



Pernod Ricard

Créateurs de convivialité

Mohit Lal, Managing Director of Pernod Ricard India

Reinforcing leadership in India

28 May 2013



Capital Market Day
— Beijing 2013 —

An ambitious mid-term objective

Expand leadership
in Premium+ Western Style Spirits⁽¹⁾

Value Share⁽²⁾ > 50%
within 3 years

+3pts
vs.11/12

Grow organically

Double digit profit growth

(1) Above 7 USD

(2) Gross margin

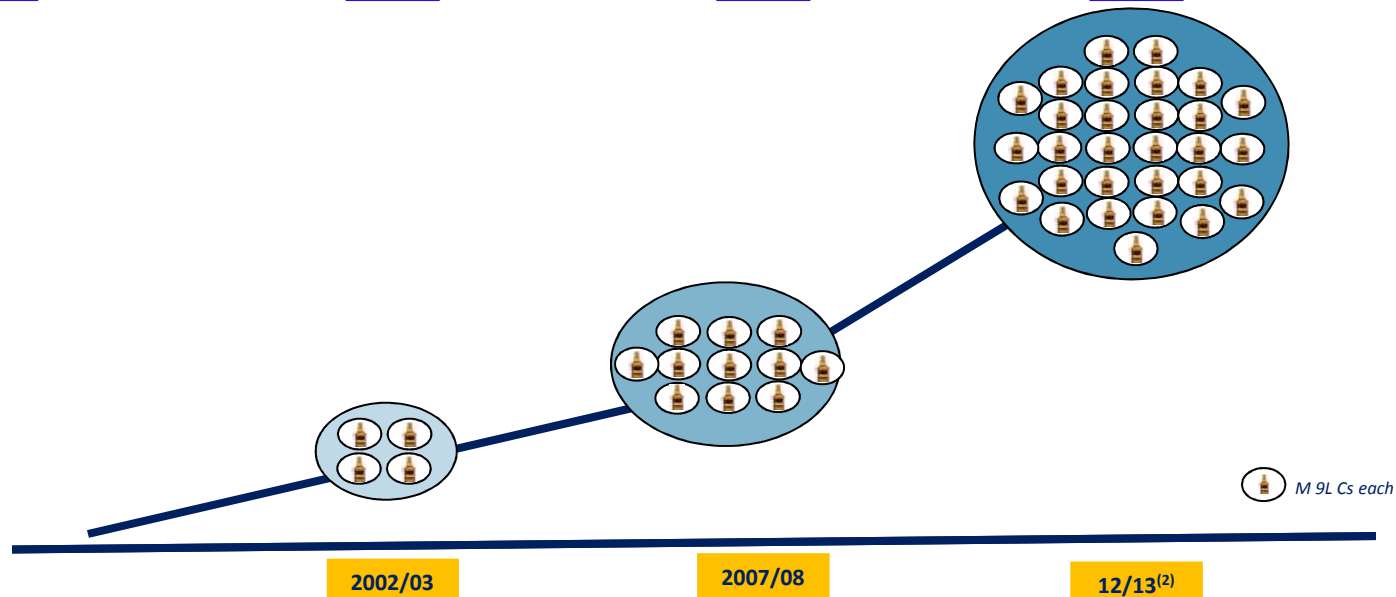
Pernod Ricard's journey in India has been impressive

VOL M, 9L Cs

4

11

29



	2002/03	2007/08	12/13 ⁽²⁾
Premium+ WSS ⁽¹⁾ VOL MS%	23%	41%	46%
Bottling units	8	15	25
# People	345	535	830

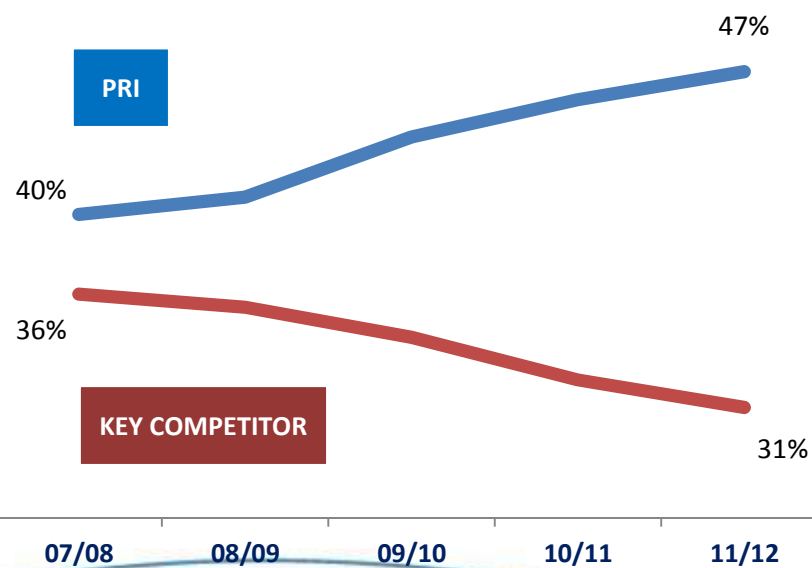
(1) Premium+ Western Style Spirits refers to brands operating at above 7\$ ECP (varies by State)

(2) Estimate

Profit leader in India

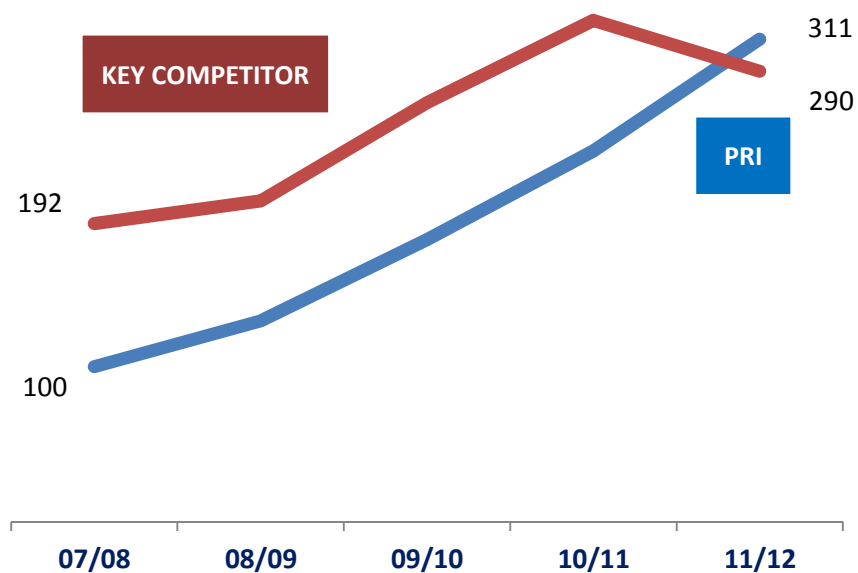
Value leader in Premium+ WSS

Value Share (CM market share %)



Most profitable player

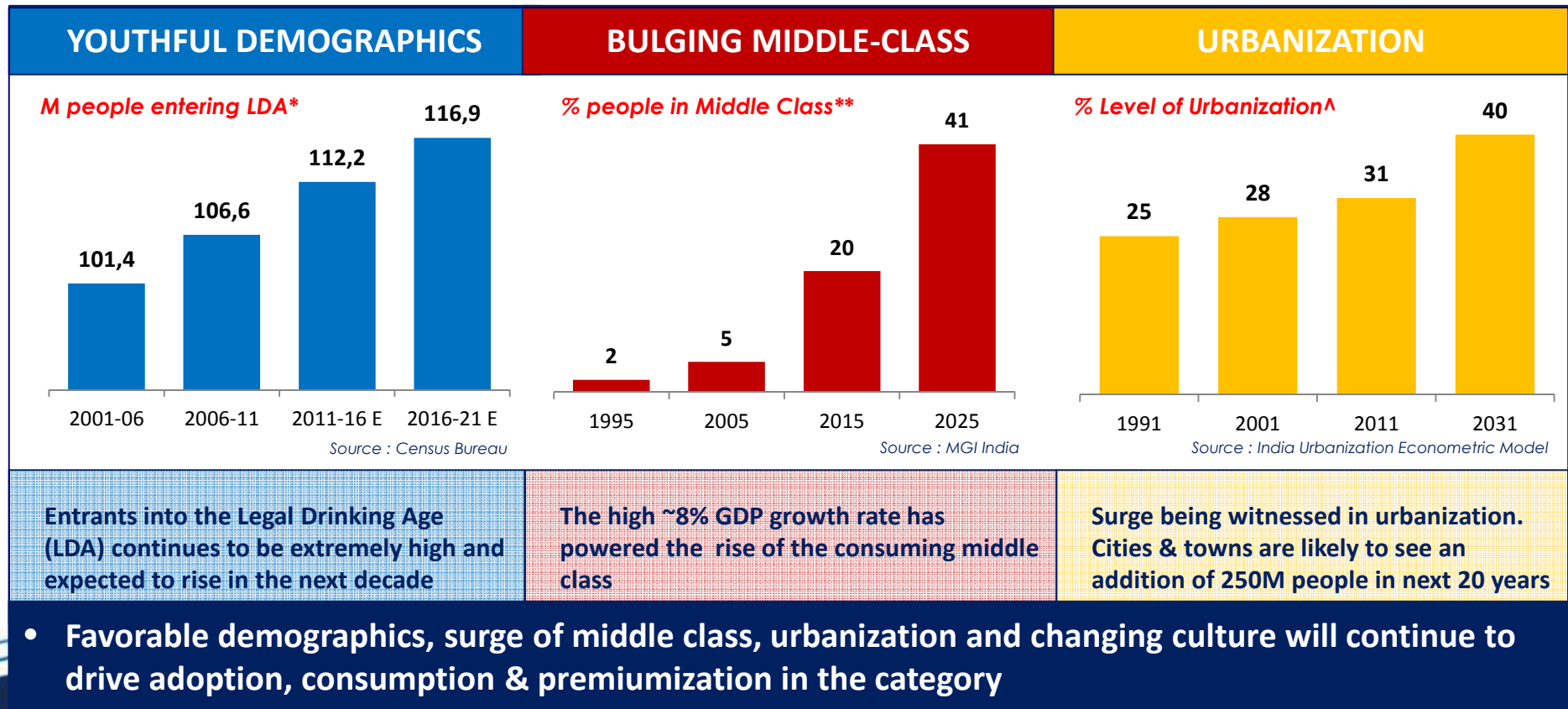
Operating Profit* Index



Source : Key Competitor Annual Report, PRI Statutory Report; OIE not included for PRI & Key Competitor

India - A large profit pool opportunity

Vibrant growing economy

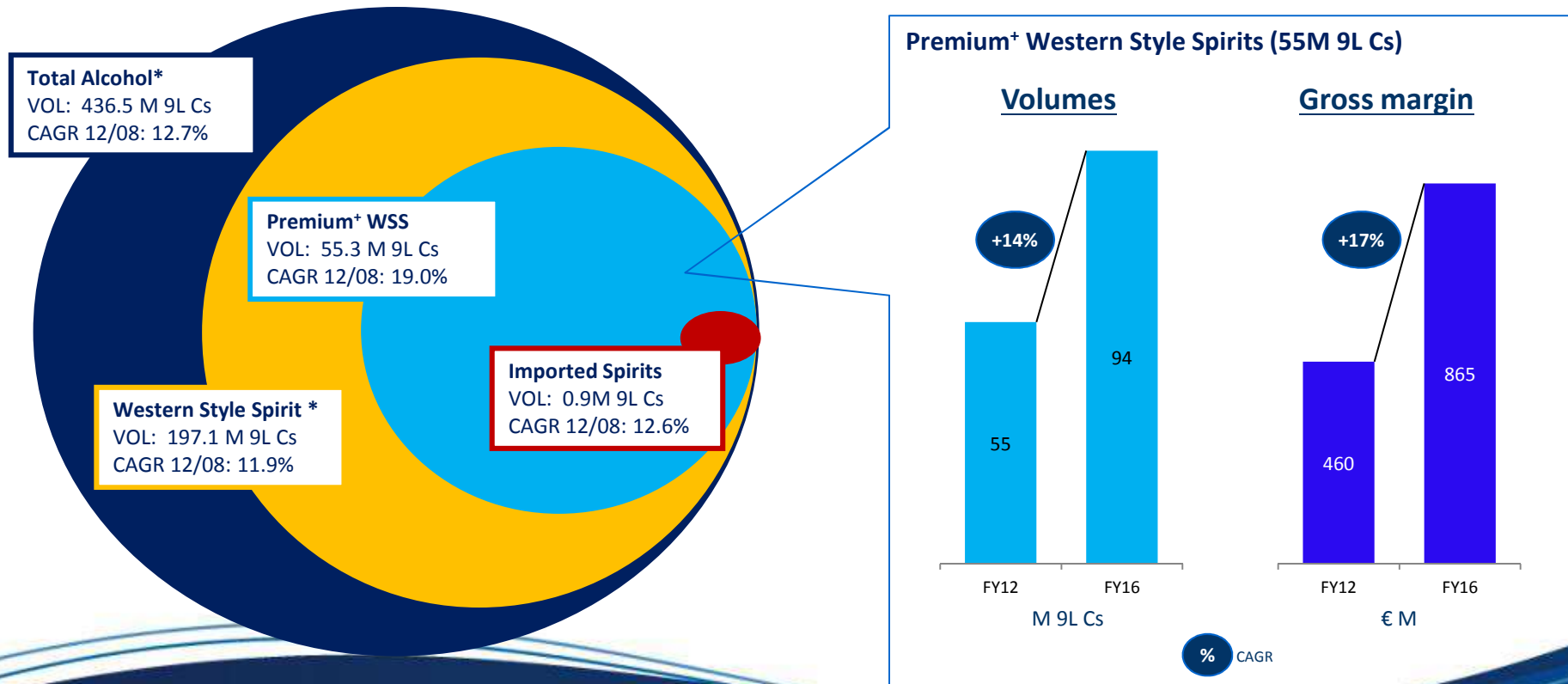


* LDA varies by State, taken at Age 21 ; ** Middle Class defined as income bracket of 200-1000 K INR Household Income at 2000 prices; ^ Defined as the ratio of urban population



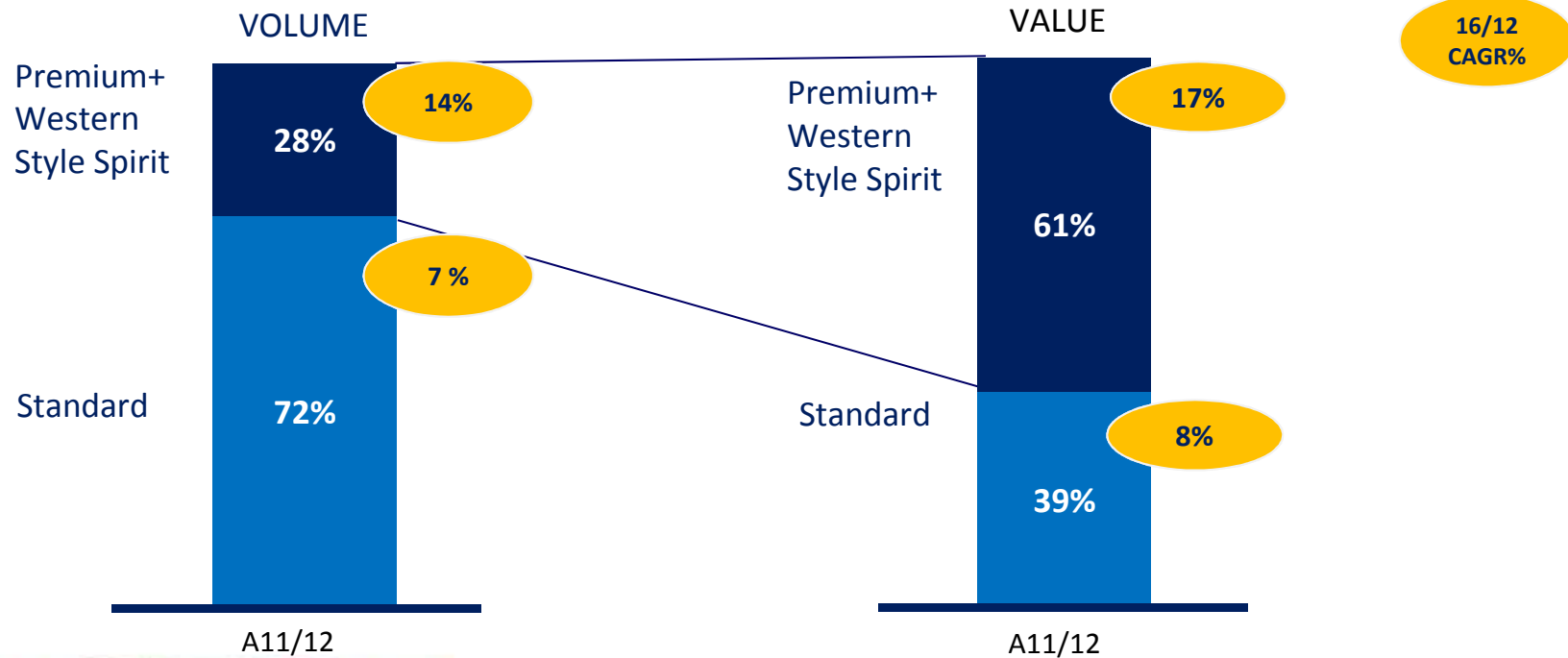
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Largest growth potential amongst emerging markets



Source : PR Market View * Total Alcohol includes Spirits, Wine & Beer and does not include Country Liquor & Cheap Spirits estimated ~300M 9L Cs

Pernod Ricard operates in segments with most potential



The foundation of Pernod Ricard leadership

Strategic Clarity

Consolidating value leadership through unequivocal focus on the **premium end of the pyramid**

Brands portfolio

Iconic brands: our key asset built consistently through investments over the last decade

Quality Mindset

Top notch and differentiated product quality setting **new standards** for the industry

Talented People

Committed, compact & competent team driven by a winning & performance oriented culture.

Operating Structure

Organized to ensure **business focus** at a market level

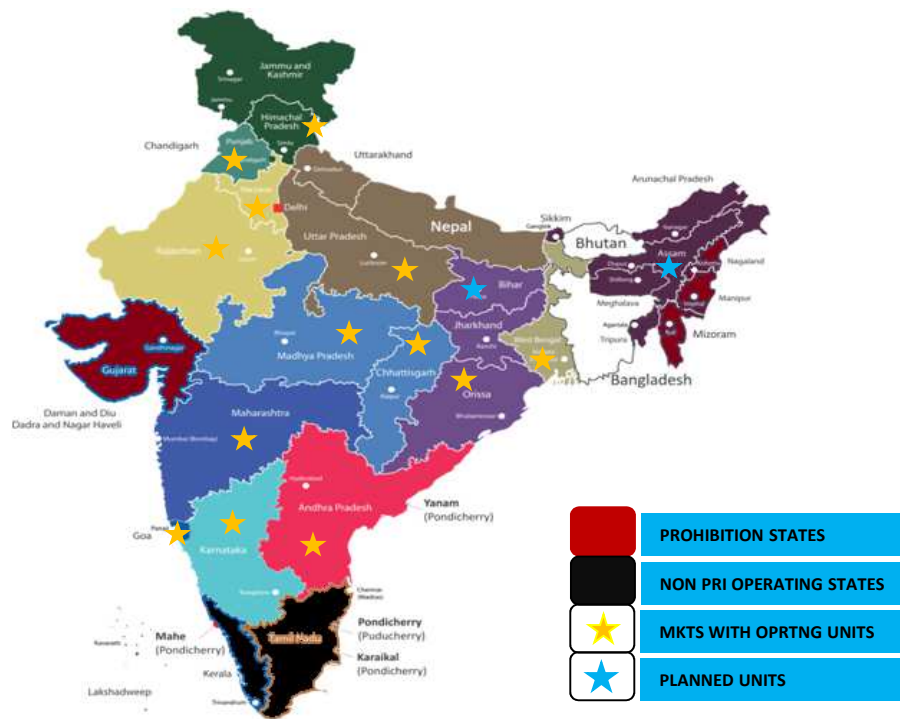
Value System

Entrepreneurial Spirit, Mutual Trust, Sense of Ethics

**The
springboard
to capture
future
growth**

India inspires

Optimized organization: entrepreneurial and value focused



FRONT END

- Front end organized as 15 market focused profit centers
- Covering 82% of the outlet universe in operating markets
- Strong On premise channel capability with a 85% coverage
- Best in class retail execution

BACK END

- 25 Bottling units across all key States
- Distributed model to optimize tax & distribution costs

Strong foundation & plans to deal with changes in the competitive environment

- ➔ **The deal between our key International & local competitors reaffirms our confidence in India's market potential**
 - They have a stated intent of focusing at the premium end which will heighten the level of competition

- ➔ **We are confident of our ability to consolidate our leadership position**
 - A strong portfolio that covers all key value driving segments
 - Vibrant , activated brands backed by impactful positioning platforms
 - ✓ Difficult to build new brands given marketing restrictions
 - Ability to scale up investments, if required
 - Agile & close to market front end structure that ensures quick market response
 - A winning culture which is difficult to replicate

**Pernod Ricard is best placed
to garner the lion's share
of value growth that India offers**

Key battlegrounds and ambitions

Expanding share of Indian Premium whiskies

Strengthen leadership

Strengthen position in imported spirits

Gain co-leadership

Develop new growth drivers

New territories & product offerings

Challenging operating environment

Bolster organisation to continue to overperform

Strengthen leadership in Indian Premium Whiskies

✓ Continue investments to maintain edge in these categories by expanding consumer franchise

→ High Voltage Communication

- Cutting edge execution and continuous revitalization

→ Premium Offerings

- Build on initial success of newly launched premium whisky offerings - Blenders Pride Reserve Collection, Royal Stag Barrel Select, Hundred Pipers 12YO Scotch

→ Packaging & Pack Play

- Refreshed periodically, Introducing pack sizes to tap emerging consumption occasions

→ Expand Activation Footprint



Gain co-leadership in imported spirits

✓ Drive category growth and continue to build strong positions in Scotch, Single Malt, Wines and Vodka

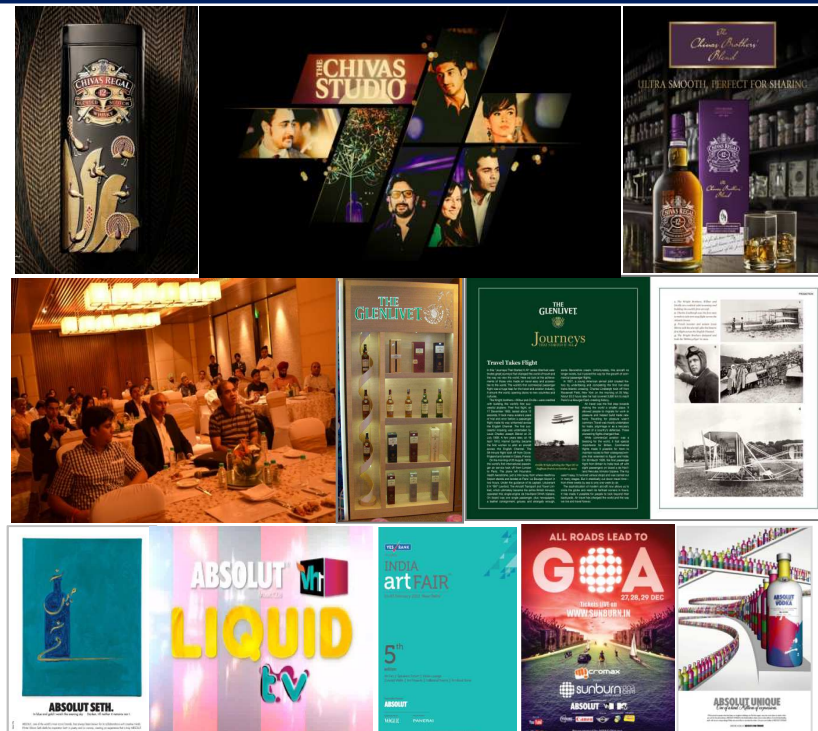
→ Continue high levels of investment behind International Brands

→ Powerful Go-To-Market

- Customized approach and focus on Premium Retail, Modern On Trade & Travel Retail

→ Driving Brand Advocacy

- Strong on-ground consumer engagement programs targeting affluent, younger urban consumer



New territories & product offerings

✓ Develop new growth drivers to harness potential in the medium term

→ Tier 2/3 town witnessing growth in consumer disposition towards premium brands

- Enhancing coverage, expanding activation footprint & visibility in small towns

→ High growth being witnessed in Emerging Markets like Bihar, Rajasthan, Assam

- Garner higher share through enhanced focus

→ Tap Emerging Spaces

- Dial up presence in the Vodka & Wine category



Bolster organization to continue to overperform

✓ Strengthen and build capabilities

→ Continuous evolution and strengthening of the front end structure

→ Scale up Manufacturing

- Building capacity ahead of demand
- Enhancing quality & flexibility

→ Bolstering Organization Capabilities

- Supply Chain, retail execution and information support



Conclusion



Provide PR the arsenal to capture a lion's share of the value growth



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