



Pernod Ricard

Créateurs de convivialité

Pierre Coppéré, Chairman & CEO of Pernod Ricard Asia

Reinforcing leadership in Asia

28 May 2013



Capital Market Day
— Beijing 2013 —

Ambitious mid-term objective

Expand leadership
in Premium+ Western Style Spirits⁽¹⁾

Value Share⁽²⁾ > 40%
by 2015

+5pts
vs. 2012

Grow organically

Double-digit profit growth

(1) Above 7 USD

(2) Gross margin



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Vision and ambition of Pernod Ricard Asia

VISION

To spearhead and embody Pernod Ricard Road to leadership
being the **game changer** within the Industry in Asia

AMBITION

Shaping Our Future
By accelerating

LEADERSHIP MODEL

- ✓ Leading Premium brands
- ✓ Leaders
- ✓ Excellence



INNOVATION

- ✓ Untapped territories
- ✓ New initiatives

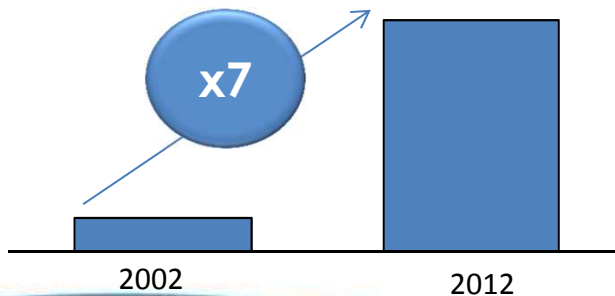
In order to
meet our mid-term objective

Reinforcing our leadership

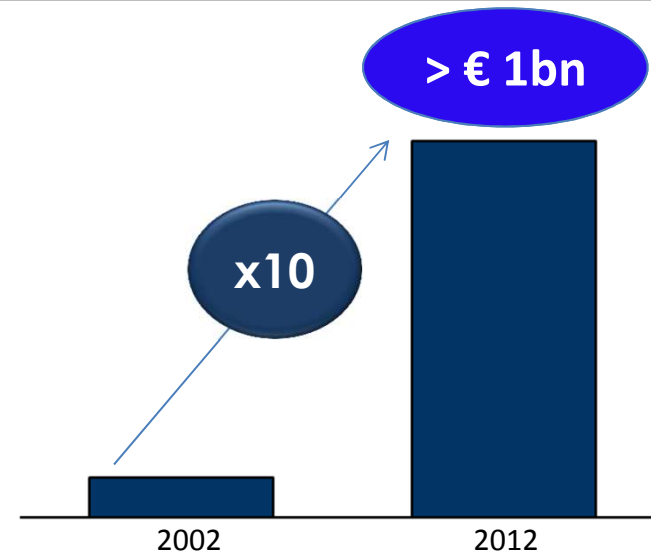
Incredible success story over a decade for Pernod Ricard Asia

Since acquisition of Seagram's, business **x10** in **10** years

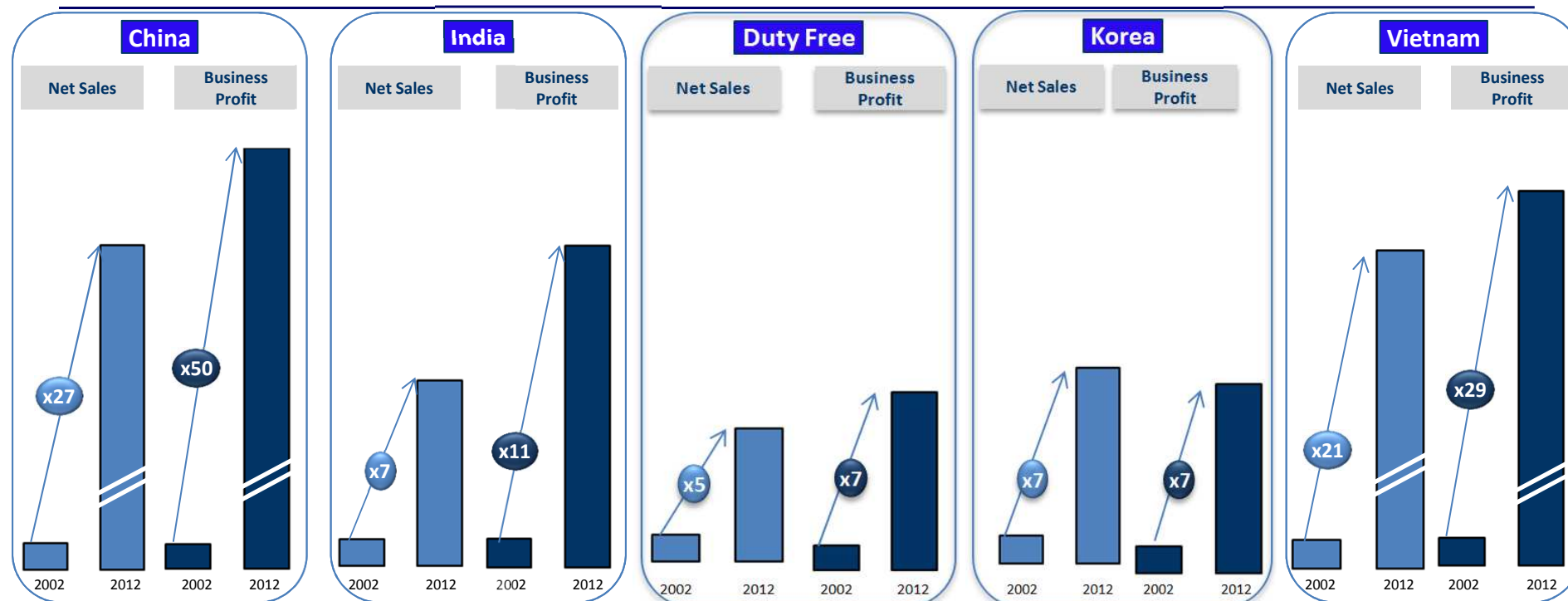
Net Sales



Business Profit



Success across the whole region



The Pernod Ricard leadership model

We sell our own brands with our own people.



Patrick Ricard

Building leading premium brands

Cognac

Volume

2

Value

1



Scotch Whisky

2

1



Premium Vodka

2

1



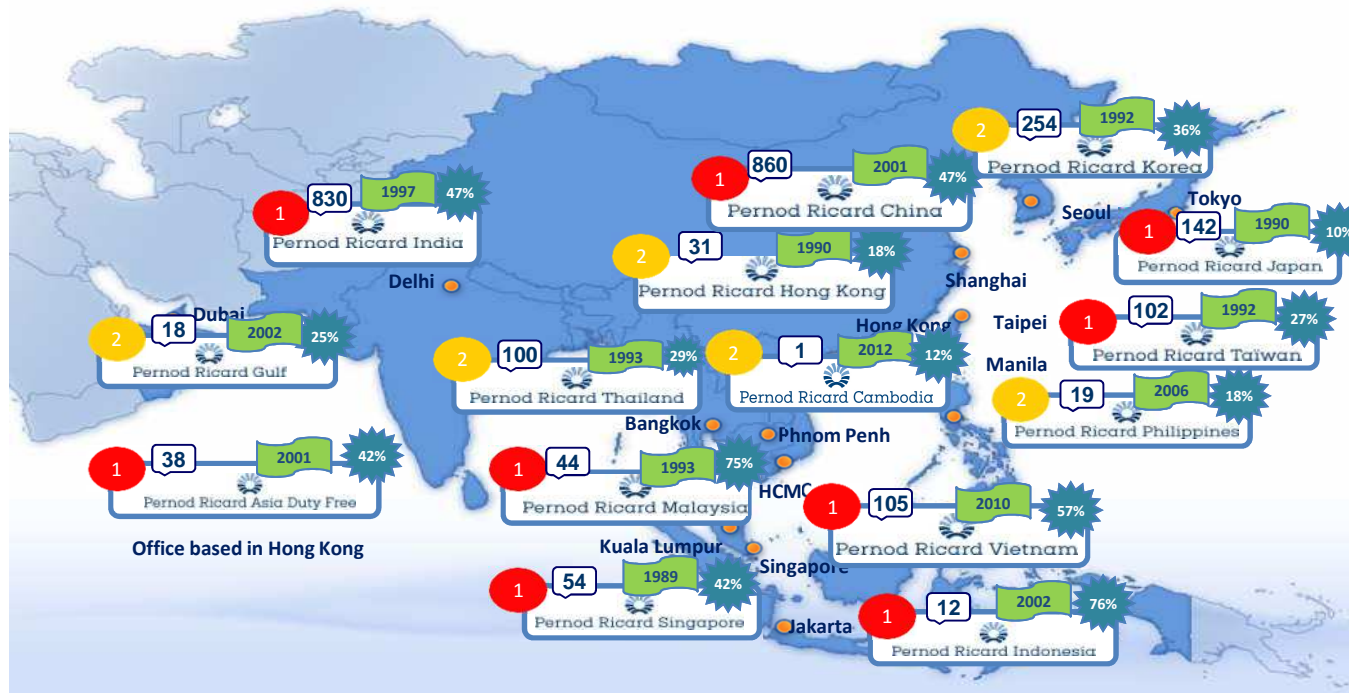
Premium Indian Whiskies

1

1



25 years of presence in Asia



HC Headcount
 1 Market Position
 VAL Value Marketshare
 MS Creation Date

Successful road to leadership in Vietnam



Anh Nguyen

Volumes
x15
in 10 years

1997

- Anh Nguyen recruited as promotion supervisor in **Representative office** (created in **1994**)

2002

- Anh appointed **Country Manager**

2003

- Anh **creates AUA**, local **exclusive distributor of Pernod Ricard products** in Vietnam, and becomes **Managing Director**

2011

- **Incorporation of Pernod Ricard Vietnam** (purchase of AUA) and Anh appointed **Managing Director**

2013

- Pernod Ricard Vietnam **#1 in Premium+ Western Style Spirits**
- **#1 market** worldwide for **Chivas Regal 18/25yo**

The Pernod Ricard leadership model

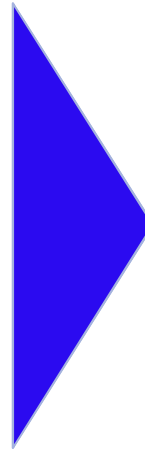
Leading brands



Leaders

Supported by

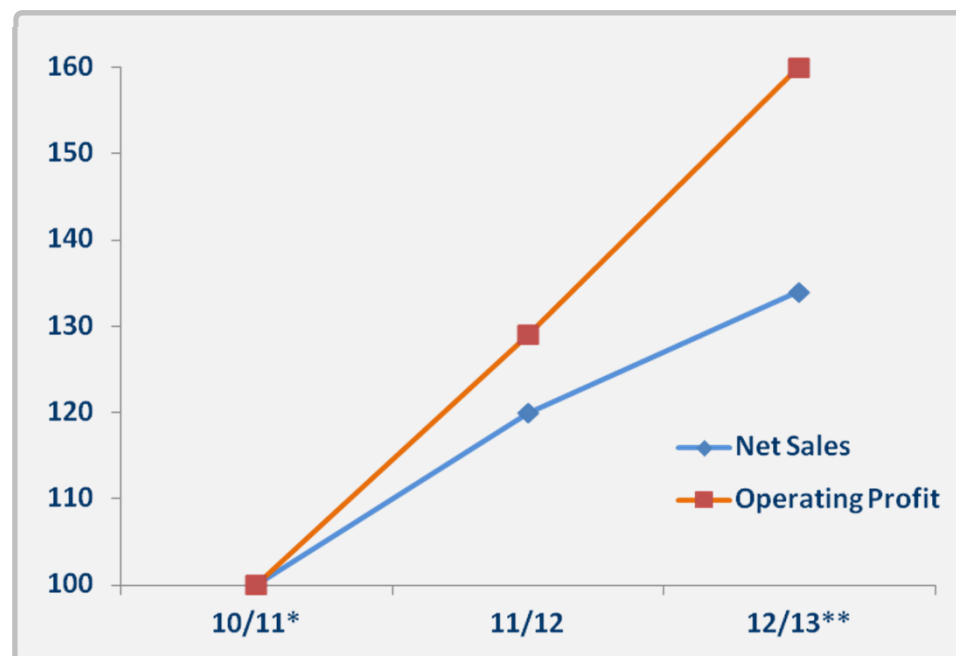
- ✓ Premiumisation
- ✓ Innovation
- ✓ Decentralization
- ✓ Culture



Excellence

Sustained momentum

despite recent challenging environment



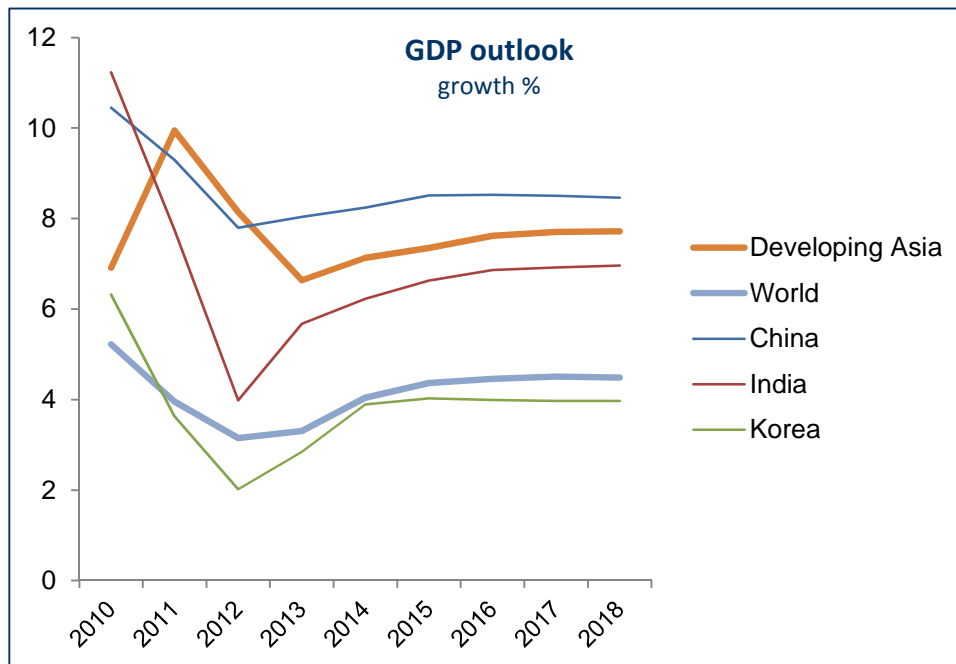
•Index 100 in 10/11
Reported growth (actual Fx)

**Estimate



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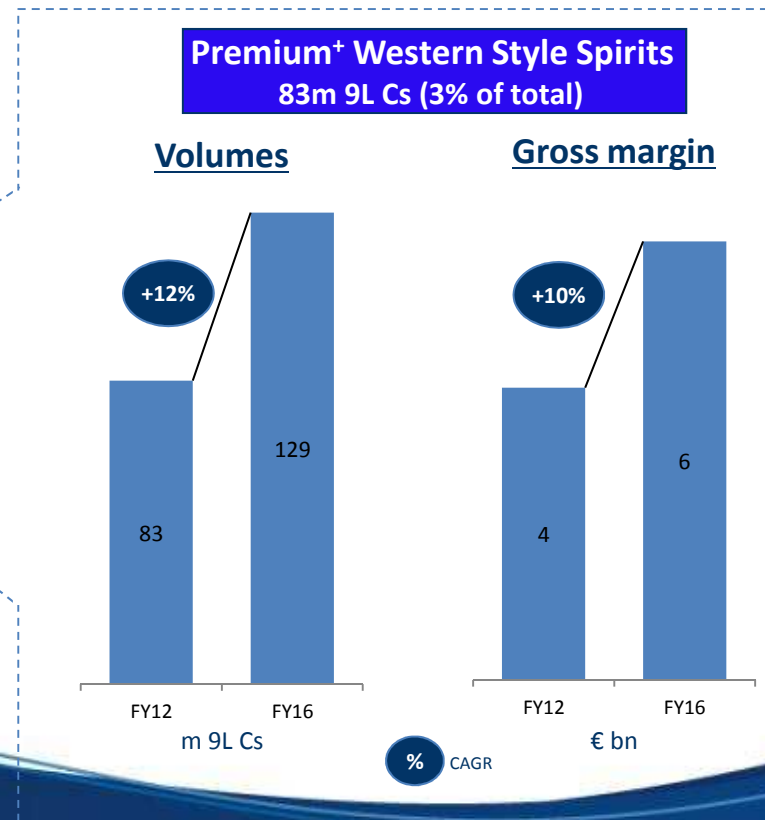
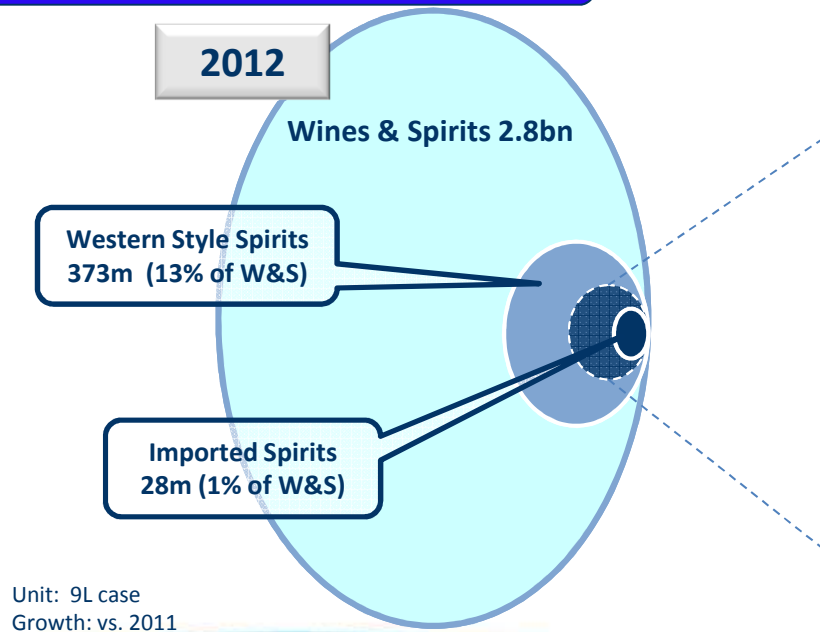
Mid/long term outlook remains positive and favourable



- ✓ Asian growth to remain durably higher than world average
- ✓ China, India and even Korea show solid perspectives
- ✓ These 3 markets represent more than 2/3 of Asia business for Pernod Ricard

Looking forward

Huge reservoir for growth



Source: IWSR + Pernod Ricard Market View

All alcohol: beer, W&S and cider (DM & DF markets);

Western style W&S: imported & local W&S (DM & DF markets);

Imported W&S: DM & DF markets



Looking forward

Key opportunities

- ✓ **MACs and HNWIs growth** remains strong
- ✓ **Chinese travellers** and **women** emerging as new consumer groups
- ✓ Growing **urbanization** calling for **geo expansion**
- ✓ **Modern trade** (On+Off) growing in importance
- ✓ Increasing impact of **social media** and **e-commerce**

Moving forward

To seize each of these opportunities, Pernod Ricard will

- ✓ Focus on **key battlegrounds**
- ✓ Be **entrepreneurial** and **innovative**
- ✓ Commit to **excellence**
- ✓ Live by its **values**
- ✓ Be **responsible**



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Créateurs de convivialité

Key battlegrounds and ambitions

Value leadership

Lead value growth
in Cognac, Whiskies and Vodka

Luxury penetration

Become Leader
in Ultra Prestige⁺

**Accelerate profitable
growth relays**

Absolut, Malt,
Champagne and Wine

**Expand in
new territories**

Meal occasion, Beer conversion,
Female offerings, Geo expansion

**Excellence in
enabling capabilities**

HR road to leadership
Influential marketing

Ultra Prestige+ > 300 USD a bottle



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Value leadership

Leverage commanding positions

- ✓ in 2 largest Asian markets: **China & India**
- ✓ in strategic showcase **Travel Retail**
- ✓ in fastest growth opportunity: **Vietnam**

to lead Value Growth in Cognac, Whiskies and Vodka



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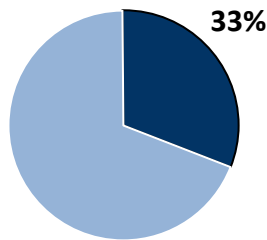
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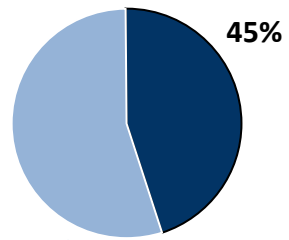
Luxury penetration

Leader in Prestige⁺

NS PR Asia



Value Market Share



Net sales

€ 1bn

x2

in

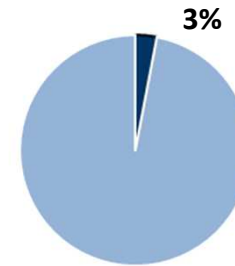
3

years

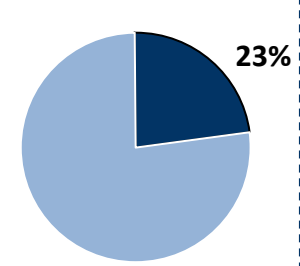
Objective is
to become

Leader in Ultra Prestige⁺

NS PR Asia



Value Market Share



Prestige⁺ > 84 USD a bottle
Ultra Prestige⁺ > 300 USD a bottle

Leader in Ultra Prestige+

Royal Salute Diamond Tribute

Launch June 2013



"Royal Salute marks the 60th anniversary of its creation with the addition of a new jewel in the range."

Martell Showcase Activation

Hong Kong



Celebrating gastronomy in Hong Kong at Kee Private Members club

Travel Retail



Cathay Pacific 1st class lounge

Perrier Jouët New ATL and Activation



new ATL creative to be run in Asia.

Le Cercle Connoisseurs Club



LAUNCHED AT HAINAN RENDEZVOUS

*Le Cercle is an invitation only club for discerning wine and spirits enthusiasts, its mission is to provide **inspirational lifestyle experiences** rooted in gastronomy, heritage, craftsmanship and to develop knowledge among its members while celebrating Pernod Ricard's Ultra Prestige products.*



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Accelerate profitable growth relays

	<u>Achievement</u>	<u>Ambition</u>
Absolut	Volumes x2 <i>(CAGR +20% since acquisition)</i>	> 1Mcs by 2015 <i>China, India, Korea, Thailand, Travel Retail</i>
Absolut Elyx	Launched in 12/13	10% of Super Premium vodka market in Asia
Malt	The Glenlivet ✓ #5 to #3 position in 3 years ✓ Volumes x2 (CAGR +25%)	#2 by 2015 Malt portfolio strategy ► launch of Aberlour
Champagne	#2 in Asia ✓ GH Mumm #3 ✓ Perrier Jouët # 5	Capture a significant part of future growth
Wine	# 1 in Premium+ Wines In China and India	Unlock growth > 1 Mcs by 2015



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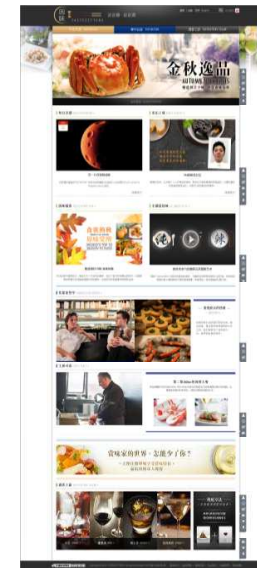
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Expand in new territories

Increase penetration in the meal occasion

- ✓ Continue to develop existing portfolio **offerings for MACs** with Vodka, Liquor & Whisky (Super Premium)
- ✓ Educate in **food pairing** and connect cuisine with spirits categories and premiumise

- ❑ **Jacob's Creek food pairing wines**
JC Wa (sushi wine) designed by top Japanese chef launched in March 13 in Japan & **new launches to come...**
- ❑ **Tastesetters (China)**
Content web-site pairing food with PR products for formal and informal occasions
- ❑ **St Hugo Vineyard (China)**
Channel focus on Chinese restaurants and new packaging to communicate heritage and provenance



Expand in new territories

Encourage Beer Conversion

- ✓ Explore **mixed drink** innovation & **RTD** to accelerate beer conversion
- ✓ Develop **innovation pipeline** and **ritual**-based conversion tactics

- ❑ **Chivas Hi (China)**
Refreshing long drink service ritual including Chivas Hi service machine pilot test in Shanghai
- ❑ **Chivas X (Japan): “Signature high ball”**
Refreshing frozen drink service ritual
2,000 targeted outlets: +82% of rotation
- ❑ **Absolut (China)**
3 channel strategy to target beer (FKTV, IHRB, Bar)
- ❑ **Malibu (China/India/Japan)**
Convenient and refreshing RTD/RTG small format



Expand in new territories

Develop Female Offerings

- ✓ Accelerate the **recruitment** of **female consumers** through New Products Developments, mixed drink solutions and wine
- ✓ Explore **convenient** and **smaller format** offerings to increase **trial** and adoption

- ❑ **Perrier Jouët Belle Epoque Joshi kai (Japan)**
Annual limited edition for 'leisure ladies' influencers

- ❑ **Café de Paris (Japan)**
Frequent flavour New Products Developments to leverage current trend

- ❑ **Kahlúa RTD (Japan)**
Relax & unwind moments for women at home

- ❑ **Kahlúa Expansion (China)**
Distribution & Activation





Expand in new territories

Geo expansion in existing markets

- China salesforce **+10%** in **3** years to cover new cities
- India salesforce **+25%** in **3** years to increase channels coverage
- Vietnam salesforce **+33%** in **2** years to cover Mekong delta (Can Tho), Center (Danang) and North (Vinh)

Opening affiliates in new markets (Vietnam model)

- **Cambodia with promising results in year 1**
 - Volumes +60%
 - Value +60%
 - Market share +2pts
- Laos, Myanmar, Mongolia...



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Excellence in enabling capabilities

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HR Road to Leadership

Shaping our Future

with **Asian Talents & Leaders**

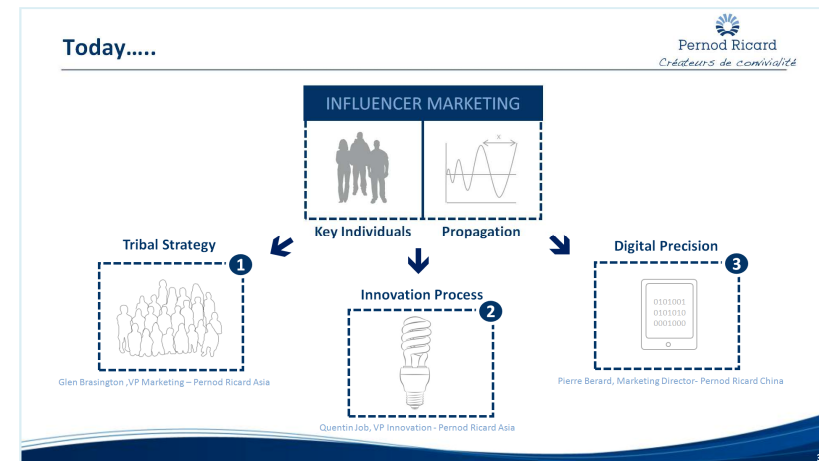
who are **Collectively Committed**
to **Sustainable Performance**

and **Highly Engaged**
on the **Road to Leadership**

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2

Influential marketing





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Capital Market Day

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