Winchester Collection

World’s first collection of rare 50 Year Old single malt Scotch whiskies from The Glenlivet. Just 100 bottles of this remarkable Speyside single malt, priced at \$25,000 each, will go on sale around the globe





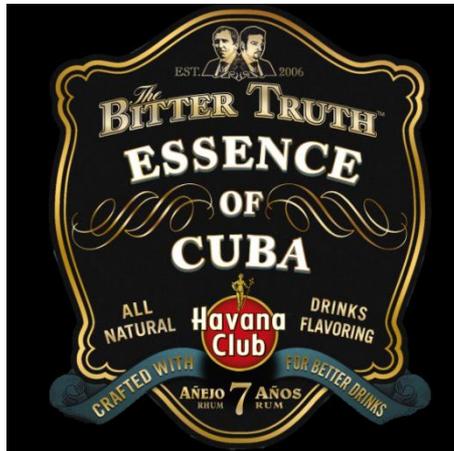
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Seizing the cocktail occasion

HAVANA CLUB

Essence of Cuba

Series of bitters without the bitter taste! 100% natural ingredients facilitate the creation of new and easy Havana Club 7 Años cocktails while enhancing the premium, Cuban character of the brand





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Limited editions

MARTELL

Premier Voyage

New blend celebrating the brand's 300th anniversary in 2015. A unique combination of 18 eaux-de-vie from Martell's cellars. Renowned French artist Bernar Venet has crafted a piece of art to house this exquisite blend



PERRIER-JOUËT

Belle Epoque Rosé by Vik Muniz

Collaboration with Brazilian artist Vik Muniz. Revealed in Brazil in September in the presence of art world personalities and celebrities. Subsequently unveiled in the UK at the Gherkin Perrier-Jouët Room opening and in France at the Musée des Arts Décoratifs



Range N° 1

Unveiled in September at the Singapore Grand Prix

MUMM



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Innovating in wine

CAMPO VIEJO

Ecologico

Campo Viejo's first organic wine underscores the brand's commitment to the environment and sustainability. Packaging inspired by more than 50 species of butterflies inhabiting the estate surrounding the winery



BRANCOTT ESTATE

World of Wearable Art

Exclusive limited edition for the New Zealand market to coincide with one of the world's most extraordinary art extravaganzas



JACOB'S CREEK

Sparkling Lightly & Sparkling Lightly Rosé

Lightly sparkling wine for consumers who prefer a wine that is not too bubbly. Contemporary packaging reflects the light, fresh character. Launched in Australia in August





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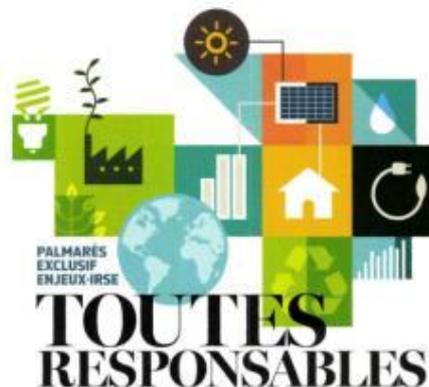
#1

Across the drinks industry in VIGEO's CSR ranking

Non-financial rating

PERNOD RICARD RECOGNISED FOR ITS CSR PERFORMANCE

VIGEO
Pernod Ricard #1 in the drinks ranking



LES ECHOS
Pernod Ricard ranked #5 in CSR among CAC 40 companies

CARBON DISCLOSURE PROJECT (CDP)
Pernod Ricard achieved a score of 86B



2014/15 Outlook



2014/15 Full-Year Outlook

Expectation of gradual improvement in sales growth in an environment that will remain difficult

- Gradual improvement of the Chinese market
- Growth still soft in the US
- Business environment remaining challenging worldwide, particularly in terms of pricing

A more favourable foreign exchange environment

- Forex impact on PRO estimated⁽¹⁾ at approximately +€ 80 m

Increase in advertising and promotional expenditure to support priority brands and innovations

(1) based on 17 October 2014 forex rates, particularly EUR/USD = 1.29



2014/15 Full-Year Outlook

FY 2014/15 guidance

Organic growth in Profit from Recurring Operations
between +1% and +3%

Unfavourable comparatives in HY1 and favourable in HY2:

- Significant shipments to the US and China in HY1 2013/14
- Later Chinese New Year (19 February 2015 vs. 31 January 2014)

➤ **Slight organic decline in PRO in HY1 2014/15**



Upcoming communications

DATE⁽¹⁾

EVENT

Thursday 6 November 2014

Annual General Meeting

Tuesday 16 December 2014

Americas Conference Call

Thursday 12 February 2015

2014/15 Half-Year Results

Appendices



Emerging Markets

Asia-Rest of World		Americas	Europe
Algeria	Malaysia	Argentina	Albania
Angola	Mongolia	Bolivia	Armenia
Cambodia	Morocco	Brazil	Azerbaijan
Cameroon	Mozambique	Caribbean	Belarus
China	Namibia	Chile	Bosnia
Congo	Nigeria	Colombia	Bulgaria
Egypt	Persian Gulf	Costa Rica	Croatia
Ethiopia	Philippines	Cuba	Georgia
Gabon	Senegal	Dominican Republic	Hungary
Ghana	South Africa	Ecuador	Kazakhstan
India	Sri Lanka	Guatemala	Kosovo
Indonesia	Syria	Honduras	Latvia
Iraq	Tanzania	Mexico	Lithuania
Ivory Coast	Thailand	Panama	Macedonia
Jordan	Tunisia	Paraguay	Moldova
Kenya	Turkey	Peru	Montenegro
Laos	Uganda	Puerto Rico	Poland
Lebanon	Vietnam	Uruguay	Romania
Madagascar	Zambia	Venezuela	Russia
			Serbia
			Ukraine



Top 14 Organic Sales Growth⁽¹⁾

	Net Sales	Volumes	Price/mix
Absolut	-2%	-1%	-1%
Chivas Regal	9%	10%	0%
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Top 14	2%	2%	0%

(1) Data may be subject to rounding



Sales Analysis by Region

Net Sales (€ millions)	Q1 2013/14		Q1 2014/15		Change		Organic Growth		Group Structure		Forex impact	
Europe	666	33%	652	32%	(15)	-2%	(4)	-1%	(4)	-1%	(6)	-1%
Americas	532	26%	530	26%	(2)	0%	16	3%	6	1%	(24)	-4%
Asia / Rest of World	814	40%	855	42%	41	5%	34	4%	0	0%	7	1%
World	2,013	100%	2,037	100%	25	1%	46	2%	3	0%	(24)	-1%



Forex impact Q1 2014/15 (€ millions)		Average rates evolution			On Net Sales
		2013/14	2014/15	%	
Argentinian peso	ARS	7.40	10.98	48.5%	(12)
Venezuelan bolivar	VEF	16.56	66.26	300.2%	(7)
Russian rouble	RUB	43.45	48.08	10.6%	(6)
Ukrainian hryvnia	UAH	10.79	16.66	54.4%	(3)
Canadian dollar	CAD	1.38	1.44	4.8%	(3)
Chinese yuan	CNY	8.11	8.17	0.7%	(2)
Japanese yen	JPY	131.05	137.74	5.1%	(1)
US dollar	USD	1.32	1.33	0.0%	(0)
Indian rupee	INR	82.46	80.31	-2.6%	4
Korean won	KRW	1.47	1.36	-7.3%	5
Pound sterling	GBP	0.85	0.79	-7.1%	7
Other currencies					(5)
Total					(24)



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