



Pernod Ricard

Créateurs de convivialité

Jean-Christophe Coutures, Chairman & CEO of Premium Wine Brands

Capturing the wine opportunity in Asia

28 May 2013



Capital Market Day
— Beijing 2013 —

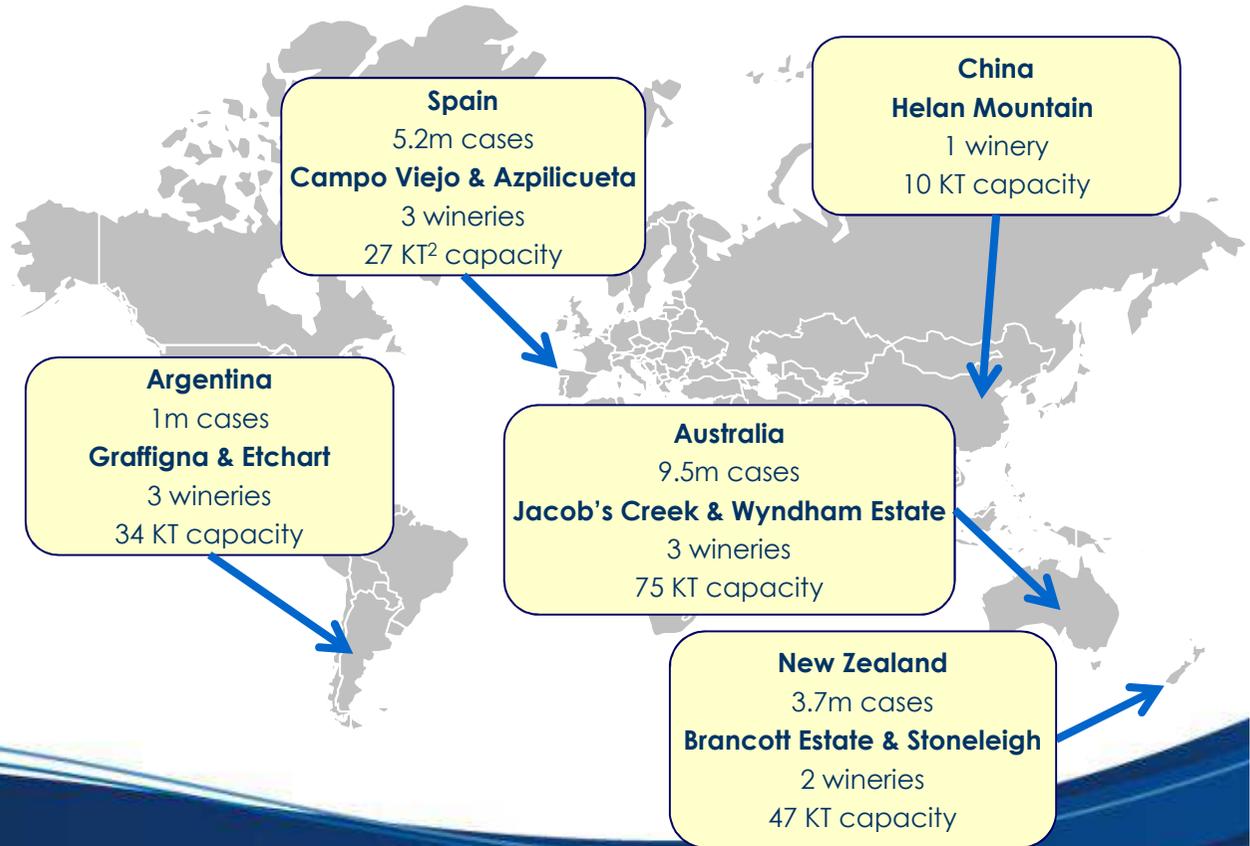
Agenda

- Overview of Pernod Ricard's wine business
- Wine opportunity in Asia
- Key initiatives to unlock growth

Pernod Ricard is one of the world's leading wine companies

Key facts and figures

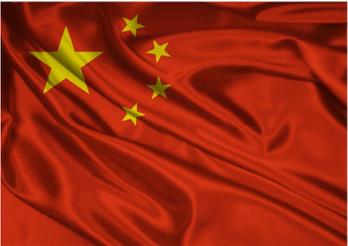
- Involved in wine since 1989
- World's #4 wine company, 22m cases¹ in 88 markets
- Ranked #3 for premium wine >US\$10 / €7.25



1. Branded bottled wine sold above US\$3.00 per 750ml bottle, excluding Champagne
2. Kilotonnes or thousands of tonnes of capacity

Our vision is underpinned by five strategic pillars

Vision: Be the leader in premium wine worldwide

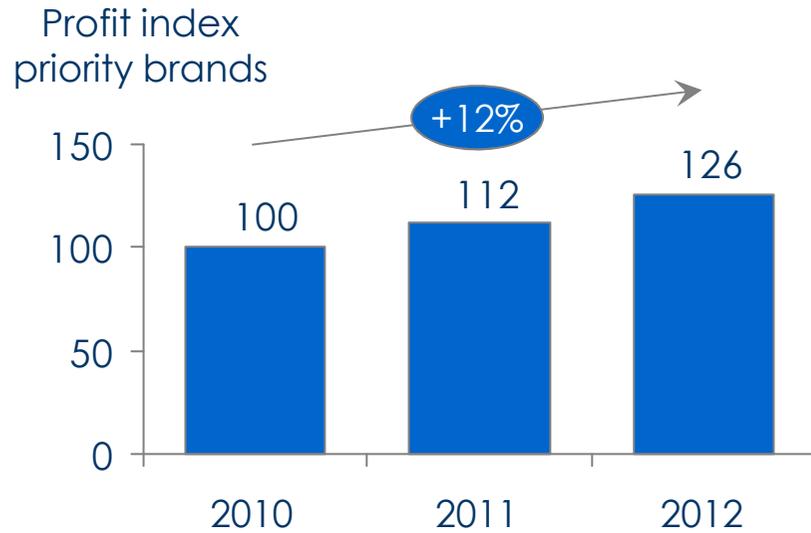
Consumer centric	Play in premium	Key brands & origins	Focus on key battlegrounds	Flexibility & quality
				

Key metrics: ROCE >10% and cash conversion ~100%



In past two years, PR's wine business performed strongly

Double-digit profit growth



Multiple sources of value creation

Strengthening equity



Australia's
most
recognised
wine brand

Innovation



Ten new
ranges

Premiumisation



JC price up
£1 doubles
profit/L¹

Entering new origins



Created
Californian
red blend

Agenda

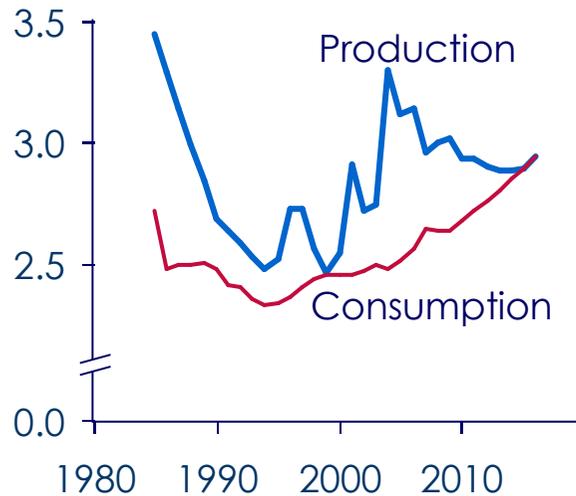
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Improving conditions make the global wine category attractive

Supply entering balance

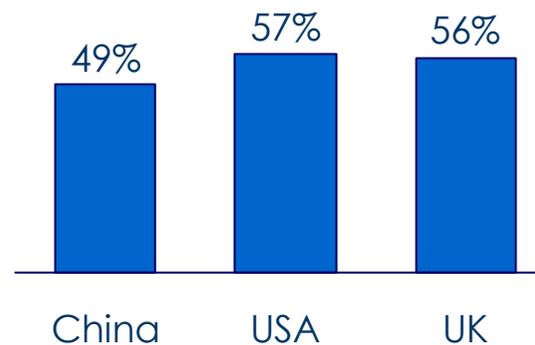
Billions of 9L cases¹



Expanding consumer base

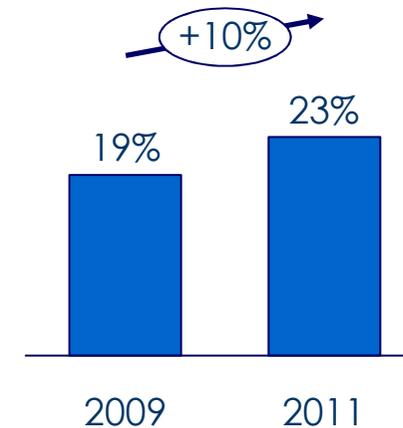
Female income rising by >US\$1 trillion per annum²

Female share of volume³



Beyond the meal occasion

% of drinkers having wine in a bar without food⁴



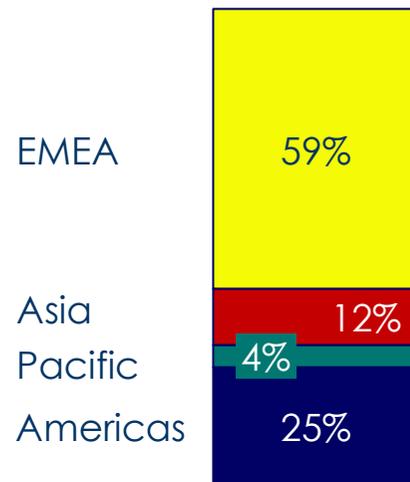
1. OIV
2. World Bank
3. Simmons US, Alcovision UK, AC Nielsen China, PR wine consumer segmentation study
4. Datamonitor annual alcohol consumer tracking across 18 markets across Americas, Asia, Pacific and Europe



Going forward, we see Asia as the biggest opportunity for wine

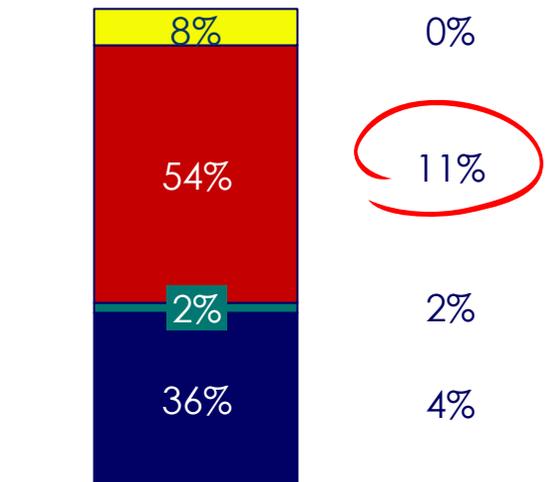
Early stages of development

FY12 category retail sales by region¹



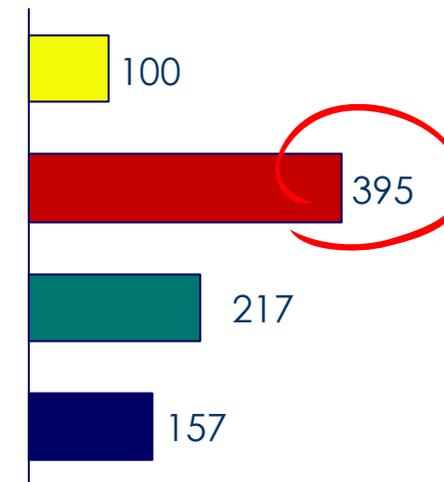
Category growing rapidly

Incr. retail sales FY12-16 CAGR 12-16



Highly profitable for PR

Index of PR wine profit² per litre



Source: IWSR and PR analysis, still & sparkling wine excluding Champagne

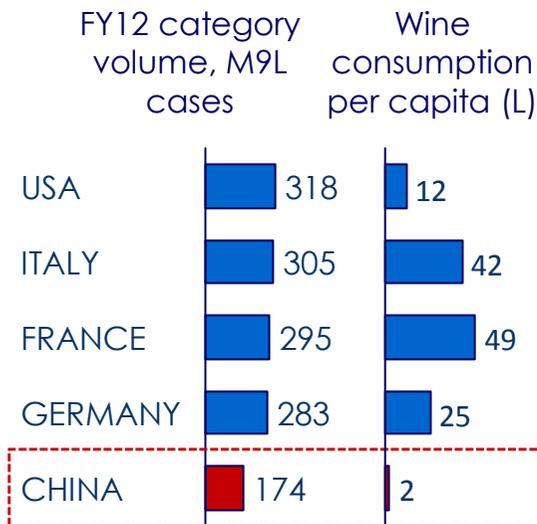
1. Category retail sales estimated using IWSR consumption data by price band and Nielsen (or equivalent) where available
2. Profit in the slide above defined as net sales less COGS less distribution



China is the largest Asian market, with fundamentals for growth

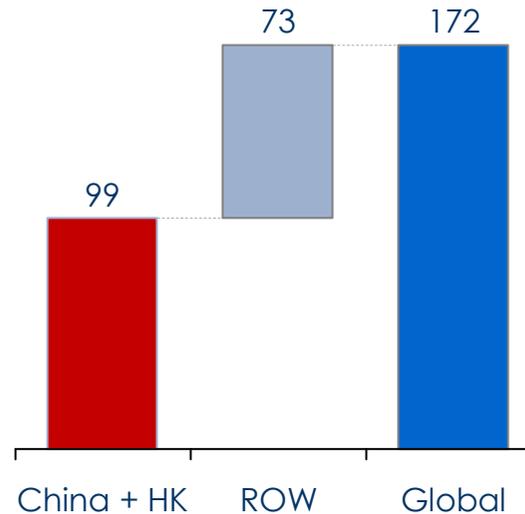


World's #5 market



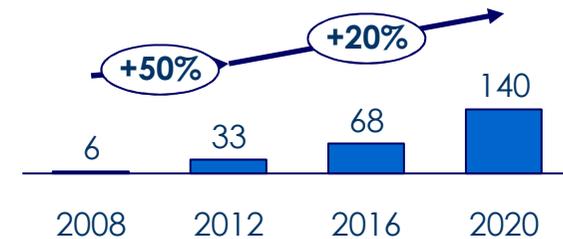
Projected to fuel global growth

Incr. volume FY12-16, M9L cases

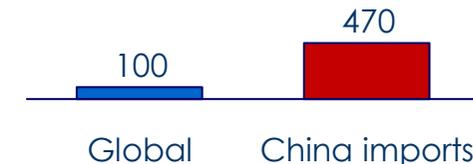


Imports setting the pace

China wine imports, M9L cases



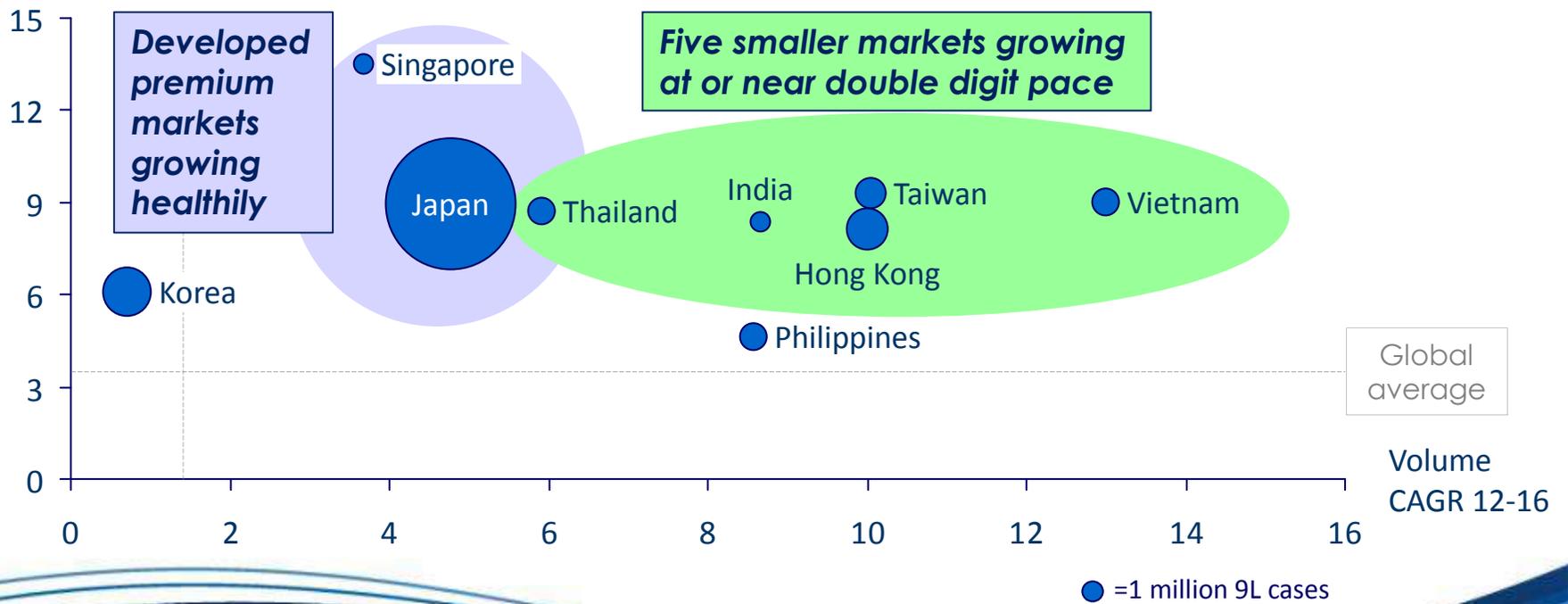
FY12 category profit index per litre





Rest of Asia beyond China shows attractive potential

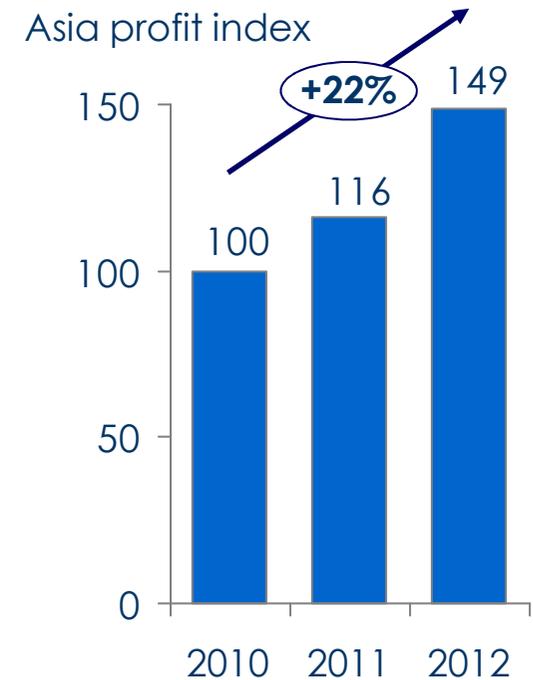
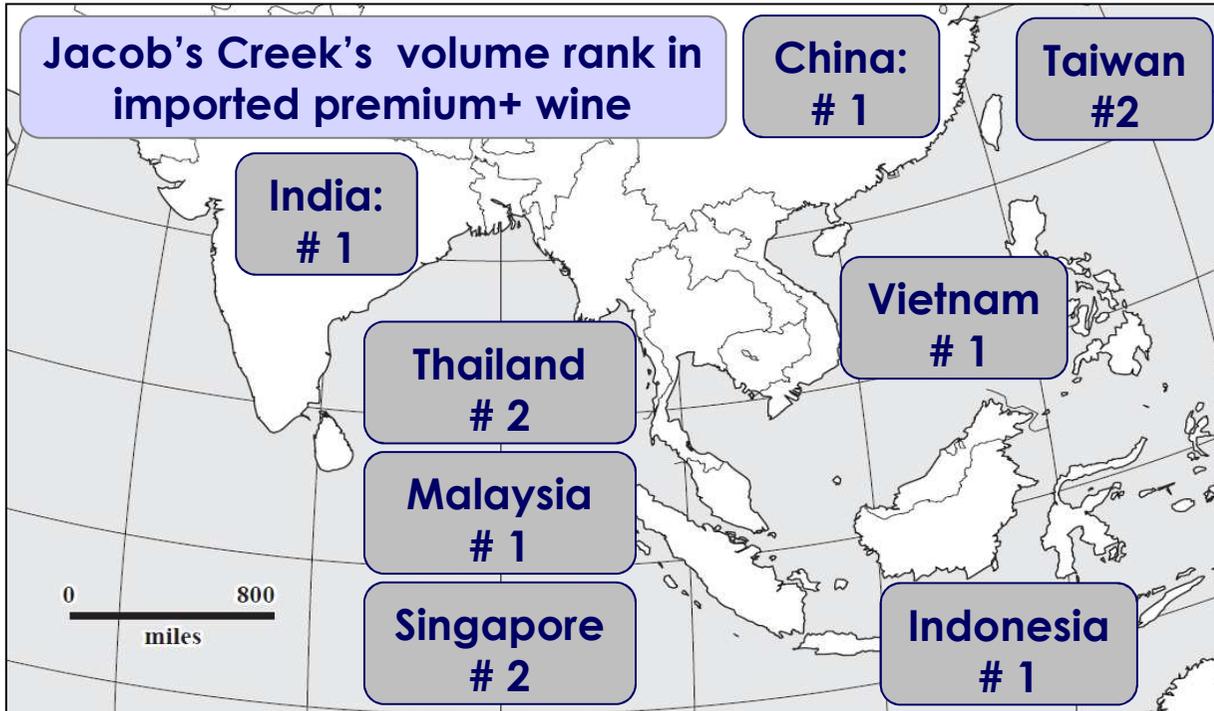
Avg.Price/750ml (€)



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Building on Jacob's Creek's strong position throughout Asia





Leveraging competitive advantage and adapting to market needs

Leverage PR strengths

RTM advantages



Synergies with spirits



Customize market approach to unlock growth

Emerging markets

- China, Thailand
- 1-5L per capita



Broad channel footprint and invest to build brand equity



Nascent markets

- India, Vietnam
- <1L per capita



Drive category demand and take leadership



Developed markets

- Japan, Singapore
- >5L / capita, low growth



Innovate in developed markets and cities





Pernod Ricard's route-to-market capability is important for wine

Broad coverage

- Beyond national key accounts

Own network

- Our brands through our people
- No need for third parties

RTM synergy with spirits

- Joint wine and spirits sales teams
- Shared customers
- Minimal incremental cost
- Bundle portfolio solutions



Wine is a strong complement to spirits portfolio & local brands

Occasion synergy

- Wine meets female needs and occasions



- China: Wine enjoyed in meal occasions¹
- Enables spirits to access meal occasions

Brand building synergy

- Share common consumers, touchpoints and brand building principles



Aspiring Hedonists



Ambitious Leaders

Imports partner local brands



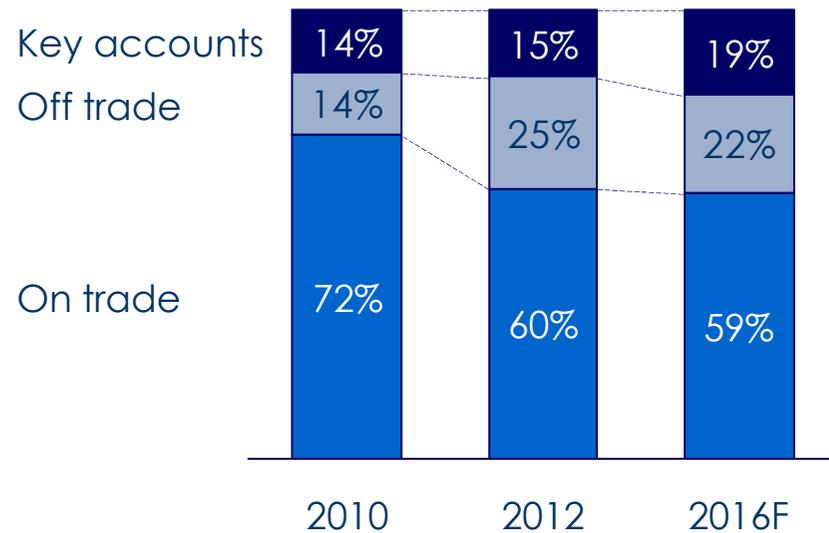
1. Pernod Ricard wine usage and attitude studies across Asia
2. Drinks International, annual rating by a panel of 28 wine industry experts



Pursuing broad channel footprint for high-margin model



>80% of volume outside key accounts



Thailand is multi-channel

Occasion ¹	Channel priority
Self enjoyment	Convenience
Gifting	Specialists
Casual drinks	Pubs
Business drinks	Restaurants
Celebrations	Karaoke
Holidays/tourism	Hotels, duty free

1. Acorn Research, Thailand



Localising consumer communication to build strong connections



Above the line

- China specific TV commercials
- Investing with scale
- Expanding geographic footprint



Below the line

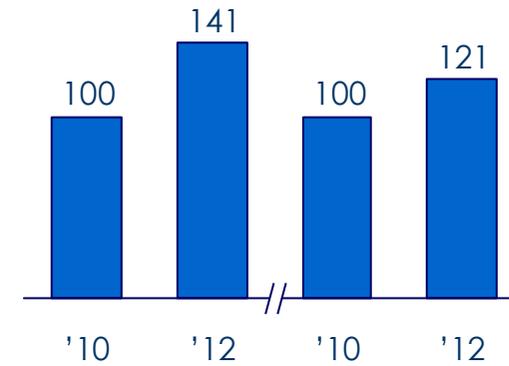


Brand equity leadership

JC indexed awareness

Beijing¹

Shanghai²



1. PR brand equity monitoring; based on sample of 280 imported wine consumers in Beijing per quarter
 2. PR brand equity monitoring; based on sample of 560 imported wine consumers in Shanghai per quarter

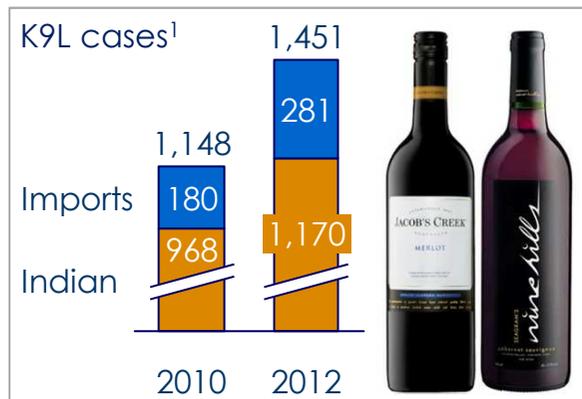
Jacob's Creek China TVC 2.0

Taking leadership to drive category growth in nascent markets



Category surging

- Middle class westernising
- Potential for tax cuts
- Strong RTM and portfolio



We are driving demand

- Entering new occasions



- Recruiting females



- Investing with scale



JC is the leading import

- Volume tripled since 2008
- Positioned for growth



1. IWSR and PR analysis, wine excluding Champagne

Tailoring innovation to local needs, occasions and channels



Jacob's Creek Wa



- Jacob's Creek わ
- Co-created by Michelin Star Japanese sushi chef
- Match sushi / sashimi



Jacob's Creek 1837 The Solway



- Group purchase is 1/3 of import value¹
- Channel exclusive
 - Gifting opportunity
 - Broaden footprint
 - Enhance margins

In conclusion, wine in Asia is a true growth relay for PR

Leveraging RTM advantage

- Complementarity with spirits
- Protecting margins through channel mix

Brand building

- Localising
- Investing ahead of the curve
- Partnering local brands to drive categories

Innovating

- Breaking through in developed markets
- Taking price as equity strengthens



Transforming Jacob's Creek into a mega-brand



Taking leadership and driving category growth



Creating performance ruptures through innovation



Pernod Ricard

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