



Pernod Ricard

Créateurs de convivialité

Capital Market Day

29-30 May 2012



Capital Market Day
— Scotland 2012 —

Gavin Hewitt Chief Executive, Scotch Whisky Association



SWA

Scotch Whisky's footprint

- 108 distilleries located across Scotland
- 50 Speyside distilleries
- 50 other sites - bottling, cooperages, coppersmiths, warehousing, etc
- 35,000 jobs depend on Scotch Whisky in Scotland

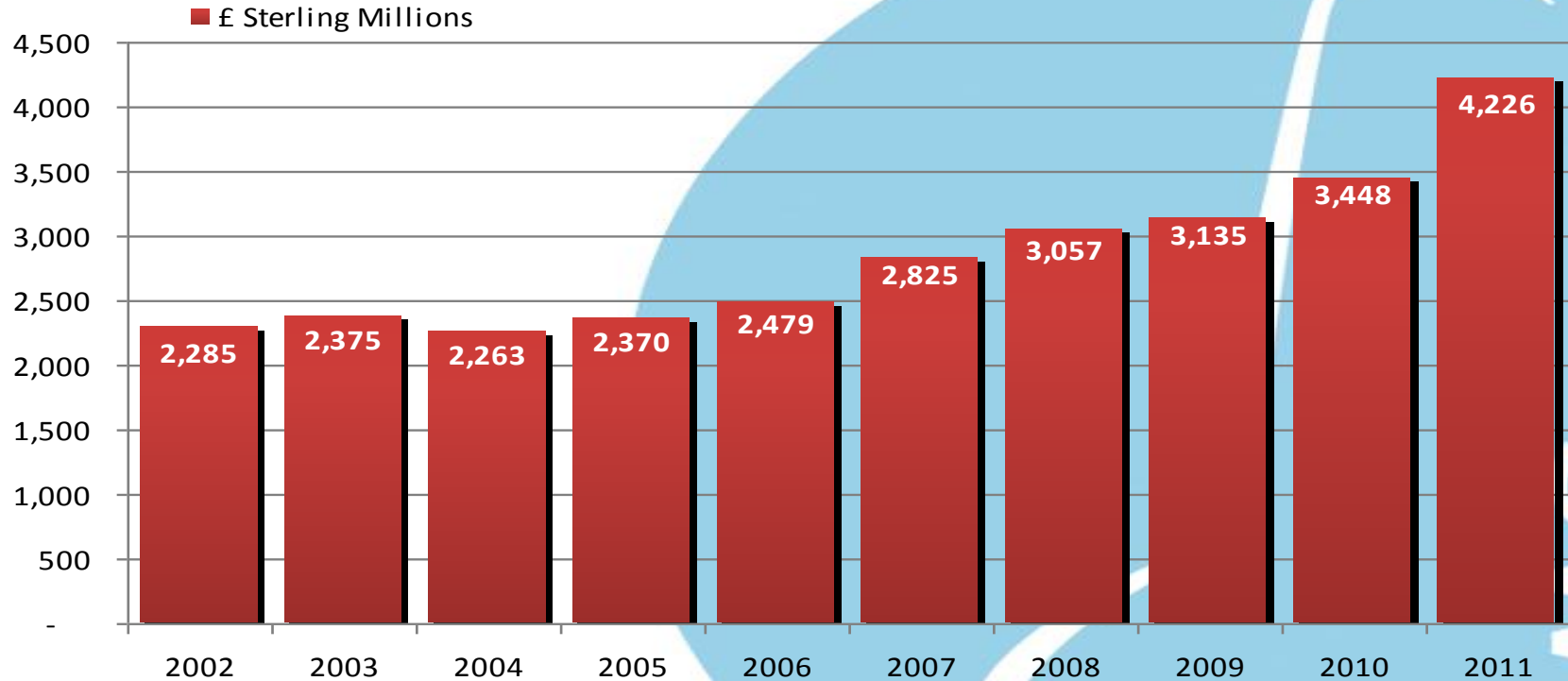
Scotch Whisky's renaissance

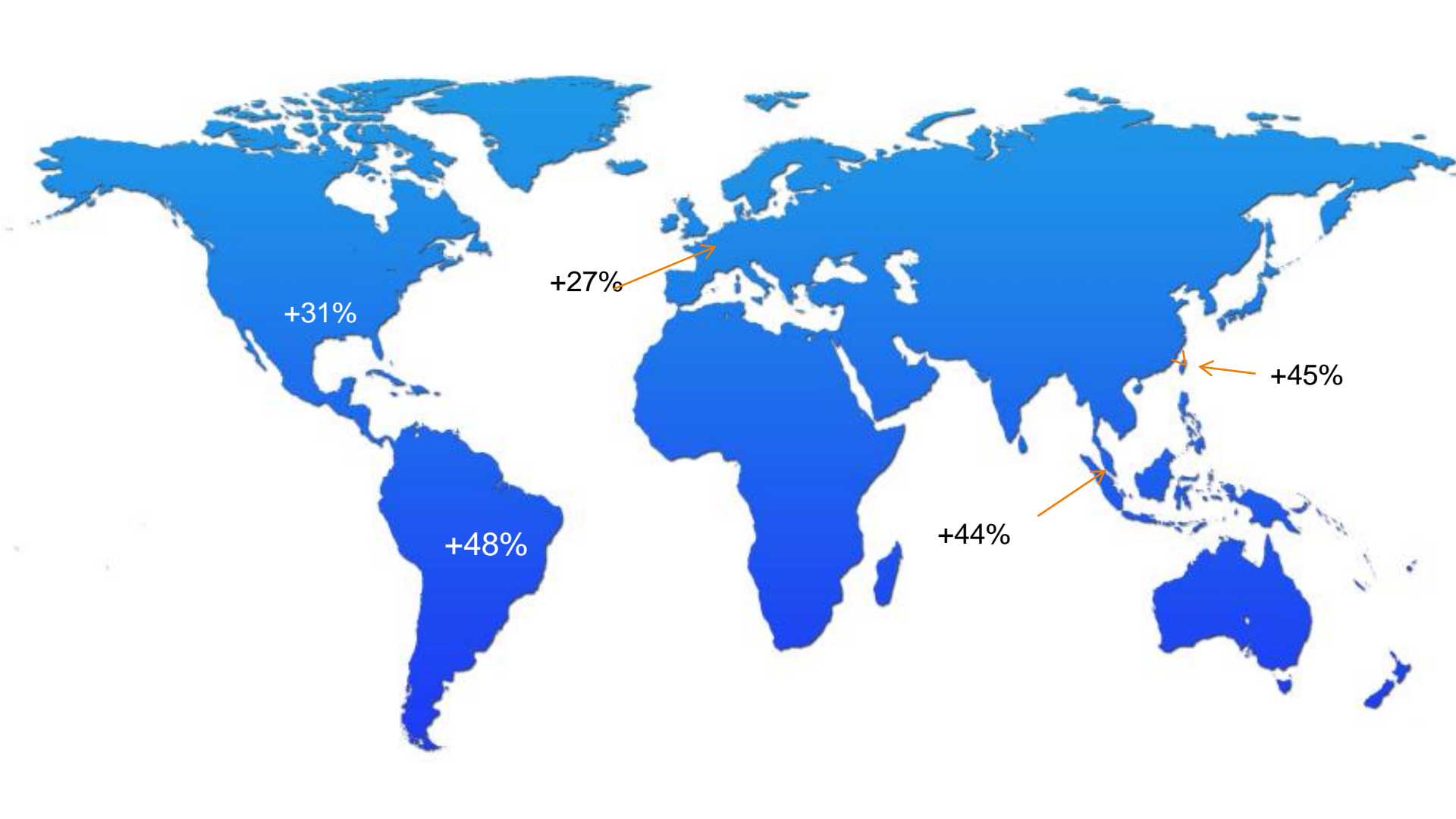
- Made only in Scotland
- Enjoyed in 200 countries
- 20 more distilleries today than 10 years ago
- £1bn investment in last 4 years

An export business

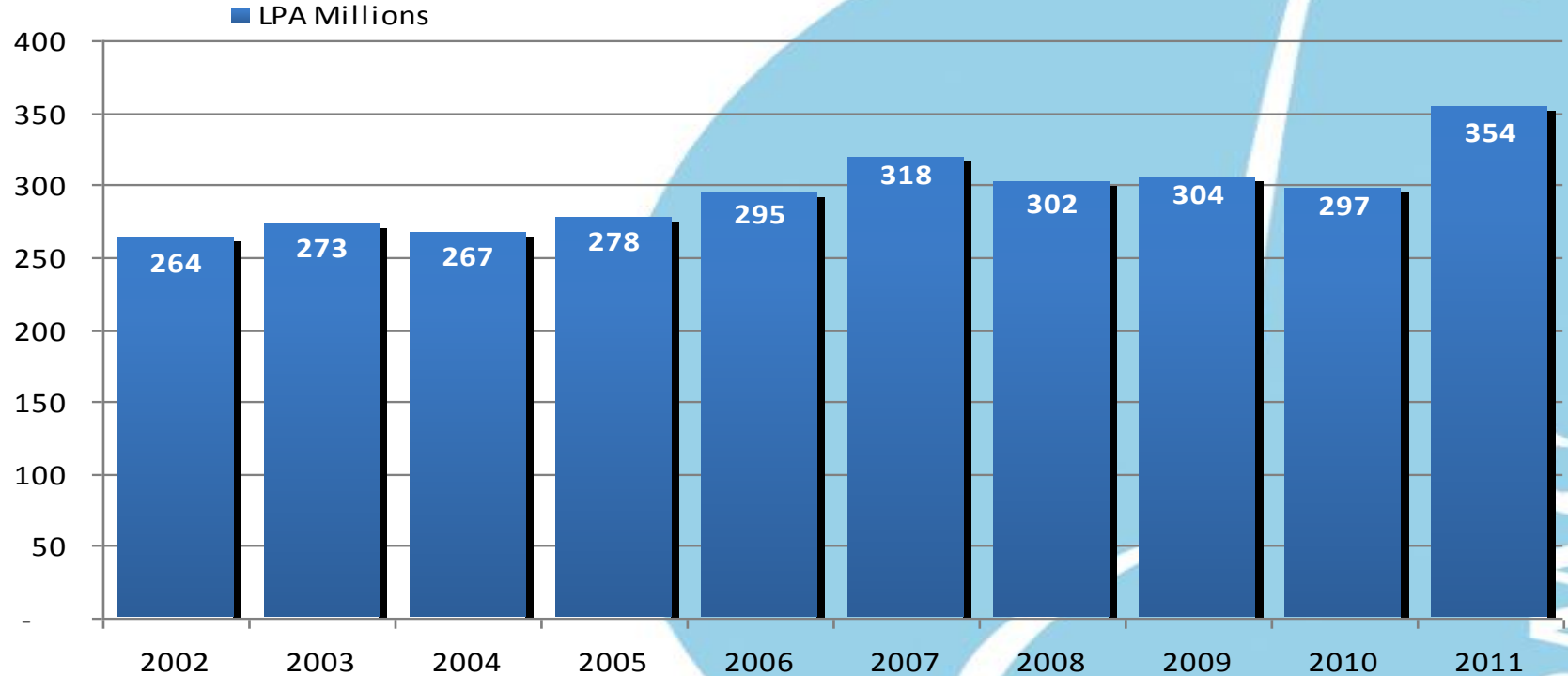
- Outsells US (3 times), Canadian (4.5 times)
- 93% of sales overseas
- Record exports of £4.23bn in 2011
- Success in US and France, but also LATAM and Asia

Value - £ millions - 2002 to 2011





Volume - LPA millions - 2002 to 2011



The appeal of Scotch Whisky

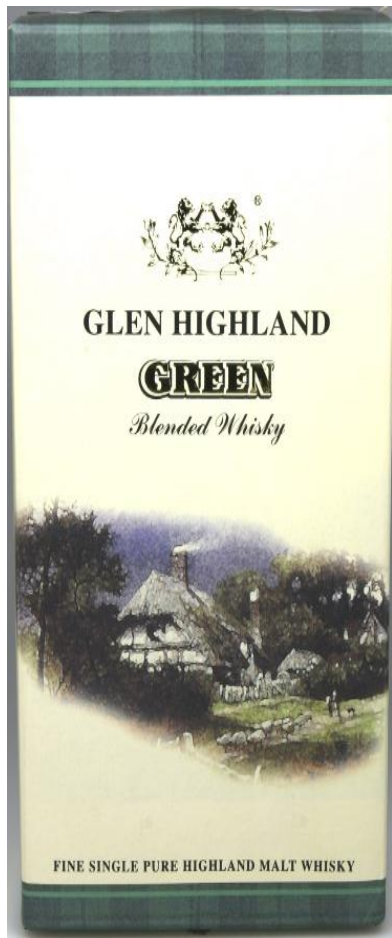
- Strong premium brands
- Provenance, quality and integrity
- Aspirational status
- Versatile mixed drink
- ‘Badge’ of success

Protecting Scotch Whisky

- Defending Scotch Whisky as a drink coming from Scotland
- 5 SWA in-house lawyers
- 70 plus court actions ongoing

The logo for the Scotch Whisky Association (SWA) is a large, light blue circle. Inside the circle is a white silhouette of a whisky bottle. The letters "SWA" are written in white, bold, sans-serif font, oriented vertically along the right side of the circle.

SWA



Growing international success

- Securing fair market access
- 600+ barriers to trade
- Priority: removal of 150% Indian import tariff

Minimum Unit Pricing

- Each unit of alcohol must be sold no lower than minimum unit price
- Scottish Government plans 50p a unit
- Minimum price: 70cl = £14, 1 litre = £20

SWA opposes MUP

- Critical threat to industry success
- Will not address misuse
- An illegal barrier to trade for 30 years
- Scottish precedent would allow ‘health justified’ trade barriers in third markets

MUP - ineffective, illegal and erects trade barrier

- No fall in hazardous and harmful drinkers
- EC has consistently ruled against MUP
- Encourages protectionist trade barriers

MUP - a legal alternative

- All alcohol to be taxed at approximately same rate
- Tax based legal floor price: no sales below excise duty and VAT
- Would deliver £1bn a year extra revenue to Government

Conclusion

- A positive future for Scotch Whisky
- Investment underpins that future
- A premium global drink
- Export success - £134 a second



Chivas Brothers
Pernod Ricard

Christian Porta, CEO Chivas Brothers

CHIVAS BROTHERS

A Strong Growth Engine to Create Value



Agenda

Chivas Brothers Introduction

Scotch whisky: A Dynamic Category Creating Value

The Most Complete and Best Adapted Portfolio with Sustained Innovation and Investment

Conclusions

A legacy of history and tradition

1953

Royal Salute

1801

Chivas Brothers

1909

Chivas Regal

1827

Ballantine's

1824

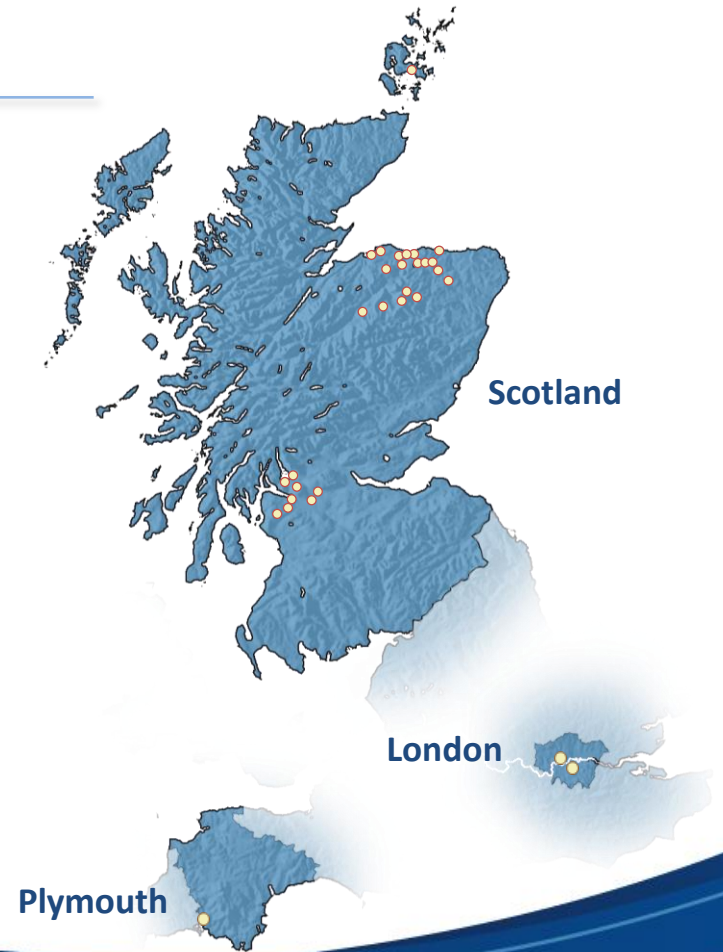
The Glenlivet

Chivas Brothers

30 SITES:

- 15 Scotch distilleries, 2 gin distilleries
- 2 bottling facilities
- Over 300 warehouses

Over 6 million casks of aging inventory



Agenda

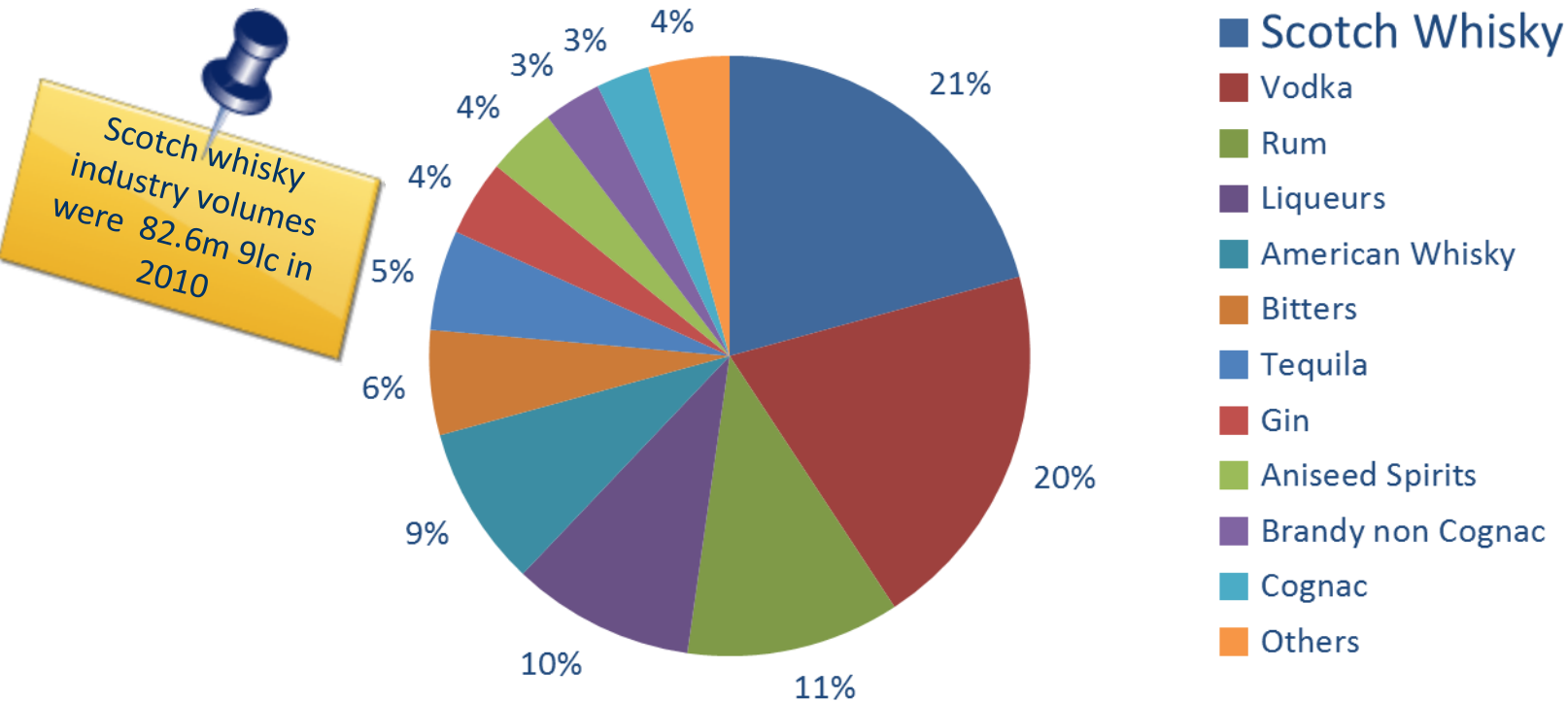
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Scotch whisky: A Dynamic Category Creating Value

The Most Complete and Best Adapted Portfolio with Sustained Innovation and Investment

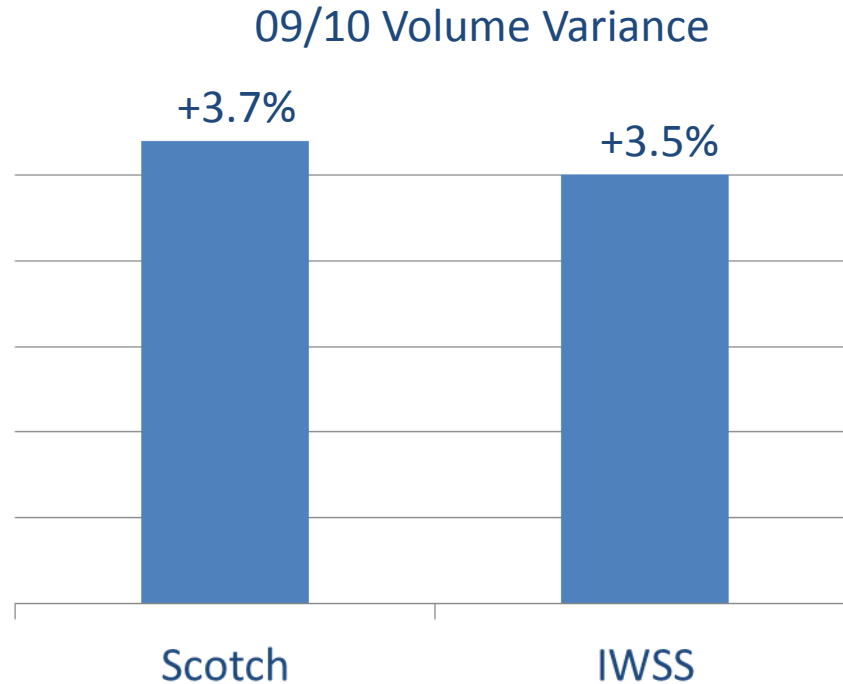
Conclusions

Scotch whisky: the largest international category



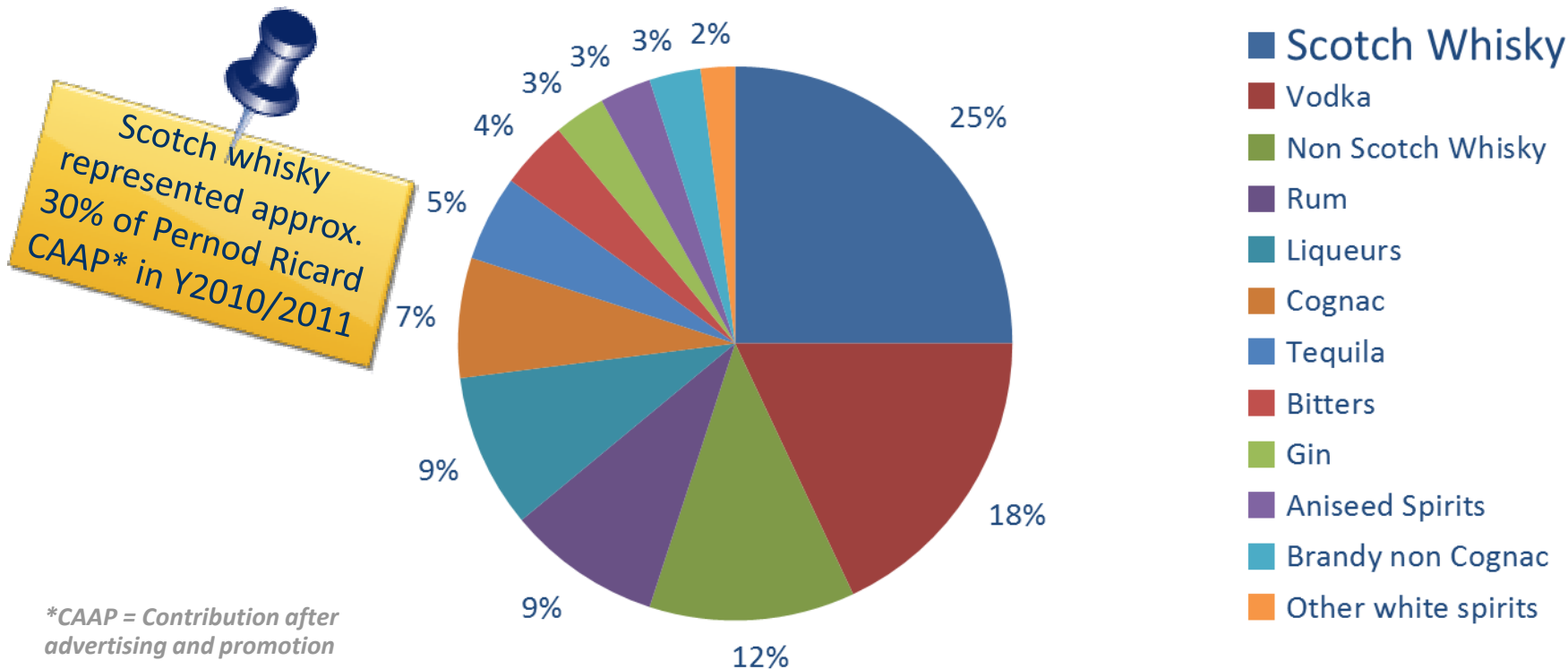
Source: Volume IWSR 2010
International Western Style Spirits

Scotch whisky: Growth vs international western style spirits



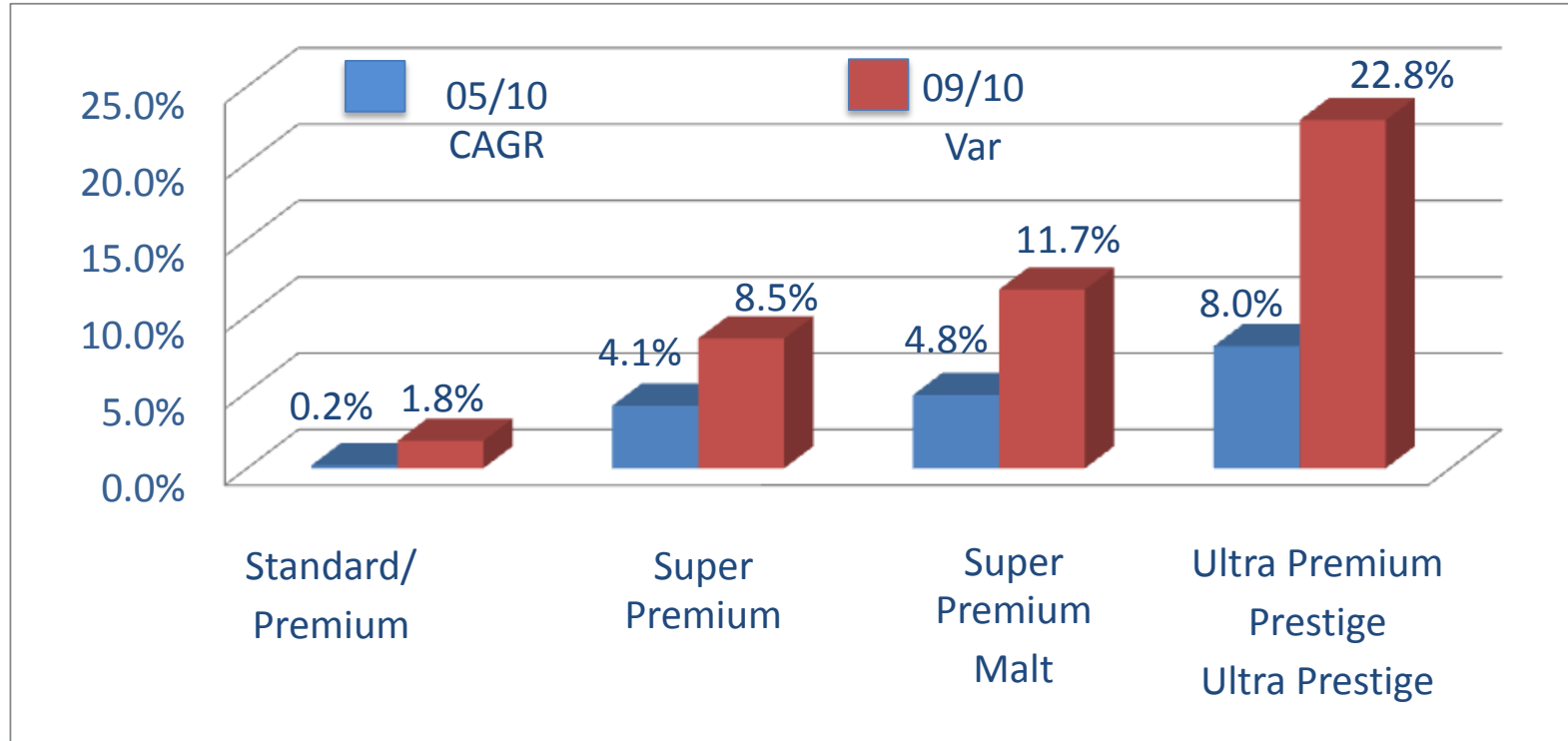
Source: Volume IWSR

Scotch whisky: the largest international category



Source: Value IWSR 2010
International Western Style Spirits

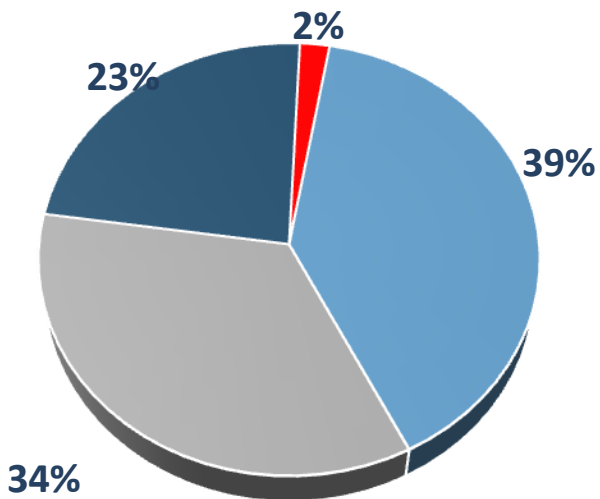
Growth driven by the more premium & dynamic segments



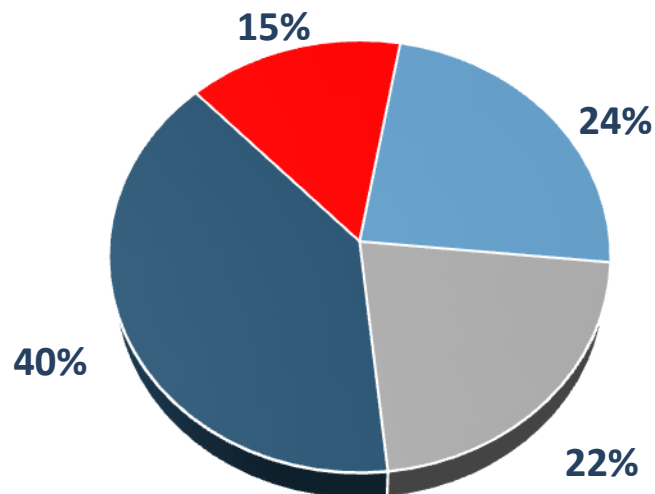
Source Volume IWSR / PR Marketview

Strong value proposition

GLOBAL SCOTCH SEGMENTS VOLUME

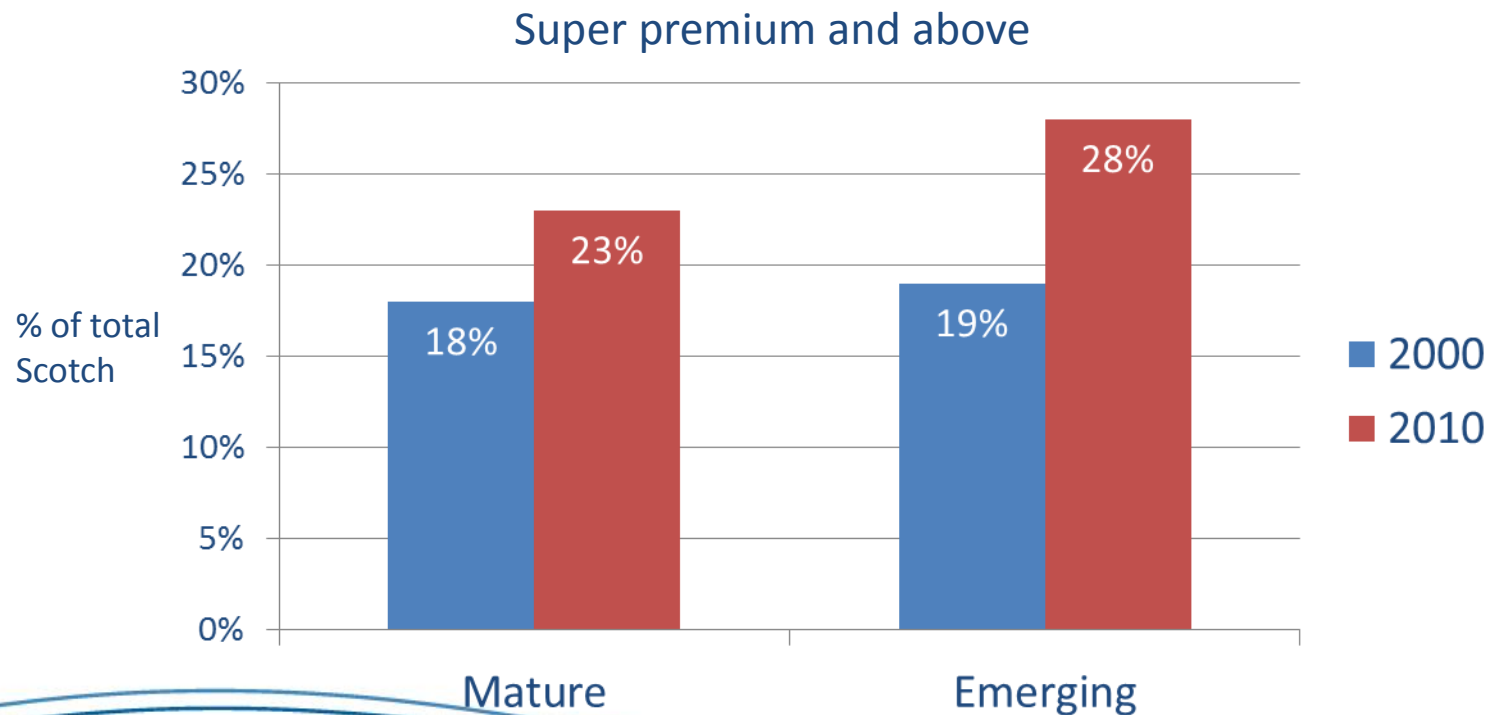


GLOBAL SCOTCH SEGMENTS VALUE



Source IWSR / PR Market view 2010


Premiumising in mature and emerging markets



Source Volume IWSR / PR Marketview

Growth under-pinned by strong economic and consumer trend foundations

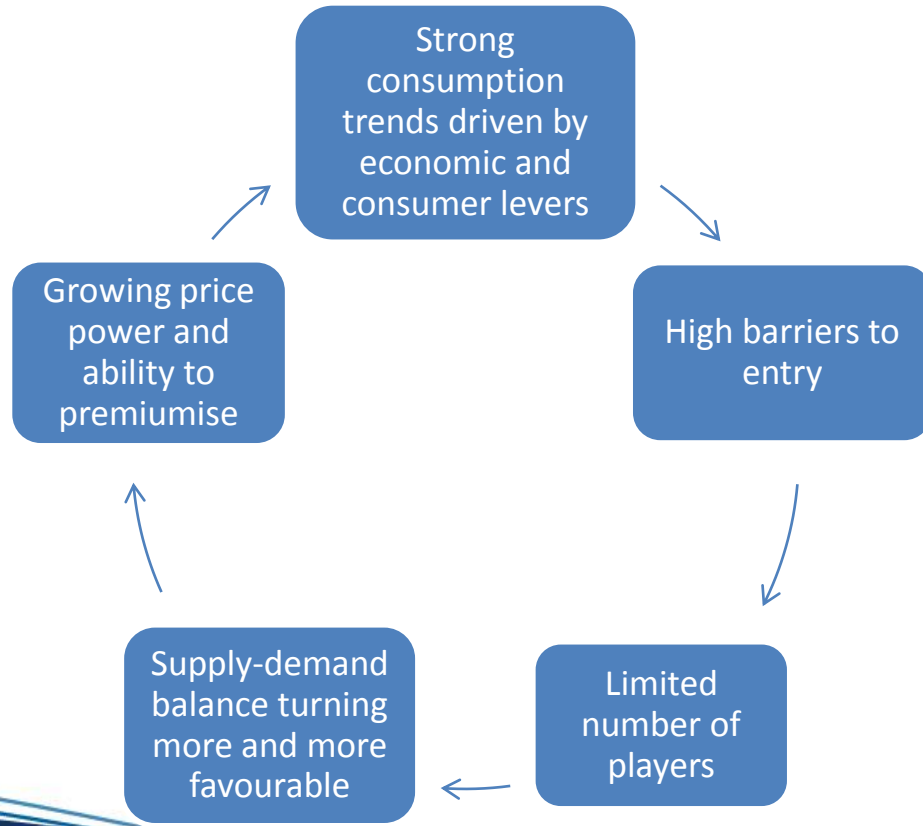
- ❑ Category aligned to economic growth in developing markets and stable in developed markets
- ❑ Vast source of volume as consumers trade up from traditional local spirits
- ❑ Extensive range offer creating value at entry level and again as consumers trade up
- ❑ Recognised global brand with category values aligned to aspiration and reward
- ❑ High penetration in multiple drinking occasions
- ❑ Increasing level of urbanisation



Dynamic foundations to sustain
future growth

A category with strong potential for Pernod Ricard

Category Dynamics:
A virtuous circle for
significant players



Agenda

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Scotch whisky: A Dynamic Category Creating Value

**The Most Complete and Best Adapted Portfolio with Sustained
Innovation and Investment**

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A portfolio from standard to luxury

Standard
\$10-16



Passport, 100 Pipers,
Long John

Premium
\$17-25



Ballantine's Finest, Clan
Campbell, Something Special

Super Premium
\$26-41



Chivas Regal 12
Ballantine's 12

Ultra Premium / Prestige
\$42-84 / \$84+



Chivas Regal 18 & 25
Ballantine's 17, 21, Limited, 30 & 40
Royal Salute 21, 38 & 62 Gun Salute

Super Premium Malts
\$26+

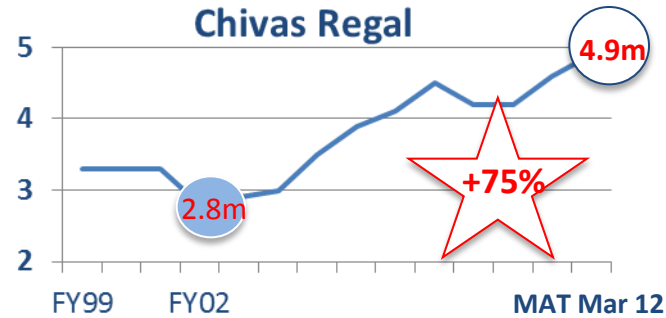


The Glenlivet, Aberlour
Longmorn, Scapa

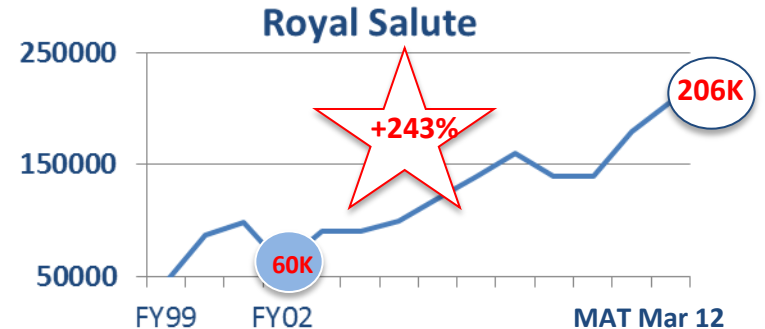
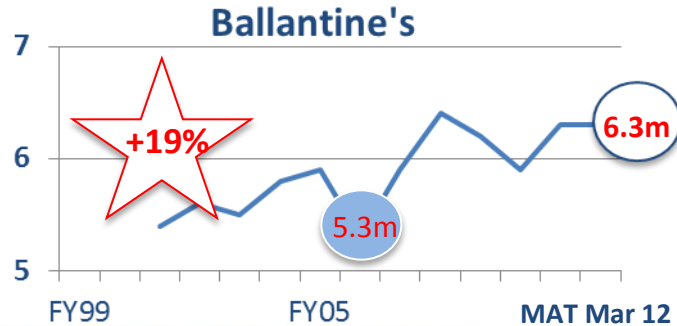
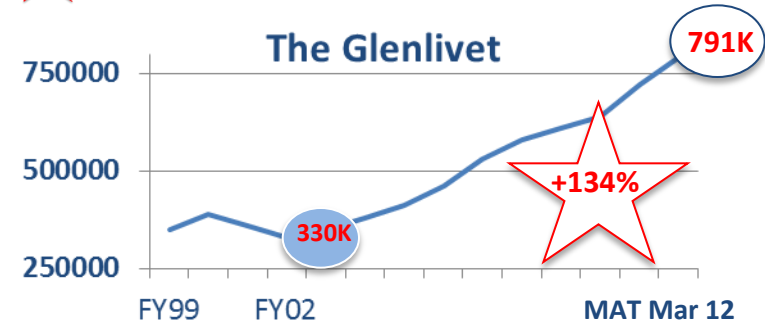
Prices: US\$ per 75cl

A category with strong potential for Pernod Ricard

Acquisition by Pernod Ricard



Variance since acquisition



Two in the top 5 Scotch brands

Volume Rank	Brand	Company	Growth 09/10
1	Johnnie Walker	Diageo	+8.5%
2	Ballantine's	Pernod Ricard	+3.5%
3	Grants Scotch	William Grant	+2.8%
4	Chivas Regal	Pernod Ricard	+8.9%
5	J&B	Diageo	-4.5%

Source: IWSR 2010

CBL: leader in fastest growing and most valuable segments

Segment	Var 09/10	Chivas Brothers Share	Chivas Brothers Ranking
All Scotch	4.0%	21%	#2
Standard/Premium	1.8%	18%	#2
Super-Premium	8.5%	28%	#2
Ultra Premium/Prestige/ Ultra Prestige	22.8%	46%	#1
Scotch aged 21YO and above	54.0%	>85%	#1

Source IWSR / PR Market view 2010

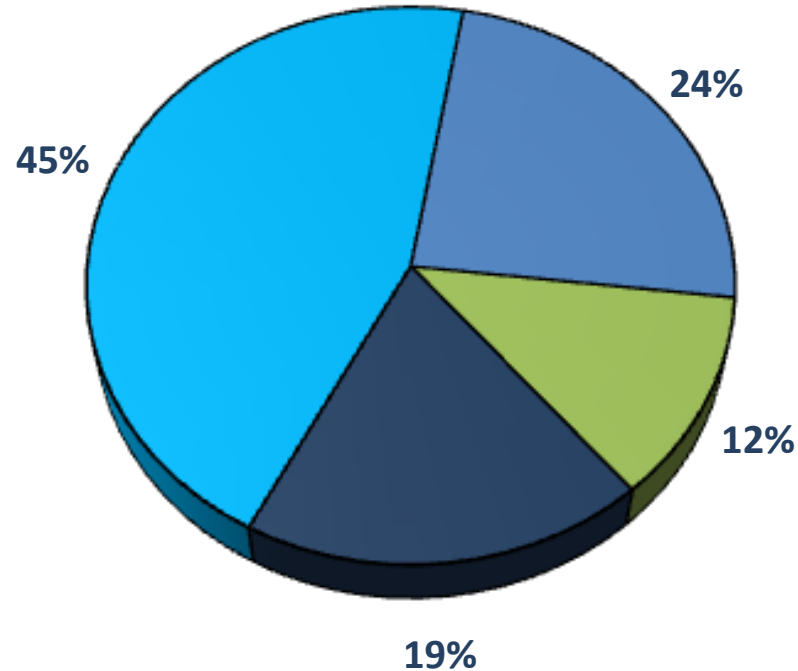
Value creation delivered through improved pricing and mix

	Full Year 2010/11		First nine months 2011/12	
	Vol	Net Sales	Vol	Net Sales
Ballantine's	7%	8%	0%	1%
Chivas Regal	7%	9%	8%	12%
The Glenlivet	13%	14%	13%	18%
Royal Salute	24%	27%	21%	24%

Source: Pernod Ricard

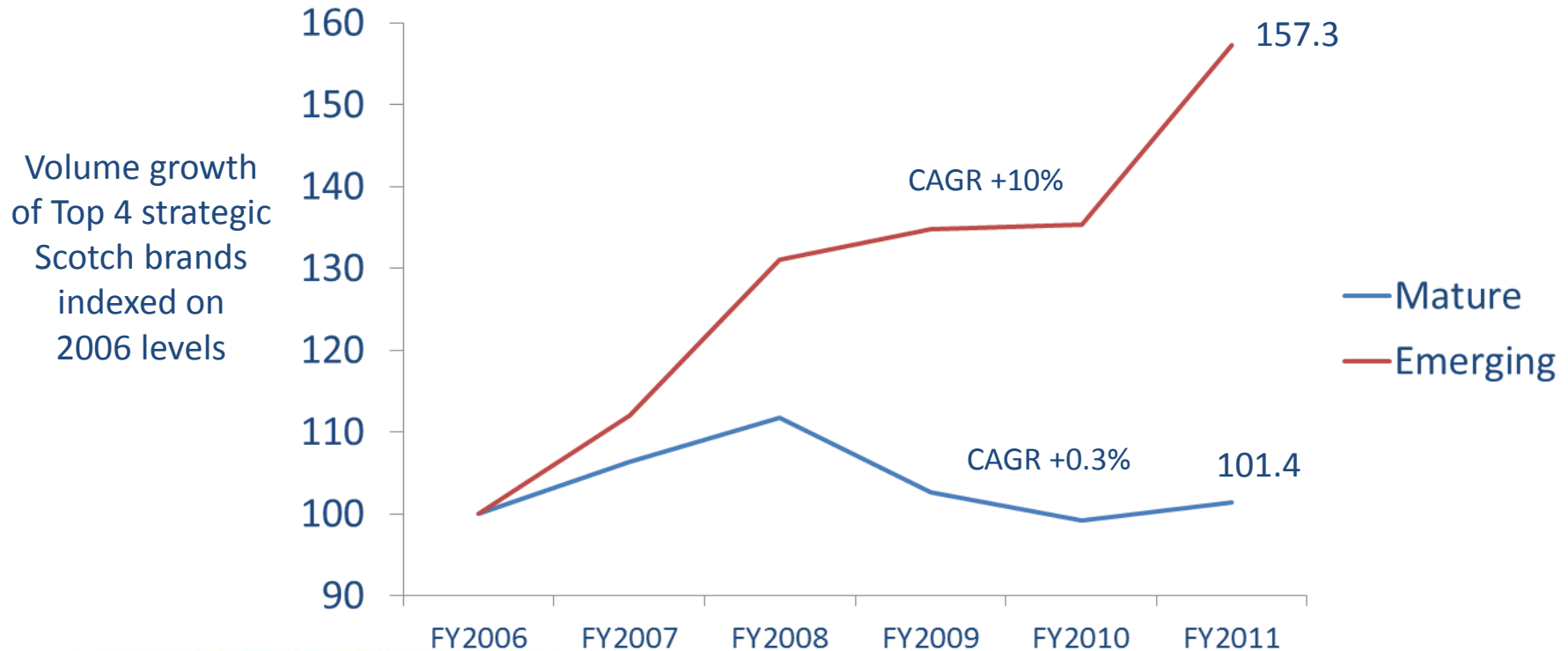
A portfolio capturing value globally

CHIVAS BROTHERS SCOTCH VALUE PROFILE



Source: Pernod Ricard Net Sales June 2011

Strong growth in emerging markets, stable in mature



Source: Pernod Ricard

A portfolio driven by innovation and premiumisation



Chivas Regal



Building the world's most iconic Scotch whisky

Chivas Regal is the World's No 2 Scotch by value*

The original luxury Scotch whisky and world famous

Taken from 2.8m 9lc in FY2002 to historical high of 4.9m** 9lc (+6% CAGR)

Achieved 1m** 9lc in Global Travel Retail, almost 1 in 5 bottles globally



*Impact Top 100 Premium Brands 2011

**Pernod Ricard March 2012 MAT

Live With Chivalry - a compelling campaign

A bold point of view based on a key consumer insight

Differentiating and highly ownable campaign

Inspiring to the urban communities in developed and emerging markets

Communicated with scale and consistency

Conceived in 2008, it continues to disrupt and recruit



Live With Chivalry - Real Friends campaign

A fully integrated campaign with digital at the heart

Two beautifully shot and engaging short films shot by Academy Award® winning filmmaker, Joachim Back

Over 3.5 Million views on You Tube and chivas.com

Facebook: Chivas Facebook fans have increased by 25% since campaign launch



Chivas Regal 18 – A flagship of premiumisation

Outright leader of ultra premium Scotch whisky, tenfold increase since relaunch in 2004, volume increased to more than 300,000 9lc

Significant momentum, +23% net sales in FY2011, especially in emerging markets e.g. China, Vietnam, Asia Duty Free

Successful premiumisation of brand in developed markets e.g. USA, France

Bespoke campaigns and series of impactful special editions with iconic designers e.g. Vivienne Westwood, Christian Lacroix, Alexander McQueen



Chivas Regal 25 – Building Fame

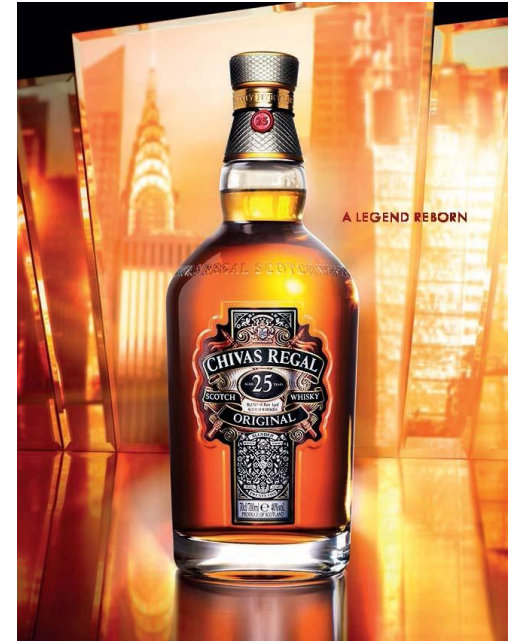
Return of the 'original' Chivas Regal at global launch in New York in 2007

Significant halo, building fame for the brand and driving value: +70% net sales in FY2011

Cannes Film Festival sponsorship since 2009 hosting media and VIP guests from 20 countries annually

FilmAid partnership launched in Cannes 2011 resonating with HNWI

'A Legend Reborn' advertising campaign via iconic media partnerships e.g. Time/Fortune Magazines



Ballantine's



Ballantine's – Leaving a creative global impression

World's No 2 Scotch whisky by volume with the most comprehensive range from premium to ultra-prestige

Leading brand of ultra-premium and prestige in Asia

Global platform 'Leave an Impression' is built on an engaging human insight and provides a consistent voice



Plan Ballantine's – A global campaign for Ballantine's Finest

Extremely effective campaigns in emerging markets where there is strong growth for Ballantine's Finest e.g. Brazil, Mexico, Poland, Russia

Strong digital activation targeted towards young adults

Successful music activation in Spain helping Ballantine's Finest to outperform its competitive set



Ballantine's – Strong ultra premium and prestige range

Premiumisation through product innovation

Annual Christmas Reserve limited edition launched in 2010

Ballantine's 17 Signature Distillery Editions underlining product credentials at price premium in Korea and Asia Duty Free

Ballantine's 40 Year Old launched in 2012, 100 bottles a year with RSP of US\$7000



Ballantine's – Leadership of ultra premium & above in Asia

Ballantine's Championship: Major platform across Asia since 2008

High profile European Tour event, extremely strong correlation with key consumers in main markets e.g. Korea, China

45,000 spectators, broadcast to 300 million homes worldwide (April 2012)

Communication of 'Leave an Impression' platform via star player activity



Royal Salute



Royal Salute – Activating true luxury

Luxury Scotch and leading 21 YO, Royal Salute starts where other whiskies end

Significant growth +27% net sales in FY2011 making it the fastest growing strategic brand within Pernod Ricard

Strong growth in Asia combined with an international development programme targeting HNWI globally

Successful launch of Royal Salute 62 Gun Salute, priced at US\$2500 in Duty Free, taking Scotch whisky into new pricing territory



Royal Salute – For ‘Today’s Kings’

Confident print advertising plays on unmistakable and iconic packaging

‘Today’s Kings’ TV advertising launched in China in early 2012

“The Journey Begins Where Others End” tagline emphasises prestige and aged credentials



Royal Salute – Diamond Jubilee activity

From June 2012, Royal Salute will be the first ever brand to be officially associated with the Royal Gun Salutes at the Tower of London

Inaugural event at the Thames Diamond Jubilee Pageant - 60 VIP and media guests

Royal Salute Diamond Jubilee Limited Edition, priced at a 50% premium to Royal Salute 21 Year Old, is now available in over 20 markets



The Glenlivet



The Single Malt That Started It All

Often imitated, never equalled, The Glenlivet has left an enduring legacy

Famous for the flawless quality that defined the Speyside region

No 2 single malt globally, +134%* since acquisition in 2002

Biggest contributor to single malt category volume growth in last 5 years**

*Pernod Ricard FY02 to Q3 FY2011

** IWSR 2005/2010



The Glenlivet – range development

Strong pipeline of innovation

- Cult reference in Nàdurra - ‘Natural’ un-chill-filtered range
- ‘Excellence’ entry reference in Asia with premium cues and pricing
- Master Distillers Reserve ‘three wood’ concept in Travel Retail
‘broke World Duty Free malt sales record’*



Product excellence at prestige and above continues with Single Cask range for connoisseurs and Cellar Collection with RSP of £1000



*Master Distillers Reserve broke World Duty Free Malt sales record in the first month of launch July 2011 Source: World Duty Free

The Glenlivet – driving advocacy via word of mouth

Connecting with consumers digitally.....



... via mentoringand via over 100,000 'Guardian's of the Glenlivet' brand advocates in 120 countries



Passport



Passport – Exciting ‘Scotch entry’ brand

Top 20* Scotch, passed 1m 9l cases in 2011**

Targeted at emerging middle classes, distinctive brand with heritage and excitement for consumers entering the Scotch category from local spirits

Strong emerging market exposure: No 3 standard Scotch in BRIM markets and increasing presence in Africa

Disruptive look and marketing including ‘night bottle’ created by Brazilian artist Flavio Samelo

New packaging rolling out initially in Brazil in July 2012



*Impact Top 100 Premium Brands 2011

**Pernod Ricard MAT Sept 2011

Sustained investments for future growth

Chivas Brothers invests an average of £40m annually in capital expenditure

Significant past projects include:

Reopening of Allt-a-bhainne distillery (2005)

50% distillation capacity increase at Glenburgie (2006)

Reopening of Braeval Distillery (2008)

75% distillation capacity increase at The Glenlivet (2010)

Innovative equipment and processes developed to handle, fill, seal and label the unique Royal Salute packaging

Full-time lines created for Chivas Regal 18 and Royal Salute to match growing demand

'State of the art' labelling equipment for Ballantine's 17/21/30YO installed

Malt whisky distillation

Major investment in malt whisky distillation capacity continues with a 25% increase planned over 2012/2013

- Expansion at Glenallachie, Glentauchers, Tormore and Longmorn
- Re-opening of Glen Keith

Includes heat recovery technology, making stills 25% more efficient

Investment will allow us to lay down additional stocks for future growth of our blended and single malt brands



Luxury bottling

As leaders in luxury Scotch, Chivas Brothers invests to deliver the very highest standard in Scotch packaging

A new ultra premium bottling hall created at Paisley will be opened in Summer 2012

Emphasis on hand-bottling prestige/ultra-prestige editions such as Chivas Regal 25, Royal Salute range, Ballantine's 40



Inventory

Chivas Brothers holds an enviable inventory of over 6m casks with significant high aged stocks

We annually purchase significant volumes of high quality ex-bourbon and ex-sherry casks

The substantial increase in distillation will allow Chivas Brothers to meet future demand for its brands



The value of age

As an industry leader we recognise we have a vital role to play in empowering consumers to make an informed choice

Compelling research* shows that while 90% of consumers believe age is an indicator of quality, only 10% understand what the number on the bottle actually means

Research also shows age is the 3rd most important factor when choosing a whisky**



*CBL research conducted by Buzzback June 2010 in 9 major Scotch markets

**GfK and Hall and Partners Survey 2012 in 15 major Scotch markets

Campaign – Phase one (2010/11)

We have launched a campaign to educate consumers and their buying choices

Phase one started the debate

Activity in key trade channels (Travel Retail) and with key influencers



Outstanding results – global awareness

Launched in over 30 markets worldwide



Campaign – Phase 2 (2012)

Targeting the consumer

The advertisement features a dark blue background with large, interlocking golden gears. The central text reads "GREAT THINGS TAKE TIME" in a large, white, serif font. Below this, four small circular frames show different bottles of whisky. To the right, a large golden gear contains a golden pyramid, with the text "18 YEARS" below it. The text "AGE - VALUE - CRAFTSMANSHIP - PRECIOUS - RARE - AG" is written along the top of this gear. In the bottom right, a bottle of The Glenlivet 18 is shown inside a circular frame, with the text "GUARANTEED AGE WHISKY" next to it. The website "www.GuaranteedAgeWhisky.com" is at the bottom right. The text "drinkaware.co.uk for the facts" is at the bottom left.

GREAT THINGS TAKE TIME

Did you know that every bottle of The Glenlivet 18 has been aged in oak casks for at least 18 years? That's roughly the same amount of time it took the Ancient Egyptians to construct the Great Pyramid of Giza. Great things take time.

LOOK FOR THE NUMBER.

drinkaware.co.uk for the facts

GUARANTEED AGE WHISKY

www.GuaranteedAgeWhisky.com

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The Global Category...

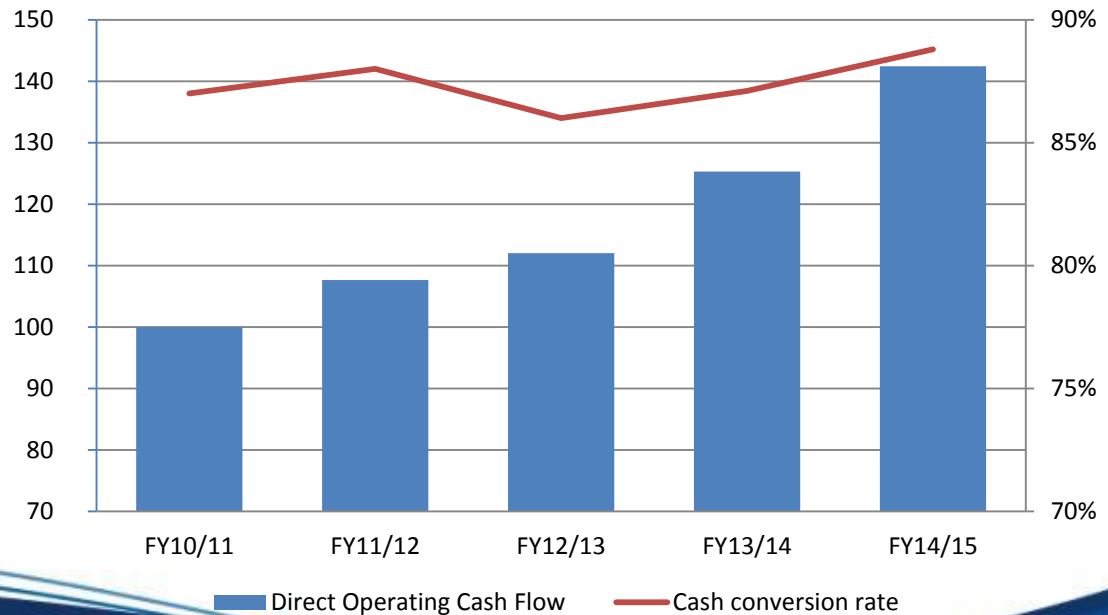
The most global category, present on every continent

Strong opportunity for further global growth, especially at super premium and above level

...and Pernod Ricard's most profitable and cash generative

Scotch whisky is the most profitable category and the strongest cash generator for Pernod Ricard with approximately 30% of the total CAAP* and cash generation

Pernod Ricard's
outlook



Our Formula for Value Growth

A Clear Geographic Strategy

- Maintain and premiumise stronghold in Western Europe
 - Continue to grow strongly in Asia, Eastern Europe and the Middle East
 - Fast track development in the Americas, especially Latin America, and Africa
- Capitalising on strong growth of middle classes in emerging markets and HNWI globally

Innovative Marketing within a very comprehensive brand portfolio, building on our leadership positions in super premium and ultra premium/prestige categories

Substantial Investment in our Scottish operations to ensure inventory matches the opportunity for our premium brands

Scotch Whisky, Our Ambition

To beat category value growth,
and achieve high single to double digit value growth



Pernod Ricard

Créateurs de convivialité

César Giron, CEO Pernod France

Clear leader on the world largest Scotch Whisky market



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Pernod Ricard

Créateurs de convivialité

- Scotch whisky in France: a unique opportunity for the indisputable leader
- Ballantine's: how to stand out in a mature market
- Aberlour confirms its leadership

Scotch whisky in France: a unique opportunity for the indisputable leader

Scotch Whisky is a dynamic category in its 1st market worldwide

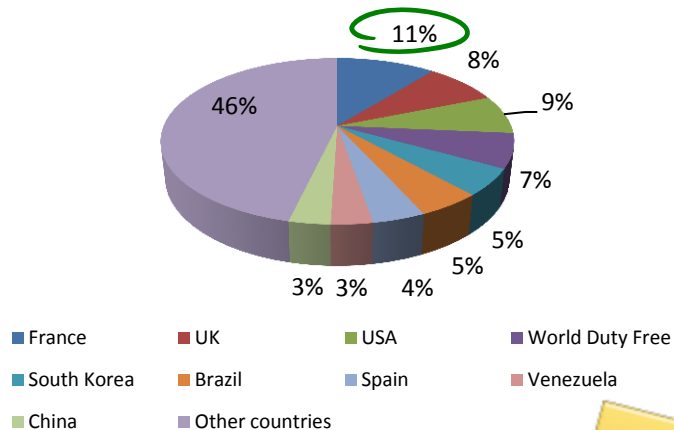


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Créateurs de convivialité

1

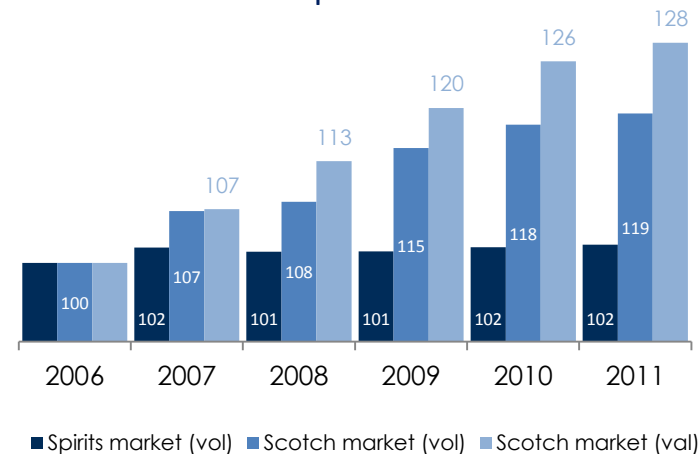
France: the 1st Scotch Whisky market worldwide in value



Scotch Whisky volumes
in France
14M cases

2

A dynamic category in a flat spirit market*



* French Scotch Whisky (vs. total spirits market); 100-basis in 2006

The indisputable leader

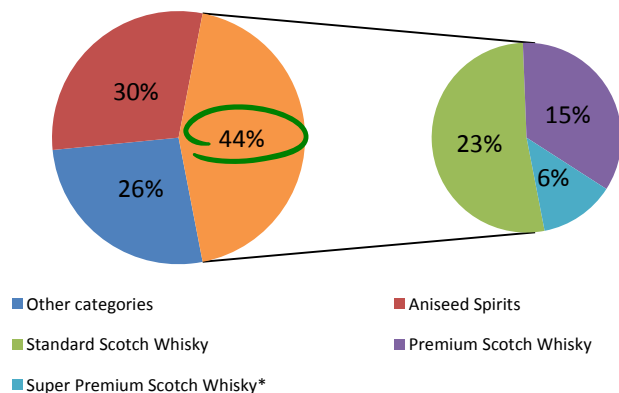


Pernod Ricard

Créateurs de convivialité

1

Scotch Whisky: the largest category in France*



* in value; SP Scotch Whisky includes Ultra Premium and Prestige

2

Pernod Ricard: a leading share in the most profitable segments

SOM	Total Scotch Whisky	Standard	Premium	Super Premium	Ultra Premium	Prestige
Pernod Ricard	30%	5%	62%	39%	77%	54%
Competitor #1*	18%	32%	27%	32%	12%	46%
Other competitors	52%	63%	11%	29%	11%	0%
French market	100%	100%	100%	100%	100%	100%

* La Martiniquaise for Total and Standard; Diageo for Premium and Super Premium; W. Grants for Prestige



Pernod Ricard

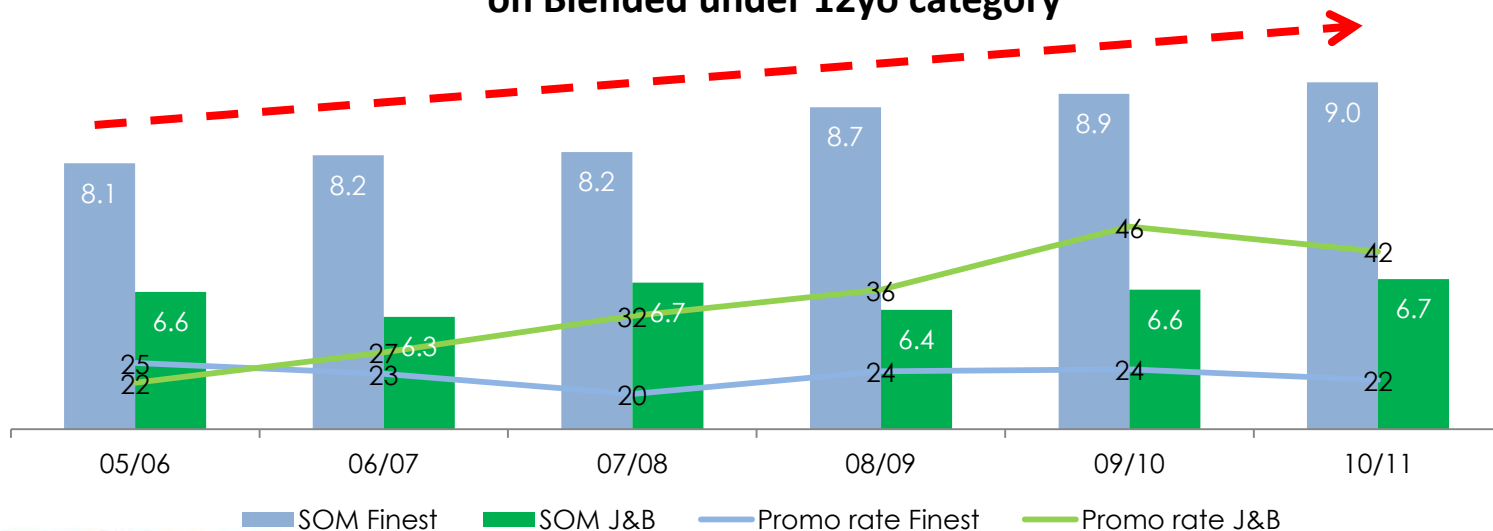
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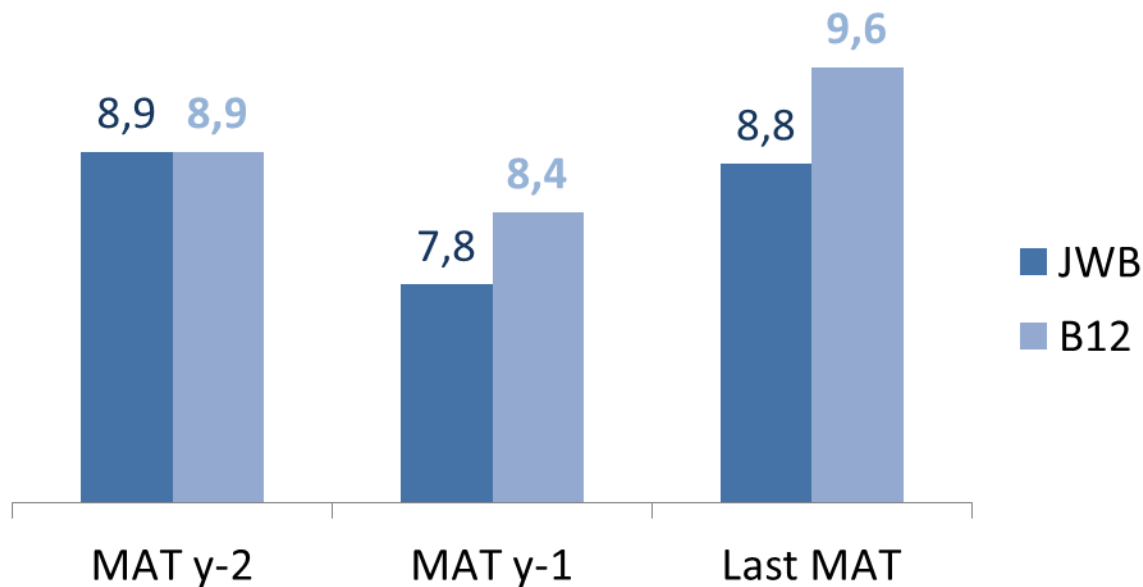
**Ballantine's and J&B promotion rate and SOM (value)
on Blended under 12yo category**



Ballantine's: how to stand out in a mature market
... and developing a premium range



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Ballantine's: how to stand out in a mature market
A strategy based on 3 key stakes



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Ballantine's: how to stand out in a mature market
Glorifying Ballantine's in On- and Off-trade



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Créateurs de convivialité

Qualitative POS material & impactful displays
to maximise visibility



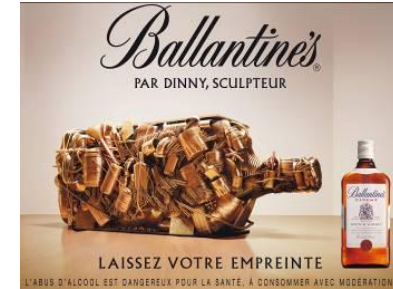
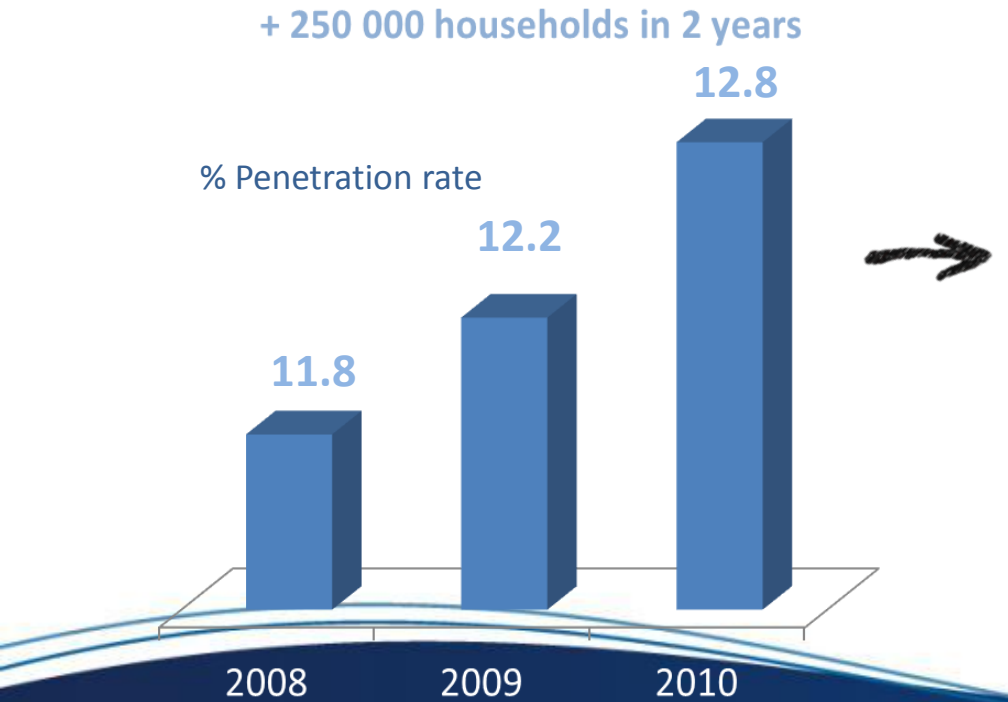
Qualified & motivated
salesforces



Ballantine's: how to stand out in a mature market
Recruitment in the off-trade channel



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Source: AC Nielsen

Ballantine's: how to stand out in a mature market

Turning Ballantine's into an iconic & prestigious brand



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Créateurs de convivialité

Creativity & Modernity

Artistic partnership (BTL / On trade)

"L'art de la dégustation"



"Accord whisky
Chocolat"

"L'Esprit
d'assemblage"



International
Awards :
"Best whisky of
the world"



Ultra Premium
Range



Communication
around blending



Ballantine's: how to stand out in a mature market
A major achievement



Pernod Ricard
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1 Million 9-litre cases achieved in FY10/11
and celebrated in Scotland with all Pernod employees

Ballantine's: how to stand out in a mature market

Key stakes for the coming years: how to go further?



Pernod Ricard

Créateurs de convivialité



Leader's role:
develop the
category
through...



**Recruitment
&
Innovation**



Engage : Recruit Young Legal Drinking Age consumers

Young entrepreneurs activation



Party People Recruitment / Recruit through innovation



Watch the movie

Engage : Recruit Young Legal Drinking Age consumers

Young entrepreneurs activation



Party People Recruitment / Recruit through innovation



Watch the movie



Pernod Ricard

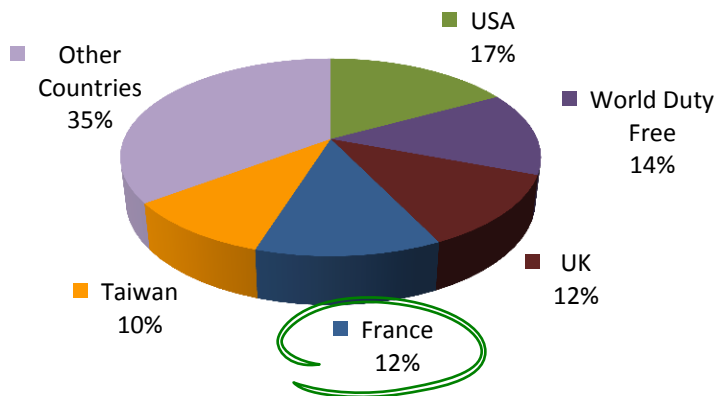
Créateurs de convivialité

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- Scotch whisky in France: a unique opportunity for the indisputable leader
- Ballantine's: how to stand out in a mature market
- Aberlour confirms its leadership



Scotch Malt Whisky in volume

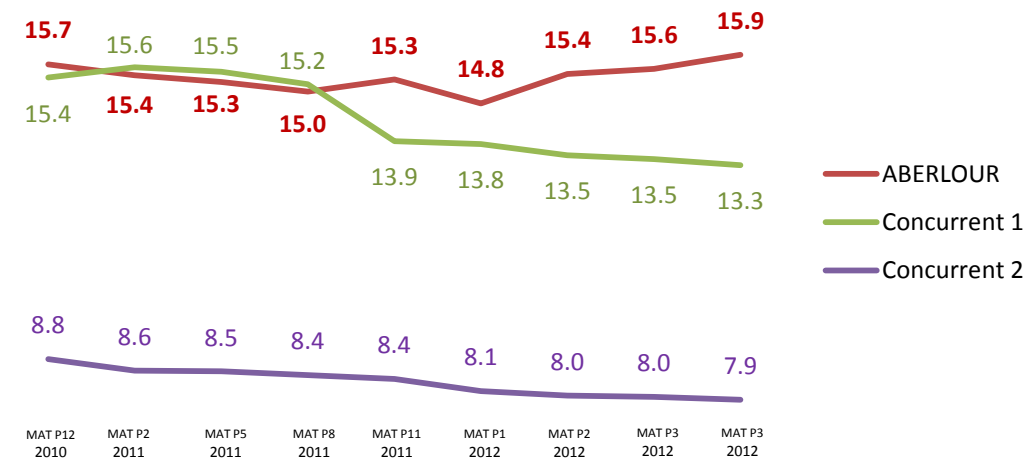


Aberlour confirms its leadership
#1 malt brand in France



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Créateurs de convivialité

ABERLOUR widens the gap versus competition



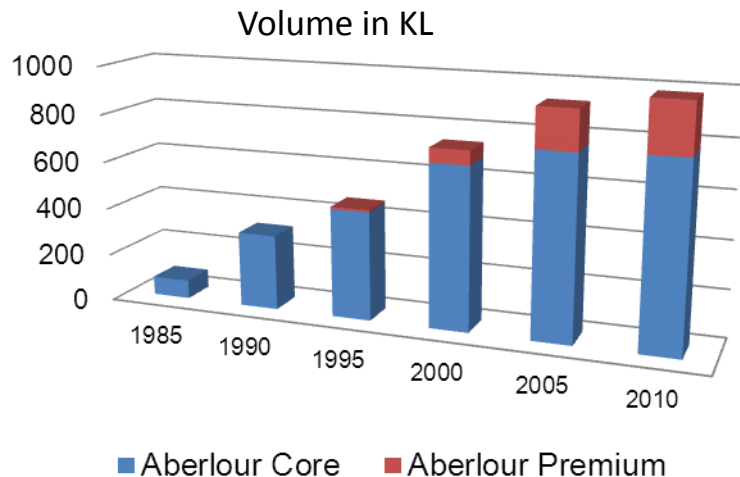
Aberlour confirms its leadership

Our know-how is proving efficient in the malt category



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- ✓ Know-how in developing volume
- ✓ Know-how in creating value

Source: Pernod depletions

Aberlour confirms its leadership
Consistent strategy on value creation



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Premiumisation

Advertising & Glorifying



Media



Off-trade displays

On-trade displays



Innovation

New products



Revamp of the range 2010

Aberlour 12 yo
non chilled filtered
Launched 2011



Aberlour 2001
Launched 2012

Education

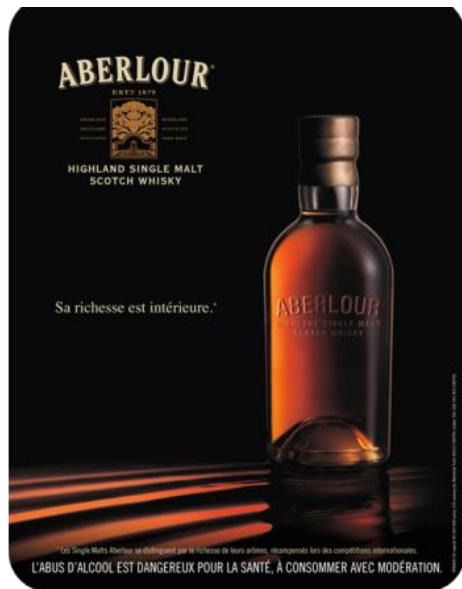
PR Campaigns



Aberlour Hunting Club



Limited Editions



To develop brand desirability

Advertising

Glorifying





Innovation to:
capture growth and create value



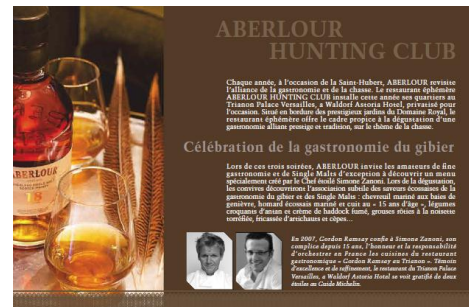
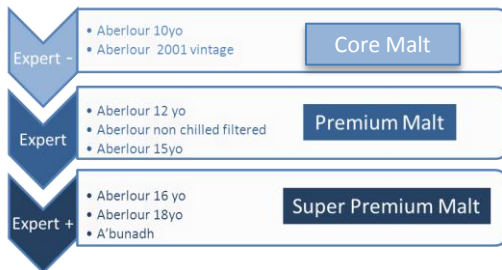
Aberlour confirms its leadership Consumer education process



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Aberlour's complete range : engaging the consumer to become an expert

Consumer learning process



PR programs



Limited editions



TRAINING SESSION
With Ann Miller
Once / year



Brand Ambassador



Aberlour: THE indisputable #1 malt in France

Innovation

Consumer learning process



... recruit among whisky drinkers

... upgrade consumer
loyalty & demand

Key take-aways



- ✓ France is the **1st Scotch Whisky market** worldwide in value
- ✓ Scotch Whisky is the **1st spirit category in France**
- ✓ The category is **growing and gaining share** (in a flat French spirit market)
- ✓ Pernod Ricard is the **leader of the category**, especially in Premium+ segments.
- ✓ Pernod Ricard **Scotch Whisky portfolio in France** is composed of both “local” and “international” brands



Capitalizing on its incomparable portfolio and its indisputable leadership position, Pernod Ricard is the best positioned to leverage the unique opportunity of Scotch Whisky in France

Our ambition



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Sustain our leadership
(position & behavior) in
the largest Scotch Whisky
market worldwide

Foster value
creation through
premiumisation

- ✓ Continue to **drive innovation flow**
- ✓ Build further category image & **recruit beyond its boundaries**

- ✓ Outpace the overall growth of the **blended** category with the **highest & most profitable qualities**
- ✓ **Trade up** progressively consumers of blends <12 YO to the **high value Malt segment** (from core 10YO to the oldest qualities) and super premium and above blends



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Horace Ngai, Deputy Managing Director PR China

China: creating value in Scotch





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Créateurs de convivialité

Agenda

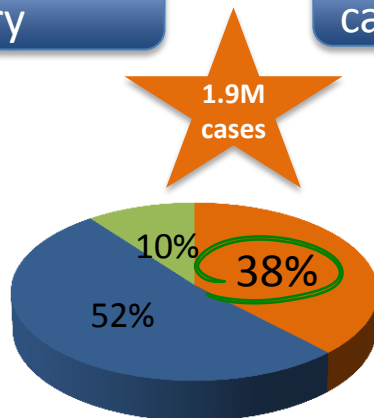
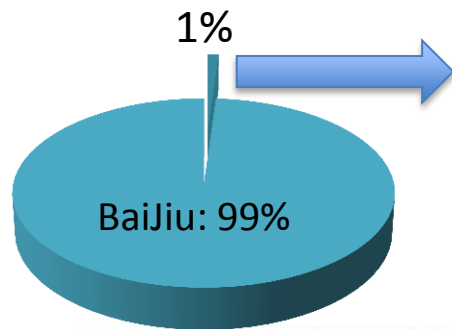
- The indisputable leader in a very promising market
- Future sources of growth to reinforce our leadership
 - The rising Middle and Affluent Consumers (MAC)
 - The emerging High Net Worth Individual (HNWI)
- The most attractive Scotch Whisky portfolio
- Our ambition



Large untapped potential of Scotch Whisky

The second imported
spirits category

Imported Spirits:
5M cases



The most dynamic
category over last 10 years

	<u>CAGR⁽¹⁾</u>
Whisky	+ 28%
Cognac	+ 20%
White Spirits & Others	+ 18%
Baijiu	+ 3%

With huge potential

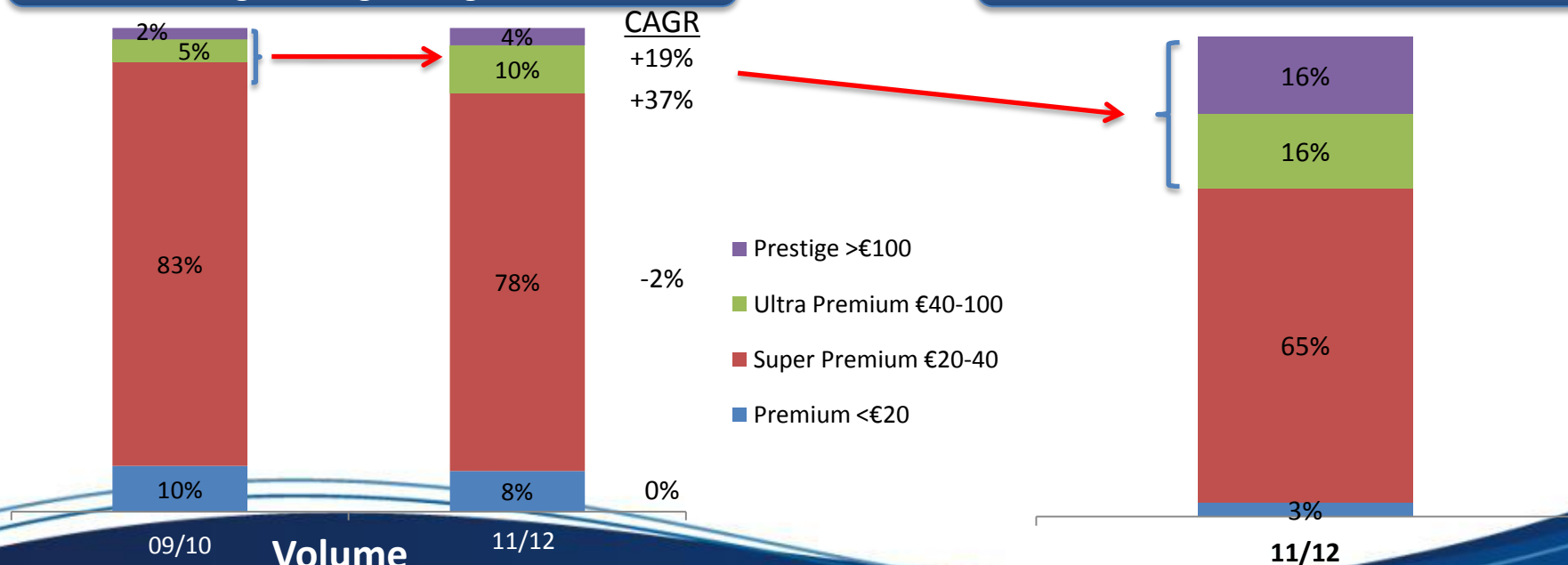
<u>Past 3M Penetration⁽²⁾</u>	<u>Change '11 vs '07</u>
6%	+2 pts
7%	+3 pts
3%	+1 pt



Scotch Whisky - Huge premiumization potential

Ultra Premium & Prestige
segments growing fast

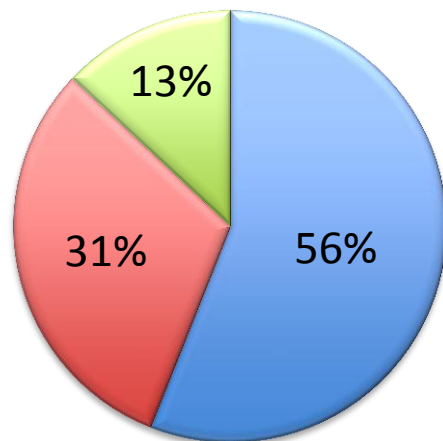
Driving strong value growth





PR China - The indisputable leader in volume

An undeniable leadership



MAT Volume Share

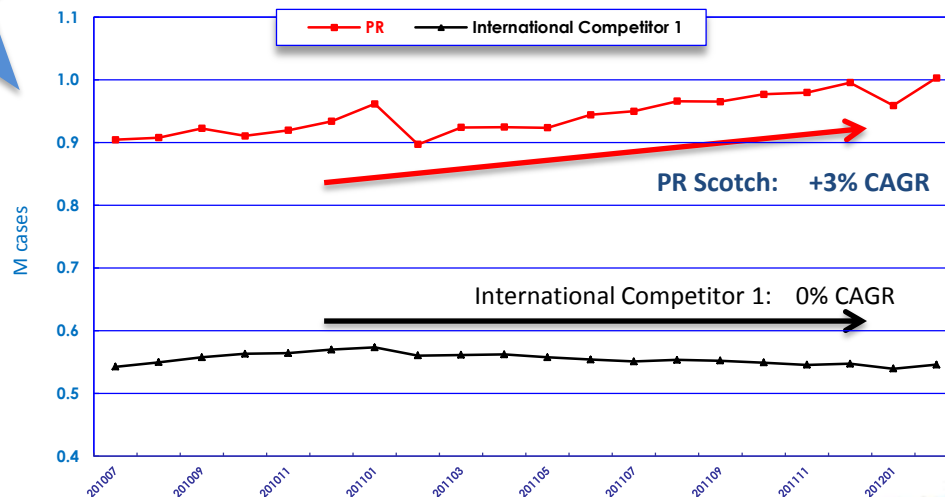
PR

International Competitor 1

Others

1M cases

Recently further enhanced

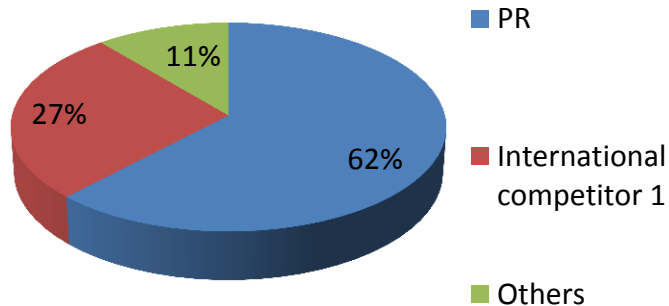


MAT Volume Evolution (7/2010 to 2/2012)



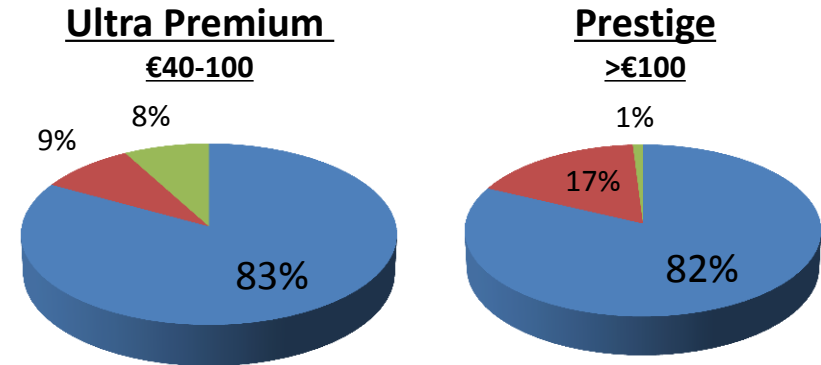
PR China – The indisputable leader in value

Even larger leadership in value...



Total Scotch Whisky value share

...based on absolute leadership in most profitable segments



Volume Share



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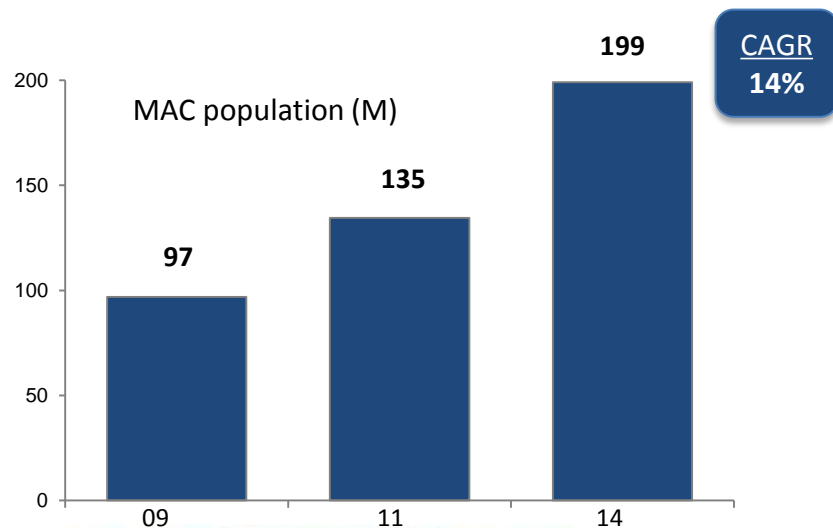
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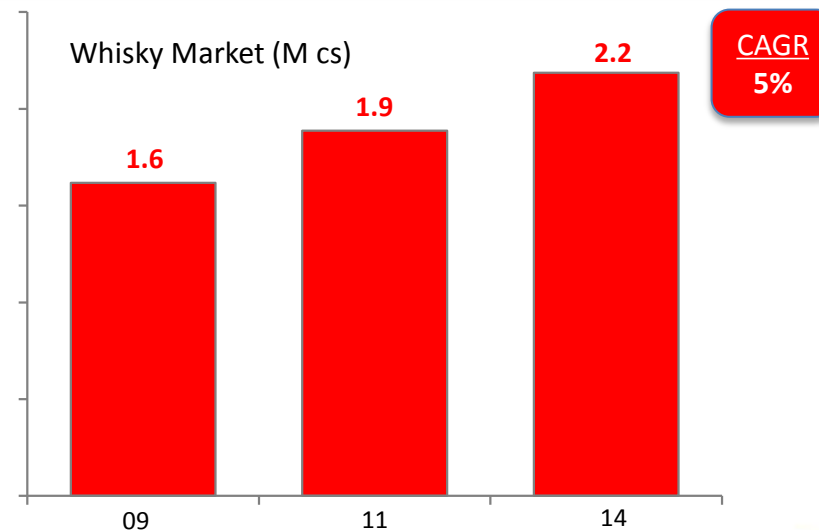


MAC growth drives Scotch Whisky growth

MAC expansion...



...enlarges consumer base for Scotch



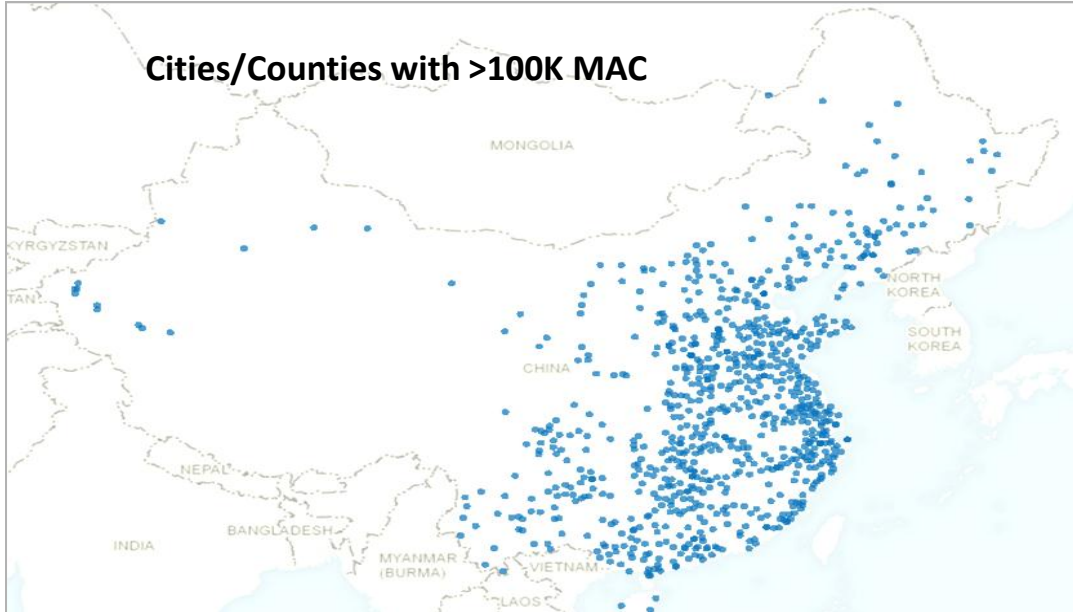


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MAC growth results into geographic expansion...

Cities/Counties with >100K MAC



Number of cities (>100K MAC)

2010 247



2015 576



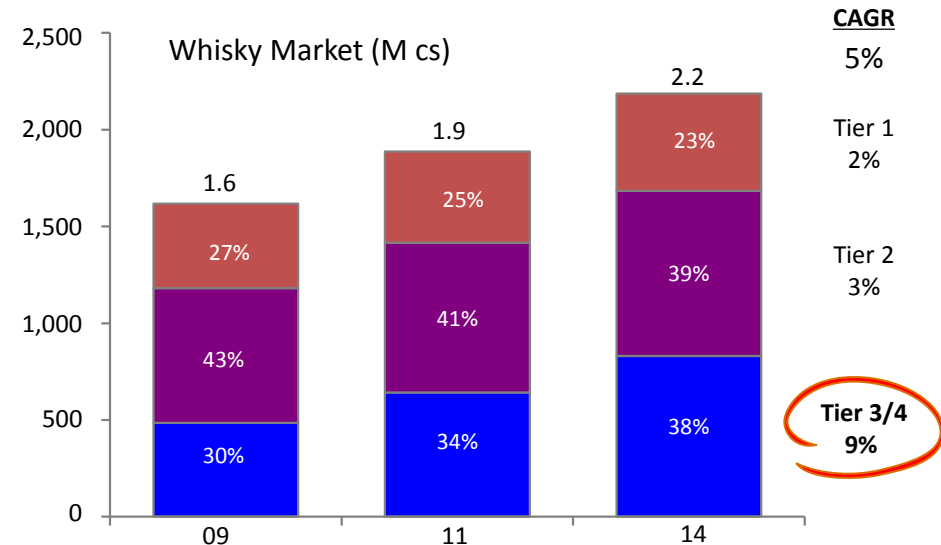
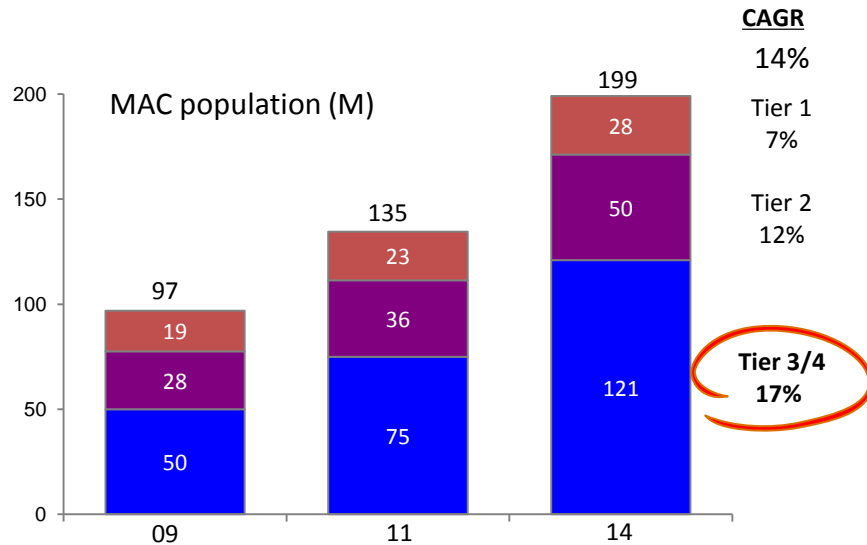
2020 851



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...and best potential lies in tier 3&4 cities



PR Definition:

Tier 1: 4 cities (Beijing/ Shanghai/ Guangzhou/ Shenzhen)

Tier 2: 25 cities (eg. Xiamen/ Wuhan/ Chengdu)

Tier 3: 70 cities (eg. Kunming/ Guiyang)

Tier 4: 333 cities (eg. Zibo/ Huangshi/ Jinhua/ Ganzhou)

Tier 5: 218 cities (eg. DeYang/ FuYang/ YiChun)



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PR China's RTM is an unchallenged competitive advantage

6 domestic regions with >400 cities covered

Largest network with
>550 Sales reps
and >1700 Promoters



“First Mover” advantage
further enhanced, with
geographic expansion
programs (>100 cities)

The widest & deepest coverage in
the industry



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Créateurs de convivialité

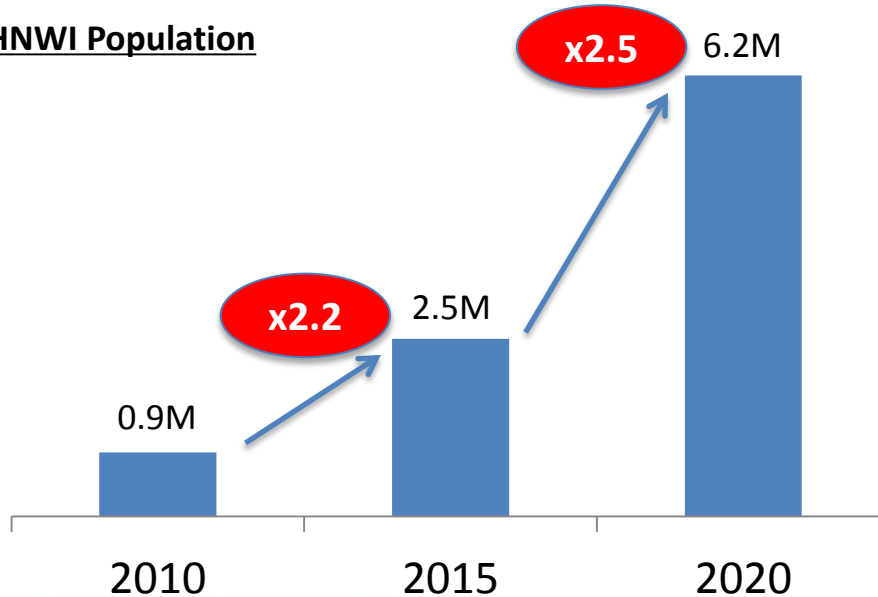
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HNWI growth will drive premiumisation

HNWI Population



China will be the
world's No.1 luxury market
from 2015



PR China leveraging unique assets to capture HNWI growth

Pernod Ricard brands
have the best luxury image ⁽¹⁾

1. Royal Salute
2. Chivas Regal
3. Ballantine's



Dedicated luxury RTM
with specialised team

- ✓ VIP consumer oriented model
- ✓ Multi-Brand portfolio approach
- ✓ Leverage existing Elite Club Database
- ✓ Flexibility on oldest Scotch to support new luxury initiatives





Pernod Ricard

Créateurs de convivialité

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Créateurs de convivialité

Four brands to cover key consumer opportunities



Key Strategies

Drive Whisky Expansion via geo expansion, beer drinker conversion and new drinking occasion

Accelerate value creation via premiumisation & Innovation behind CR J&J, CR 18 and CR 25

Grow brand advocates through trend-setters & key opinion leaders to influence target consumer pools

Core Initiatives



Become the Scotch icon of personal expression



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Créateurs de convivialité

Key Strategies

Build strong discernment of brand image through the Golf Platform

Drive brand affinity & premiumisation in all touch points (ATL & BTL)/ channels

Drive brand preference & uniqueness through CRM

Core Initiatives



Capital Market Day
— Scotland 2012

Emerge as a true luxury whisky for prestige spirit drinkers

Key Strategies

Build prestige image via
new advertising campaign &
polo platform

Recruit prestige drinkers with
strong visibility at all touch
points

Build strong luxury credential
among HNWI

Core Initiatives



Key Strategies

Build word of mouth & malt credential through key opinion leaders & malt experts

Establish premium image & the malt reference through TGL “Excellence” launch

Nurture long term relationship with malt lovers & early adopters via Digital & CRM

Core Initiatives





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Créateurs de convivialité

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China – Our ambition

- ✓ Very promising market with strong growth potential
- ✓ Undisputed #1 position with absolute leadership in Ultra-Premium/Prestige segments, the most dynamic and profitable
- ✓ Best-in-class RTM to capture opportunities from rising MAC to HNWI, at all tier levels
- ✓ Most attractive Scotch Whisky brand portfolio
- ✓ Strong innovation and marketing program to recruit and upgrade drinkers



Sustain
**double-digit
value growth**
of our
Scotch Whisky
portfolio
in China



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Eric Laborde, Managing Director Pernod Ricard Eastern Europe

Scotch Whisky potential in Russia



A promising and very profitable market



- ✓ Positive mid-term economic outlook and no significant political risk
- ✓ Strengthening of legal protection when Russia joins WTO
- ✓ Strong growth of Middle/Upper tier middle class
- ✓ Very profitable market



- ✓ High economic reliance on oil/gas
- ✓ Toughening of legal environment
 - ✓ Anti-alcohol plan
 - ✓ Stronger grip over alcohol market
 - ✓ Attempts to legalize parallel imports
- ✓ Increasing cost of doing business
 - ✓ Trade consolidation (On & Off)
 - ✓ Media industry consolidation
 - ✓ Staff hunting

**Russia to be the biggest European consumer product market by 2023,
offering huge potential for Western Style Spirits with high return on investments**

Positive consumer dynamics fueling premiumisation



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Créateurs de convivialité



- ✓ Level of consumer confidence restored after the crisis
- ✓ Strong growth of middle class expected in the coming 5 years
- ✓ Increasing purchasing power in regions
- ✓ Strong “good value for money” mindset after economic recovery
- ✓ Growing number of consumers seeking more sophisticated propositions (connoisseurs approach)
- ✓ Consumer aspiration toward luxury goods / products / services growing again



A very virtuous double trading up phenomenon

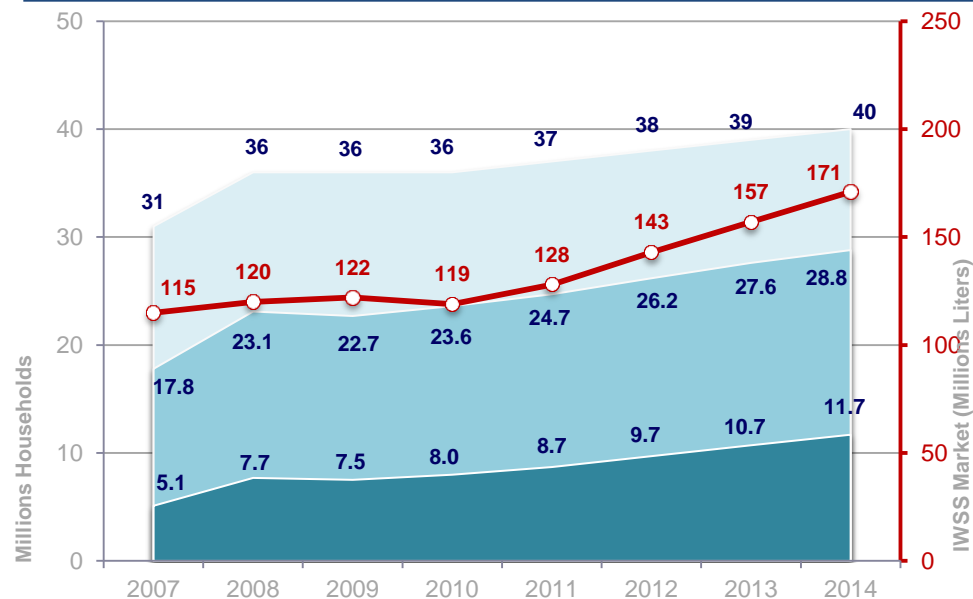
- ✓ Growing base of consumers, trading up from local spirits (mainly vodka) to imported standard spirits (recruitment category)
- ✓ and even further up to imported Premium+ spirits (status, quality, luxury)

The middle class: key engine for IWSS⁽¹⁾ development



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- ① Total Middle Class Households
Income > 15,000\$ PPP
- ② Middle/Upper Tier Middle Class
Income > 25,000\$ PPP
- ③ Upper Tier Middle Class
Income > 50,000\$ PPP

**Substantial increase
of the middle/upper
tier middle class
households number
> +4M in 4 years**

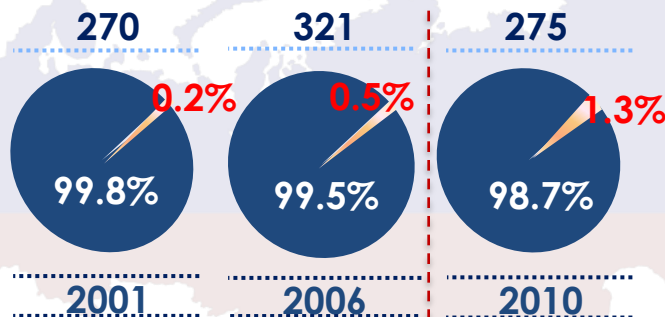
Huge conversion opportunity



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“Local” versus “imported” spirits



(Millions of 9L cases)

08/09 crisis

CAGR 06/10
Local Spirits
-4% ⁽¹⁾

CAGR 06/10
Imported spirits
+22%

Impressive growth
of imported spirits,
though from a small base

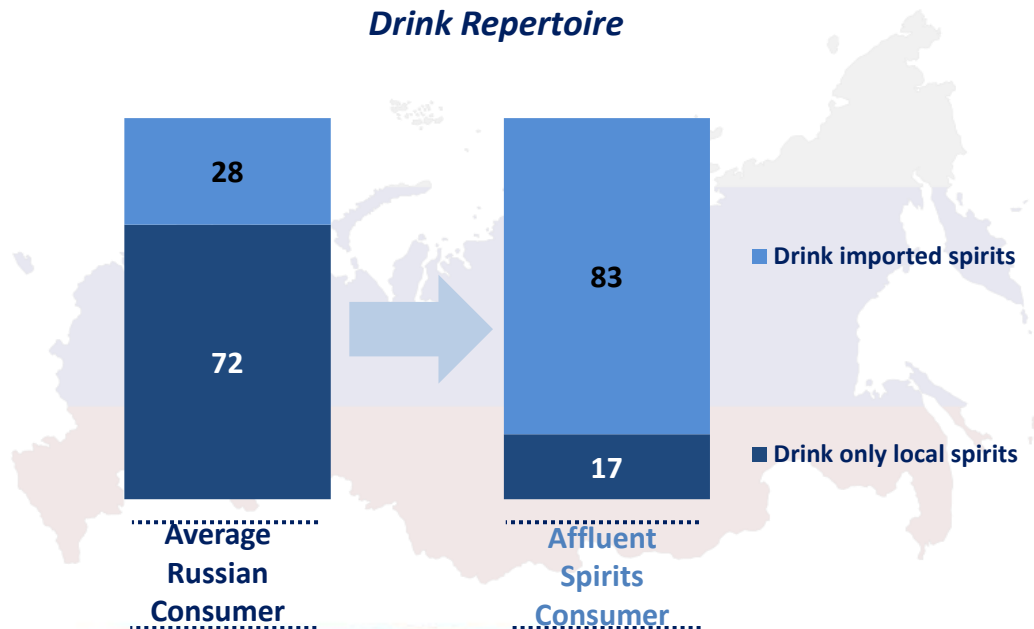
Drink repertoire evolution



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Drink Repertoire

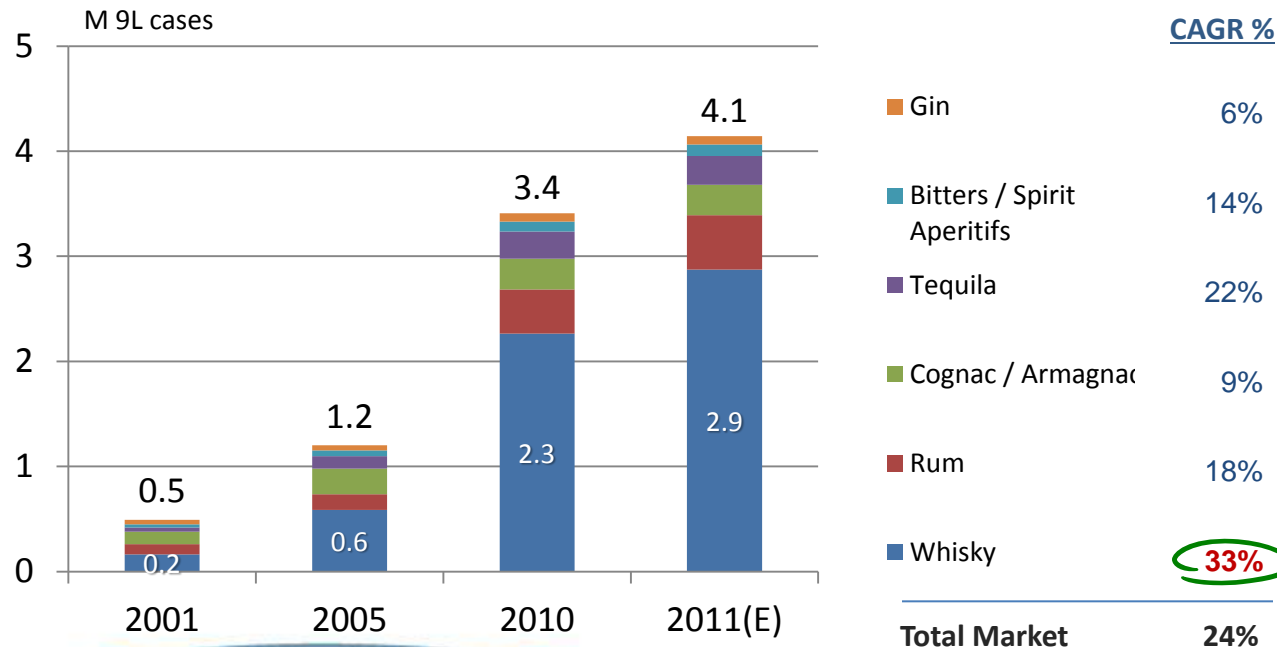


**Major evolution of
drinks repertoire when Russian
consumer is growing revenues**

Whisky: the most dynamic category



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Créateurs de convivialité

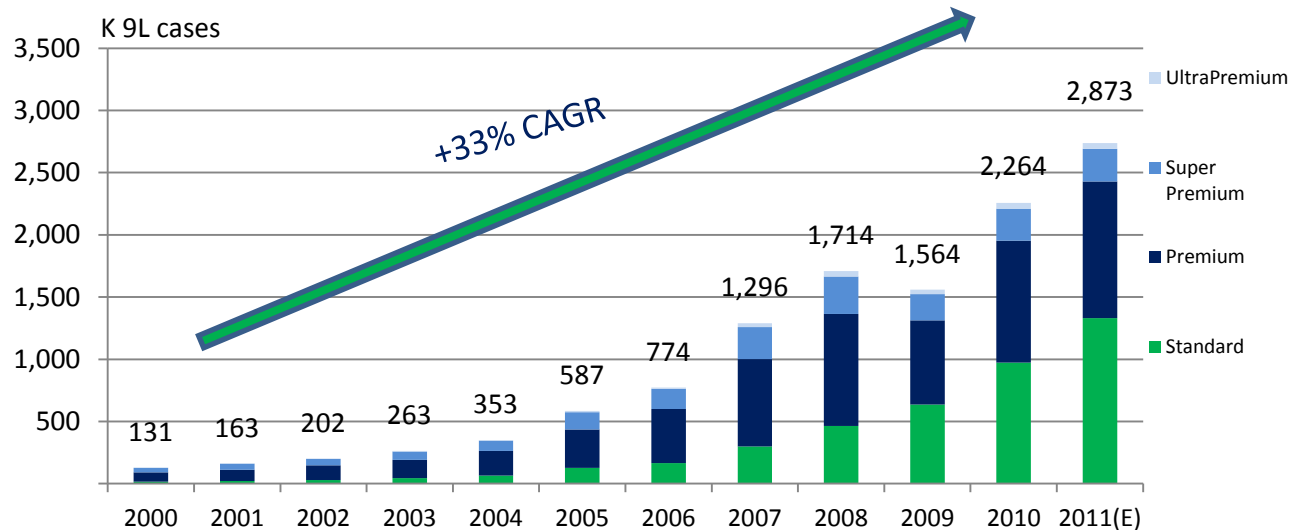


Amazing growth at all price points



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Premium + Whisky vs. Total Whisky

50% Volume



70% Value



80% CM*



*Contributive margin **

Pernod Ricard Rouss has the best Premium Whisky portfolio

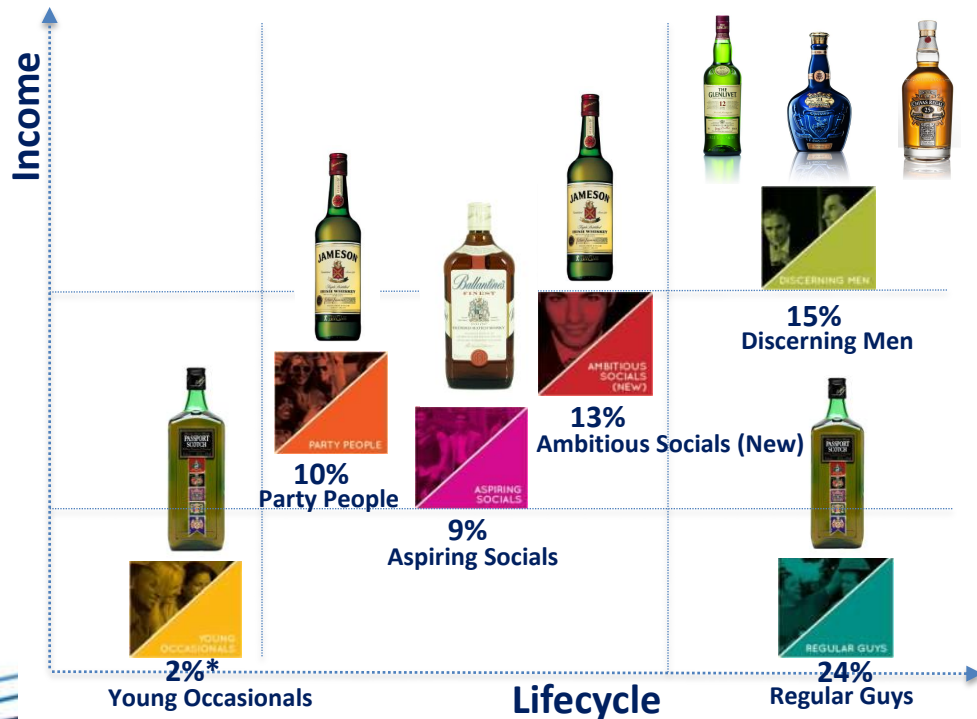


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Créateurs de convivialité



A brand portfolio targeting various consumer profiles



From standard to luxury,
brands addressing a wide range of
consumers' needs

*% share of whisky volume consumed by the segment

A whisky portfolio covering all price points



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Créateurs de convivialité



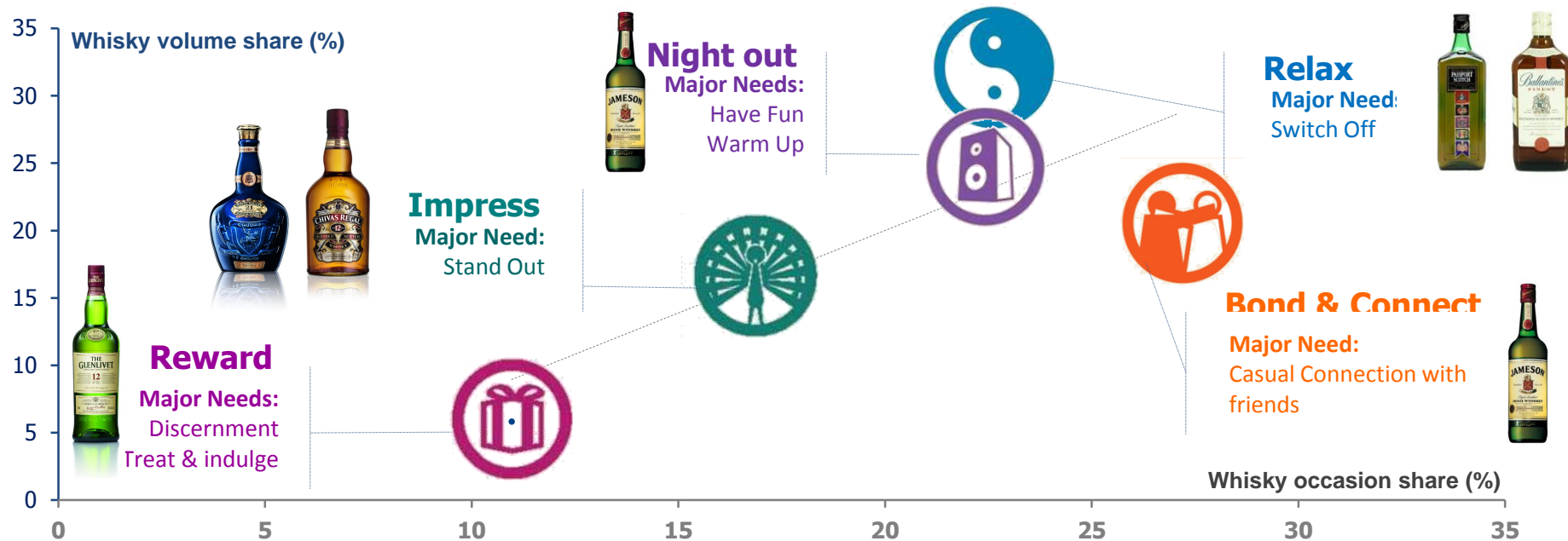
* 1 EUR = 38.67 RUB as of 3rd May 2012

A brand portfolio well aligned with key whisky drinking occasions



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Differentiated 360 activation strategies for specific targets



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	Print Ad 	Events 	Digital 	Off Trade
	Print Ad 	Events 	Digital 	On Trade
	In Store Ad 	Creative Promo 	POSM 	GWP

Brand portfolio leveraged differently according to the On-Trade outlets



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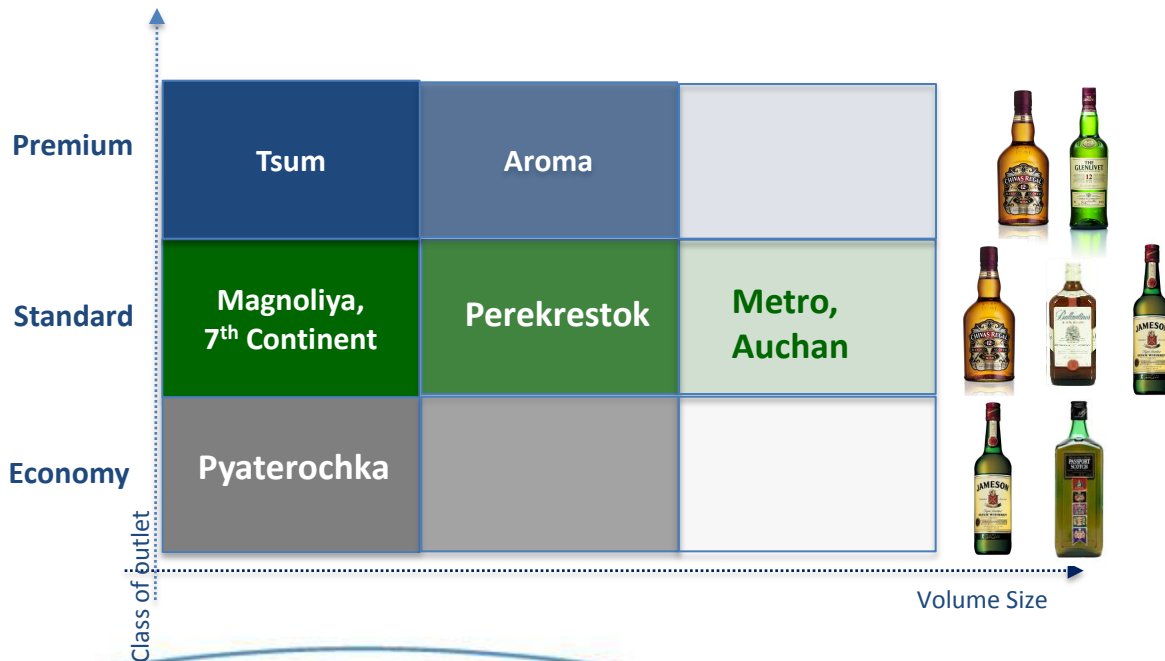
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		Drinking	Dining	Entertainment	Airport Lounge	Elite Clubs
	Leading / Iconic					
	Premium					
	Mainstream					

Brand portfolio leveraged differently according to the Off-Trade outlets



Pernod Ricard
Créateurs de convivialité

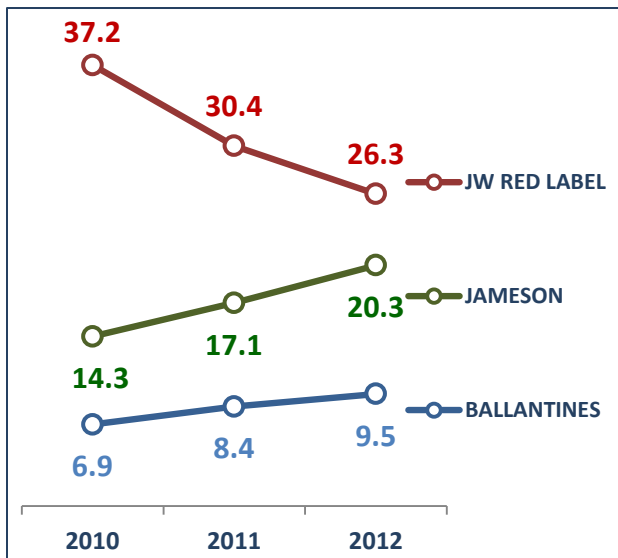


Scotch Whisky Potential in Russia
Constantly growing SOM

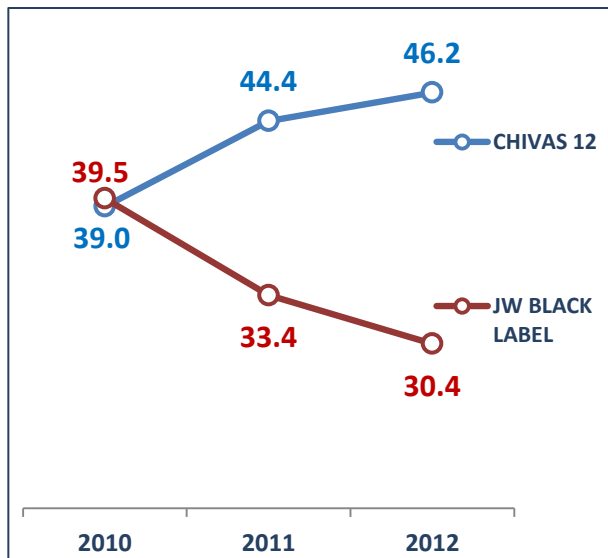


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Créateurs de convivialité

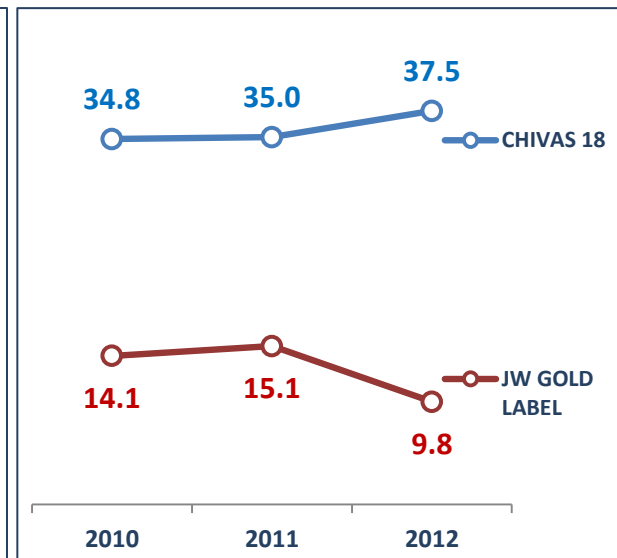
Premium



Super Premium



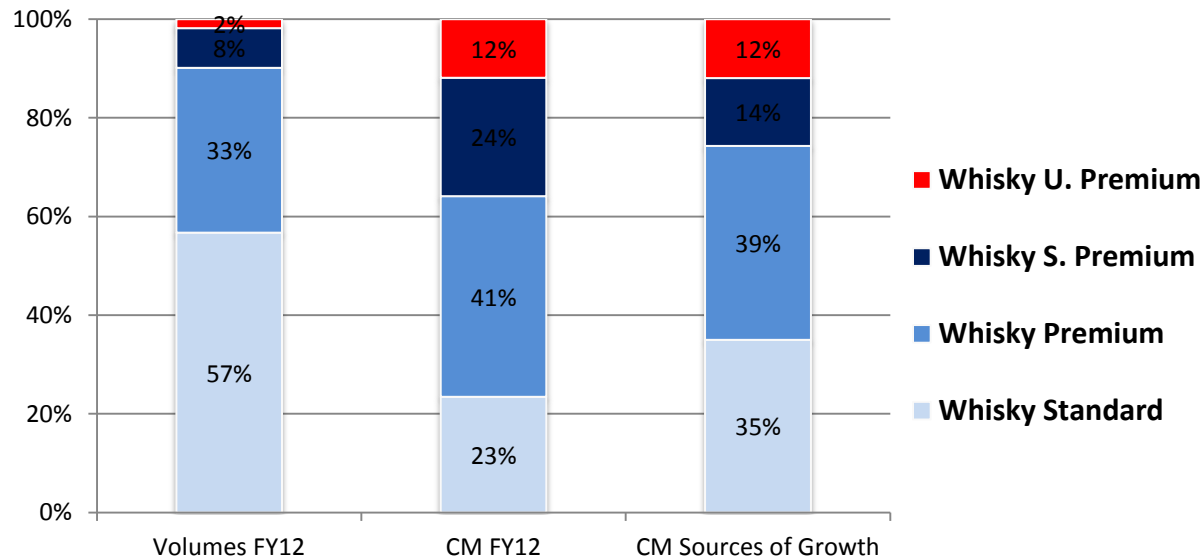
Ultra Premium



The backbone of Pernod Ricard strategy in Russia



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Leading positions in super dynamic categories

CHIVAS CR 18: Leader of UP Scotch Blended

CHIVAS CR 12: Leader of SP



Ballantine's: #2 with fast growth



Passport: just launched

Our ambition to establish further our leadership



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Créateurs de convivialité

On a market with a tremendous potential...

- ✓ **Growing base of consumers** with the dynamic increase of the Middle Classes
- ✓ Favorable consumer trends resulting in a **growing appetite for Imported Spirits**

...we will leverage our unique competitive advantages...

- ✓ **Most attractive Scotch Whisky portfolio** covering all price points & drinking occasions, and targeting all consumer profiles
- ✓ **Best in class RTM**
- ✓ **Tailor-made activation** (both in On- and Off-Trade) dedicated to each brand

...to further establish our leadership.

- ✓ **Reinforcing** our leading positions in **Premium & above** segments



- ✓ **Enlarging our consumer base** to grab our fair share of the growing opportunity of the emerging Middle Classes



Christian Porta, CEO Chivas Brothers

The Global Opportunity for Scotch Whisky

Agenda

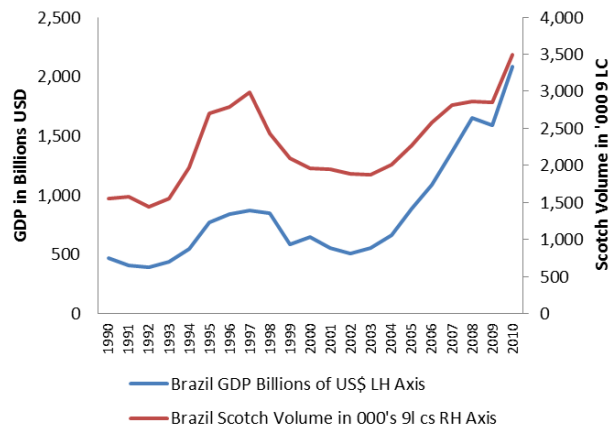
- 1 Scotch growth is under-pinned by strong economic and consumer trend foundations**
- 2 Scotch performance has proved relatively resilient in economic downturns**
- 3 Pernod Ricard's Scotch offer (Chivas Brothers) enhanced by a number of structural advantages**

Scotch growth is under-pinned by strong economic and consumer trend foundations

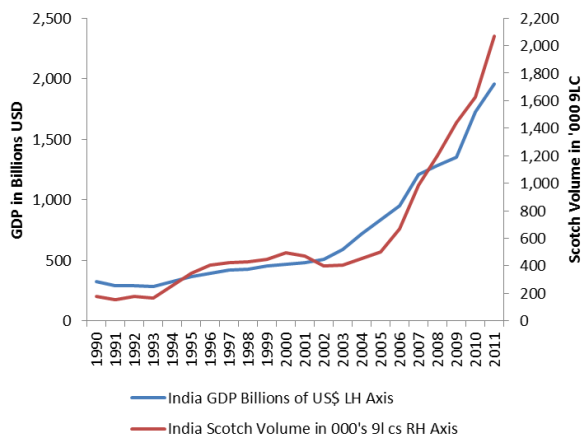
- ❑ Category aligned to economic growth in developing markets and stable in developed markets
- ❑ Vast source of volume as consumers trade up from traditional local spirits
- ❑ Extensive range offer creating value at entry level AND again as consumers trade up
- ❑ Recognised global brand with category values aligned to aspiration and reward
- ❑ High penetration in multiple drinking occasions
- ❑ Increasing level of urbanisation

Aligned to economic growth in developing markets and stable in developed markets

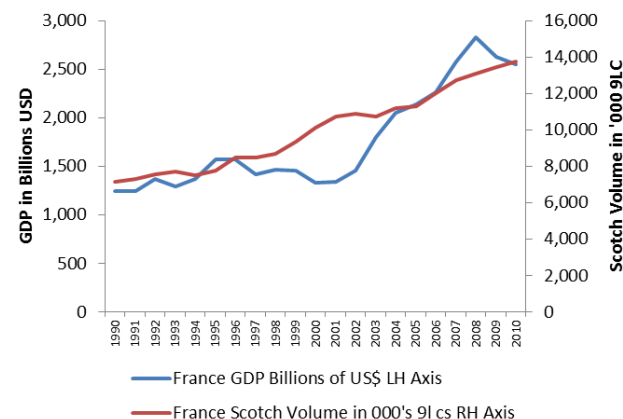
Brazil



India*

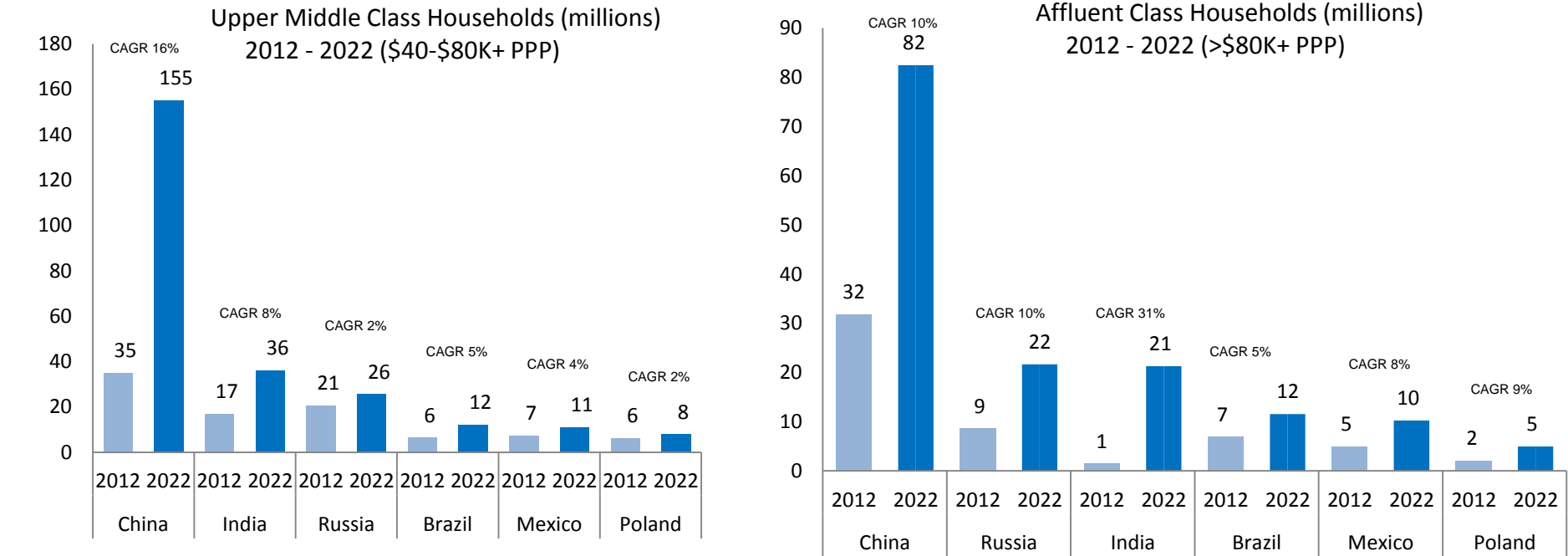


France



Source: IWSR 2010 and IHS Global Insight 2012. *India only, IWSR 2011

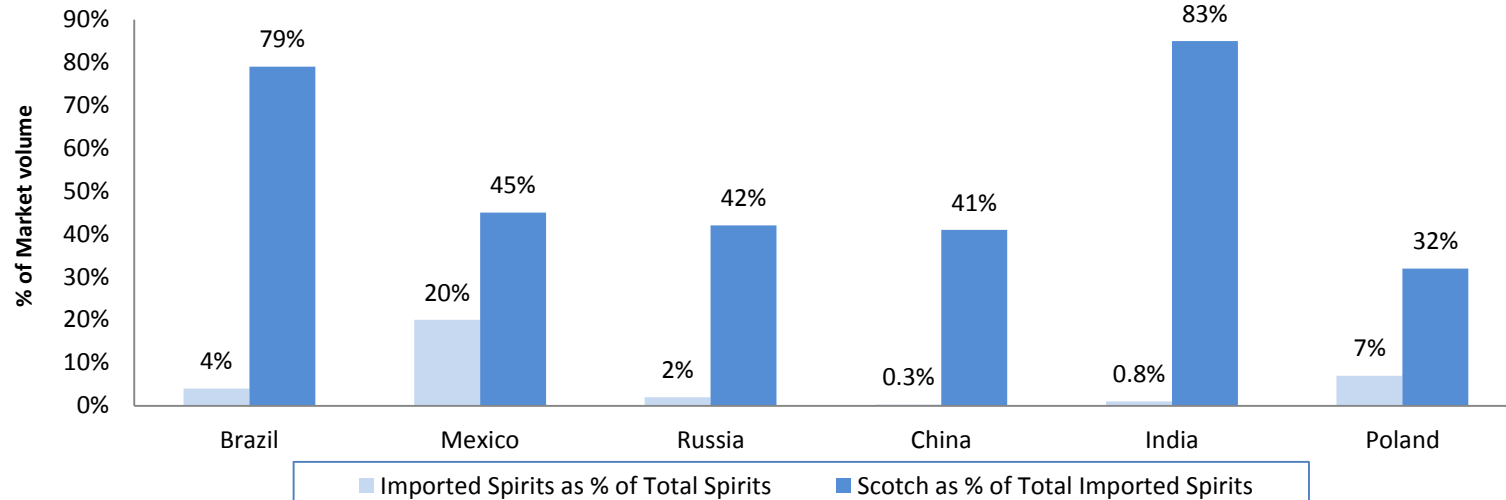
Surge in Middle Class and High Income households between 2012 and 2022



Source: IHS Global Insight 2012. Households per Income bracket at Purchasing Power Parity (USD \$40 -\$80K / >\$80K+)

Scotch volume share still low in many markets – providing sizeable source of volume for future growth

Importance of Scotch and Imported Spirit penetration in key developing markets

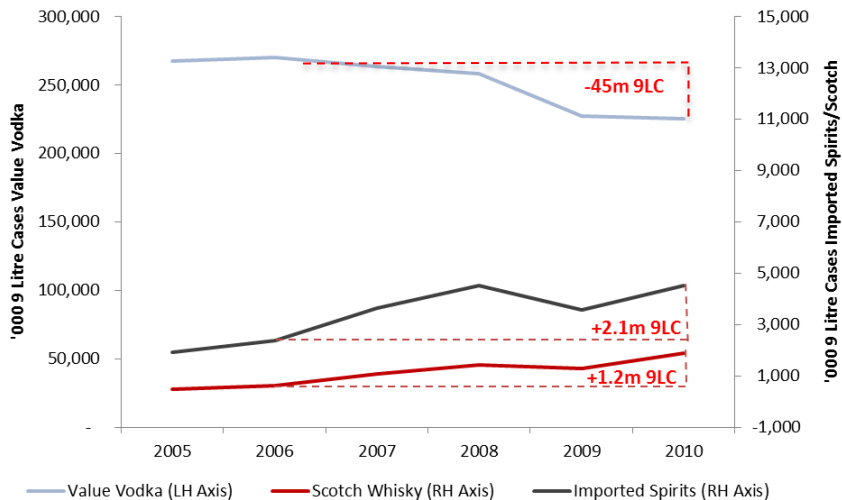


Scotch Vol 10 9LC	3.4m	2.2m	1.9m	1.7m	2m*	1.0m
CAGR 05-10	9%	17%	31%	8%	28%*	24%

Source: IWSR 2010. *India only, IWSR 2011.

Imported Spirits and Scotch gain as the trade up gap between local spirit and imported Spirit is narrowed

Volume of Value Vodka, Imported Spirits and Scotch
2005-2010 in Russia

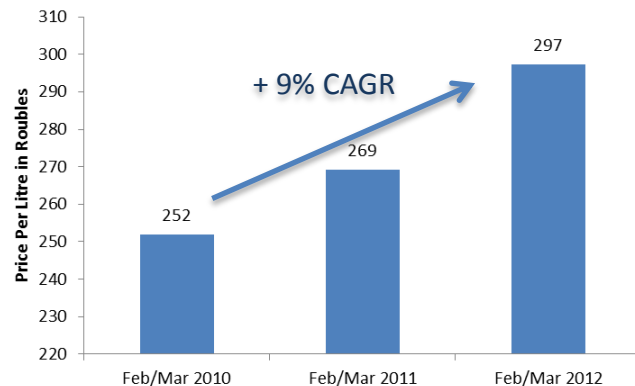


Source:

(1) IWSR 2010. Value vodka is cheapest price segment vodka.

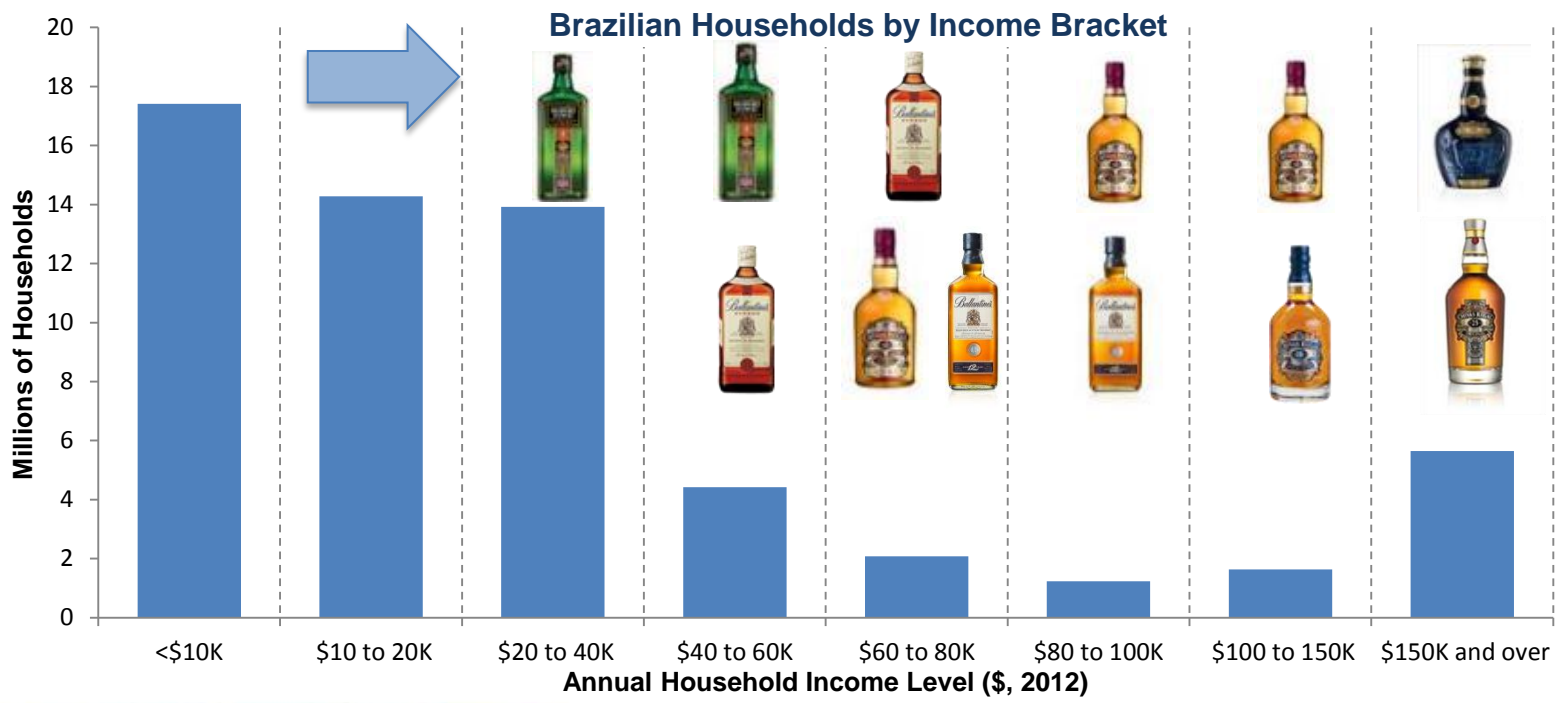
(2) AC Nielsen bi-month data.

Price Movement of Value Vodka in Russia



- Government policy to deal with excessive consumption of value vodka and increase tax revenue through minimum pricing.
- Plan a further 4 fold increase in taxation in 2014, doubling the price of the cheapest bottle of vodka.

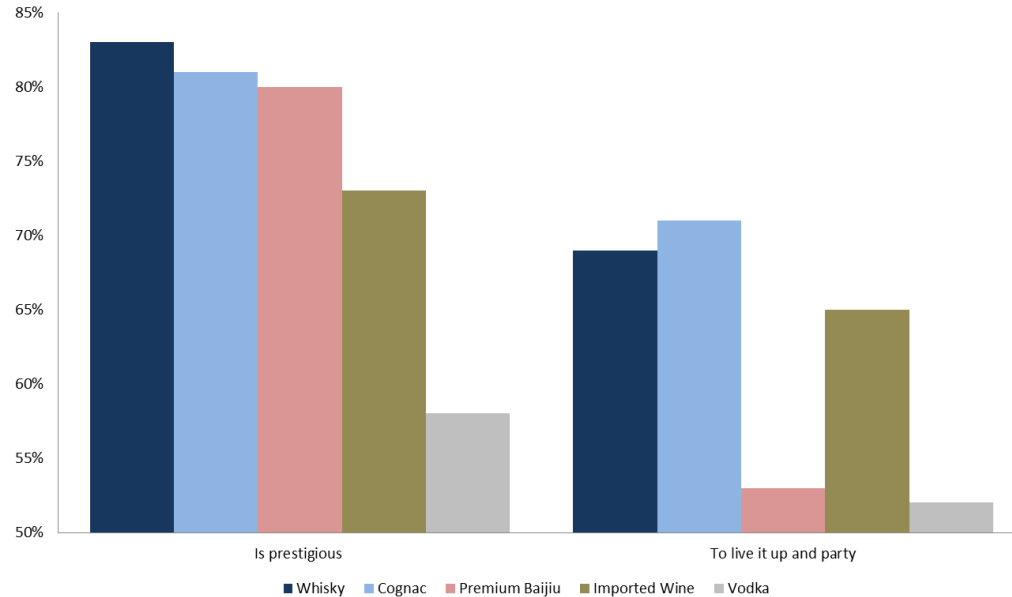
Scotch offers span the income distribution, driving value in recruitment to category and trading up through price spectrum



Source: IHS Global Insight 2012, PR Brazil analysis

Scotch delivers associations of aspirational lifestyle as well as modernity and dynamism

Chinese International Spirit drinker perceptions of Alcoholic Beverage Categories



Source: GfK U&A in China 2011.

Scotch is increasingly drunk on a broad base of drinking occasions (example: Vietnam)

Restaurants 61%



Hotel/ Lounge Bar 58%



At Home 40%

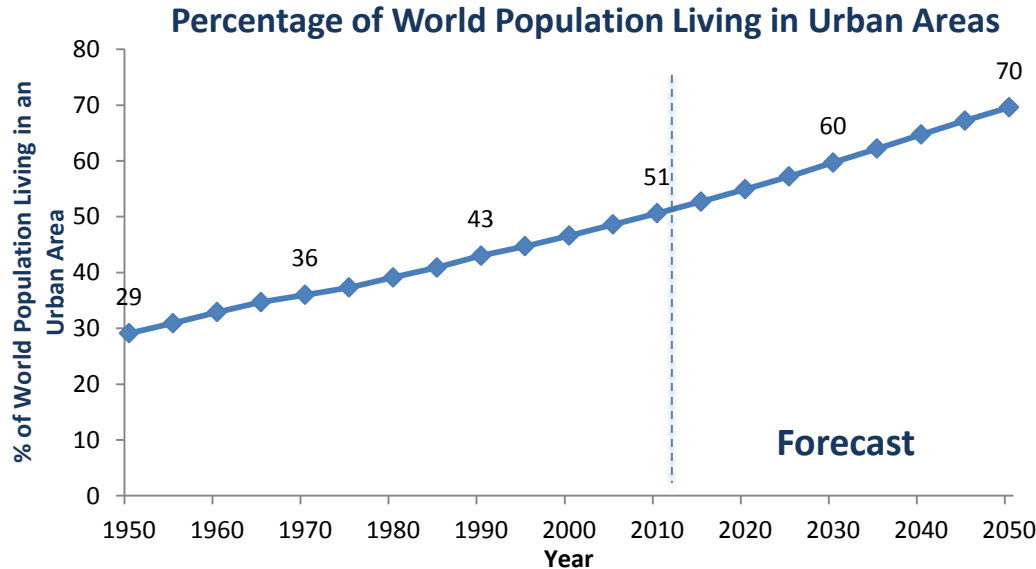


Clubs/ Karaoke Bar 36%



Source: ACORN Usage and Attitude Survey, Vietnam 2011

Urbanisation brings more people into contact with modern on trade and aspirational lifestyles



Source: United Nations. World Urbanisation Prospects Report, 2010 Revision.

Population Growth in Key Cities 2000 to 2015

Delhi +8m



Mexico City +2.3m



Sao Paulo +3.4m



Shanghai +4m

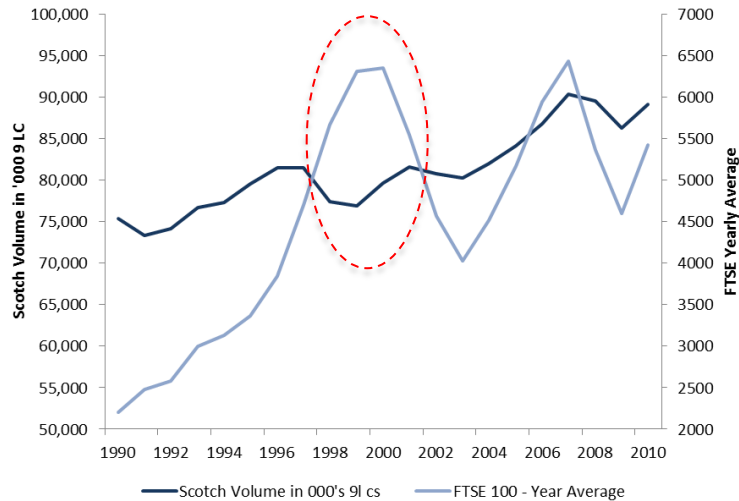


Agenda

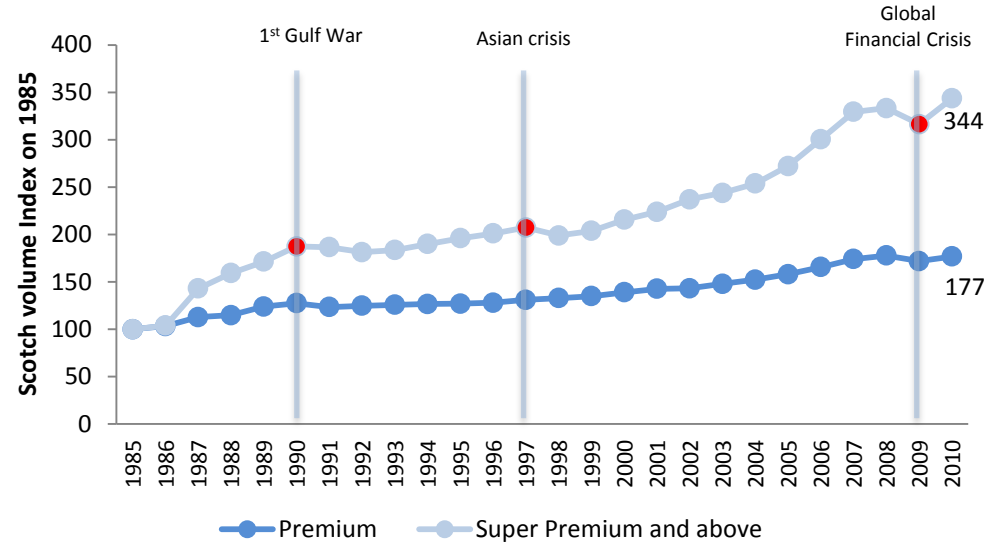
- 1 Scotch growth is under-pinned by strong economic and consumer trend foundations
- 2 Scotch performance has proved relatively resilient in economic downturns**
- 3 Pernod Ricard's Scotch offer (Chivas Brothers) enhanced by a number of structural advantages

Scotch market provides some stability in volatile market conditions and recovers quickly from downturns

Scotch volume versus FTSE 1990 to 2010

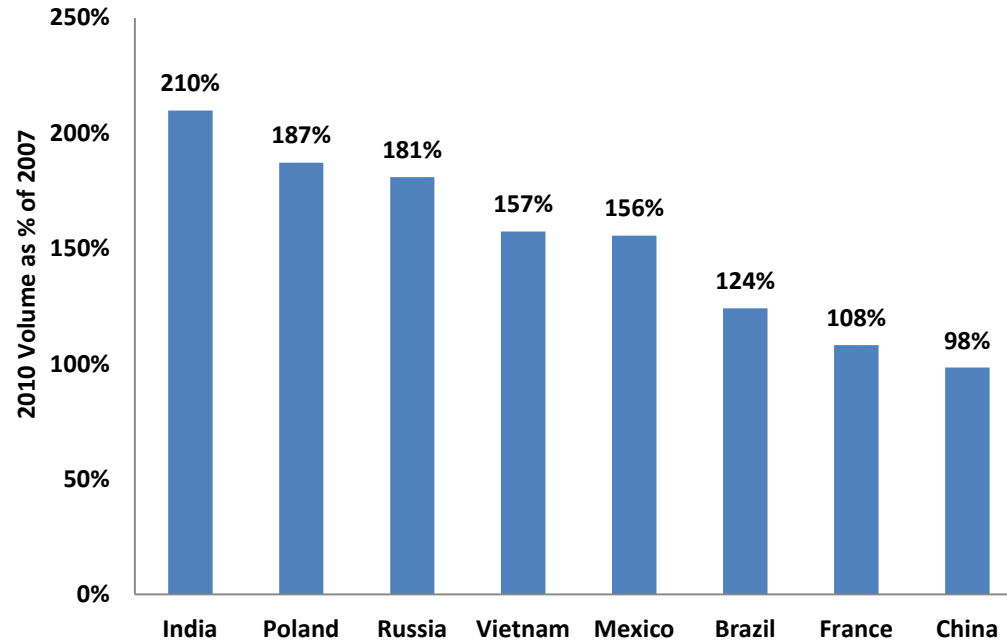


Premium and Super Premium+ Scotch 1985 to 2010



Source: IWSR 2010, FTSE.com

Market volumes in 2010 have rebounded to a stronger position than pre-crisis



Source: IWSR 2010.* India and China, IWSR 2011.

Agenda

- 1 Scotch growth is under-pinned by strong economic and consumer trend foundations
- 2 Scotch performance has proved relatively resilient in economic downturns
- 3 Pernod Ricard's Scotch offer (Chivas Brothers) enhanced by a number of structural advantages**

Age a key decision factor for consumers. In Ultra Premium Scotch & above CBL sells the vast majority of 21 YO+ whisky.

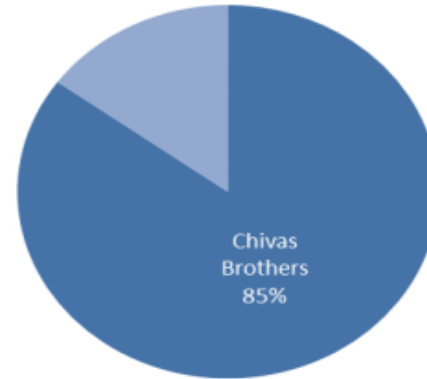
Age is the 3rd most important factor
when choosing a whisky ⁽²⁾

Chivas Brothers Share of Whisky Volume Sales 21
years+ ⁽¹⁾

1st Brand Name

2nd Taste

3rd Age

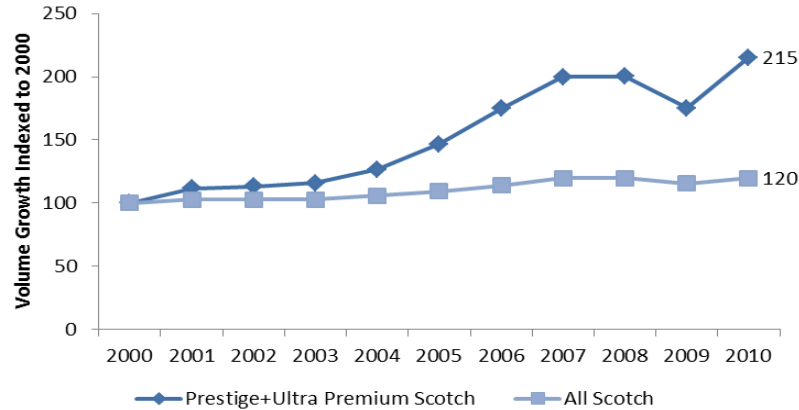


1) IWSR 2010, PR Market View

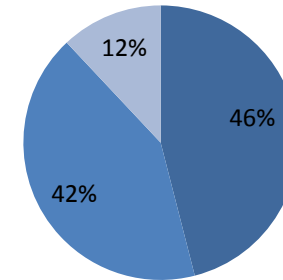
2) GfK and Hall and Partners Survey 2012 covering 15 major Scotch markets

In the fastest growing price segment, CBL has leading share

Volume Growth Rate of Ultra Premium + Prestige versus Total Scotch 2000 to 2010



Chivas Brothers' Share of Ultra Premium + Prestige Scotch



■ Chivas Brothers ■ # 2 Competitor ■ Others Competitors

Source: IWSR 2010, PR Market View

CBL has a wide portfolio offer in Ultra Premium/Prestige

EXTENSIVE ULTRA PREMIUM/PRESTIGE PORTFOLIO

4 Parent Brands

16 different brand lines with significant volumes*

Chivas Regal

Ballantine's

Royal Salute

The Glenlivet

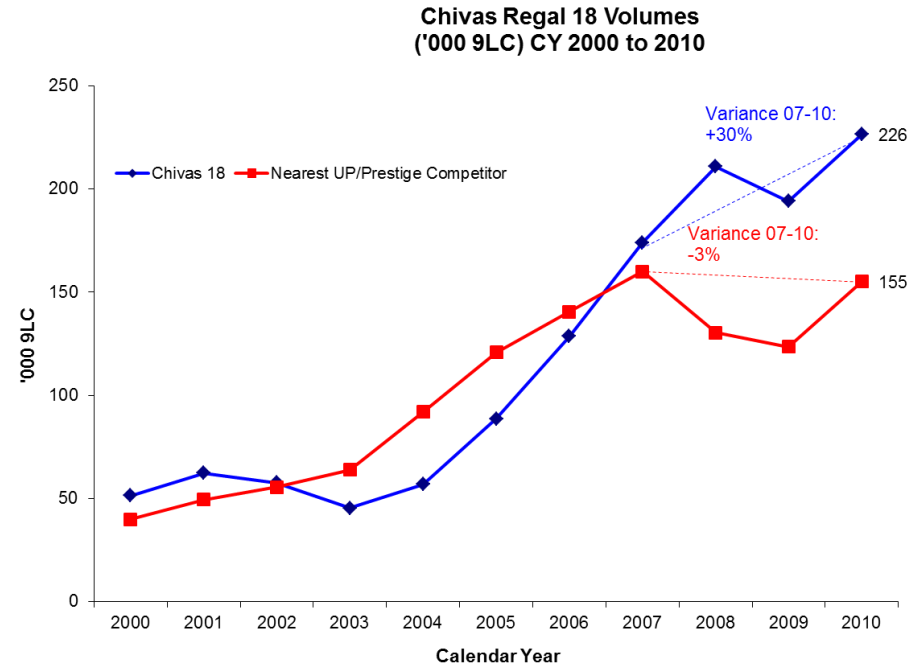


* >4,000 9LC based on Pernod Ricard Depletions MAT to March 2012

CBL has the most successful Ultra Premium/Prestige brand in the market



Source: IWSR 2010, PR Market View





Chivas Brothers
Pernod Ricard





Pernod Ricard

BEYOND AND ABOVE

Development of Luxury in Pernod Ricard

29th - 30th May 2012

Vadim Grigorian

WHY IS THE LUXURY SEGMENT ATTRACTIVE FOR PERNOD RICARD?

LUXURY IS EXTREMELY SEDUCTIVE FOR PERNOD RICARD

FOR SEVERAL REASONS...

1. Size and growth potential of the luxury segment
2. Development of HNWI's
3. Possibility to address deep human insights



THE HUGE POTENTIAL OF LUXURY

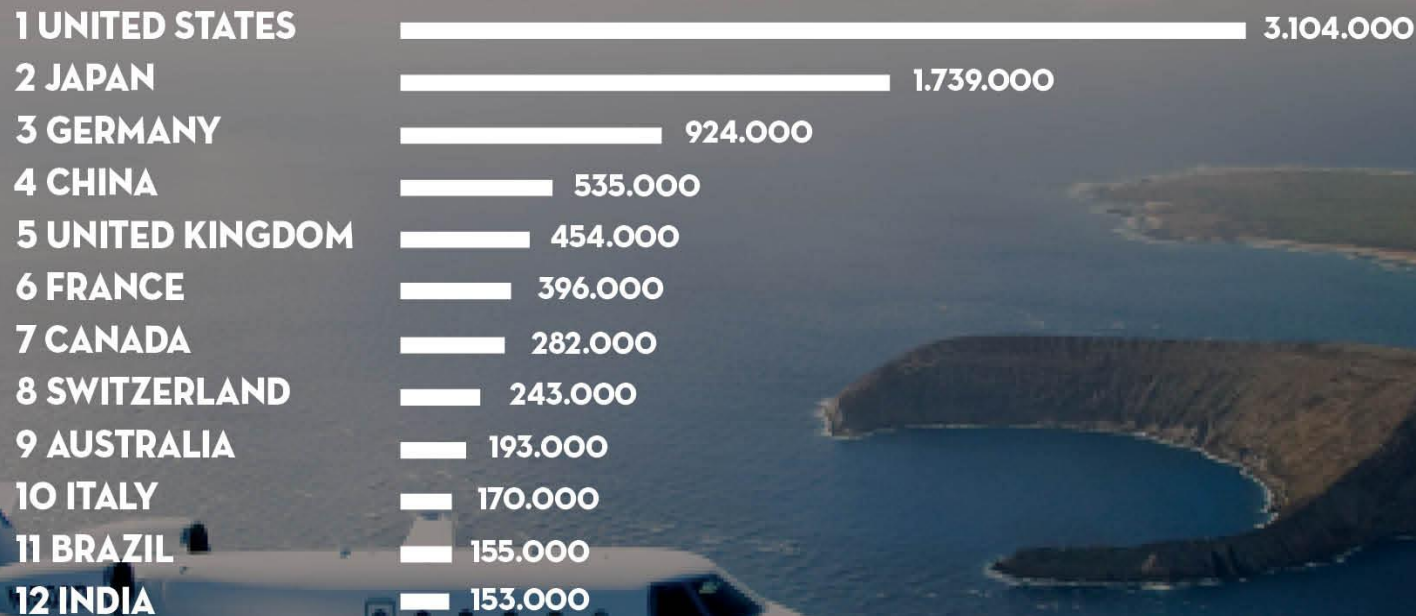
Luxury sales are projected to grow to €185bn (\$252bn) in 2011.

Up 8% from €172bn in 2010.

(forecasts by Bain&Co)

Prestige Spirits are expected to grow at an annual rate of 7% in value between 2010 and 2016.

Source: IWSR Forecast data restructured according to Pernod Ricard's Price band segmentation



11 MILLION HNWI'S WORLDWIDE



**HNWI'S ARE A VERY ATTRACTIVE
CONSUMER GROUP THAT REQUIRE A DIFFERENT
APPROACH TO UNDERSTAND THEM**

**IN ADDITION, THERE ARE BIGGER
OPPORTUNITIES OUT THERE...**

INSECURITY

SCENARIOS OF CATASTROPHE

- SEPTEMBER 11
- GLOBAL WARMING
- ESCALATING WARS
- ECONOMIC CRISIS
- OIL SPILL
- FLU EPIDEMICS

EMPTINESS

RELIGION

POLITICS

SOCIAL STATUS
family, work, fortune

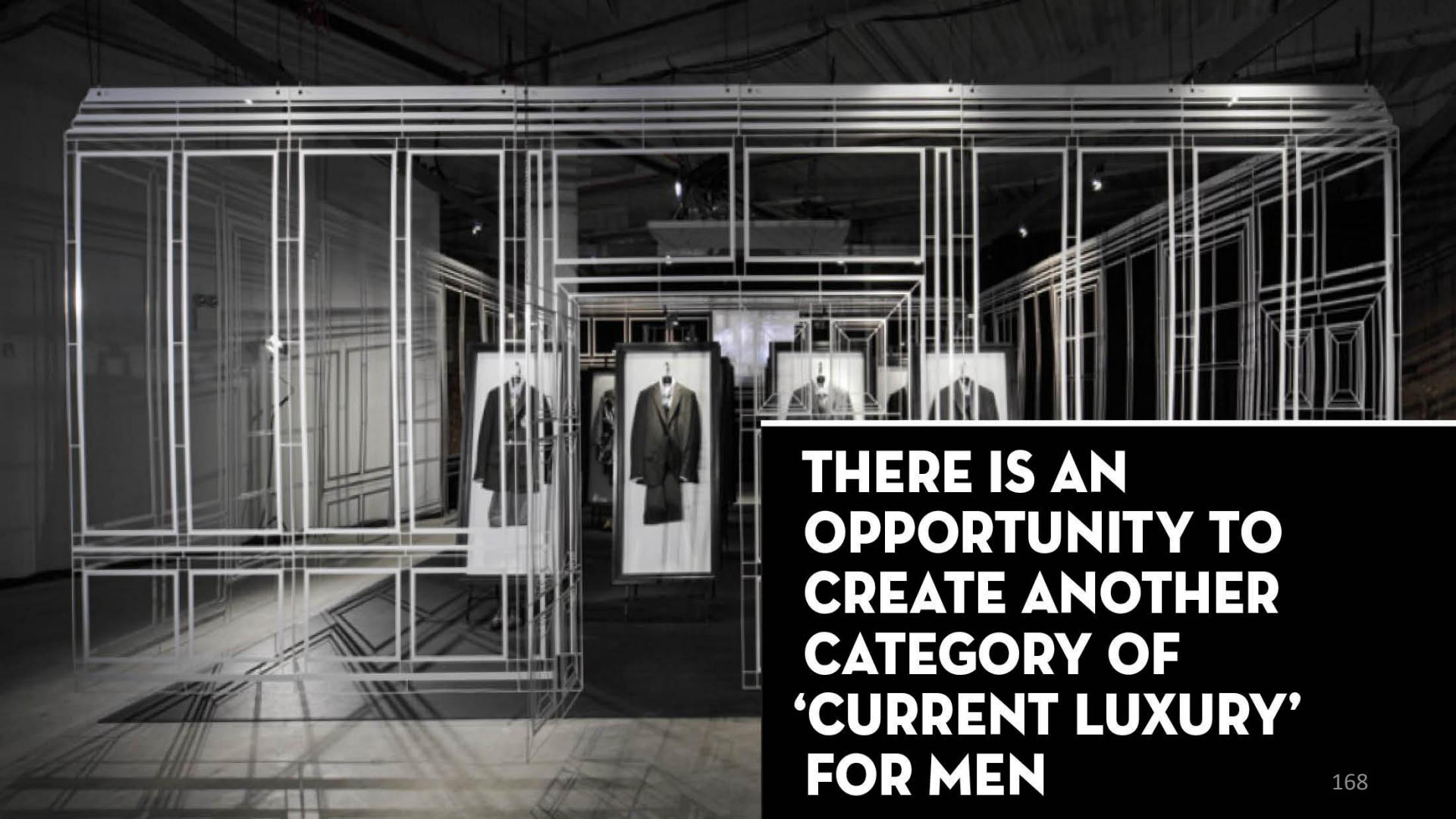
FEELING OF INSECURITY
DUE TO THE FALL
OF TRADITIONAL
INSTITUTIONS

YOURSELF

ART

LUXURY

CELEBRITIES



**THERE IS AN
OPPORTUNITY TO
CREATE ANOTHER
CATEGORY OF
'CURRENT LUXURY'
FOR MEN**



LUXURY BRANDS ARE
THE BEST TO CREATE
DESIRE AND
LUXURY KNOW-HOW
CAN, TO A CERTAIN
EXTENT, BE APPLIED
TO ALL PR BRANDS

**WHY IS
PERNOD RICARD
CREDIBLE IN
LUXURY?**

PERNOD RICARD HAS THE POTENTIAL AND CAPACITY TO CREATE A NEW LUXURY CATEGORY

The barriers to luxury inherent in alcohol are not real barriers

PERNOD RICARD CAN LEVERAGE...

1. Unique portfolio of prestige brands
2. Know-how and advancement on luxury matters
3. Cost-efficiency of luxury PULL model vs PUSH

THE PERNOD RICARD HOUSE OF BRANDS: PORTFOLIO SEGMENTATION & PRIORITIES



OUR PRESTIGE BRANDS HAVE UNIQUE CAPITAL OF STORIES AND MYTHS

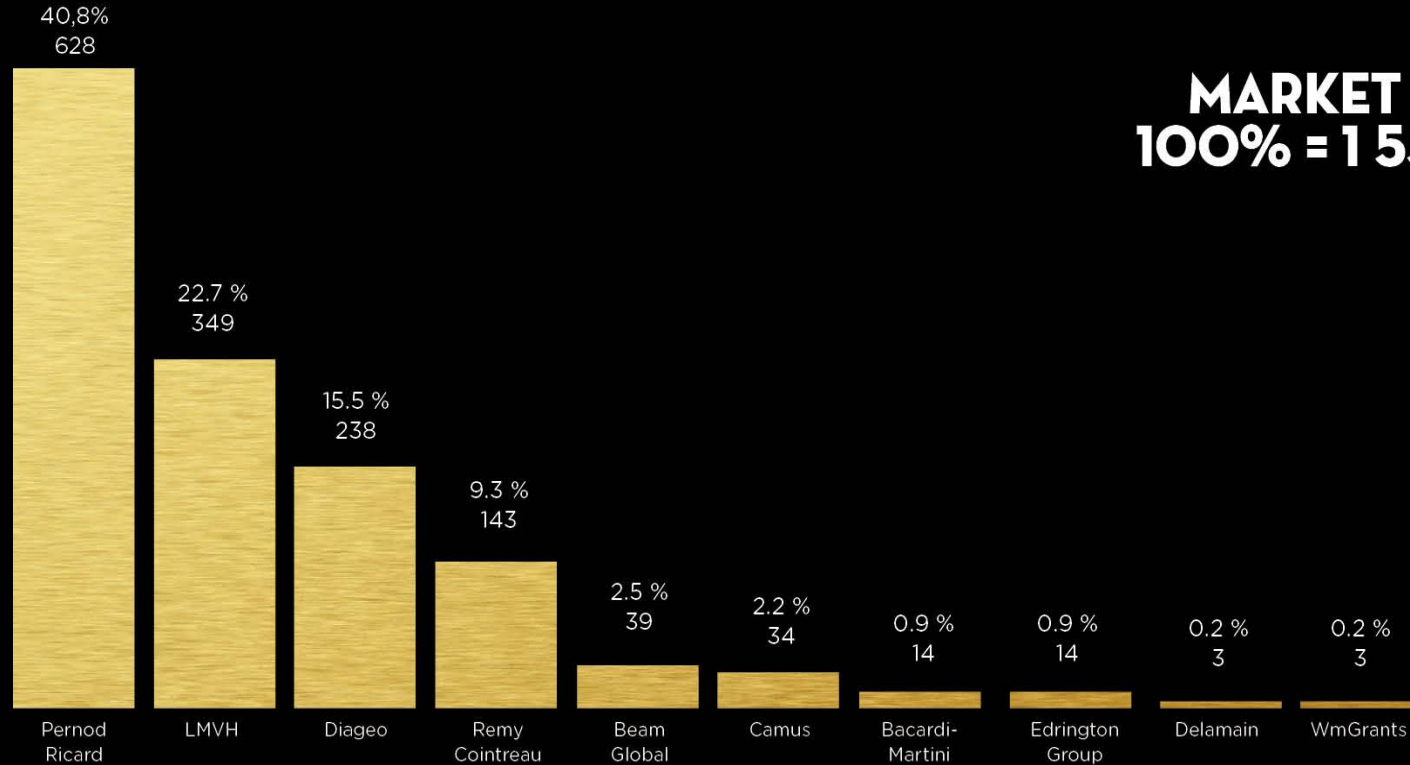


OUR PRESTIGE BRANDS HAVE THE PRODUCTS OF EXQUISITE CRAFTSMANSHIP AND RARITY



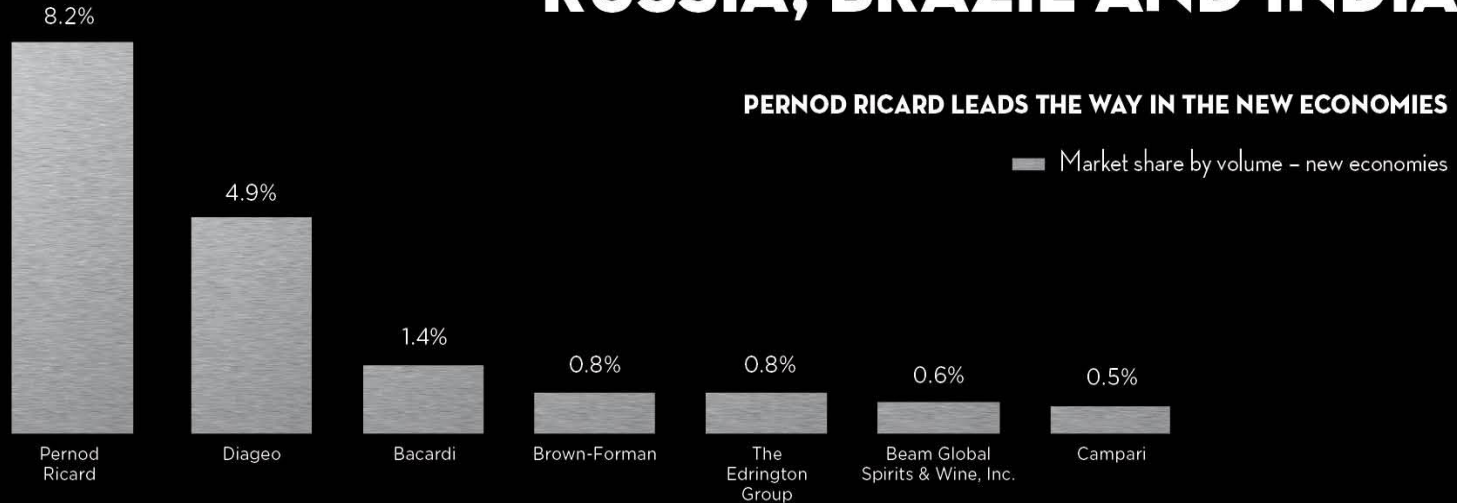
SHARE IN PRESTIGE BRANDS

MARKET SHARE
100% = 1 539 KCS



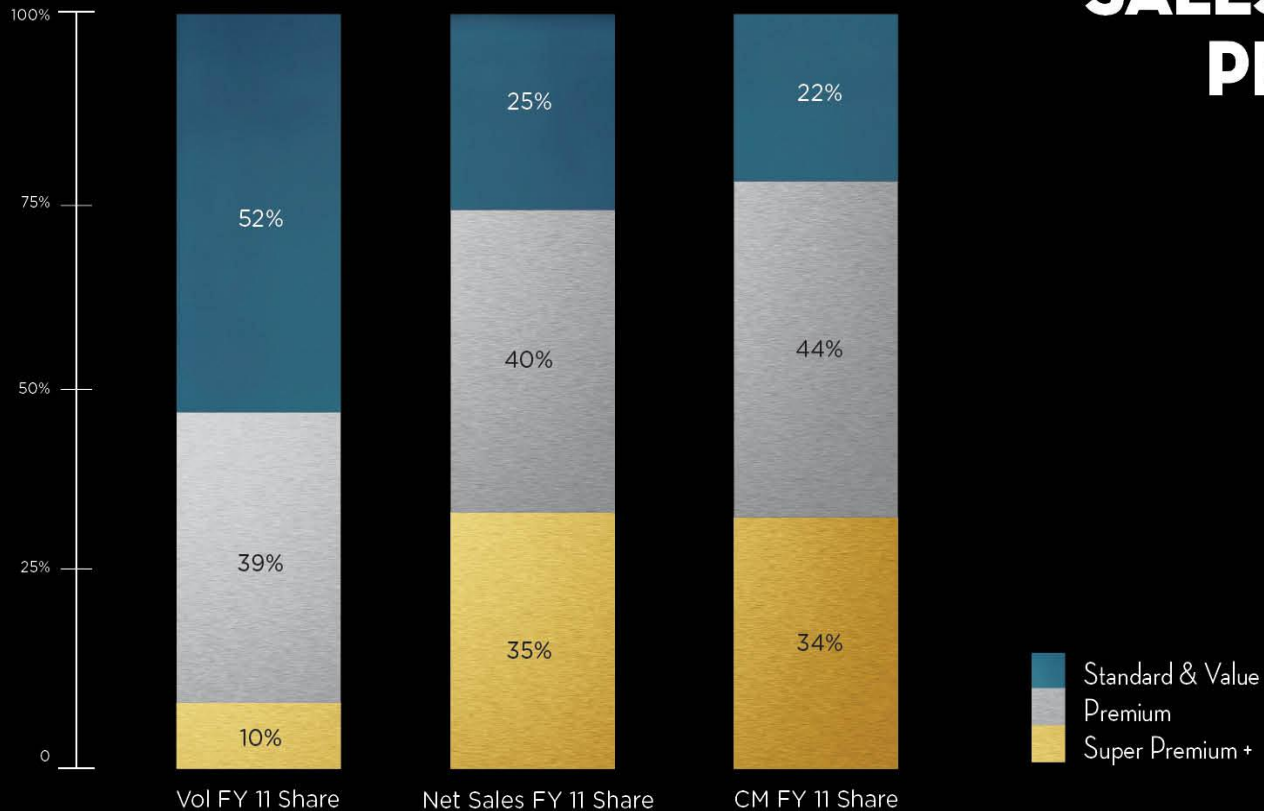
SOURCE: The Pernod Ricard Market View, based on IWSR data ending 2010, '000 9L cs - International Western Style Spirits. Excluding champagne, RTD, wines and wine-based aperitifs.

PERNOD RICARD HAS A WHOLLY-OWNED DISTRIBUTION NETWORK THAT OFFERS STRONG PRESENCE IN ALL GROWING LUXURY MARKETS SUCH AS CHINA, RUSSIA, BRAZIL AND INDIA



SOURCE: : The PR Market View based on IWSR data ending 2010 – Western Style Spirits excluding low price.

SALES AND PROFIT PER CATEGORY



SOURCE: Prisma Actual

WHAT IS THE LUXURY STRATEGY IN PERNOD RICARD?



PERNOD RICARD'S DEFINITION OF LUXURY:

LUXURY IS ELEVATION

Luxury goods are those whose consumption or possession leads to the feeling of **ELEVATION** in terms of

- Social status
- Cultural superiority
- Pleasure

LUXURY IS NOT A PREMIUM PLUS



- A luxury brand is not simply about expensive products
- Luxury requires not a change in degree, but a change in nature



2 KEY DIRECTIONS FOR IMPLEMENTING PERNOD RICARD'S LUXURY STRATEGY

1. Brand Behaviour
2. Route-to-Consumer

LUXURY VS PREMIUM:

CONDITIONS TO BECOME A TRUE LUXURY BRAND

NECESSARY CONDITIONS

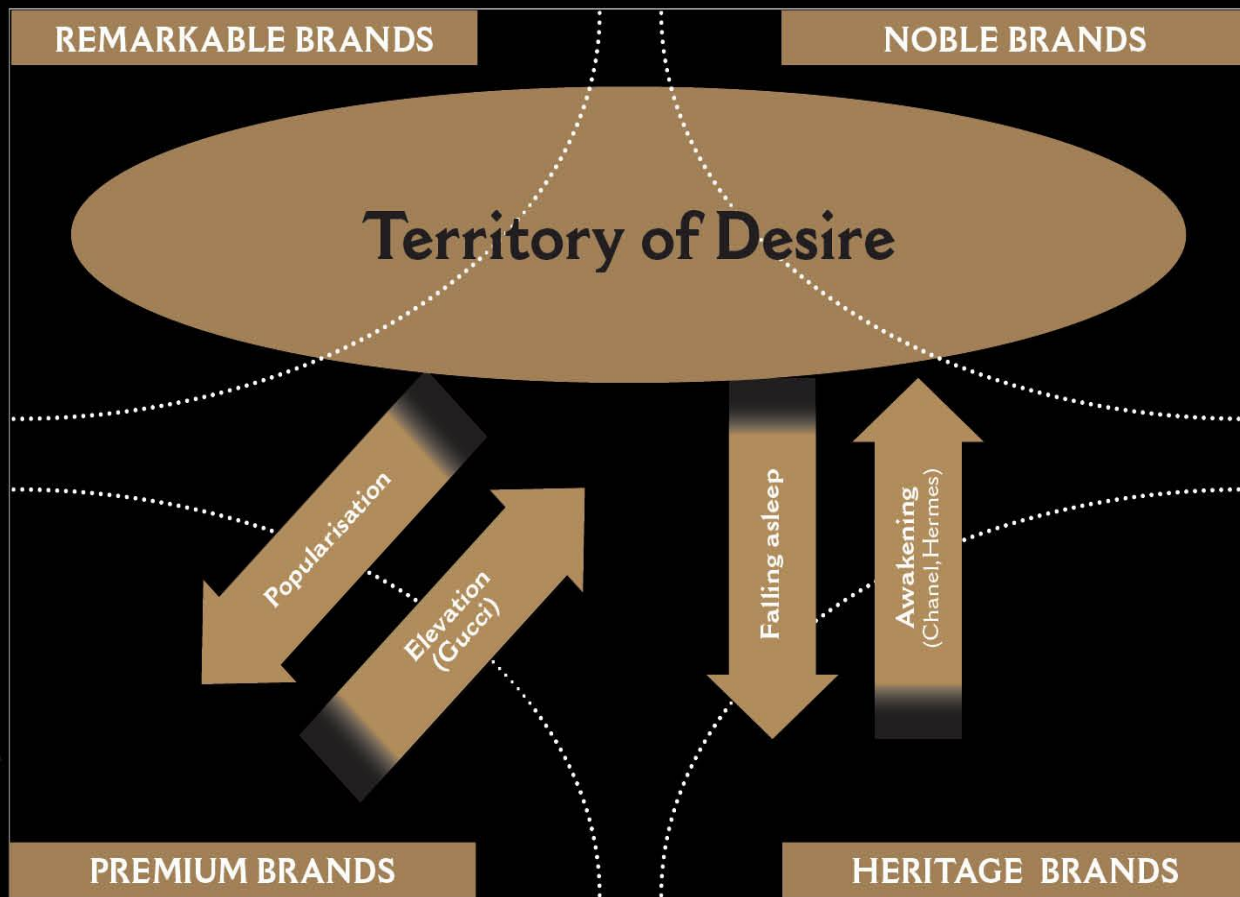
- Story and Myth capital
- Product Capital

SUFFICIENT CONDITIONS

- A holistic code of Brand Behaviour

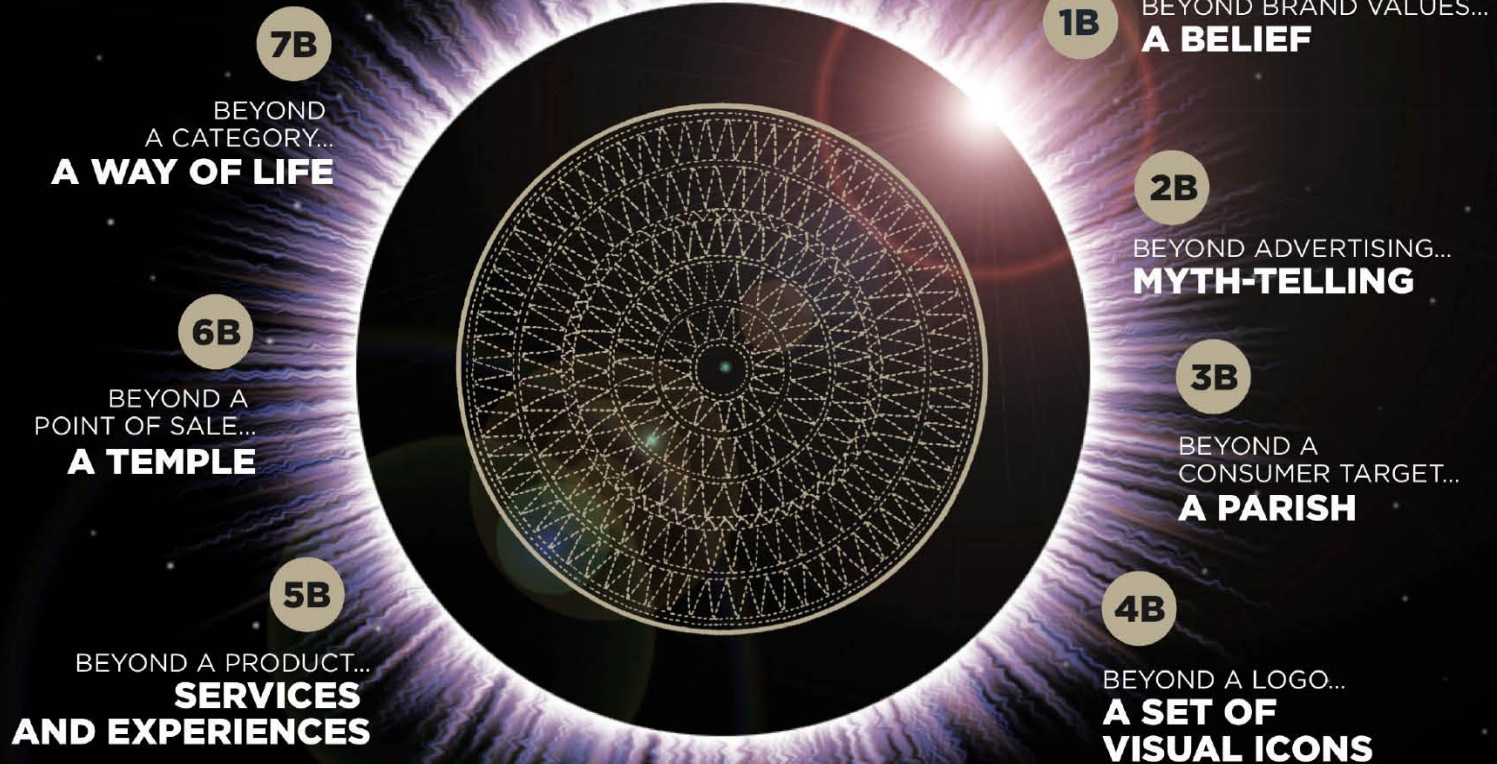


Sufficient Conditions:
Perfection in behaviour



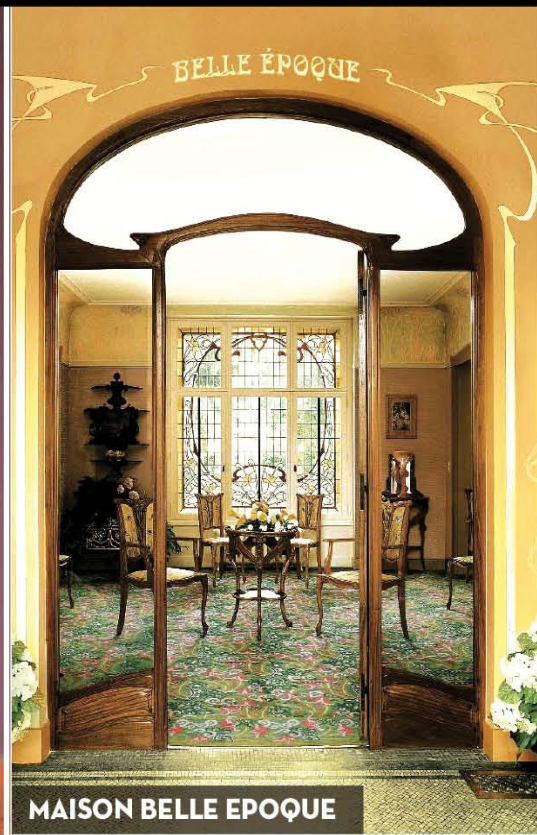
Necessary Conditions: Legitimacy in nobleness

THE 7 B'S OF A LUXURY UNIVERSE





EMILE GALLE BOTTLE



MAISON BELLE EPOQUE



FASCINATION OF MOVEMENT



ORGANIC



POETIC ONEIRISM

1B: A BELIEF

PERRIER-JOUËT AND ART NOUVEAU



2B: MYTH-TELLING

MARTELL CORDON BLEU CENTENARY



3B: A PARISH

ROYAL SALUTE AND POLO TRIBE



4B: A SET OF VISUAL ICONS

PERRIER-JOUËT ANEMONES



5B: SERVICES AND EXPERIENCES

MAISON CORDON ROUGE IN SPAIN



6B: A TEMPLE
MARTELL AT HONG KONG AND KUALA LUMPUR AIRPORTS

MARTELL AND PINEL & PINEL



G.H.MUMM AND PATRICK JOUIN



7B: A WAY OF LIFE

CO-CREATION OBJECTS

FROM ROUTE-TO-MARKET TO A ROUTE-TO-CONSUMER APPROACH

OBJECTIVE

Build luxury brands at Pernod Ricard by developing 1:1 relationships with High Net Worth Individuals (HNWI's) and following through with sales.





ABSOLUT ELYX STORE IN SÃO PAULO

ESTABLISHING DIRECT SALES TO CONSUMERS



ELITE CLUB AND HAINAN RENDEZ-VOUS PARTNERSHIP IN CHINA

DEVELOPING 1:1 RELATIONSHIP WITH HNWI'S



PARTNERSHIP WITH ART BASEL AND DESIGN BASEL

DEVELOPING 1:1 RELATIONSHIP WITH HNWI'S

**AND FINALLY...
LUXURY IS A MATTER
OF CULTURE AND
COMPANY MENTALITY**

