

## Good 3<sup>rd</sup> quarter 2010/11 in line with the first half of the financial year

Confirmation of guidance for organic growth in profit from recurring operations close to +7% for the 2010/11 financial year



5 May 2011

### Presentation structure



- Overall analysis
- Growth by region
- Portfolio review
- Conclusion and outlook

### **Key figures to 31 March 2011**



**→** Sales: €5,902 million (+11%, organic growth +7%)

Top 14: volume +7%, sales +11%\*

Emerging markets\*\*: sales +16%\*

Mature markets: sales +2%\*

<sup>\*</sup> Organic growth

<sup>\*\*</sup> Annual GNP per capita < USD 10,000



### Environment in 3<sup>rd</sup> quarter 2010/11

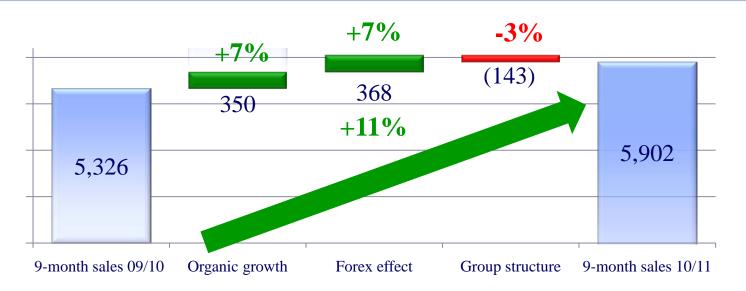
- → Average EUR/USD rate virtually unchanged in Q3 2010/11 vs. Q3 2009/10 yet:
  - Weaker USD at end March 2011 than at end March 2010 (EUR/USD 1.42 on 31 March 2011 vs. 1.35 on 31 March 2010)
  - Ongoing depreciation of the USD compared to appreciation in Q3 and Q4 2009/10



- → Increase in excise duties in the UK (1 April 2011) and in the state of Maharastra in India (mid April 2011)
- → Implementation on January 2, 2011 of the smoking ban in Spain

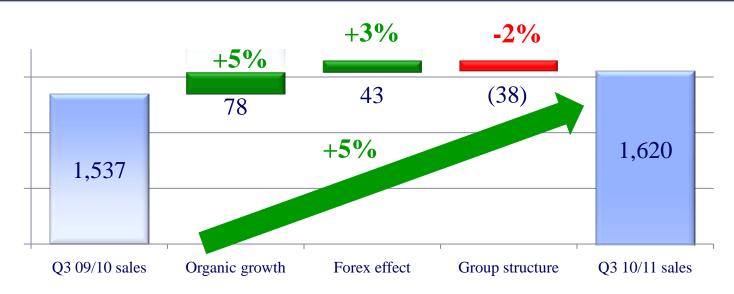


### Nine-month sales growth to 31 March 2011



- → Organic growth: +7% (Spirits +8%, Wines stable)
- → Forex effect primarily related to the rise of the USD, as well as many other currencies: CNY, INR, AUD, KRW, MXN, CAD, BRL, etc.
- → Group structure: mainly disposals of certain Scandinavian, Spanish and New Zealand assets
- → Forex and group structure impacts for the 2010/11 financial year estimated respectively at approximately  $\leq 20^*$  million and  $\leq (50)$  million on PRO

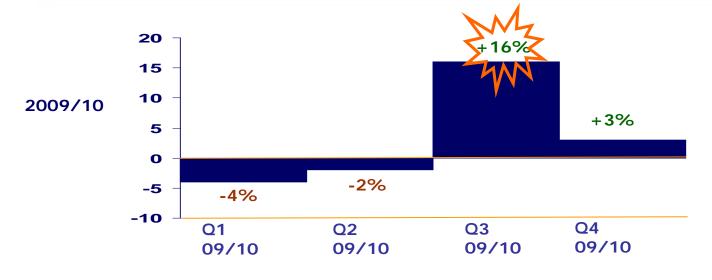




- → Organic growth: +5% (Spirits +6%, Wines -2%)
- → Forex effect primarily due to the appreciation of the following currencies: CNY, AUD, INR, KRW, MXN, GBP, etc.
- → Group structure impact: mainly disposals of certain Scandinavian, Spanish and New Zealand assets

### Organic sales growth by quarter 2009/10 and 2010/11







Significant growth in Q3
2010/11 despite the difficult
comparison basis

### 3<sup>rd</sup> quarter 2010/11 trends and key events



- → Continued strong growth of our strategic brands with a further increase in the share of the premium portfolio
- → Confirmation of strong growth in emerging markets\*(+15%\*\*) and stability\*\* in mature markets (impacted by certain unfavorable technical factors)
- **→**Some noteworthy factors:
  - US: acceleration of growth during the quarter, in particular for premium brands
  - Europe: situation remaining difficult in Western Europe, but continued strong growth in Eastern Europe
  - Japan: Significant slowdown, with an organic decline of 7% in Q3
- **→**Improved debt profile thanks to the success of two bond issues:
  - 10 March 2011: 1 billion EUR at 6 years and 5.00%
  - 7 April 2011: 1 billion USD at 10 years and 5.87%

### Main technical effects of Q3 2010/11



- → UK: sales ahead of rise in excise duties on 1 April 2011
- → China: as anticipated, growth in Q3 2010/11 below that of HY1 (9-month cumulative growth of 25%\*): Q3 2010/11 hampered by the timing of the Chinese New Year (03/02/2011 vs. 14/02/2010)
- → Volume shifts from Q3 in 2010 to Q4 in 2011 due to the timing of Easter (25/04/2011 vs. 05/04/2010), mainly in Europe
- → Spain: difficult comparison basis (Q3 2009/10 benefitted from sales prior to price hikes)

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### Organic sales growth by region

	9 months 2009/10	9 months 2010/11
Asia-RoW	+10%	+15%
Americas	+3%	+6%
Europe (excluding France)	-6%	0%
France	+1%	+4%
World	+2%	+7%

Q3 2010/11
+10%
+11%
-6%
+4%
+5%

### All regions contributed to the acceleration of growth over the first 9 months of the fiscal year:

- Asia-RoW remained the most dynamic growth driver
- accelerated growth in Americas
- improvement of trends in Europe, in a market that remained difficult in Western Europe yet is dynamic again in Eastern Europe

### Asia – Rest of World Analysis by category



(€ millions)	9 months 2009/10	9 months 2010/11	Δ	Organic ∆
Sales*	1,746	2,156	+23%	+15%

<sup>\*</sup> Including customs duties

#### Strong dynamism confirmed

- → Martell: Martell remains the leading growth driver of the region even after the expected technical slowdown in Q3
- → Indian whiskies: 2<sup>nd</sup> growth driver both in Q3 and during the first 9 months of the 2010/11 financial year
- → Scotch whiskies are the 3<sup>rd</sup> contributor to growth, followed by ABSOLUT and Champagne
- → 100 Pipers: persisting difficulties in the face of competition from local whiskies in Thailand
- → Local wine brands: declines in Australia and New Zealand

### Asia – Rest of World Analysis by country



- → China: very strong growth (+25%\*) driven by Martell and Scotch whiskies. As expected, technical slowdown anticipated in Q4 (estimated annual growth between 20%\* and 25%\*)
- → India: 32%\* growth with very strong progression of local whiskies and the Top 14
- → Other emerging markets fast expanding (Vietnam, Africa, Turkey)
- → Taiwan: sustained growth confirmed
- → Duty Free: activities remain buoyant, with double-digit growth
- → South Korea: growth at end March but a decline for the Q3 in a market slightly down
- → Thailand: situation difficult overall but growth for Top 14
- → Australia: Q3 sales penalised by flooding in Queensland
- → **Japan:** increase in cumulative sales on a favourable comparison base due to the lack of Chivas sales in Q1 2009/10, yet a significant slowdown in Q3 (-7%\*) and Q4 due to the earthquake and tsunami

### **Americas Analysis by category**



(€ millions)	9 months 2009/10	9 months 2010/11	Δ	Organic ∆
Sales	1,369	1,564	+14%	+6%

### **Accelerating growth**

- → Acceleration of organic growth in Q3 2010/11 (+11%\* vs. +4%\* in HY1 2010/11)
- → Top 14 (+9%\*): the main source of growth, with Jameson in the US, ABSOLUT in the US and Brazil, Chivas, Ballantine's and Havana Club
- → **Priority Premium Wines**: moderate growth (+2%\*)
- → Local spirits brands: significant decline of Seagram's Gin (stability\* in Q3) and Something Special (limited access to USD in Venezuela)
- → Strong growth of Mumm Cuvée Napa (+20%\*) in the US and wines in Argentina (Colon +31%\* and Etchart +59%\*)

### **Americas Analysis by country: US**

# Pernod Ricard Créateurs de convivialité

- → Gradual market recovery: Nielsen 9 months 2011 +2% and NABCA +3% Faster growth of premium brands, improved trends in the on-trade, and decline in promotional intensity of certain competitors
- → In this context Pernod Ricard is benefitting from its premium positioning
- Top 14 organic sales growth of +6%
- Marked improvement of ABSOLUT's performance and very strong growth by Jameson

ABSOLUT	9 months 2009/10	9 months 2010/11
Depletions	-4.1%	+2.6%
Nielsen	+0.7%	+3.8%
NABCA	-5.9%	+6.3%

Jameson	9 months 2009/10	9 months 2010/11
Depletions	+25.1%	+28.7%
Nielsen	+17.4%	+25.9%
NABCA	+19.8%	+25.7%

• Strong performance of The Glenlivet, Malibu and Mumm Cuvée Napa and rebound of Perrier-Jouët

#### **Americas**

## Pernod Ricard

### Analysis by country: other countries in the Americas Créateurs de convivialité

- → Canada: moderate sales growth with strong growth of ABSOLUT, Jameson, Havana Club and Graffigna, but declines of Malibu and Jacob's Creek
- → Mexico: significant growth with strong performances by Chivas, Ballantine's, Jameson, The Glenlivet, Royal Salute and Passport whiskies but a decline of local brandies
- → Central and South America: double-digit growth
- Significant growth in most markets: Brazil, Argentina, Andean countries, Cuba, Central America
- Sharp decline in Venezuela (restricted access to USD caused a decrease in business) with however a strong rebound in Q3 on a very easy comparison base

### **Europe** (excluding France) **Analysis by category**



(€ millions)	9 months 2009/10	9 months 2010/11	Δ	Organic ∆
Sales	1,686	1,633	-3%	-

#### Sales stable\* for the 9 months

- → Stable\* at end March, a marked improvement compared to the trend of the same period of the previous financial year. Decline of -6%\* in Q3, mainly due to the timing of Easter and to certain technical effects, particularly in Spain (smoking ban, sales before price increases in Q3 2009/10) => Rebound in April 2011
- → Top 14 (+4%\*): growth driven by Jameson, ABSOLUT, The Glenlivet, Mumm and Perrier-Jouët
- → Priority Premium Wines stable\*: decline of Jacob's Creek in the UK offset by strong growth of Campo Viejo in the UK, Germany and Ireland
- → Local brands: strong decline in Polish vodkas and in aquavits in Scandinavia

### **Europe** (excluding France) **Analysis by country**



- → Western Europe: sales down 2%\*
- Germany: strong growth, supported by ABSOLUT, Havana Club and Amaro Ramazzotti
- Decline in **Spain** after a difficult Q3 (smoking ban, unfavourable comparatives/strong sales in March 2010, later Easter) and in the **UK**, nevertheless with improved trends in both markets compared to the 2009/10 financial year
- **Benelux:** good growth
- **Scandinavian countries:** decline in a difficult market, adversely affected by the timing of Easter 2011
- Continued decline in **Ireland** (-3%\*) and **Greece** (-34%\* in line with HY1 2010/11 trend)
- → Eastern and Central Europe: strong growth (+8%\*), confirmed in Q3
- Russia and Ukraine: continued powerful recovery of the business (double-digit growth)
- **Poland:** acceleration of the growth of imported brands but continued decline of Polish vodkas
- **Czech Republic:** strong recovery of Becherovka in Q3 (rise in excise duties on 1 January 2010), but YTD sales are still down at the end of March 2011

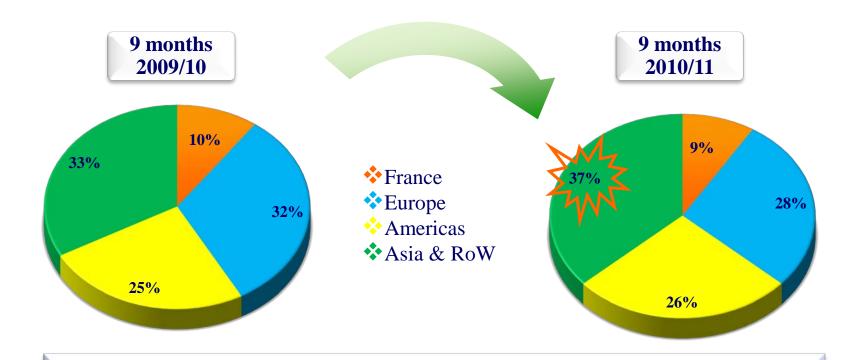


(€ millions)	9 months 2009/10	9 months 2010/11	Δ	Organic ∆
Sales	525	549	+4%	+4%

#### **Sustained solid growth**

- → Continued strong performance of the Top 14 (+6%\*), in particular: Ricard, ABSOLUT, Chivas, Mumm, Perrier-Jouët, Jameson, Ballantine's and Havana Club
- → Ricard, benefitting from the launch of the new bottle, grew 2.5% in the off-trade during the first 9 months of the year, in a market down 2.1%
- → Chivas, ABSOLUT, Jameson, Havana Club and Ballantine's also significantly consolidated their off-trade positions
- → The Top 14 represented 64% of sales for the first 9 months of the 2010/11 financial year

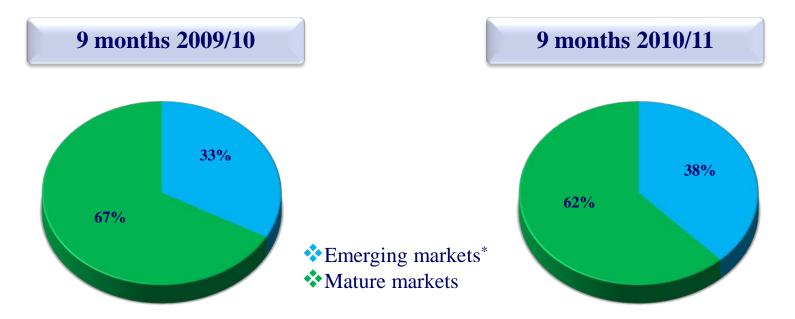




Strong increase in Asia & Rest of World's share of Group sales

### Sales breakdown between emerging markets\* and mature markets





- **→** Emerging markets\*: +16%\*\* growth, accounting for 80% of the Group's total growth
- **→** Mature markets: +2%\*\* growth

<sup>\*</sup> Annual GNP per capita < USD 10,000

<sup>\*\*</sup> Organic growth

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### Organic sales growth by category

	% of sales	FY 2009/10	9 months 2010/11
Top 14 Spirits & Champagnes	59%	+4%	+11%
Priority Premium Wines	5%	-2%	+1%
18 key local spirits brands	17%	+4%	+2%
Other	19%	-3%	0%
Total	100%	+2%	+7%

Q3 2010/11
+8%
<b>-5%</b>
+2%
+3%
+5%

Very favourable growth mix
Premium brands\* represented 71% of sales
at 31 March 2011 compared to 69% at 31 March 2010

#### Portfolio review





## Top 14 Spirits & Champagne

















**Sales:** +11%\*

% of Group sales: 59%















## Acceleration of growth compared to 2009/10 with price/mix remaining very favourable (+4%)

	Volume organic growth	Net Sales organic growth	Price/mix effect
Absolut	7%	7%	0%
Chivas Regal	9%	9%	1%
Ballantine's	7%	9%	2%
Ricard	0%	3%	4%
Jameson	20%	22%	2%
Malibu	1%	-2%	-3%
Beefeater	3%	3%	0%
Kahlua	-3%	-3%	0%
Havana Club	14%	8%	-6%
Martell	14%	25%	11%
The Glenlivet	14%	15%	1%
Royal Salute	24%	26%	2%
Mumm	6%	6%	1%
Perrier Jouët	17%	21%	4%
Top 14	7%	11%	4%

- → 5 out of 14 brands reported double-digit organic sales growth
- → 12 out of 14 brands benefited from favourable or neutral price/mix
- → Confirmed dynamism of Jameson
- → Rebound of Scotch whiskies and Champagne

### **Top 14 Spirits & Champagne Iconic Brands**



ABSOLUT® Country of Sweden VODKA	Confirmed growth in the US (volumes +3%, sales +1%*) and outside the US (volumes +10%, sales +12%*) with an overall price/mix that turned positive to +2% in Q3 ABSOLUT broke its volume record with nearly 11 million 9L cases in Q3, based on the 12 months ending March 2011
CHIVAS	Continued premiumisation with Chivas 18 years old +25%* and Chivas 25 years old +71%* Price/mix impact of premiumisation offset by very strong sales growth in Duty Free (+26%*)

### **Top 14 Spirits & Champagne Premium Brands**



RICARD	Launch of the new bottle in February 2011 with significant market share gains in the off trade
JAMESON	Continued very strong growth in the US ( $> +30\%$ *), in Eastern Europe and Africa/Middle East
Havana Club	Very strong growth of "3 Años" in Germany and "Añejo Blanco" in Cuba (unfavourable mix effect)
Kamua	Renewed growth in Q3 2010/11 with the launch of the new "Delicioso" advertising campaign
Ballantine's,	Growth driven by Asia, Eastern Europe and Duty Free markets, with an overall very favourable mix of qualities
BEEFEATER	Moderate growth and market share gains in Spain. Growth was primarily generated in emerging markets
PALISO	Moderate volume growth, driven by the US (success of "Malibu cocktails"). More contrasted situations across Europe

## **Top 14 Spirits & Champagne Prestige Brands**



MARTELL	Very strong growth (+25%*) with very favourable price/mix due to the success of Martell in Asia (+33%* in China)
POYAL SALUTI	Rapid development in all key markets: China, Asia Duty Free, Taiwan, Vietnam, etc.
GLENLIVET.	Good performance by the brand in the US and very strong growth in Asia, in particular for superior qualities
MPAGNE MUMMI	Market share gains in France (Nielsen +2.5% in a stable market) and strong growth in Italy, China and Australia
PERRIED OUET memoranisariem d de may cando	Confirmed strong rebound in major markets: the US, Japan, France and Italy. Declines in Switzerland and the UK

### **Major Marketing Initiatives & Innovation**





















# Top 14 Spirits & Champagnes







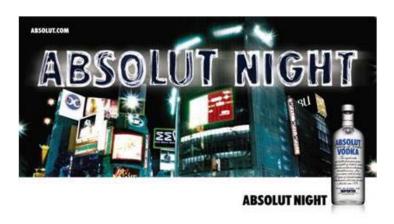








#### ABSOLUT Night: TV commercials in Brazil, Chile, Italy, Mexico and Greece



ABSOLUT Wallpaper campaign in Italy to "redesign & reinvent your city" launches "Ron English" artist limited edition





Launch of ABSOLUT Svea limited edition in Sweden







#### Launch of Chivas Regal 18 Vivienne Westwood Limited Edition at London Fashion Week





**Chivas Regal 25 - Title Sponsor of Asian Film Awards March 2011** 



**Pre-Awards TV advertising** 





**Awards Ceremony in Hong Kong** 





### **Ballantine's Finest new TV commercial** "Leave an Impression"



Ballantine's Championship South Korea April 2011



### Ballantine's 12 ART OF BEYOND Bar installations







### New Martell Noblige TV campaign in China and Taiwan





### New Martell VSOP packaging







#### Jameson continues film sponsorship...

2011 Jameson / Empire "Done in 60 Seconds" competition





Jameson "Cult Film Club" with Kevin Spacey



Jameson's St. Patrick promotion at Gatwick Airport with a limited edition









### Launch of the new Ricard bottle

















#### Shooting begins on Havana Club-sponsored movie "7 Days in Havana"





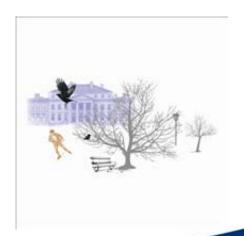




#### Beefeater "Winter Gin"













"Royal Salute World Polo – Nations Cup" in Dubai, January 2011





"The Glenlivet Archive," a one-of-a-kind collection, sold for GBP 20,000 at "Masters of Spirits" in Singapore











Success of the mix of famous Italian DJ duo "Crookers"



New application Malibu Music Mixer downloaded more than 300,000 times in the first three months



### KAHLUA

Competition to win a
"Delicioso Night In"
with celebrity chef Aarón Sánchez













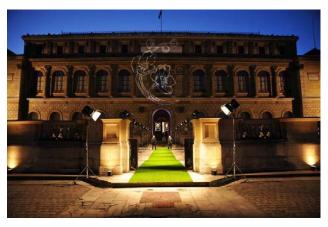
# Launch of "Les Menus de Légende" 2011 Edition where Mumm invites top chefs to reinterpret classic menus

(www.menusdelegende.com)



### PERRIER JOUET SOMME CONTROL SAND A SERVICE CONTROL A SERVICE A S

#### **Celebrating Perrier-Jouët's bicentenary**



**International Bicentenary Dinner, Beaux-Arts, Paris** 



US artist Daniel Arsham created a diptych sculpture containing 2 magnums of Belle Epoque 1998

#### **Priority Premium Wines**



**Volume: stable** 

**Sales:** +1%\*

% of group sales: 5%

JACOB'S CREEK®

**Volume -4% Sales\* -1%** 



**Volume +9% Sales\* +10%** 



**Volume +5% Sales\* -1%** 



**Volume** +13% **Sales**\* +23%

#### **Priority Premium Wines**

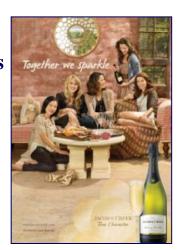


Jacob's Creek

sponsor of the Australia Tennis Open for the 2<sup>nd</sup> year with 1.9 billion viewers in 2011



Launch in Australia of
Jacob's Creek Sparkling's
campaign
"Together We Sparkle"



### Brancott Estate's sponsorship of the 2011 Rugby World Cup



#### Campo Viejo's new press campaign in Spain



#### 18 key local spirits brands













**Volume: +5%** 

**Sales:** +2%\*

% of Group sales: 17%



















**IMPERIAL** 







#### Presentation structure



- Overall analysis
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#### **Confirmation of improved business trends**

- → Good Q3 at +5%\* despite a challenging comparison basis
- **→** Nine-month organic sales growth of +7%\* supported by:
  - Strong growth in emerging markets (+16%\*)
  - Confirmed recovery in mature markets (+2%\*)
- **→** Portfolio premiumisation:
  - Top 14 +11%\* with significant price/mix (+4%)
  - Premium brands +9%\*



## These good results strengthen our confidence to achieve our objectives:

Organic growth in profit from recurring operations for the 2010/11 financial year close to +7%

Net Debt\*/EBITDA\* ratio close to 4 at the 30 June 2012 year end

#### **Next communications**



- → Conference calls with Regional CEOs:
  - Europe: Thursday 23 June 2011 with Laurent Lacassagne
  - America: Thursday 15 December 2011 with Philippe Dréano
- → Next communications from Pernod Ricard Holding:
  - Capital Markets Days 2010/11: 24 and 25 May 2011 in New York
  - 2010/11 annual results: Thursday 1 September 2011



# Pernod Ricard

Créateurs de convivialité

### **Appendices**



#### Strategic brands organic growth

	Volume organic growth	Net Sales organic growth	Price/mix effect
Absolut	7%	7%	0%
Chivas Regal	9%	9%	1%
Ballantine's	7%	9%	2%
Ricard	0%	3%	4%
Jameson	20%	22%	2%
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Royal Salute	24%	26%	2%
Mumm	6%	6%	1%
Perrier-Jouët	17%	21%	4%
Top 14	7%	11%	4%



#### Sales by region

Net Sales (€ millions)	HY1 20	09/10	HY1 20	10/11	Chang	je	Organic G	rowth	Group Stri	ucture	Forex im	pact
France	397	10.5%	415	9.7%	18	5%	18	5%	(0)	0%	0	0%
Europe excl. France	1,247	32.9%	1,235	28.8%	(12)	-1%	24	2%	(68)	-5%	31	2%
Americas	1,000	26.4%	1,151	26.9%	151	15%	38	4%	(4)	0%	117	12%
Asia / Rest of the World	1,145	30.2%	1,481	34.6%	336	29%	191	17%	(33)	-3%	178	16%
World	3,789	100.0%	4,282	100.0%	493	13%	272	7%	(104)	-3%	325	9%

Net Sales (€ millions)	Q3 200	9/10	Q3 201	0/11	Chan	ge	Organic G	rowth	Group Str	ucture	Forex im	pact
France	128	8.3%	133	8.2%	5	4%	5	4%	(0)	0%	(0)	0%
Europe excl. France	439	28.6%	399	24.6%	(41)	-9%	(25)	-6%	(21)	-5%	6	1%
Americas	369	24.0%	413	25.5%	44	12%	40	11%	(0)	0%	5	1%
Asia / Rest of the World	601	39.1%	675	41.6%	74	12%	59	10%	(17)	-3%	32	5%
World	1,537	100.0%	1,620	100.0%	82	5%	78	5%	(38)	-2%	43	3%

Net Sales (€ millions)	YTD M 2009		YTD March 2010/11		Change		Organic Growth		Group Structure		Forex impact	
France	525	9.9%	549	9.3%	23	4%	23	4%	(0)	0%	0	0%
Europe excl. France	1,686	31.7%	1,633	27.7%	(53)	-3%	(1)	0%	(89)	-5%	36	2%
Americas	1,369	25.7%	1,564	26.5%	196	14%	77	6%	(4)	0%	122	9%
Asia / Rest of the World	1,746	32.8%	2,156	36.5%	409	23%	250	15%	(50)	-3%	209	12%
World	5,326	100.0%	5,902	100.0%	575	11%	350	7%	(143)	-3%	368	7%



#### **Foreign Exchange Effect**

Forex impact YTD March 20	Avera	On Net			
(€ millions)	2009/10	2010/11	%	Sales	
US Dollar	USD	1.43	1.34	-6.4%	78
Chinese Yuan	CNY	9.77	8.93	-8.6%	49
Indian Rupee	INR	67.23	60.94	-9.4%	30
Korean Won	KRW	1.69	1.53	-9.6%	20
Russian Ruble	RUB	43.23	40.42	-6.5%	9
Canadian Dollar	CAD	1.52	1.36	-11.0%	18
Mexican Peso	MXN	18.65	16.62	-10.9%	19
South African Rand	ZAR	10.88	9.48	-12.9%	7
Brazilian Real	BRL	2.58	2.28	-11.5%	15
Thai Baht	THB	47.78	41.11	-14.0%	14
Taiwan Dollar	TWD	46.28	40.73	-12.0%	7
Swiss Franc	CHF	1.50	1.31	-12.2%	5
Singapourian Dollar	SGD	2.02	1.76	-13.1%	7
Turkish Lira	TRL	2.14	2.03	-5.2%	2
Pound Sterling	GBP	0.89	0.85	-4.4%	13
Australian Dollar	AUD	1.62	1.39	-14.5%	24
Swedish Krona	SEK	10.24	9.15	-10.6%	6
Other currencies					46
Total					368



Group structure YTD March 2010/11 (€ millions)	On Net Sales
Scandinavian assets	(64)
Other	(78)
Total Group structure	(143)