



Pernod Ricard

Pernod Ricard 2010 Press & Capital Market Day The French Market



May 20th, 2010



RICARD & PERNOD IN FRANCE

Philippe Savinel / César Giron



Pernod Ricard in France

→ Pernod Ricard in Paris

- Group Holding

→ MMPJ (Martell, Mumm, Perrier-Jouët) in Cognac, Reims & Epernay

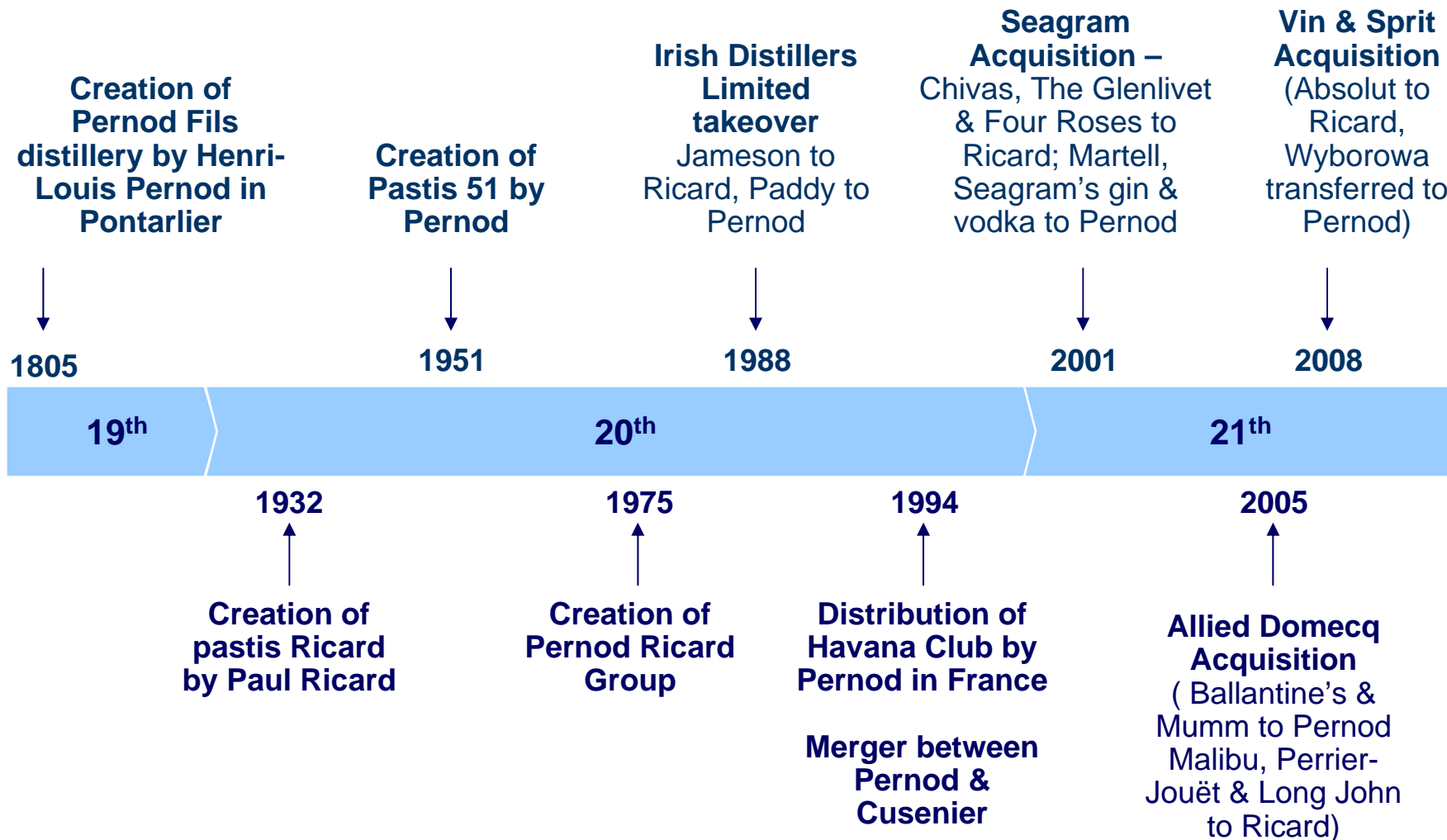
- Brand company in charge of cognac and champagne brands

→ Pernod (headquarters in Créteil) and Ricard (headquarters in Marseilles)

- Market companies for Pernod Ricard portfolio in France and Brand companies for French brands except cognac and champagne brands (anis, wine-based aperitifs, other sparkling wines)



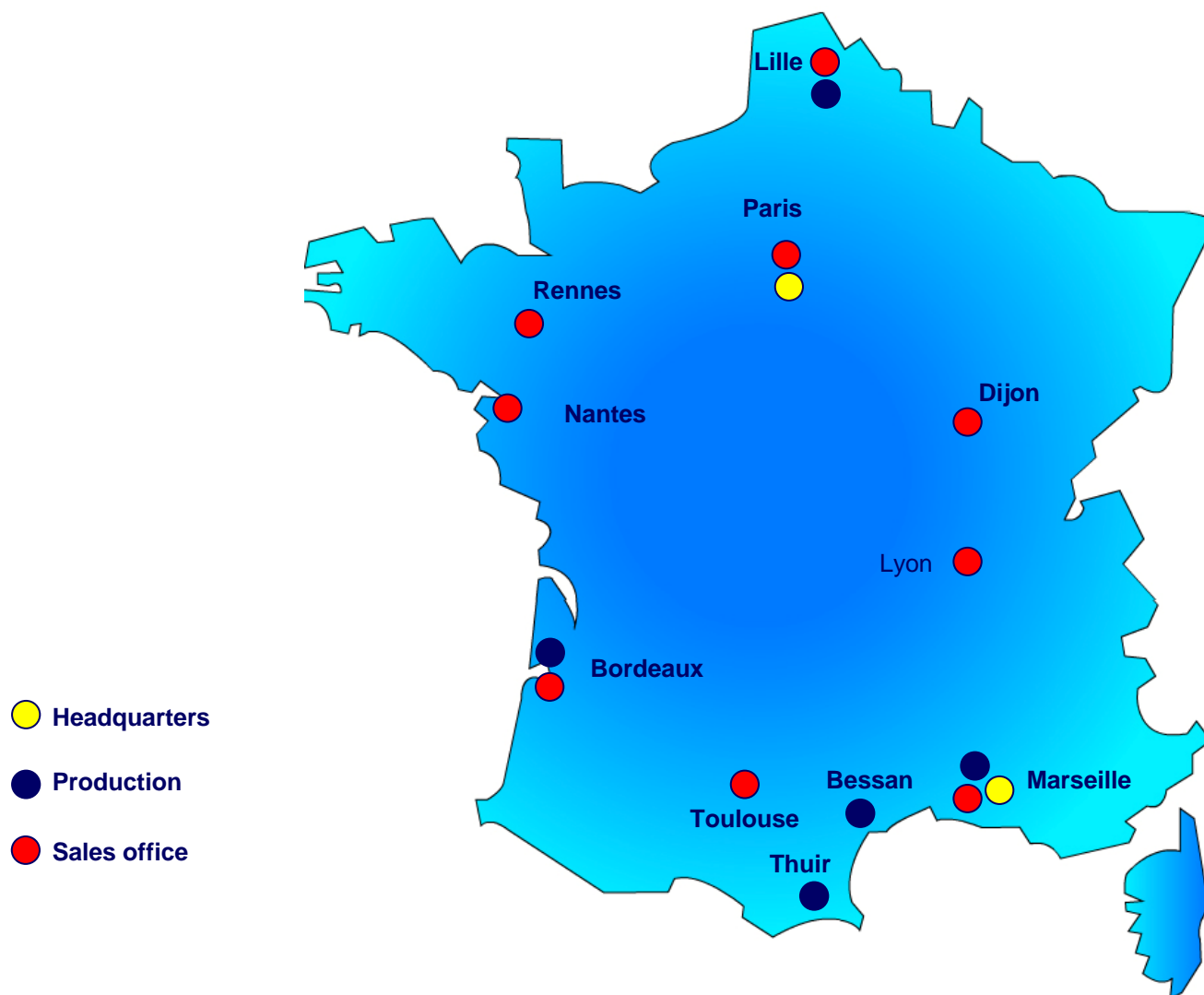
History of Pernod and Ricard in France



Pernod and Ricard presence in France



Pernod Ricard



2008/09 Key Figures

			Total
Total volume <i>of which exports</i>	77 ML 17%	51 ML 17%	128 ML 17%
Headcounts <i>of which salesforce</i>	920 57%	740 48%	1660 53%
Average age	41 YO	42 YO	41 YO



Two companies: the key of our success in France

Pernod Ricard

→ Historical reasons :

- 1975 Pernod SA + Ricard SA = Pernod Ricard Group
- Objectives : join forces to develop international business while keeping 2 competitive companies in France


→ Market reasons :

- Size of the market : 2nd western style spirit market worldwide which allowed market share expansion for both companies
- Strong leading position in most categories

→ Pernod Ricard's brand acquisitions reasons :

- Strengthen both Pernod & Ricard brands portfolio, enhancing competitive position of both companies
- All new brands have been successfully developed thanks to our ability to **manage twice as many priorities as it would have been possible with a single company**

Priority Brands Portfolio

	Aperitif	Party / Night	Tasting / Prestige
« Leading brands »			
« Strong brands »			
« Future stars »			



Business model and company culture

→ Strong culture

- All employees have strong commitment (on and off-trade activities, PR, events,)
- Strong team spirit

→ Generous profit sharing scheme

- Employees shareholding (approx € 160 m essentially invested in Pernod Ricard shares by both Ricard & Pernod employees funds)

→ Values: conviviality, mutual trust, respect

→ Ways of working: decentralization, responsibility and entrepreneurship

Synergies achieved both at Group and French level



Pernod Ricard

→ Group level :

- Sourcing : raw material (100%), media space (90%), market intelligence and panels (90%), POS material (50%),
- Centralized cash management
- Intellectual Property management

→ French level :

- Shared on-trade logistics : storage and domestic deliveries; container sharing for export
- Bad debt collection and/or management centralized at Ricard in Marseilles
- Shared production for wine-based aperitifs, small and large bottle formats and potential industrial backups
- Representation and fees for several organizations : FFS, IREB, Entreprise & Prévention, ILEC, UDA



Constant effort to generate value

→ Over the last 30 years

Headcount reduction by 60% (from 4,078 in 1980 to 1,615 in 2010)

Commercial productivity gains (volume sold per salesman):
+53%

Industrial productivity gains (volume produced per worker):
+95%

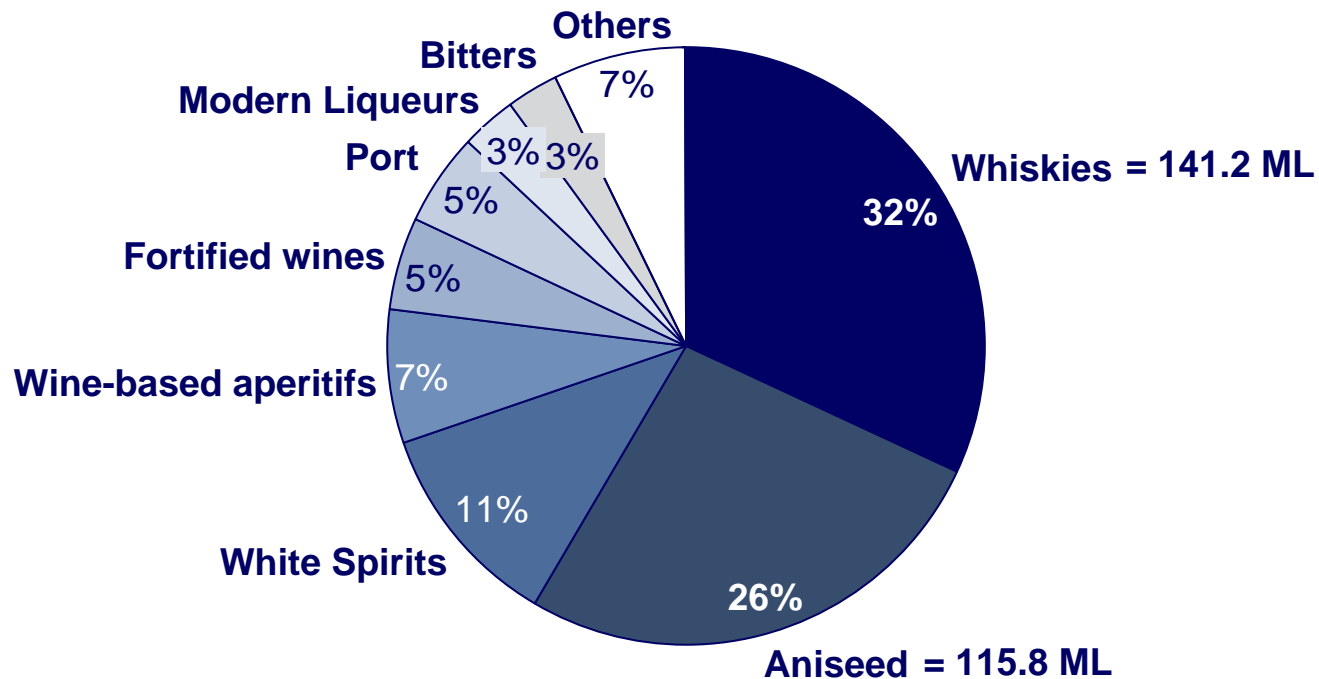


THE FRENCH MARKET & PERNOD RICARD BRANDS IN FRANCE

Philippe Savinel / César Giron

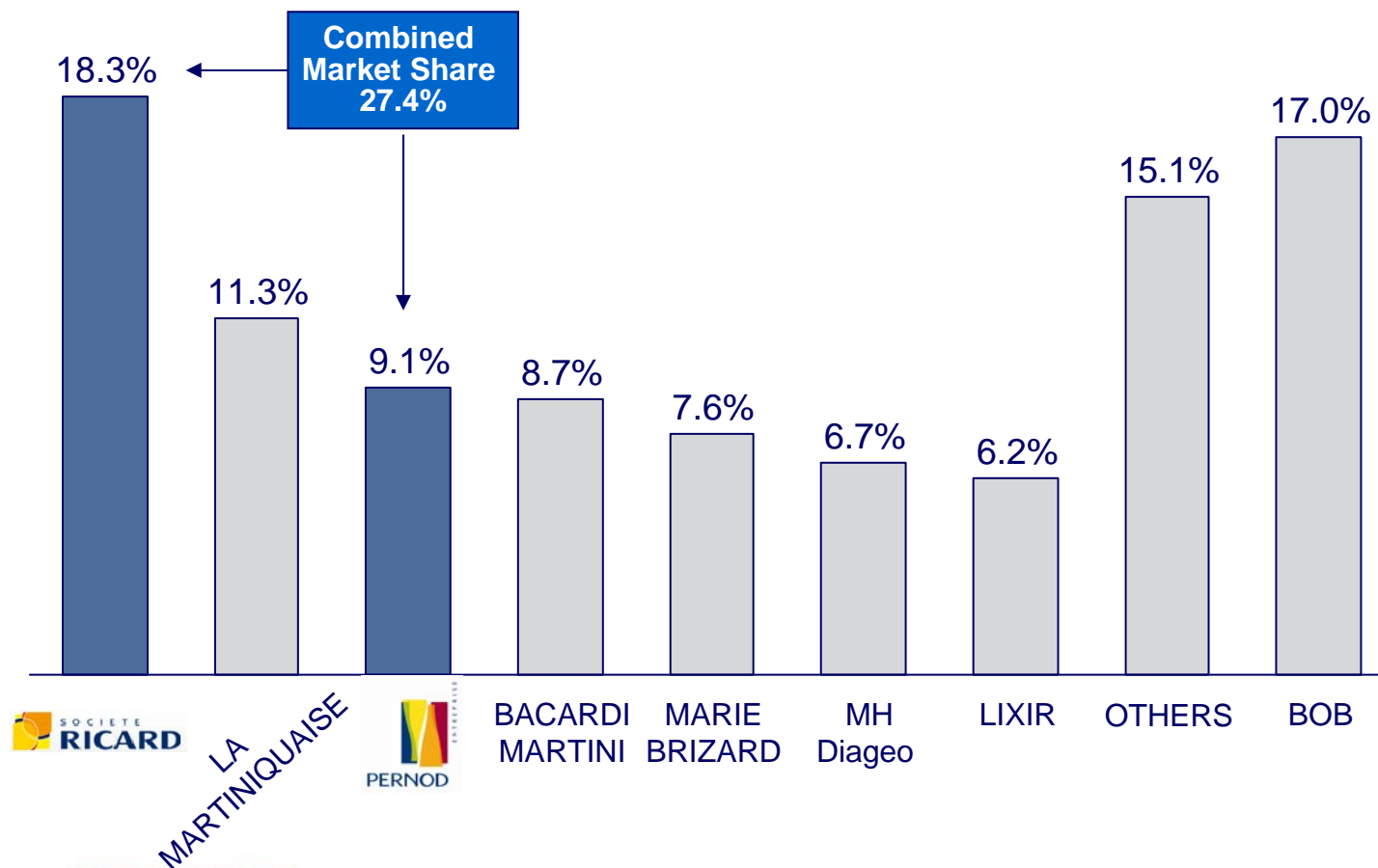
France is n°2 spirits market worldwide

Spirits market in France : 441ML (+0.3%)

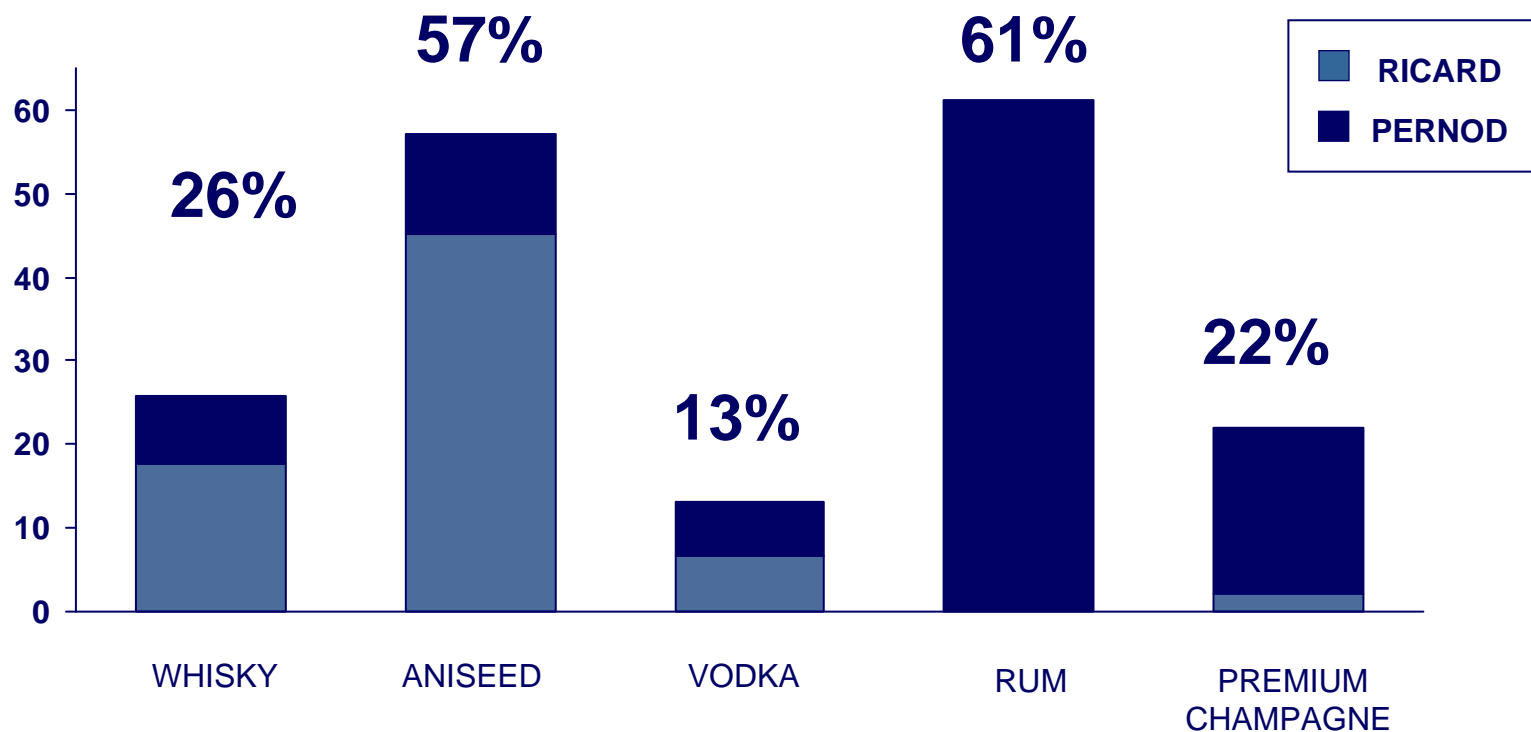


Pernod Ricard is by far the leader of the spirits market

Market Shares in France (Off Trade)



Share of Market '09 (IWSR)





MAJOR BRANDS IN FRANCE

Philippe Savinel / César Giron

→ OVERALL OBJECTIVE :

- Strengthen leadership in aperitif occasions (i.e. against private label, beer & wine mainly)

→ STRATEGY

- Rejuvenate, recruit and premiumize and enhance loyalty for Ricard, Pastis 51 and Anis category
- Increase position within all the aperitif categories: classic, after work, parties, dining aperitif, ...
- Introduce innovation in the market, mainly through Pastis 51 and also with Pernod through Absinthe
- Capitalize on 360°communication mainly with Ricard

World Anis Leader

N° 1 Spirit in France

Ricard litre bottle is the first SKU in value sales among all convenience goods

A strong leadership

39%⁽¹⁾ in off trade

61%⁽²⁾ in on trade

55%⁽²⁾ on the borders

Vision: to be recognized as the undisputed leader of the aperitif moment and the French brand for conviviality



- (1) Nielsen
- (2) Company estimations

KEY INITIATIVES

Recruitment

- 1) Modernize the consumer drinking experience through mixing with flavours
- 2) Introduce new 35cl size within the on trade

Premiumization

- 1) Limited editions designed by contemporary artists
- 2) Partnership with “Fooding” association

Enhancing Loyalty

FOODING

- 1) Gold bottle for Duty free
- 2) Direct marketing program Place Ricard



Aniseed: 51 / Pernod



Pernod Ricard



BUSINESS PERFORMANCE

A + 3,2% growth in volumes ⁽¹⁾

A stronger challenger (2)

- SOM off trade: 10,6%
- SOM on trade: 25%

CONSUMER PERFORMANCE

N°1 aniseed spirit in south east (and n°1 in Marseilles!)

VISION

Pastis differently

KEY INITIATIVES

- New bottle
- New drink experience '51 piscine'
- New advertising campaign = 'pastis autrement'
- Innovation 'summer promotion'

Premiumization / Pernod : Absinthe is back



- (1) Internal data FYTD ending March 2010 vs LY
(2) Off-trade panel Nielsen FYTD ending P0410

→ OBJECTIVE:

- Consolidate our overall leadership in France (1st scotch whisky market worldwide)

→ STRATEGY:

- Develop leading brands in premium scotch whisky with Ballantine's and Clan Campbell
- Trade consumer up to Chivas and Ballantine's 12 and to malt whiskies with The Glenlivet and Aberlour (n°1 malt in n°1 malt market)
- Improve positions in whiskies of different origins : Jameson, Paddy & Four Roses

→ STRATEGY

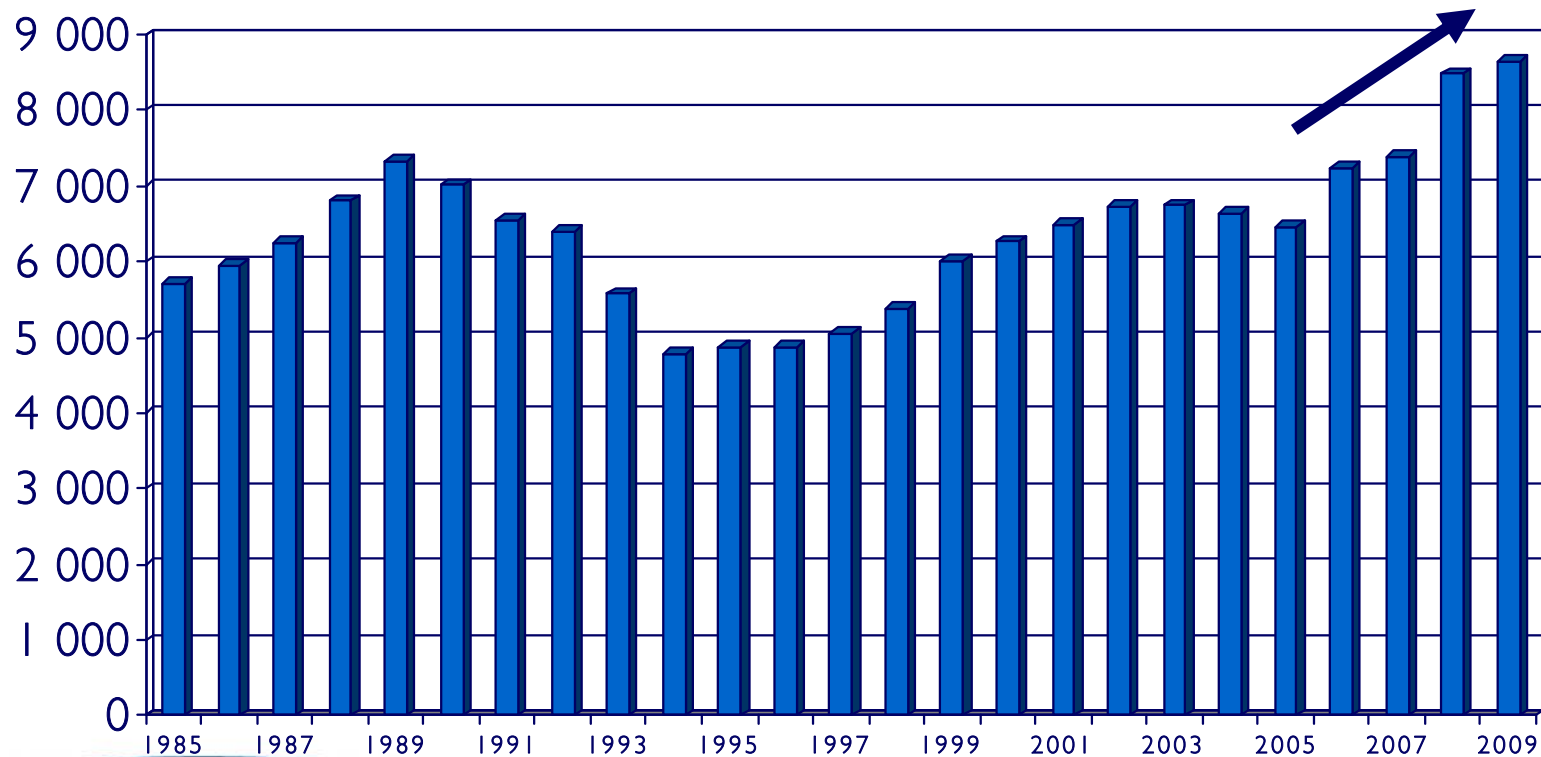
- Support the n°1 preferred premium blend brand positioning by injecting substance and creativity
- Recruit new consumers to whisky & increase frequency of occasional consumers
- Enhance awareness
- Trade up premium brand consumers to build the share of premium SKUs



Pernod Ricard knows how to grow acquired brands

→ BALLANTINE'S

- Sales FY'09: 8.512kL (+8.7% vs. FY08)
- Sales MAT April'10: 8.531 kL (+2.5% vs. MAT April'09)
- Value market share FY10: 8.9% (Nielsen: July'09-April'10) (+0.3pt)



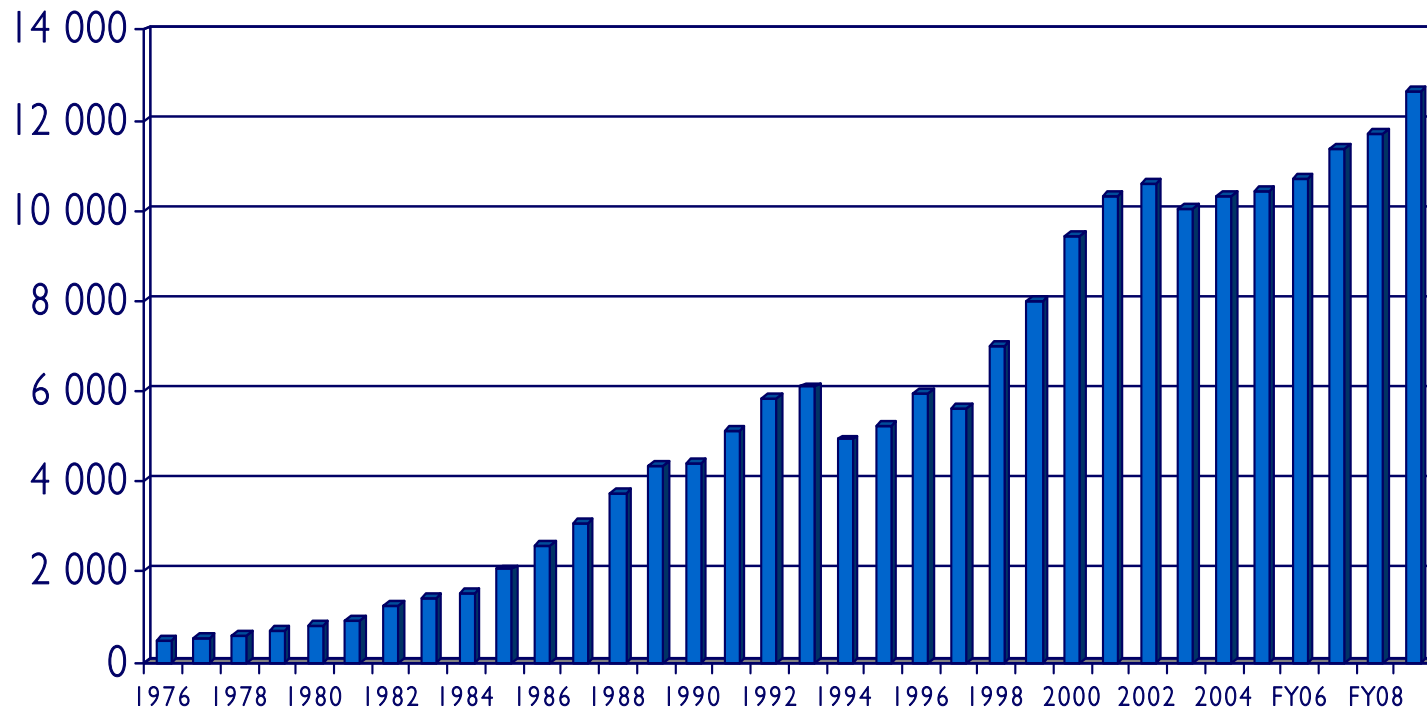


Whisky: CLAN CAMPBELL

- Sales 09: 12.6 ML (+7,8% vs. 08)
- Value market share : 10,8% (Nielsen: July'09-April'10) (+ 0.6 point)
- Strategy:
 - Reinforce the n°1 position in value overall and within the night life
 - Continue to enhance brand attractiveness



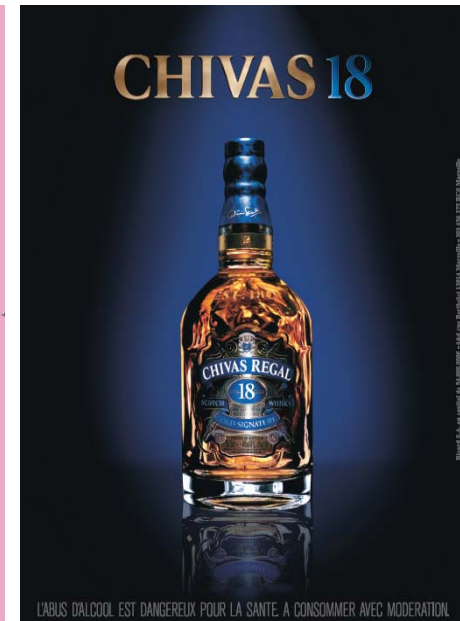
CLAN CAMPBELL sales in volume (kL)





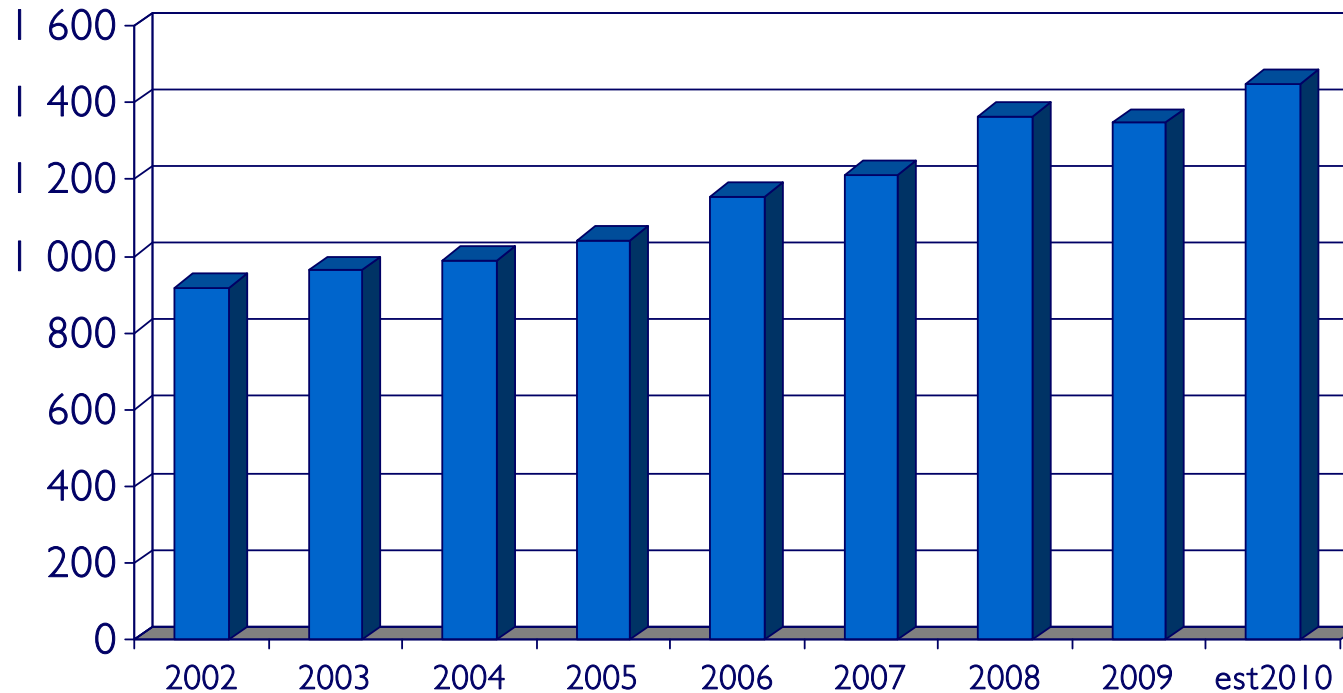
Whisky: CHIVAS

- Volumes 09 : 1.3ML
- Evol volumes YTD April 10 : + 8.3%
- Value Market share : YTD April 10 : 75.2% (blend over 12 yo)
- Strategy:
 - Build a strong image as the emblematic premium whisky brand through « Luxury and Glamour »
 - Rejuvenate the consumer profile



Pernod Ricard knows how to grow acquired brands

CHIVAS sales in volume (kL)

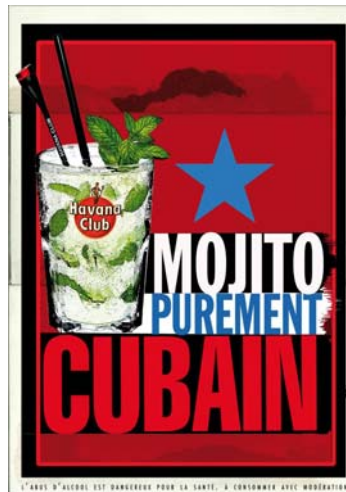
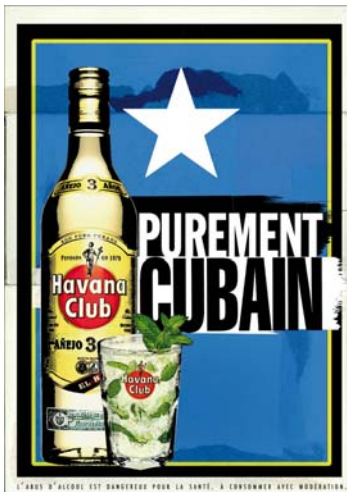


→ STRATEGY :

- Build a new category to develop a premium offer within white spirits, as an alternative to the whisky and vodka categories
- Build an aspirational and emotional positioning based on Cuban values
- Build a range strategy based on a differentiated drink experience by channel

→ STRATEGY

- Increase leadership by developing awareness amongst 25-35YO
- Reinforce authenticity
 - Build an authentic and trendy cult brand
 - Develop a diversity of Cuban drink experiences
- Develop a range strategy: 3YO (Bar / Mojito), Especial (Night Clubs / Cuba Libre), 7YO (Prestige / Daïquiri)



ELYSEE
MONTMARTRE

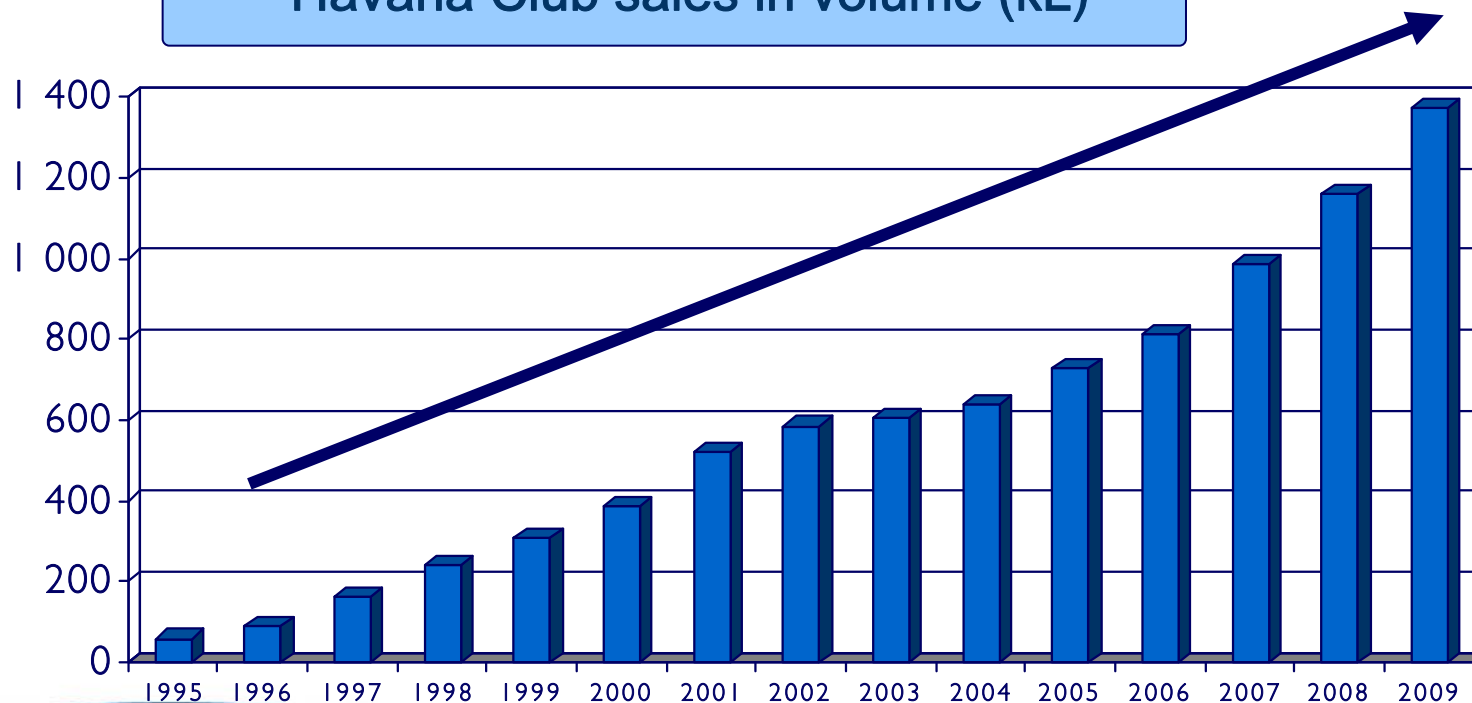


Pernod Ricard knows how to build brands

→ HAVANA CLUB

- Sales FY'09: 1.237kL (+20.3% vs. FY08)
- Sales MAT April'10: 1.383 kL (+16.4% vs. MAT April'09)
- Value market share FY10: 54.1% (Nielsen: July'09-April'10) (+1.5 pt)

Havana Club sales in volume (kL)



→ STRATEGY :

- Increase PR position in the most dynamic segment of the French market
- Apply winning whisky strategy to the vodka category
- Become the undisputed leader of the premium vodka in France
- Play a key role within the heart of the category with Wyborowa's new platform
- Consolidate Zubrowka's market share in premium vodka category in off-trade



Vodka: ABSOLUT

- Sales 09: 1.2ML (+21% vs. 08)
- Sales YTD April'10: 1.3 ML (+38% vs. YTD April'09)
- Value market share 2010: 6.9% (Nielsen July'09-April'10) (+ 0.5 point)
- On-trade evolution : 09/08 + 83%
- Strategy:
 - Be the reference for premium vodka in France
 - Trade-up young adults into the premium vodka category



→ STRATEGY:

- Establish Mumm as the n°1 international champagne brand in the n°1 champagne market
- Develop a comprehensive range strategy
- Mumm to lead the value creation through ATL investment, a strict pricing policy and on-trade activation
- Establish Perrier-Jouët as a 'boutique' champagne by building brand awareness among influencers and consumers
- Addressing the prestige segment with Perrier-Jouët Belle Epoque

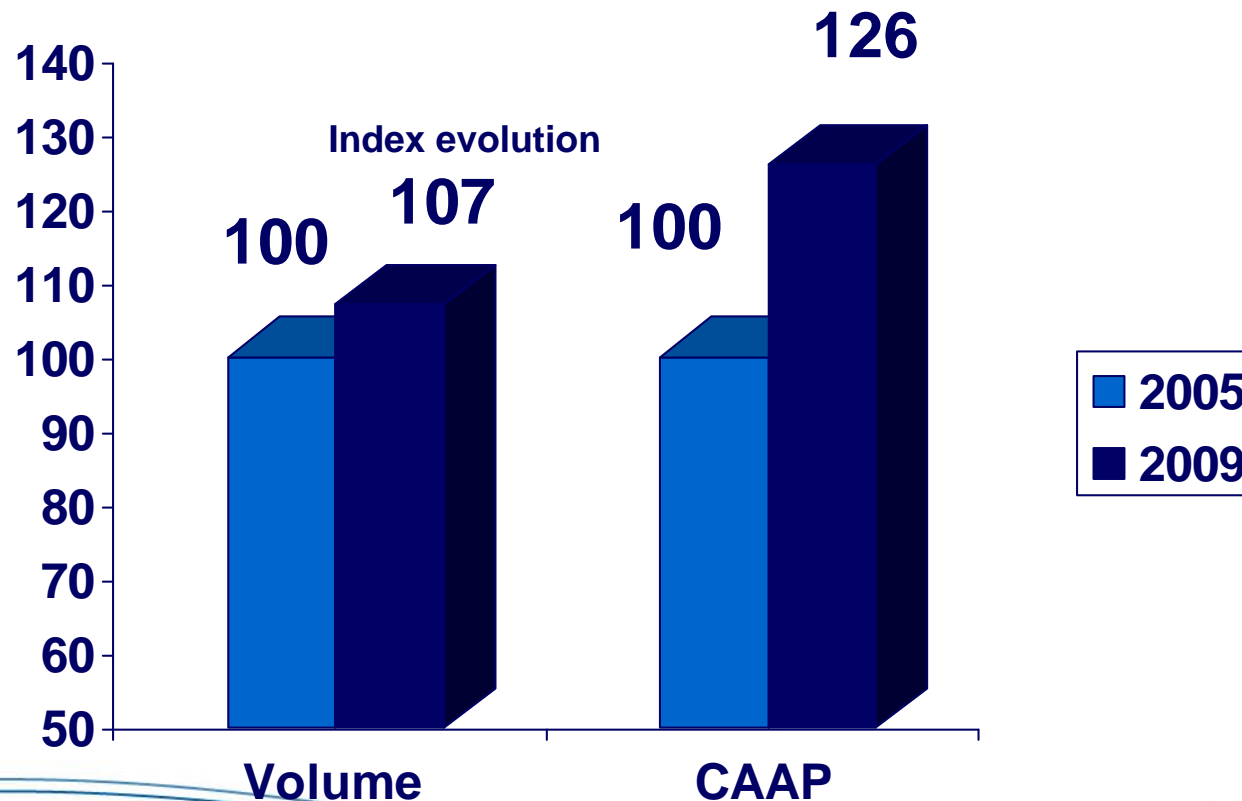
→ STRATEGY

- Reinforce our leading positions in both off-trade and on-trade
- Build premium value through Media & PR
- Develop premium range through Liquor Stores and Prestige outlets



→ G.H. Mumm

- Sales FY'09: 3.072kL (-0.5% vs. FY08)
- Value market share FY10: 6.1% (Nielsen: July'09-April'10)





RICARD & PERNOD IN FRANCE CONCLUSION

César Giron / Philippe Savinel



- ➔ Undisputed leadership
- ➔ Steady and regular growth of brands volume and value creation
- ➔ Efficiency in brand management, development and integration
- ➔ Adaptation to new consumption trends, shoppers and trade evolution
- ➔ Ability to premiumize

... Two companies make us twice as agile!



Pernod Ricard



Pernod Ricard