



Pernod Ricard

Press & Capital Market Day

Pernod Ricard 2009



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PREMIUM BRANDS AT THE HEART OF THE NEW GLOBAL ECONOMY



Pernod Ricard

Premium brands at the heart
of the new global economy

Pierre Pringuet



Pernod Ricard

Premium brands



A WORLD ON THE EDGE





Pernod Ricard





Pernod Ricard



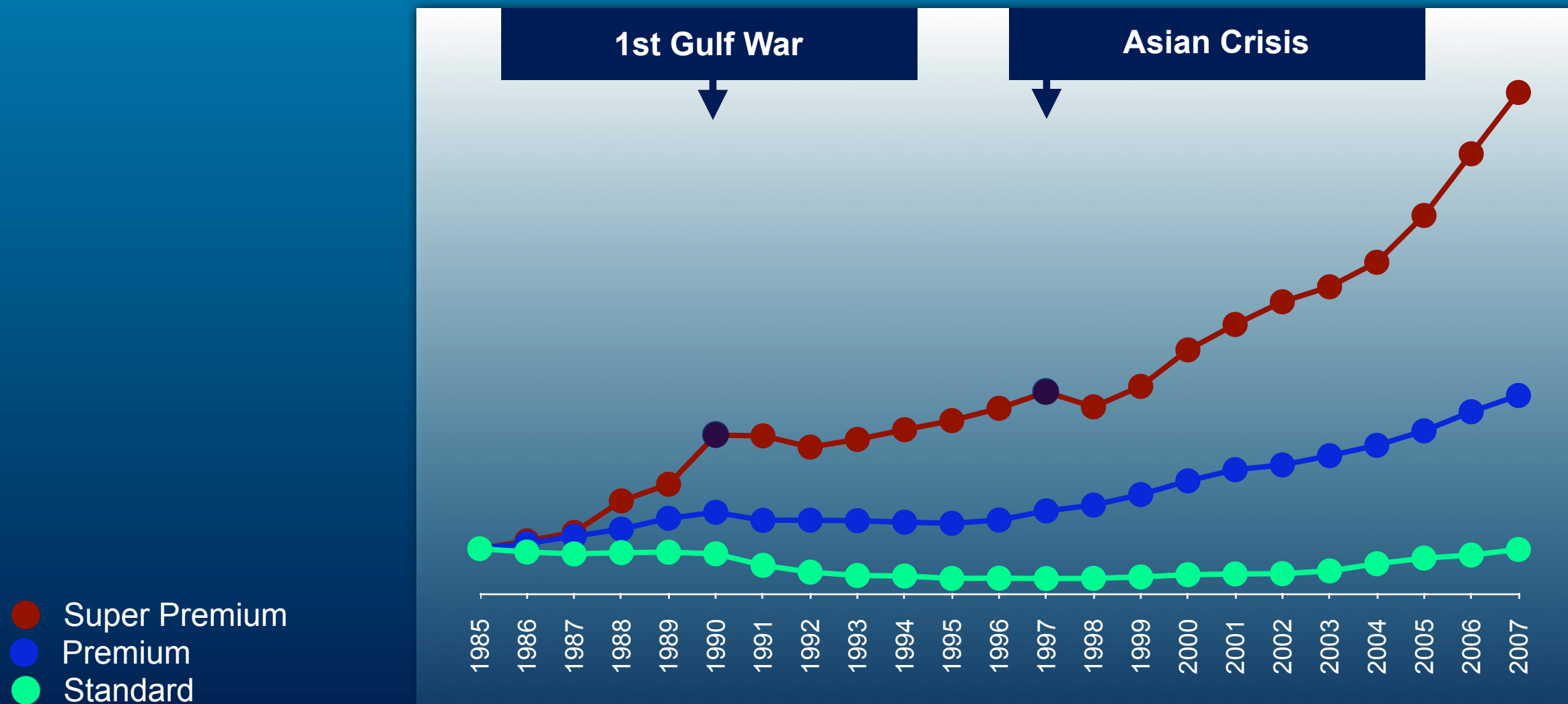




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Major brands facing crises

Major super premium spirit brands (RSP > USD 26) withstand crises and rebound stronger and faster in recovery periods

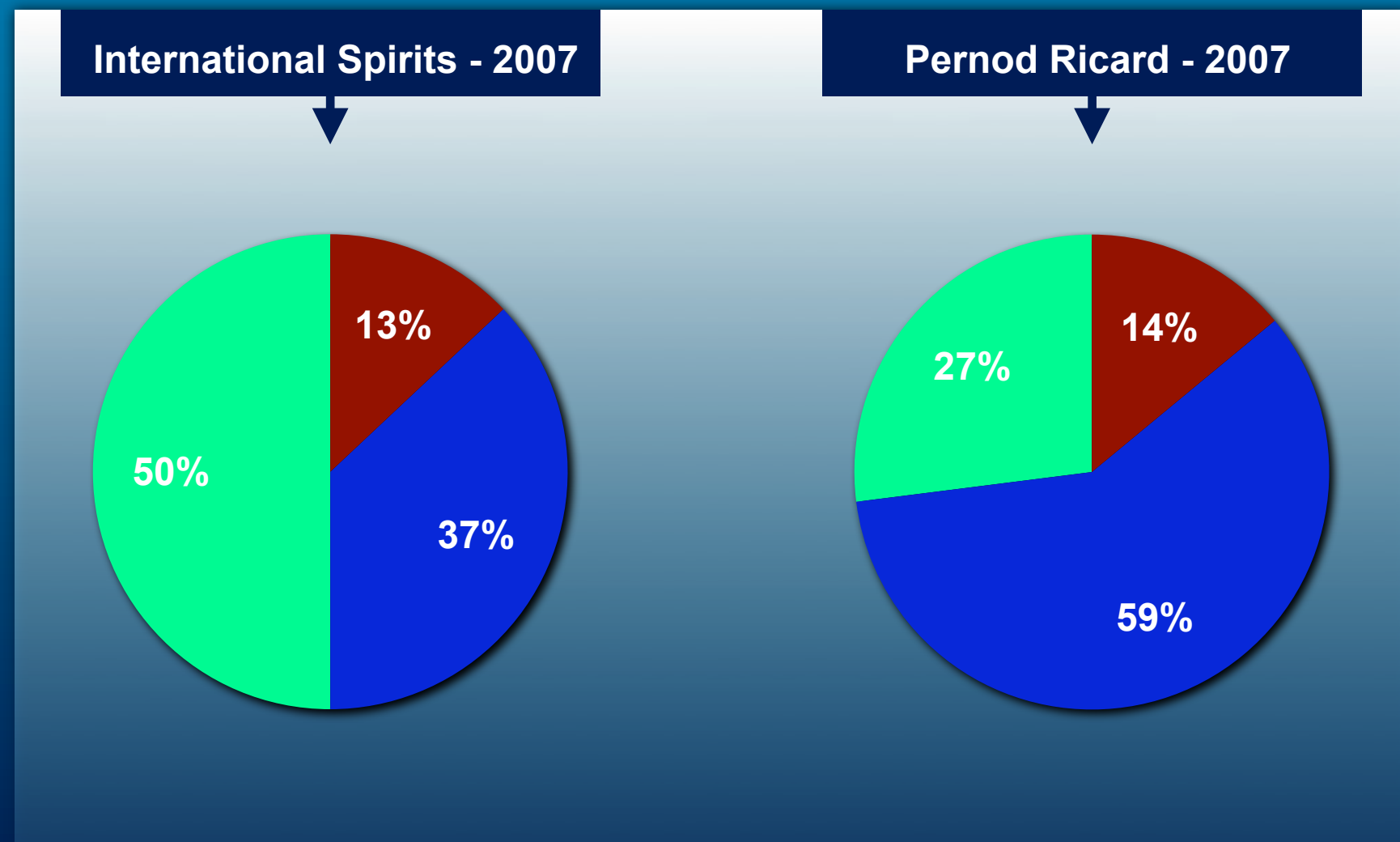


The Pernod Ricard Market View / based on IWSR ending 2007 – 22 countries having back data since 1985



Major brands facing crises

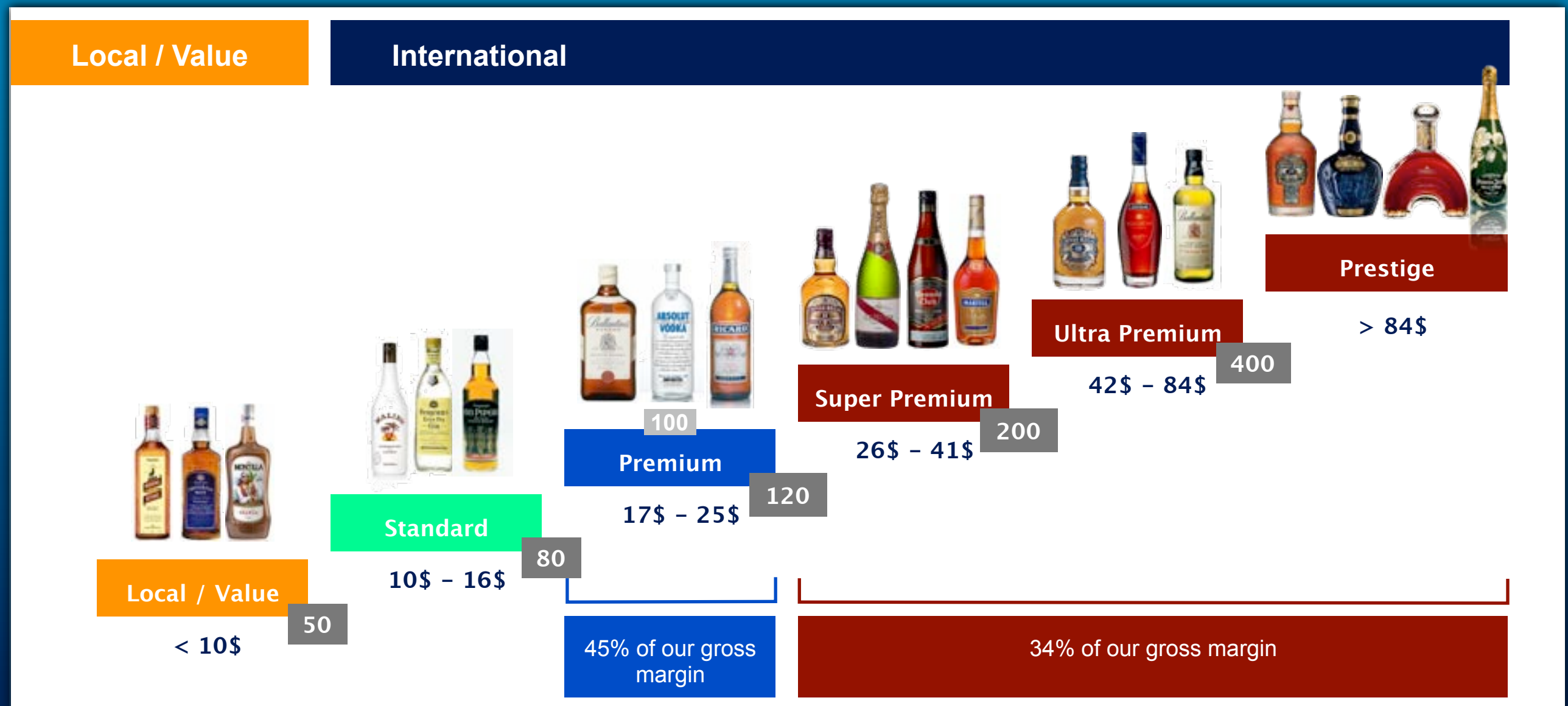
$\frac{3}{4}$ of Pernod Ricard portfolio is Premium vs $\frac{1}{2}$ for the market



- Super Premium
- Premium
- Standard

The Pernod Ricard Market View / based on IWSR ending 2007 – all countries

Pernod Ricard segmentation



Recommended price for 75cl in the US



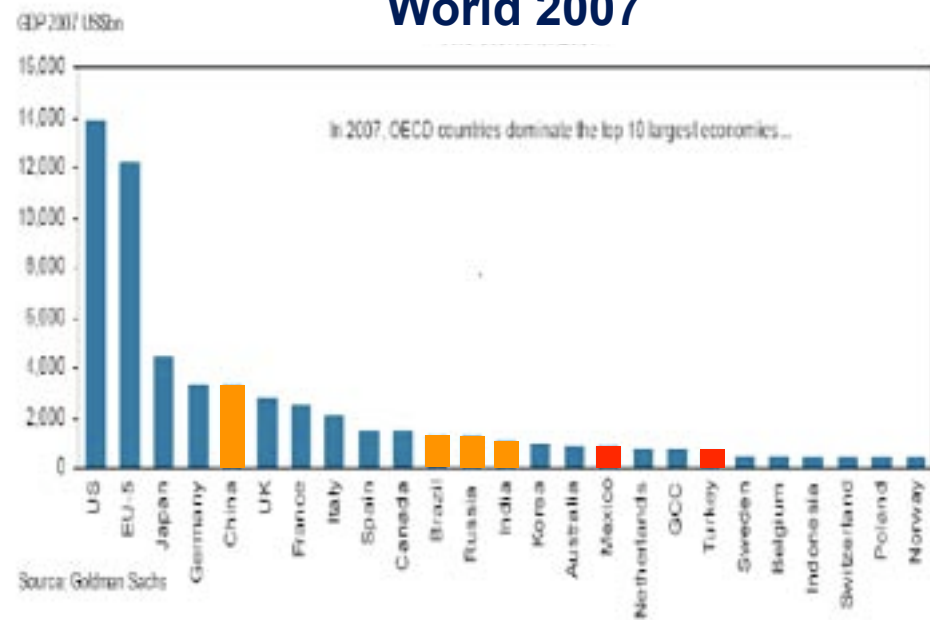
Pernod Ricard

Major new economies

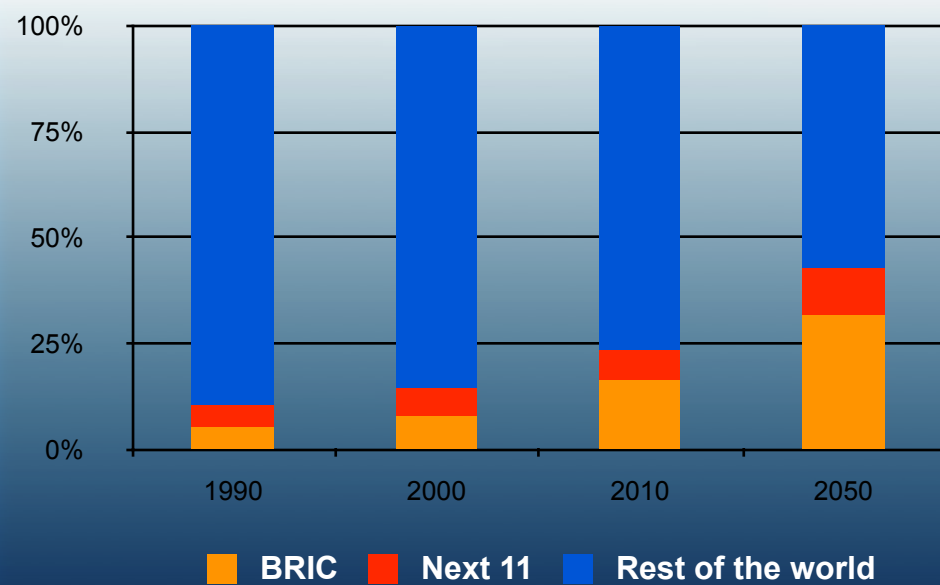
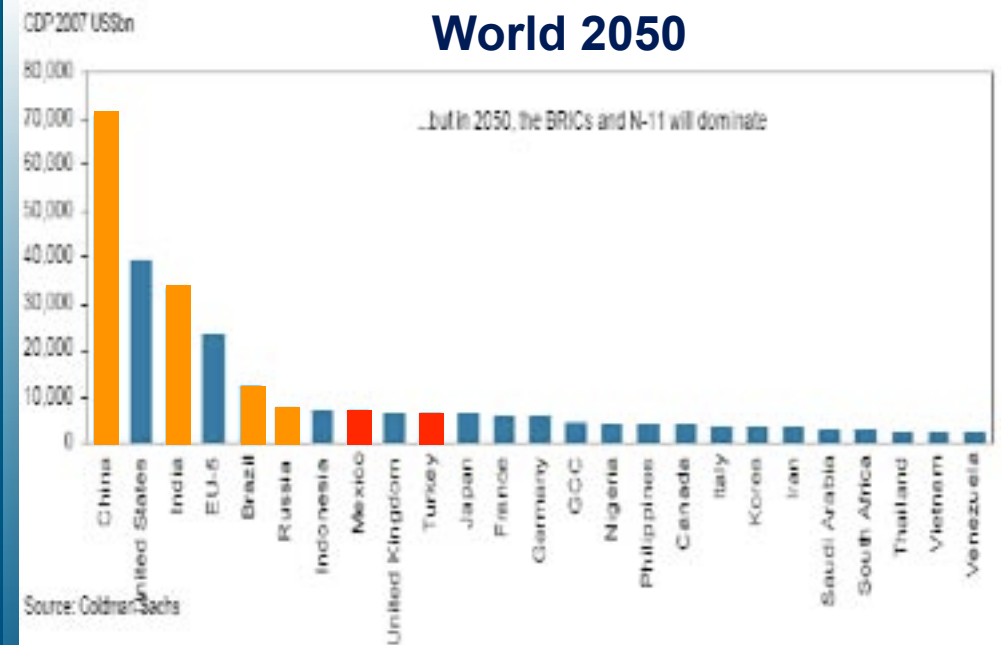


Major new economies: BRICs

World 2007



World 2050



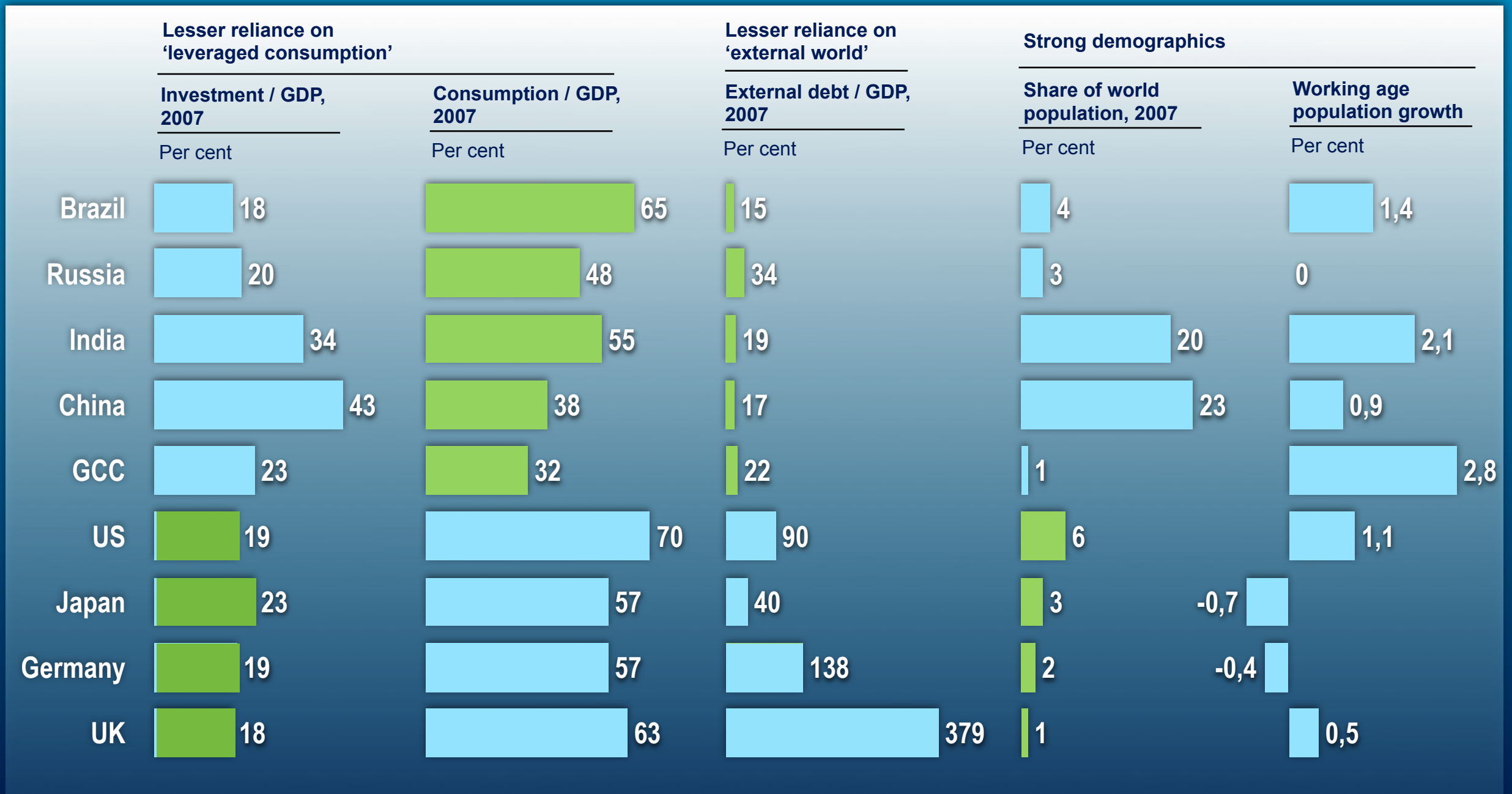
The share of major new economies in world GDP and consumption has significantly increased over the past 20 years and will be crucial in 2050

Source: IMF, April 2009 pour, 1990, 2000 et 2010. Projection 2050 : GS



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Major new economies: BRICs

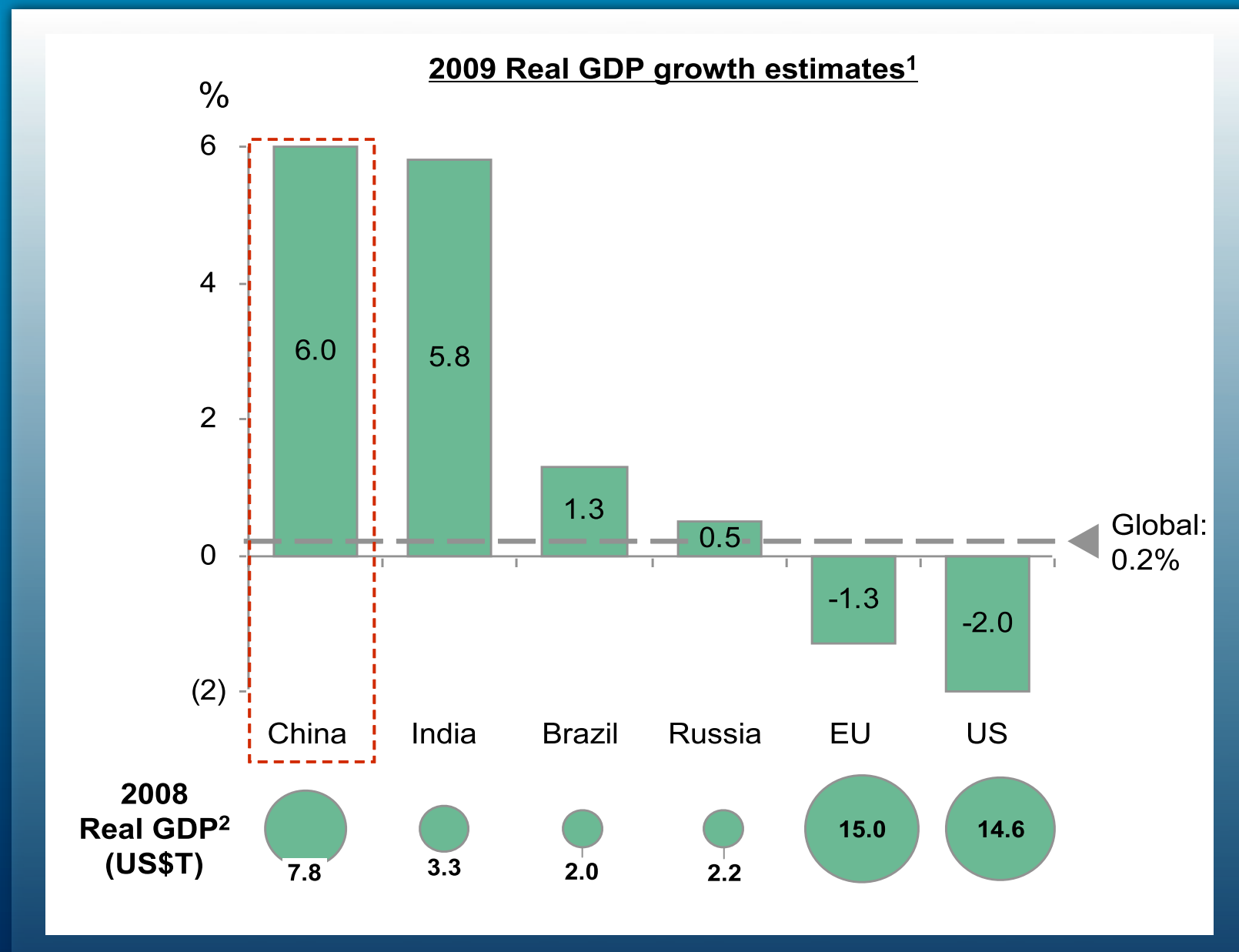


* FY 2008

Source: Global Insight, Economist, Euromonitor, JEDH



Major new economies: BRICs



1. Estimates from Goldman Sachs Global ECS Research; EIU

2. Estimates from CIA Factbook

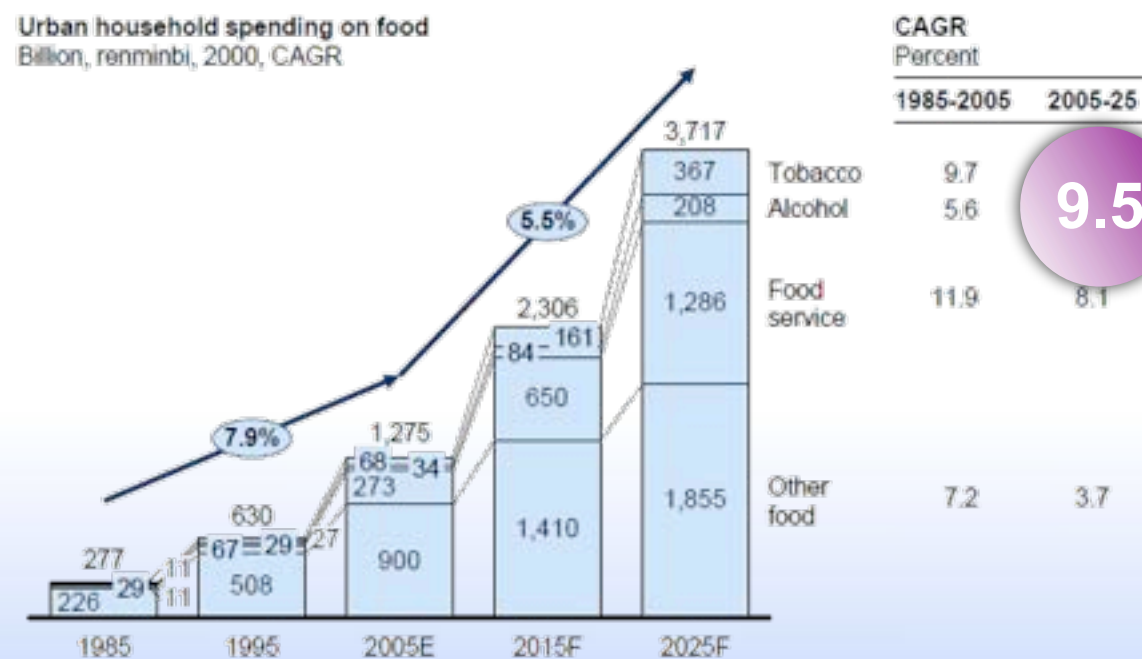
Source: Analyst reports, IMF, press search, BCG analysis

Major new economies: Alcohol consumption in China & India

China

OVERALL FOOD TO GROW SLOWER THAN GDP, BUT CERTAIN CATEGORIES TO GROW FASTER

Urban household spending on food
Billion, renminbi, 2000, CAGR

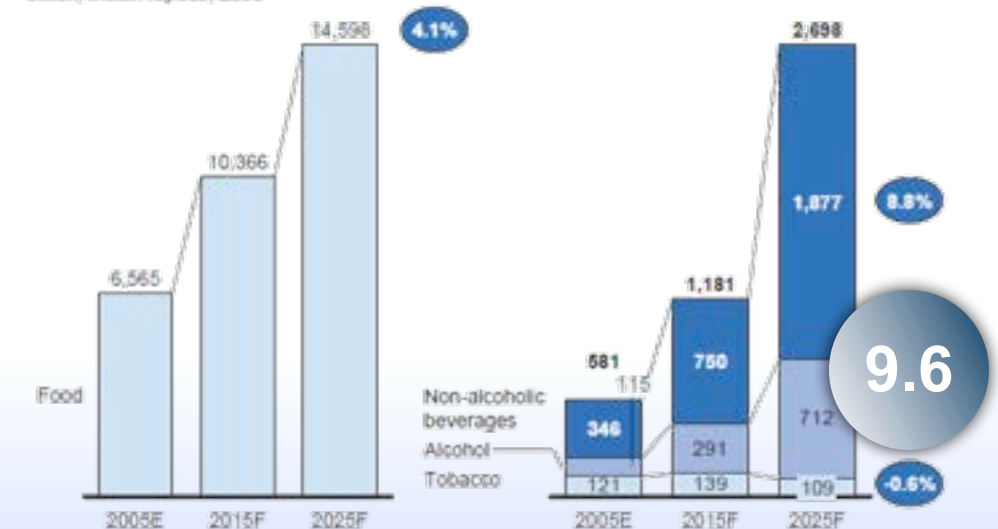


Source: MGI China Consumer Demand Model, v2.0

India

ALCOHOLIC BEVERAGES WILL GROW FASTEST OF THE FOOD, BEVERAGES, AND TOBACCO SUBCATEGORIES

Annual consumption of food, beverages, and tobacco by subcategories
billion, Indian rupees, 2000

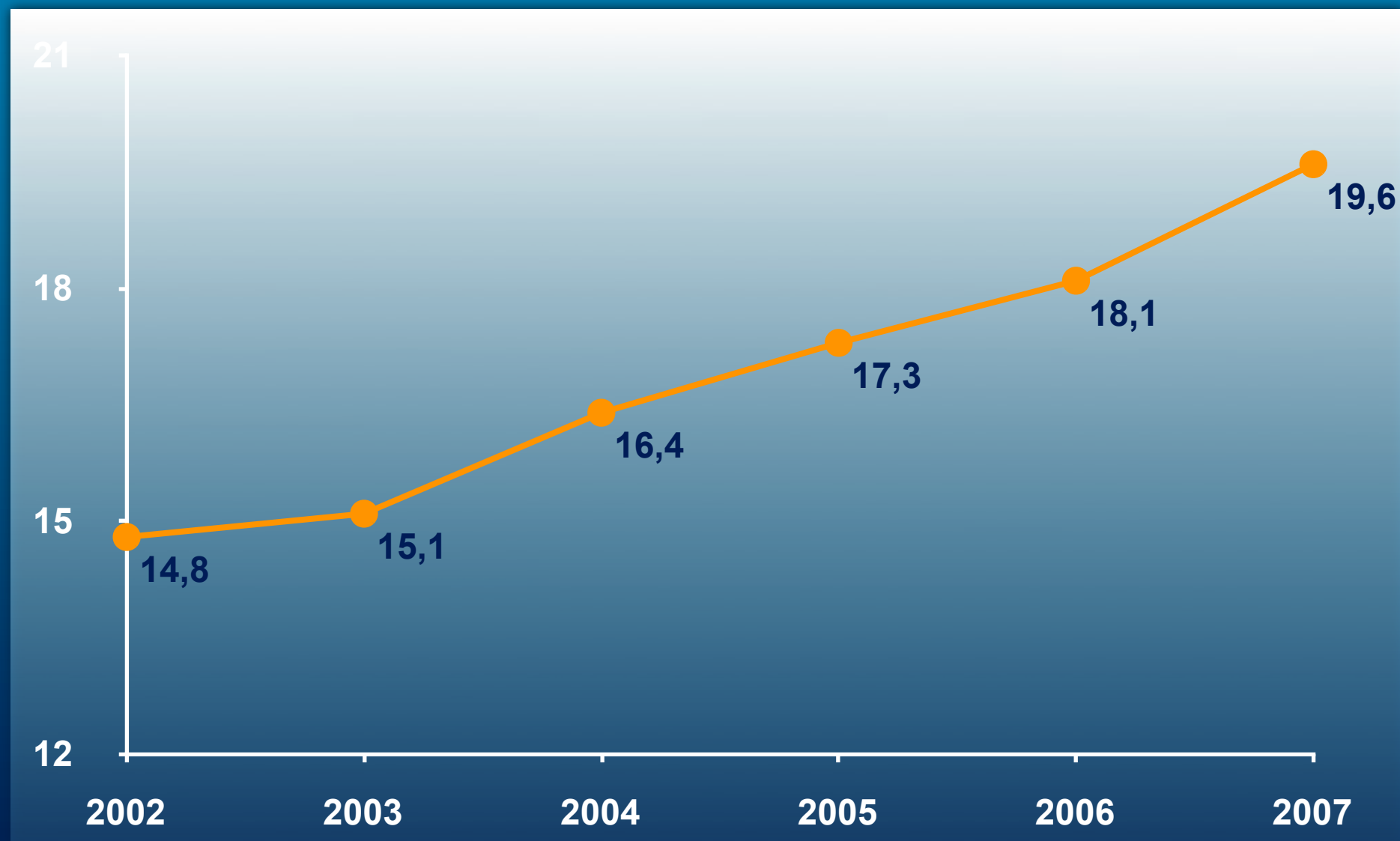


Source: MGI India Consumer Model, v1.0

McKinsey & Company

Major new economies: Strategic markets for our brands

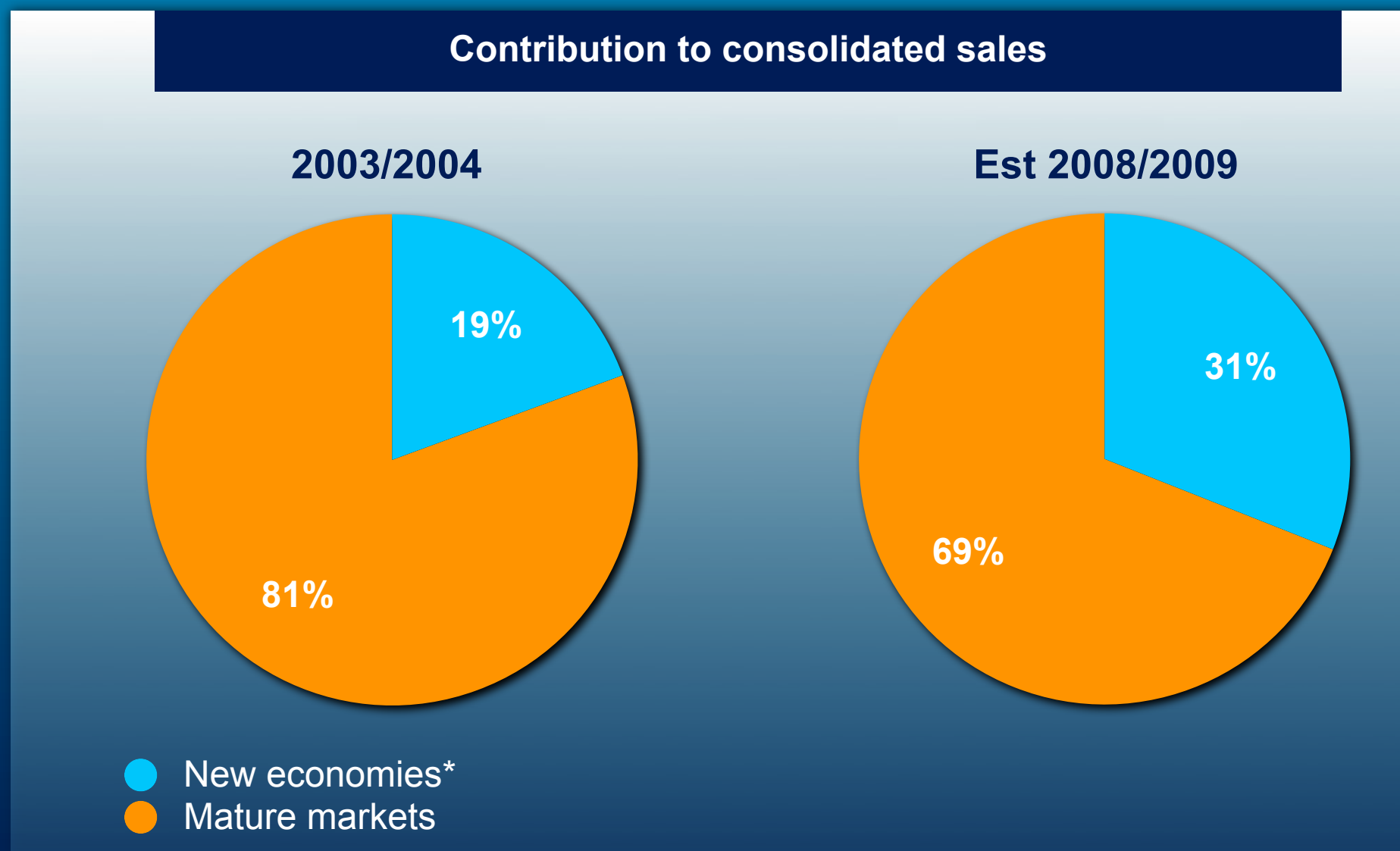
New economies: Growth drivers for global International Spirits volume



* IWSR data ending 2007

New major economies : Pernod Ricard's main growth drivers

Pernod Ricard has invested in an integrated distribution network for more than 20 years and is now the leader in new economies





Pernod Ricard

Conclusion

- Premium brands are timeless and survive crises
- New economies' weight in world GDP is considerably increasing
- Pernod Ricard, thanks to its major premium brand portfolio and leading distribution network is best positioned to benefit from these prospects

Premium portfolio



Leading Commercial network
in new economies





Pernod Ricard

Thierry Billot

Managing Director Brands

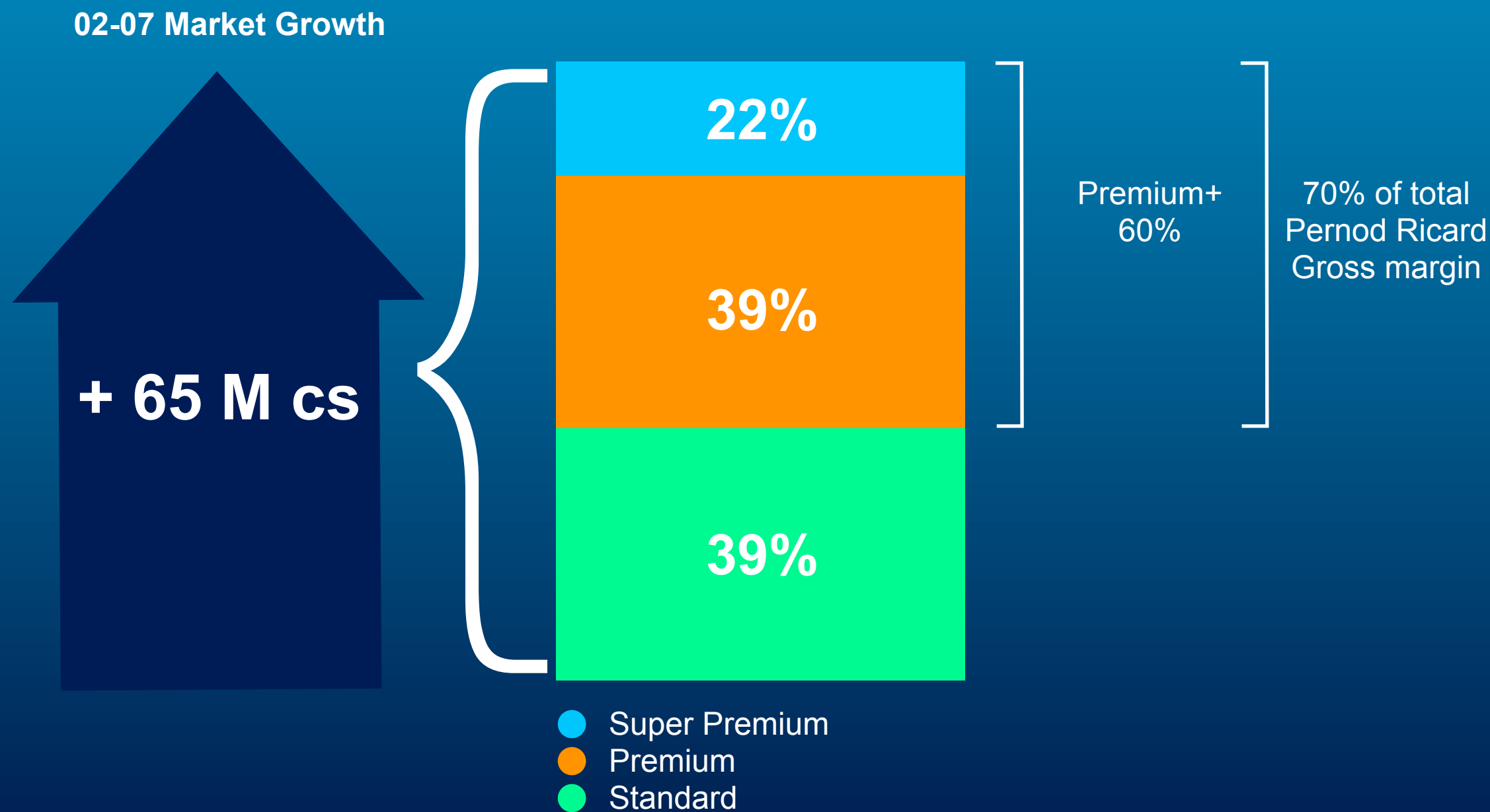


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A winning brand portfolio

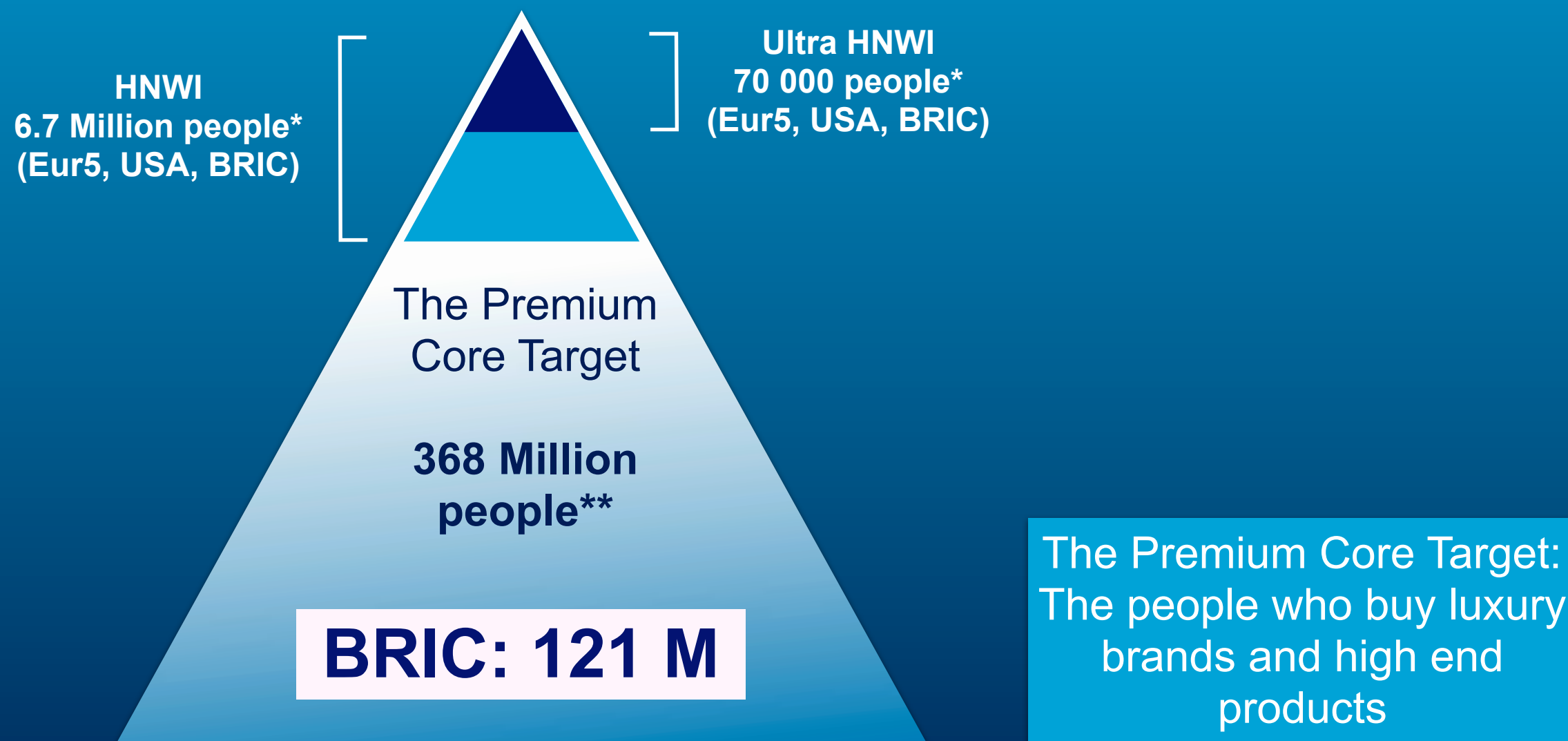
- Positioned on the premium segment of the market
- Focused on the categories that drive spirits growth
- Meeting the expectations of “New economies” consumers
- Supported by real substance

Global spirit market: Premium and Super Premium brands account for 60% of 02/07 growth



The Pernod Ricard Market View / based on IWSR ending 2007 – Intl spirits - all countries

Premium brands: a growing consumer target



* High Net Worth Individuals (HNWIs) = individuals who hold more than \$1 million in financial assets (apart from their main residence)

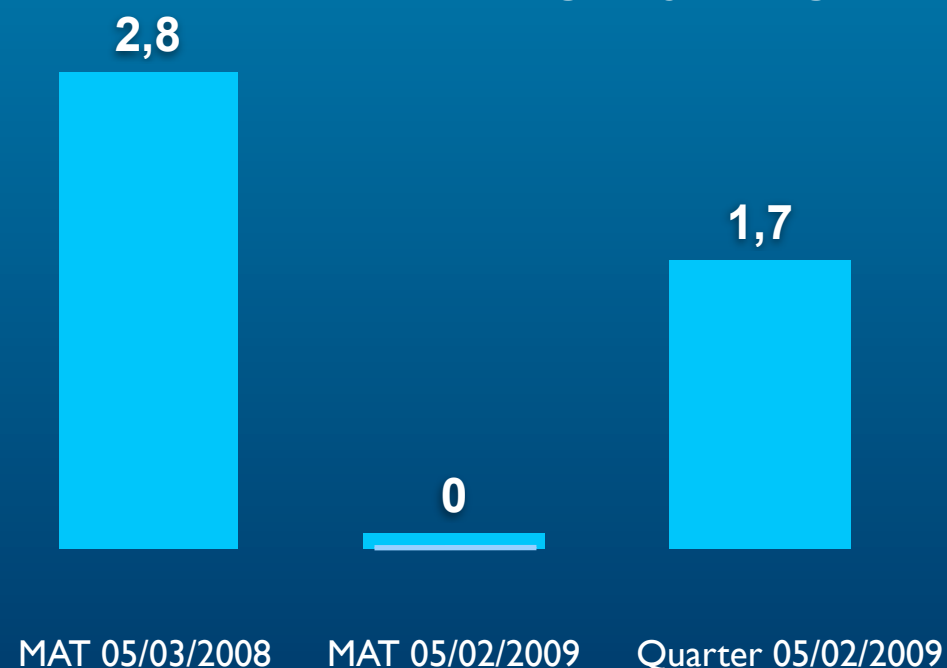
Source World Wealth Report / Capgemini – Merrill Lynch

** In 13 countries accounting for 67 % of Premium spirits: Euro 5 + USA + BRIC + HK + South Korea + Mexico

In the short term, premium brands are resilient

USA

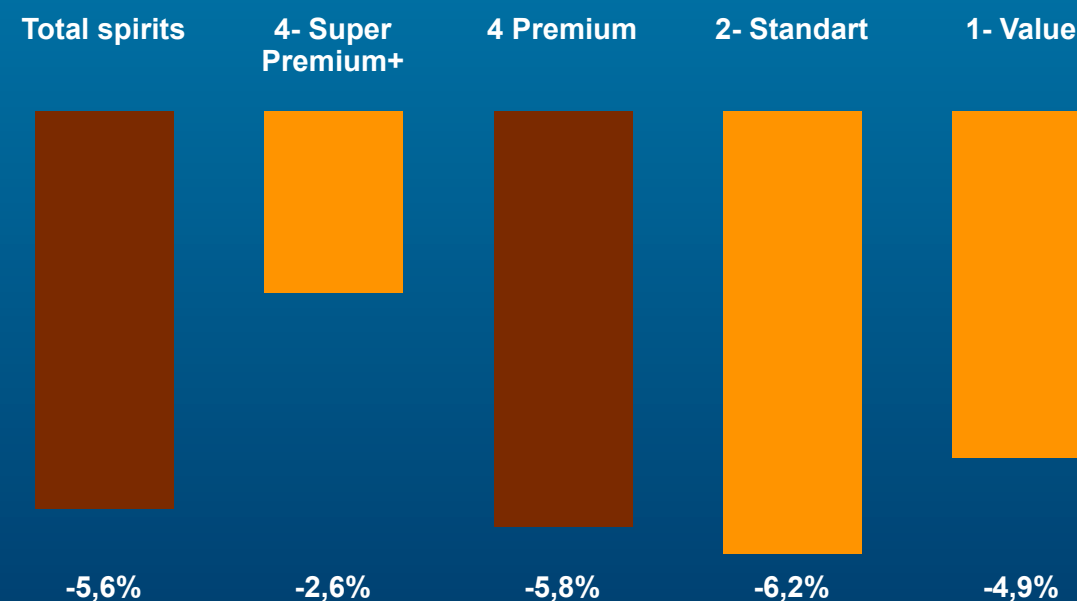
Premium Spirits % chg vs year ago



Nielsen Food/Drug/Liq st. - Value sales

SPAIN

Spirits % chg vs year ago



● MAT FM 09

Trend comparison vs category (MAT FM09)

- > **Ballantine's : +1.6 pt**
better than Standard Scotch segments
- > **Beefeater : +4.1 pts**
better than gin category

Nielsen on+off-trade – Volume sales
/ PR Espana

Premium segment is affected in the short term by on-trade difficulties

Spirits trend On-trade vs off-trade

US

on-trade = -10%
off-trade = +2%

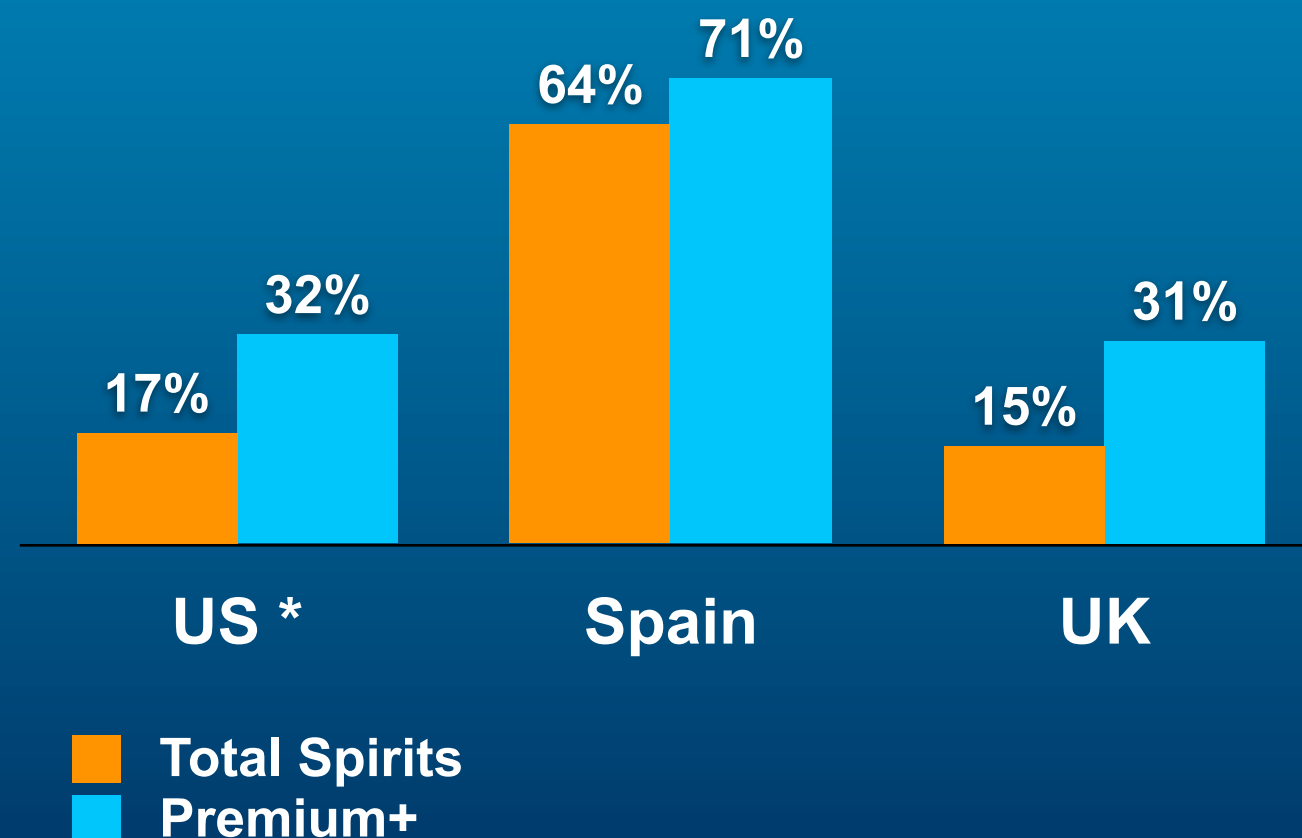
SPAIN

on-trade = -8.5 %
off-trade = -0.8%

UK

on-trade = -7.8%
off-trade = +1.5%

On-trade share



MAT % volume change

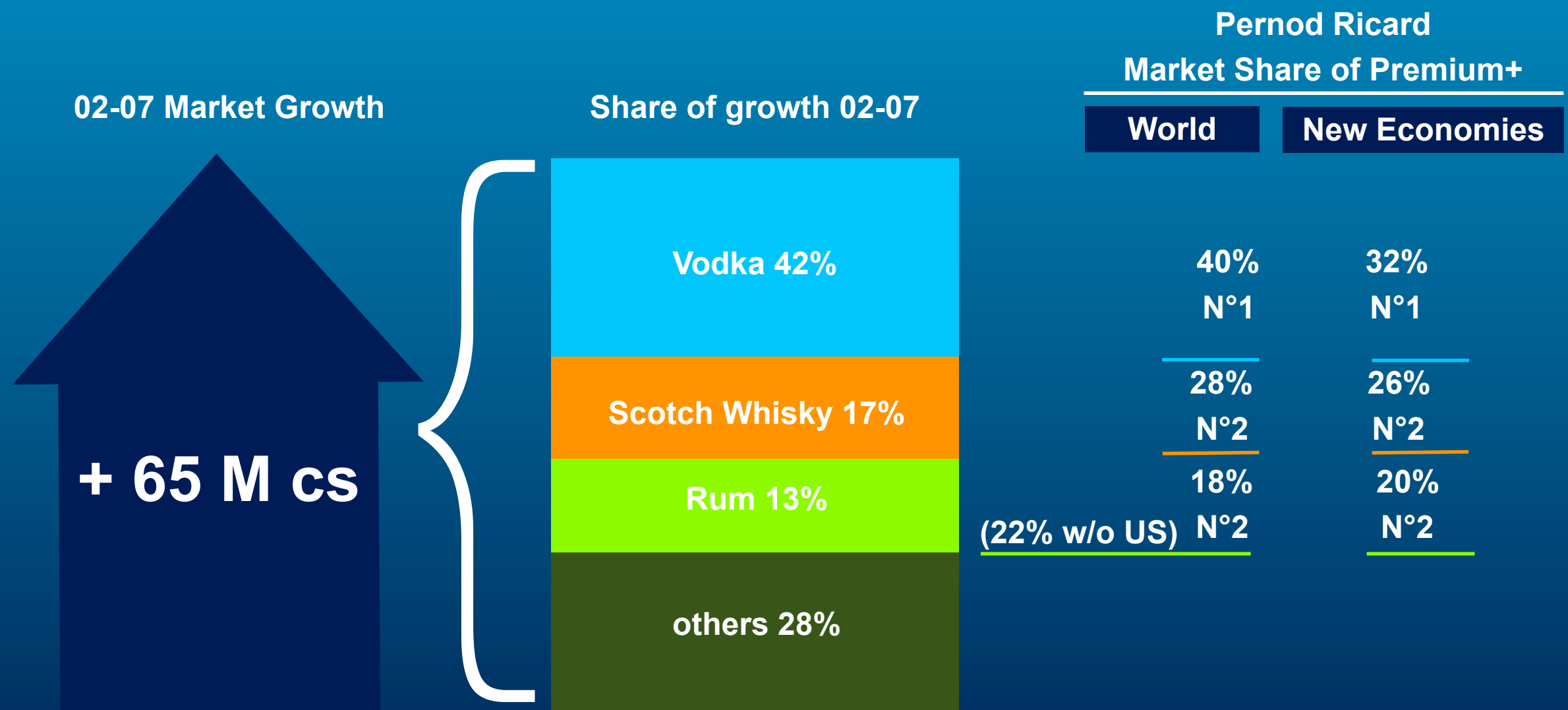
* US control states only / the share of the on-trade for total spirits in total US is estimated 25%

US : on-tradetrend = PR USA estimate ; off-trade trend = Nielsen + Nabca ending Feb09

Spain : Nielsen MAT FM09

UK : Nielsen MAT Jan09 / on-trade ; MAT 18/04/09 / off-trade

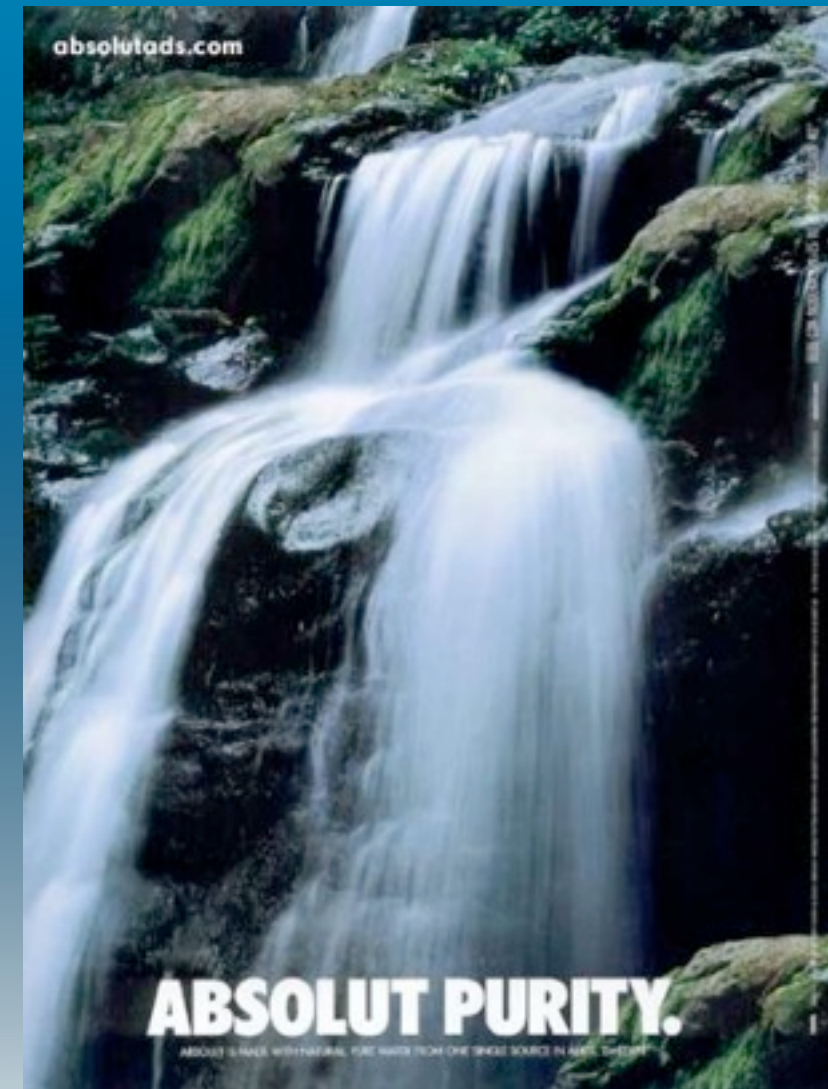
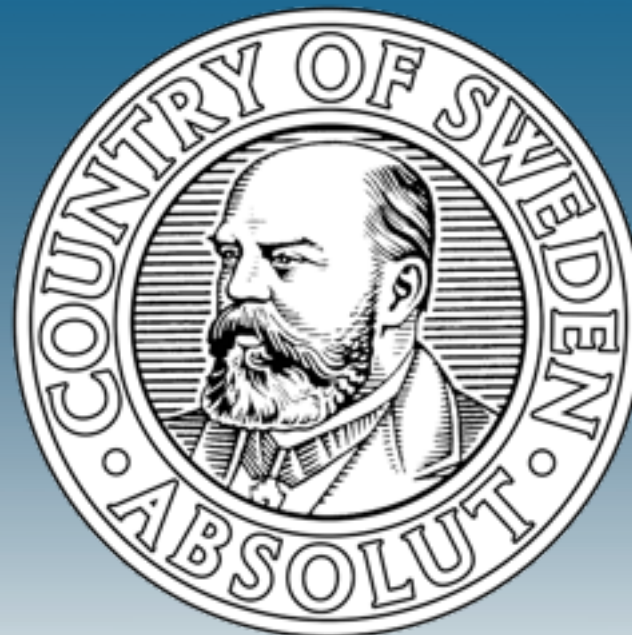
Global spirit market: Vodka, Scotch & Rum account for 3/4 of the 02/07 growth



Brands supported by real substance: History

- **LARS OLSSON SMITH** created in 1879 a new system of continuous distillation to produce 'Absolut Rent Brännvin' (Absolutely pure vodka).

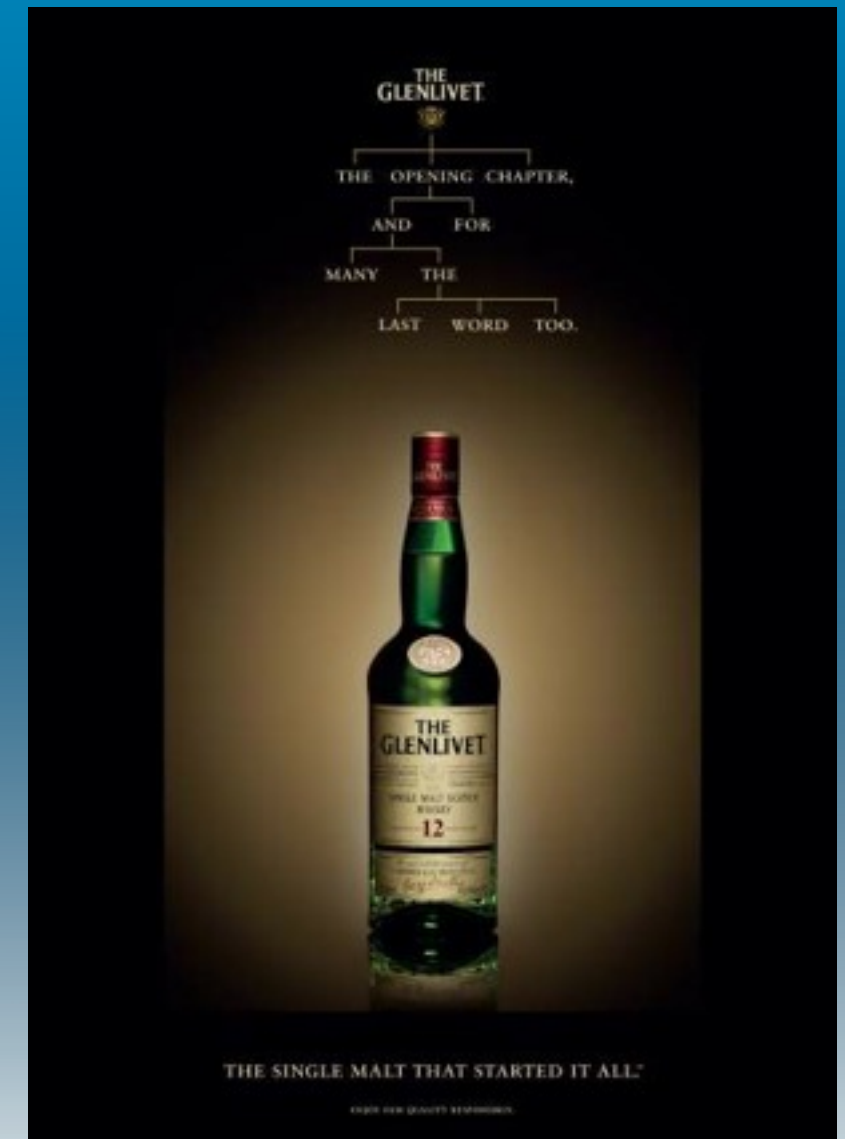
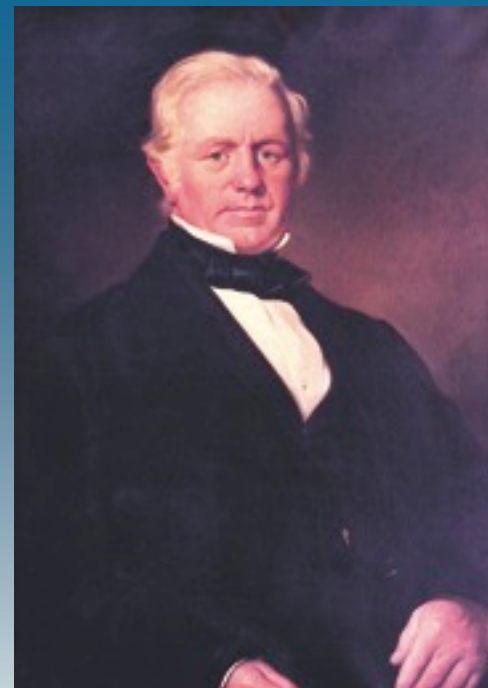
ABSOLUT[®]
Country of Sweden
VODKA



Brands supported by real substance: History

- **GEORGE SMITH** created in 1824 the first licensed whisky distillery in the Highlands of Scotland.

**THE
GLENLIVET.**

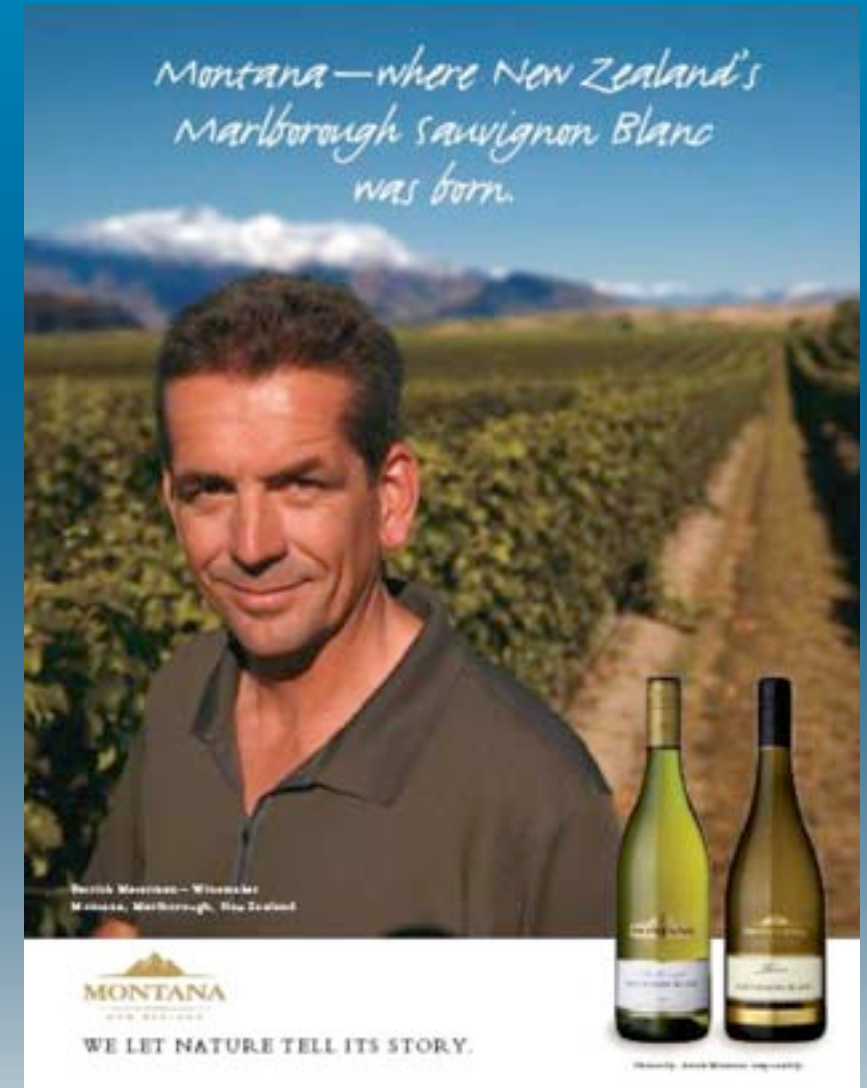


Brands supported by real substance: History

- **FRANK YUKICH** created MARLBOROUGH Sauvignon Blanc in New Zealand.
'One day great wine will come from here'

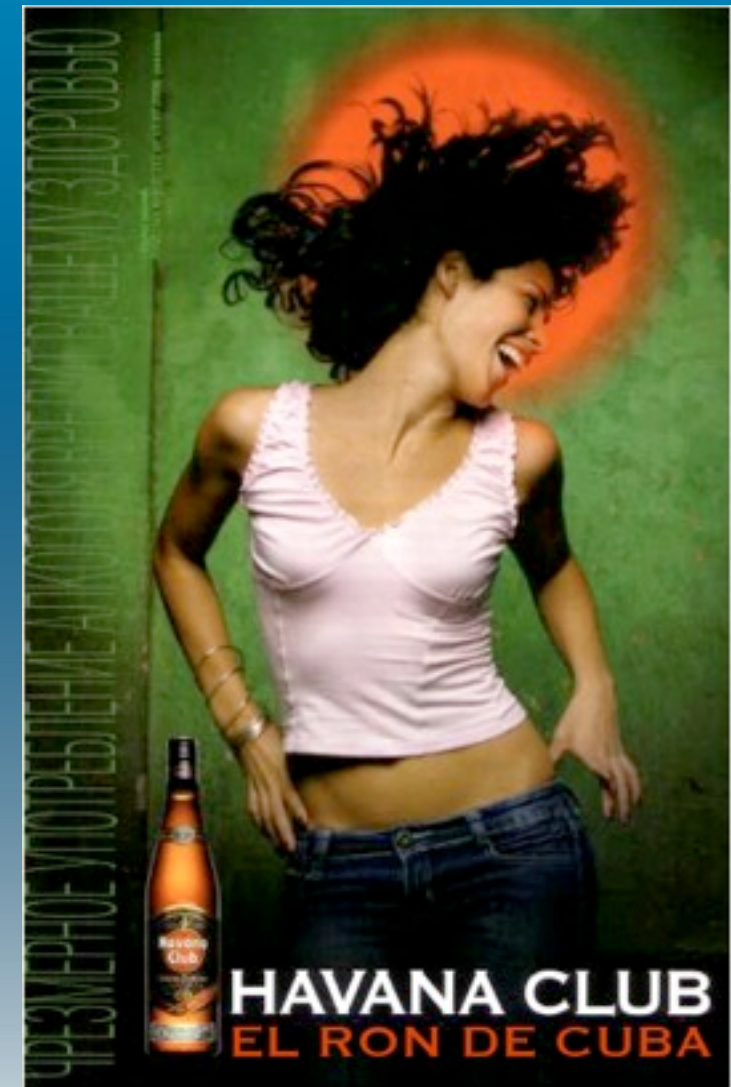


Franck Yukich
and Prime Minister John Key



Brands supported by real substance: History

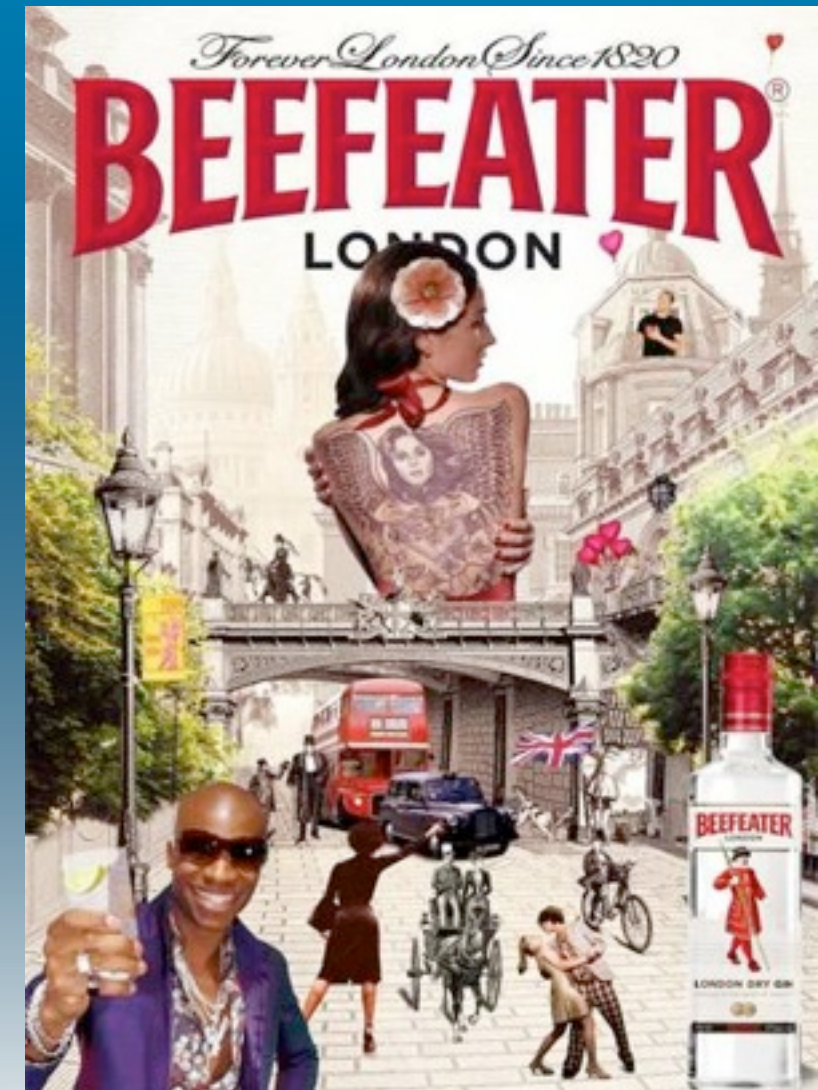
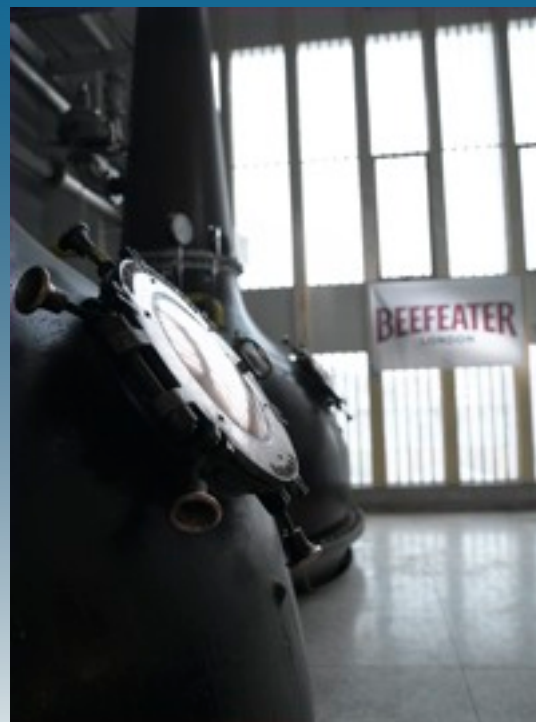
- **HAVANA CLUB** has long associations with Cuba and symbolises the excitement and passion of Havana.



Brands supported by real substance: Roots

- The only premium Gin which is still distilled in London.
The most awarded Gin in history.

BEEFEATER
LONDON
LONDON



Brands supported by real substance: Roots

- In 1847, **JOHANN GRAMP** planted Barossa Valley's first commercial vineyard on the banks of Jacob's Creek

JACOB'S CREEK®



WELCOME TO OUR PLACE.



This unassuming sign can be found in the heart of Australia's famous Barossa Valley. For 150 years, there is a real creek in South Australia called Jacob's Creek. Consequently, there are also vineyards bearing the same name.

It all started back in 1847 when the first vines were planted by the banks of Jacob's Creek. The creek has seen a few changes since then, and we now source our grapes from many of the finest regions within Australia. What hasn't changed is the pride we take in the wine we make.

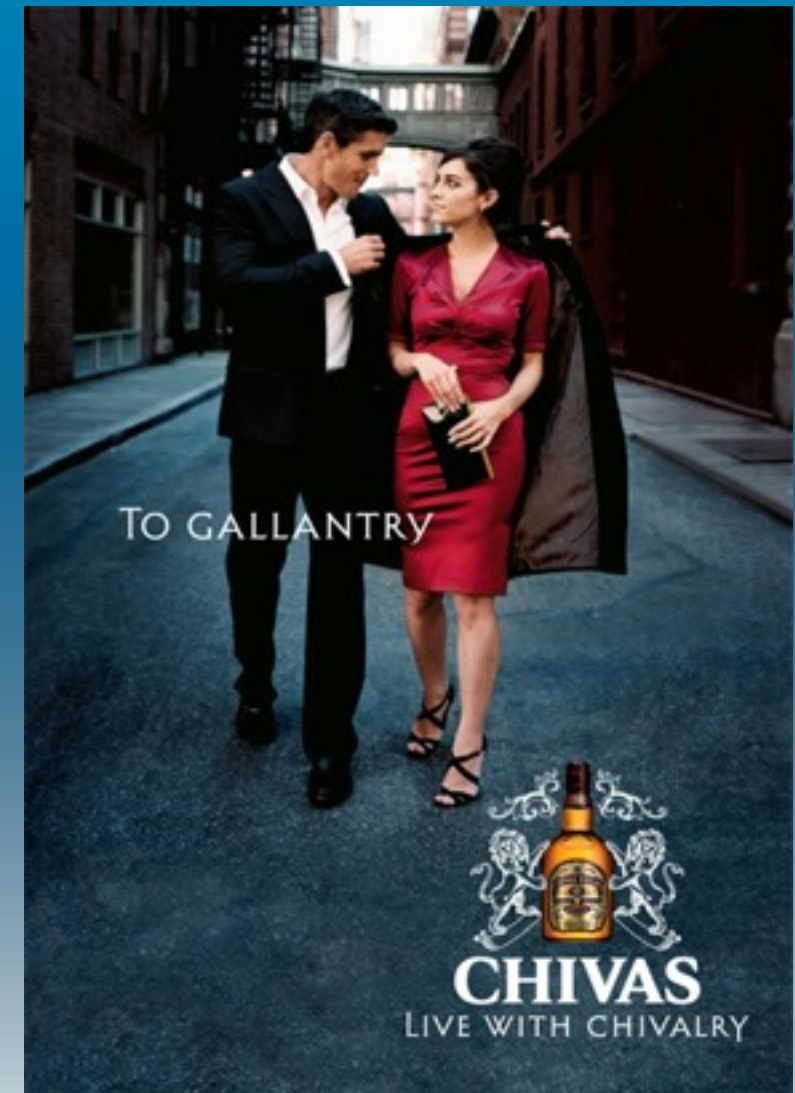
Next time you're sparkling, just pour yourself a glass, sit back and imagine you're at our place. You're always welcome.



Brands supported by real substance: Values

- **“LIVE WITH CHIVALRY”**
The code of behaviour of modern knights.

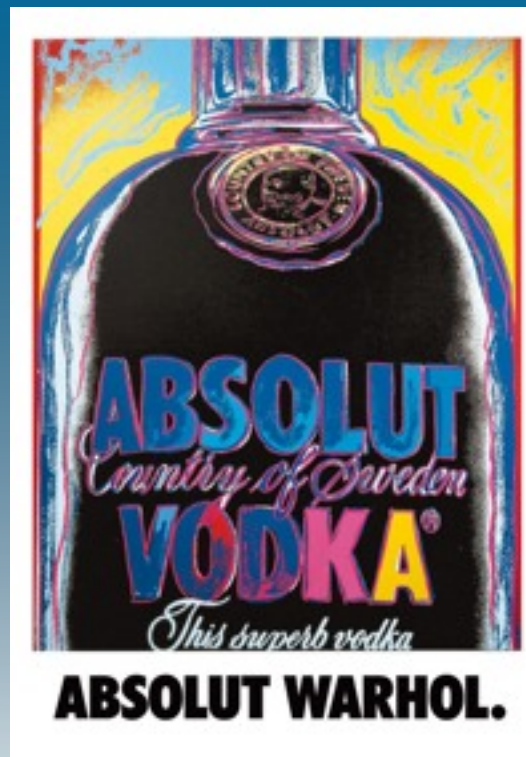
CHIVAS



Brands supported by real substance: Values

- “IN AN ABSOLUT WORLD”
Where creativity leads to a better world.

ABSOLUT[®]
Country of Sweden
VODKA



Brands supported by real substance: Quality and Tradition

- **JEAN MARTELL,**
the founder of Martell



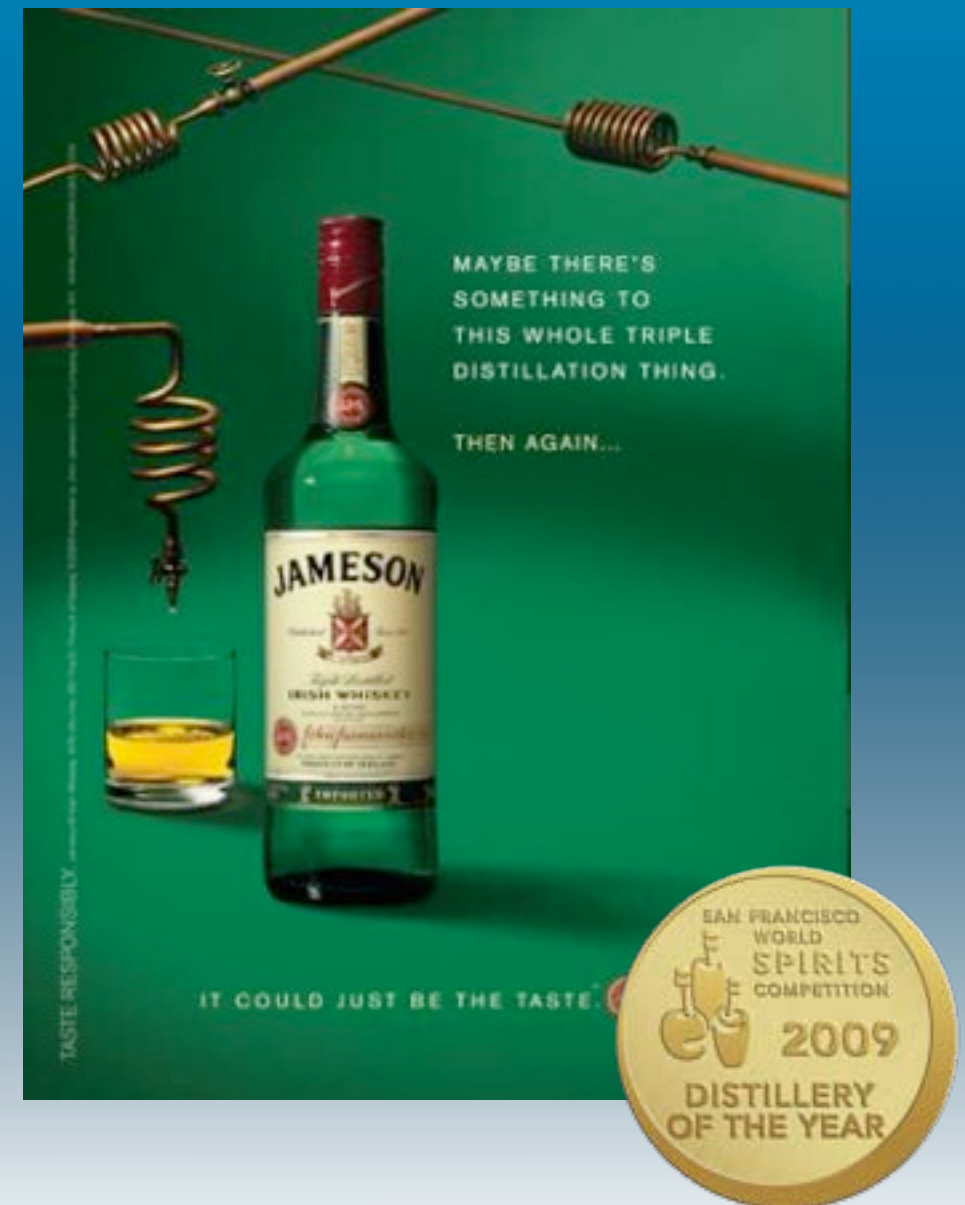
Brands supported by real substance: Quality and Tradition

- **G. H. MUMM** developed vineyards where none existed in Reims.
- Awards



Brands supported by real substance: Quality and Tradition

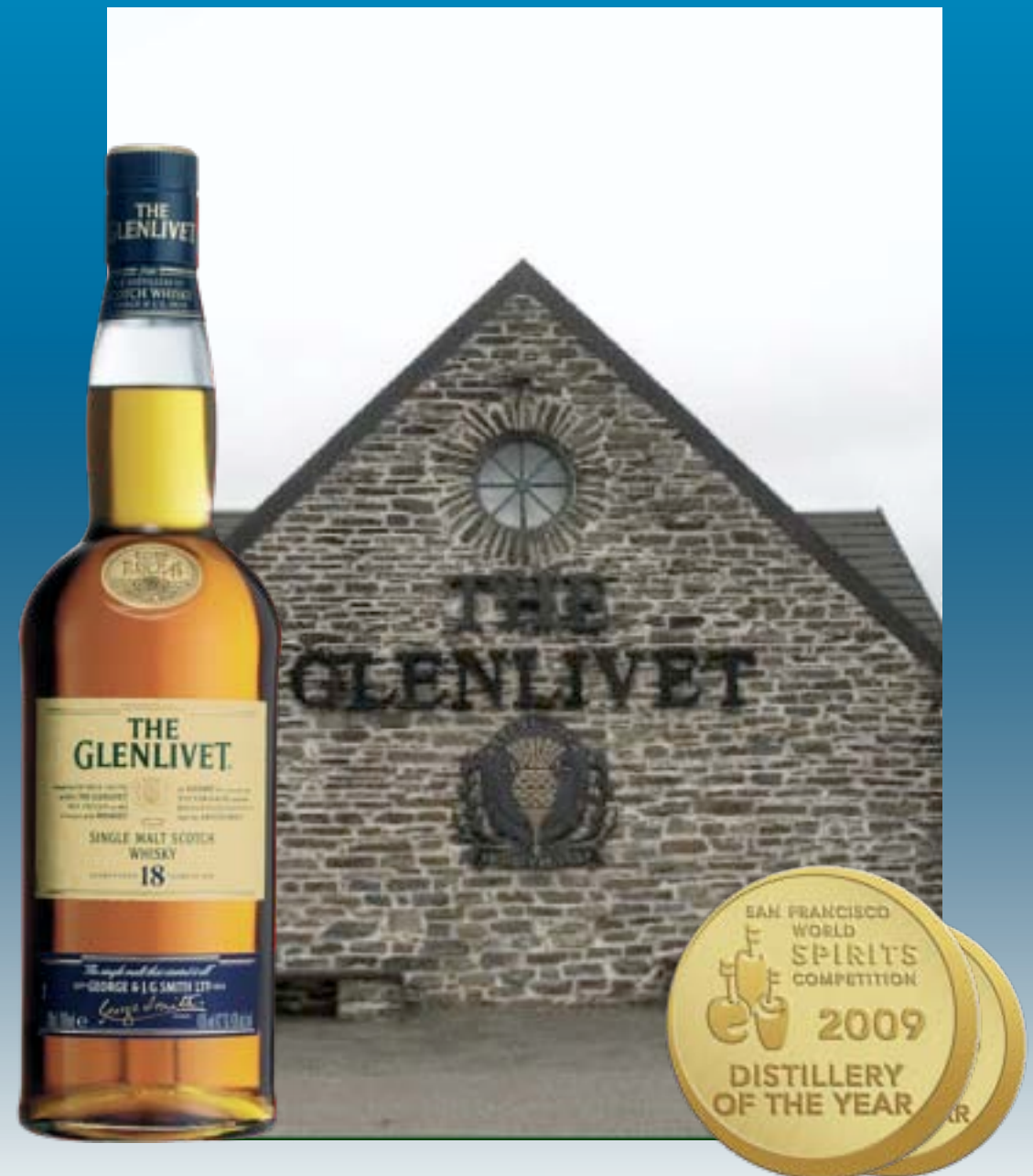
- **JOHN JAMESON** began distilling Jameson Irish Whiskey in Dublin in 1780. Today Jameson is the leading Irish Whiskey brand in the world. Double gold medal winner in world spirits competition 2009.



Brands supported by real substance: Quality and Tradition

- Distillery of the year in 2009 San Francisco Awards.
- **The Glenlivet** 18 Year Old double gold medal winner.

THE
GLENLIVET®





Pernod Ricard

Conclusion



A winning cocktail



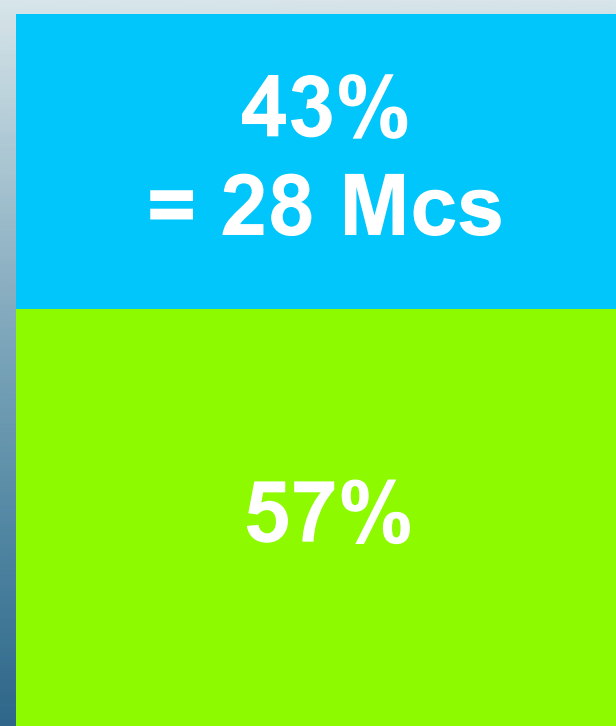
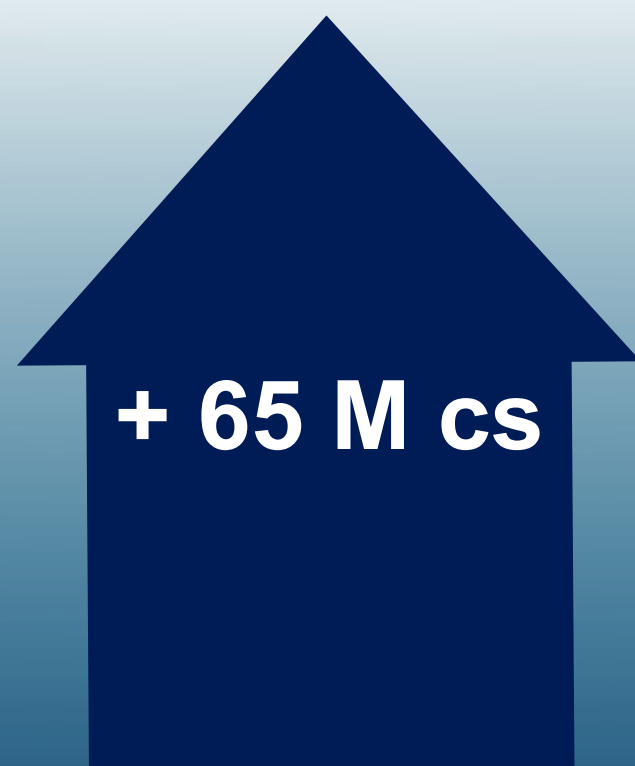
Pernod Ricard

Michel Bord

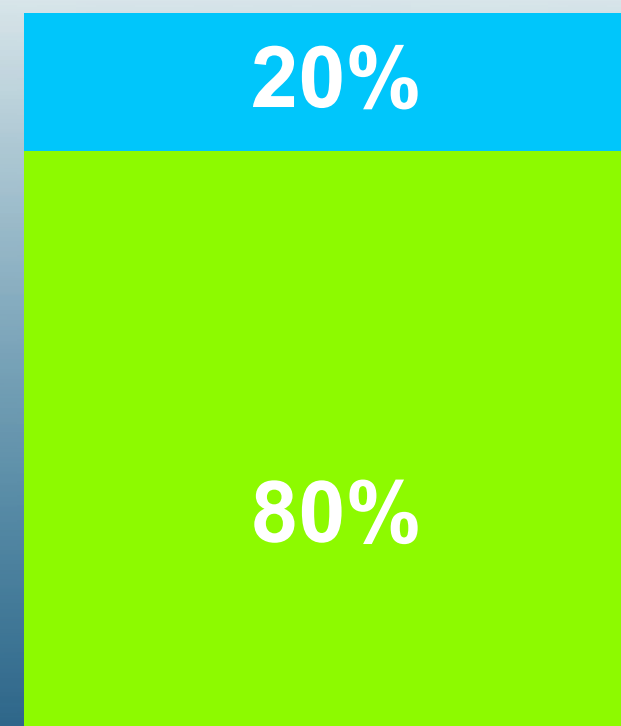
Managing Director
Distribution Network

Major new economies: Growth drivers for International Spirits

02-07 Market Growth



Contrib. Growth 02-07



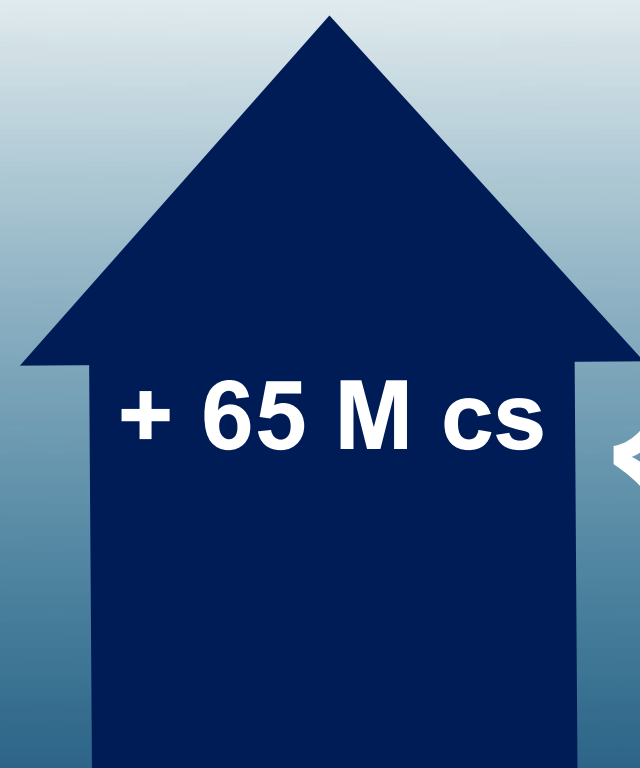
Share 2007

- New Economies
- Old Economies

The Pernod Ricard Market View / based on IWSR ending 2007 – all countries

A major contribution to premium categories' growth

02-07 Market Growth



Share in growth 02-07



Contribution of New Economies to category growth

27%

99%

8%

52%

Cognac : **76%**

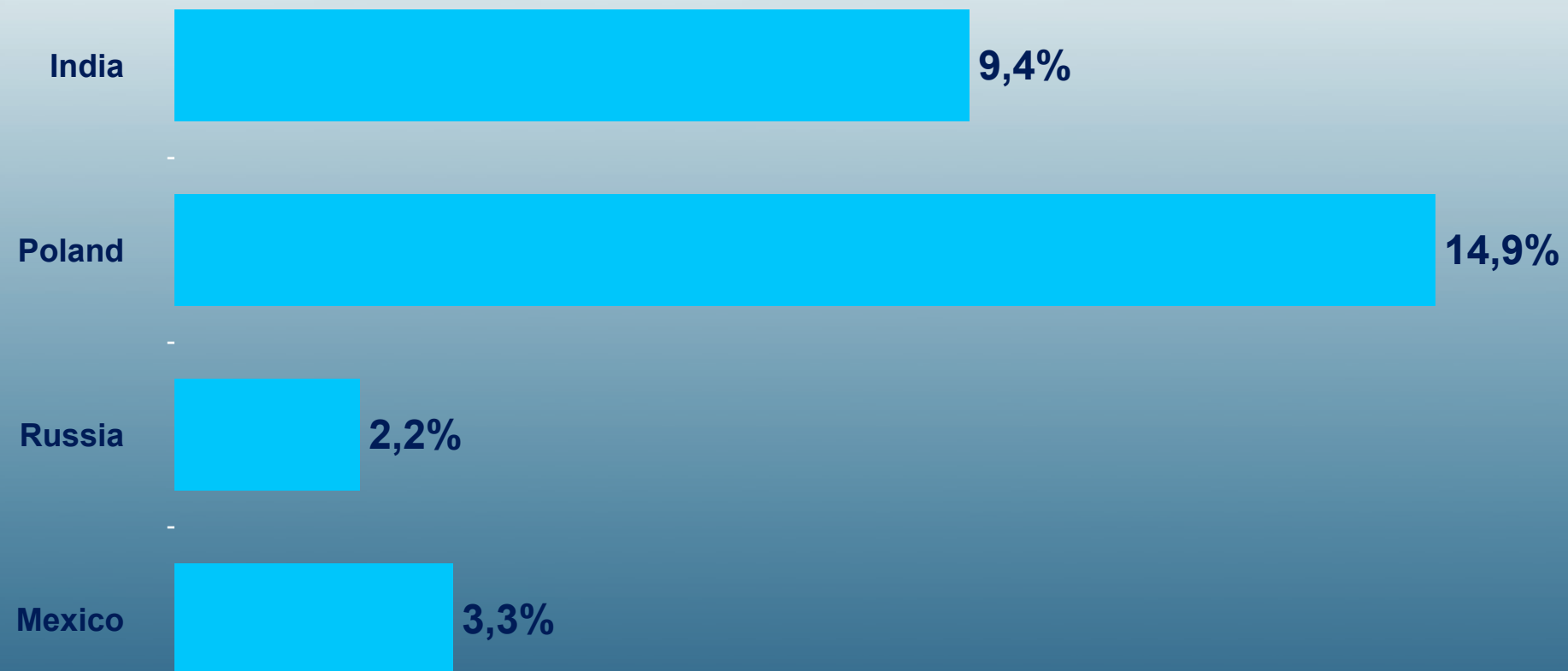
Other Whisky : **56%**



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New economies are crisis resistant

Total Spirits trends MAT March 2009

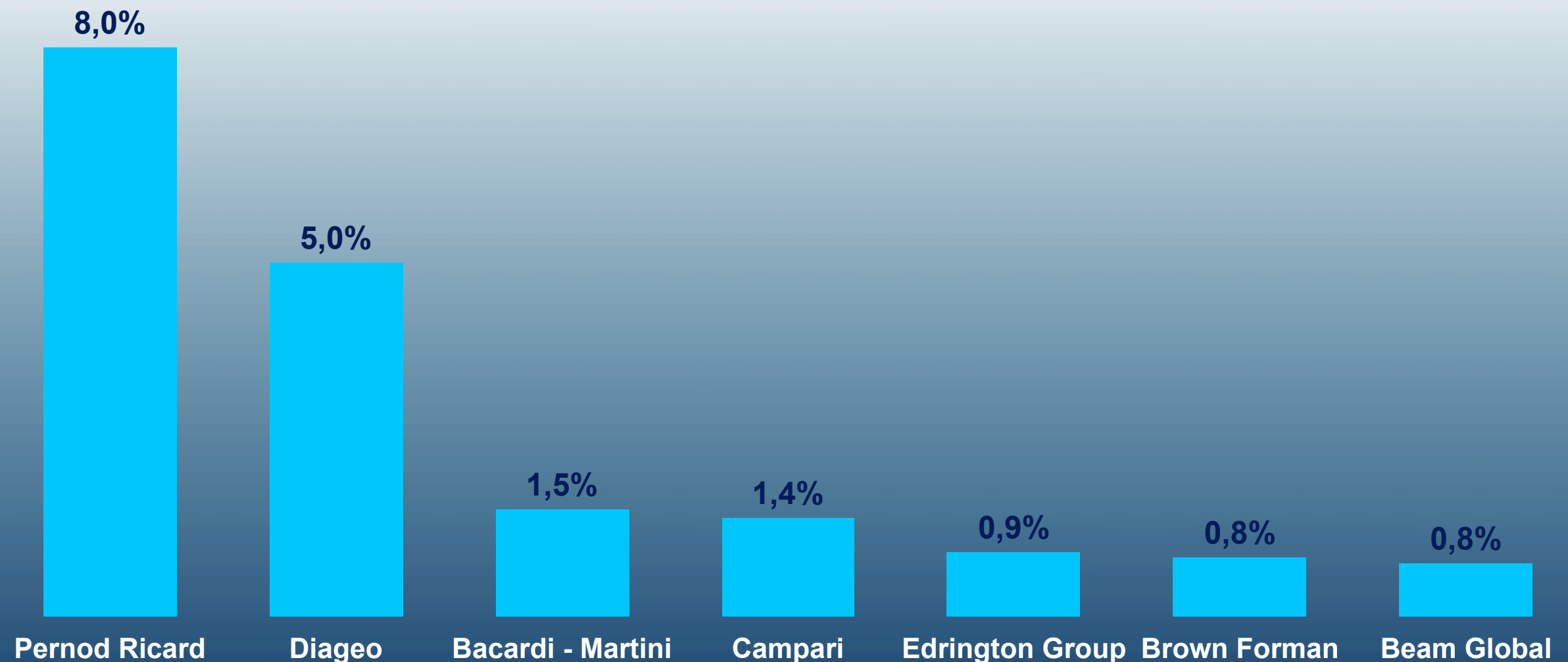


Source : Nielsen Global Track - % evol year on year – MAT March 2009

Only vodka in Russia

Pernod Ricard is the leading International Group in new economies

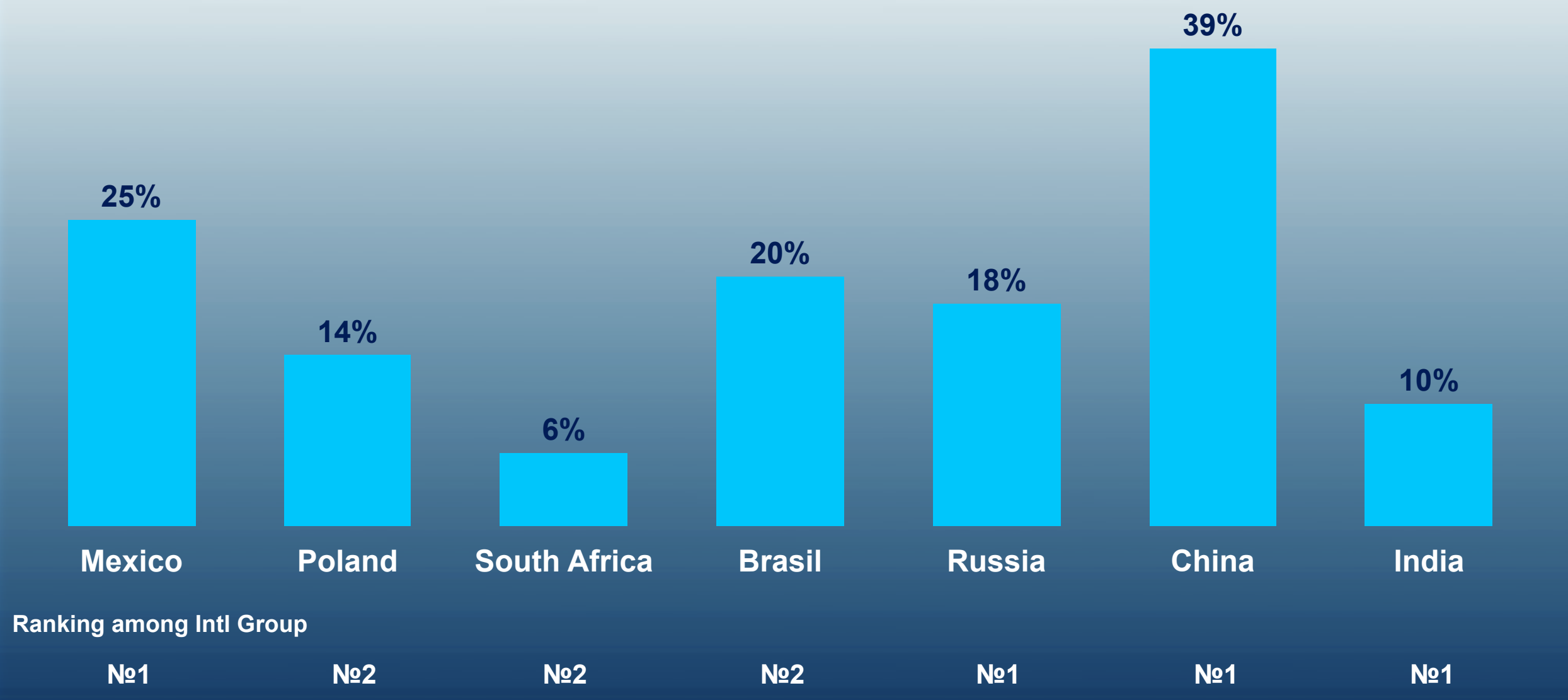
Pernod Ricard share on Western Style Spirits



Western style spirits = International+Local spirits – Volume share 2007 in Kcs – New Economies countries –
Without local vodka in Russia/Ukraine/Kazakhstan
The Pernod Ricard Market View / based on IWSR ending 2007 – New Economies countries

With a good position in International Spirits in the fast growing countries

Pernod Ricard share on Western Style Spirits



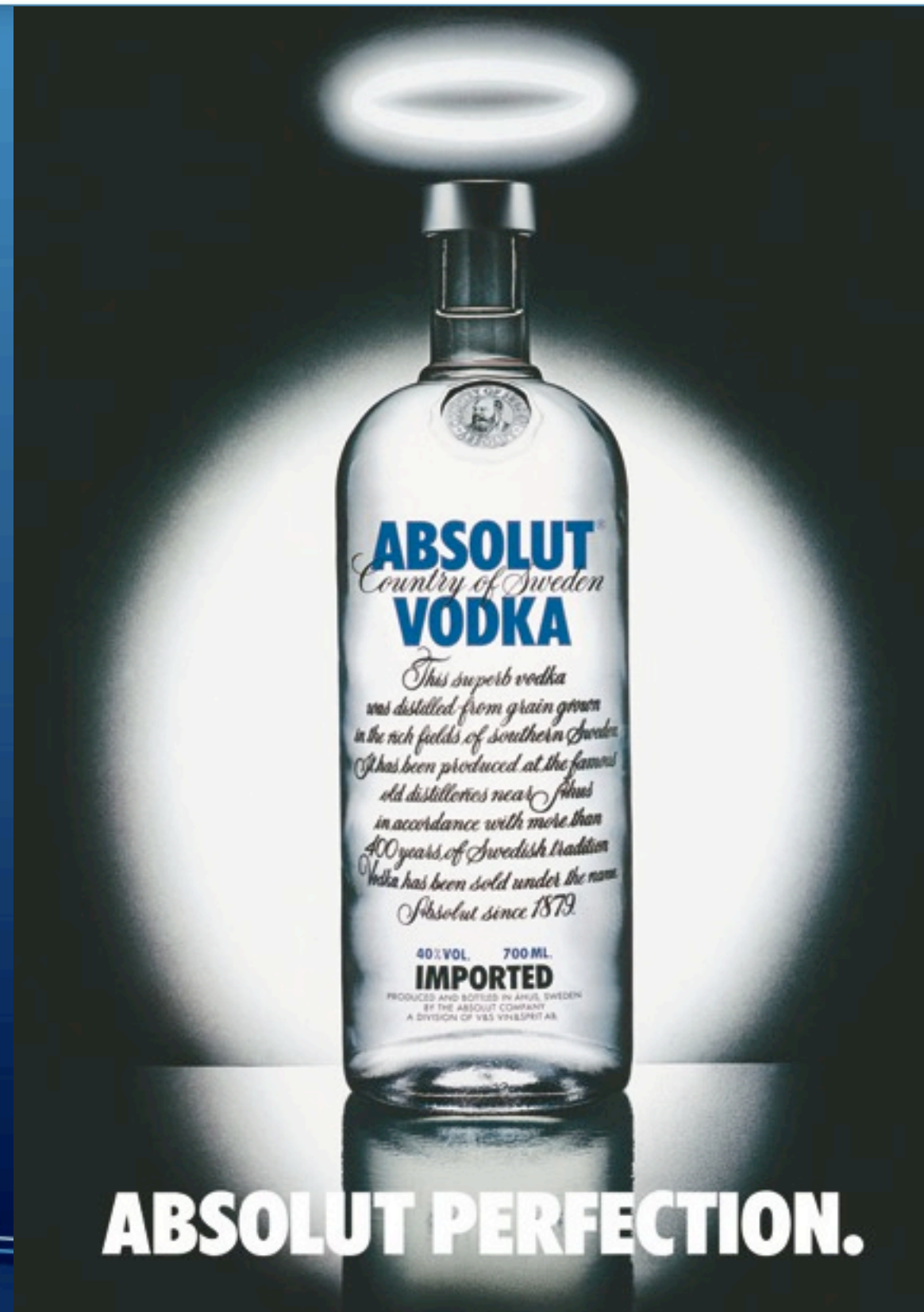
PR tequila in Mexico including Sauza** PR Scotch in Brazil including Teachers
The Pernod Ricard Market View / based on IWSR ending 2007 – New Economies countries

That strength is based on long history, strong local brands and a powerful distribution network

	Mexico	Poland	South Africa	Brazil	Russia	China	India
Main brands							
	No1	No2	No2	No2	No1	No1	No1
Date of initial presence	1948	1951	1994	1956	1990	1987	1993
Headcount	1100	365	210	500	230	520	530

The Pernod Ricard Market View / based on IWSR ending 2007 – New Economies countries

ABSOLUT: a key element of our future growth



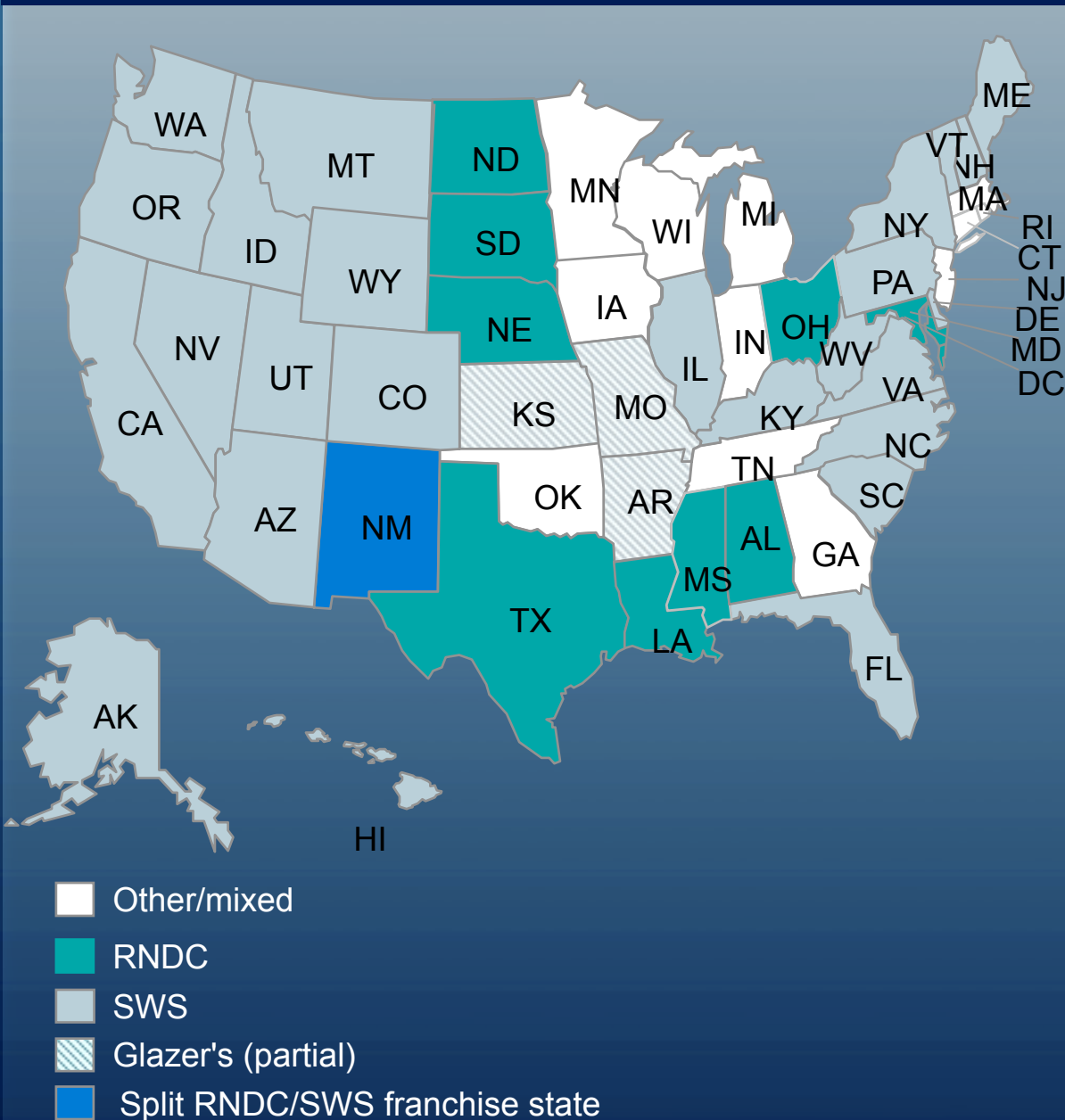
ABSOLUT has considerably strengthened our presence in the US

- Absolut enhances the PR USA portfolio by adding a major vodka brand (4.6Mcs) and expanding the businesses overall competitiveness
- The acquisition of Absolut completes the third 'big bang' which has provided depth and breadth for the US business



ABSOLUT has considerably strengthened our presence in the US

Go-forward distributor footprint

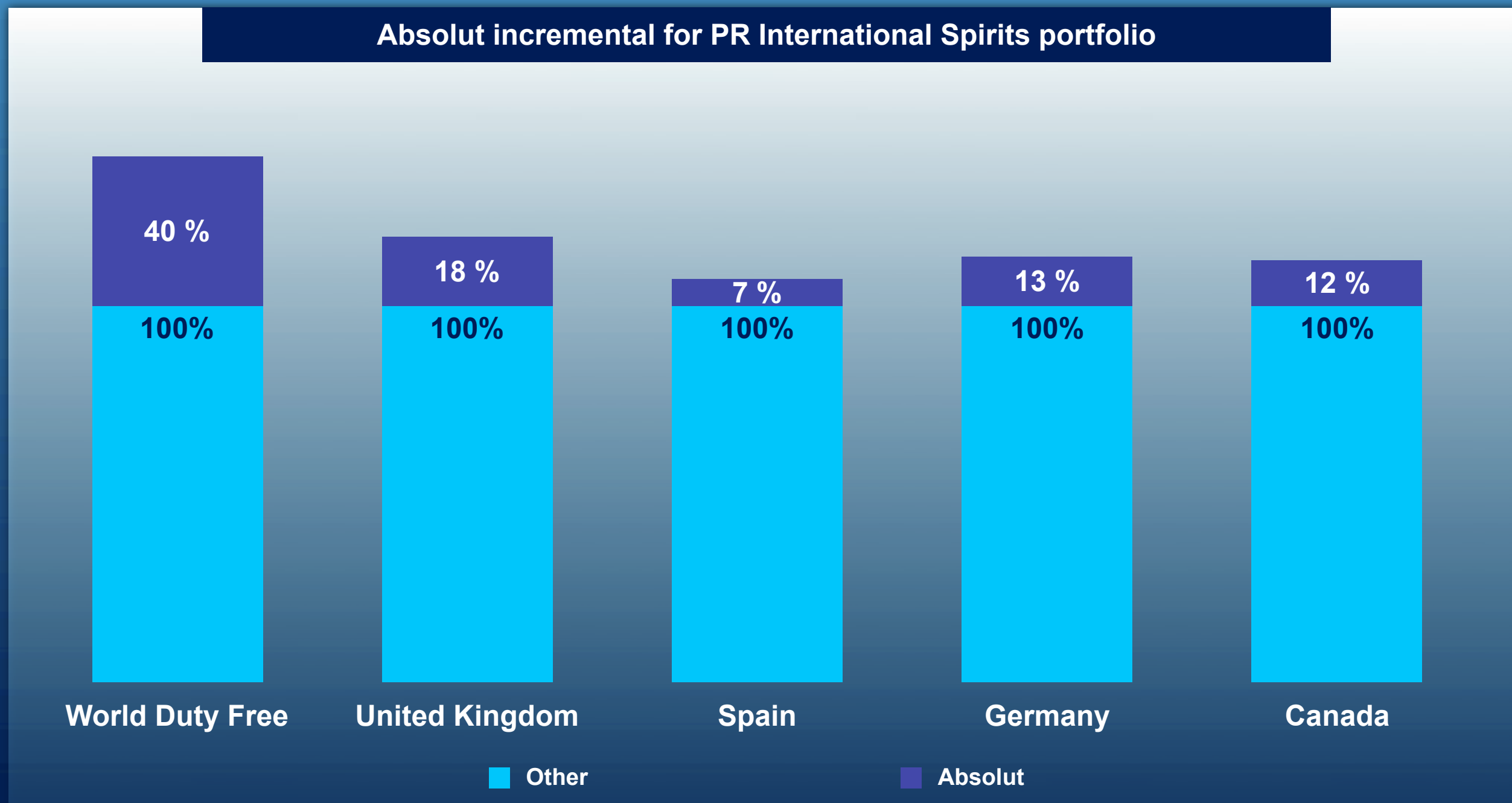


Note: KS, AR to be fully Glacier / SWS states

Leveraging ABSOLUT

- Re-aligned to a smaller number of multi state distributors:
- Signed multi-year agreements with key distributors
 - ✓ Dedicated headcount in footprint states
 - ✓ Additional resources spent locally
- Impact on PR USA:
 - ✓ Operational leverage:
 - no additional headcount
 - Immediate synergies
 - ✓ Realigned sales force to Distributors with new Control State division

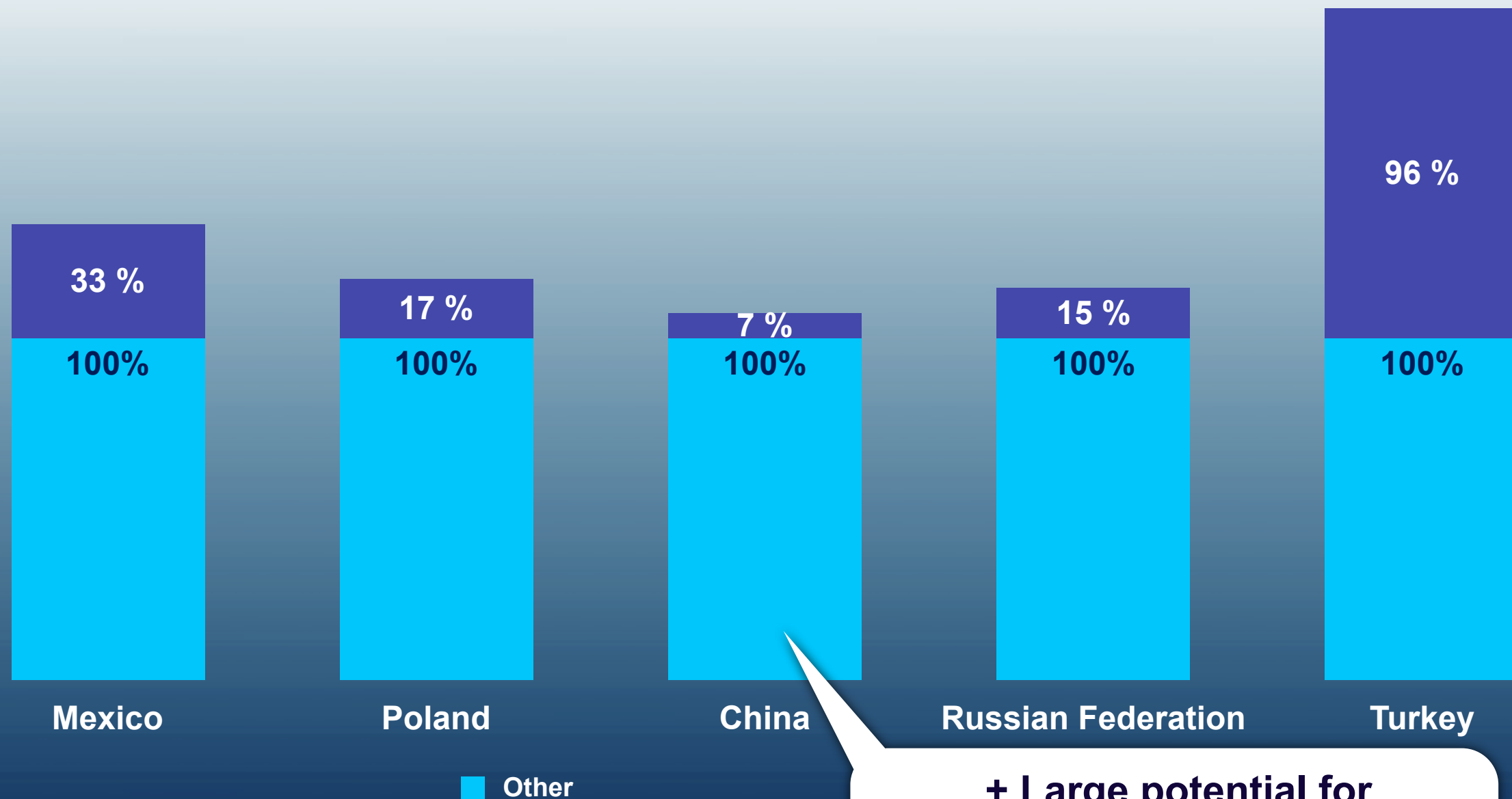
... and in the other major mature markets



Countries ranked on Absolut volumes
Pernod Ricard Market View / based on IWSR ending 2007

...but also in new economies

Absolut incremental for PR International Spirits portfolio



Countries ranked on Absolut volumes
Pernod Ricard Market View / based on IWSR ending 2007

**+ Large potential for
International vodka in China:
only ~265 Kcs today**



In summary: two opportunities for the future

- Pernod Ricard's strong position in growing new economies will benefit our established brands
- The addition of ABSOLUT significantly empowers our portfolio, in both mature markets and new economies



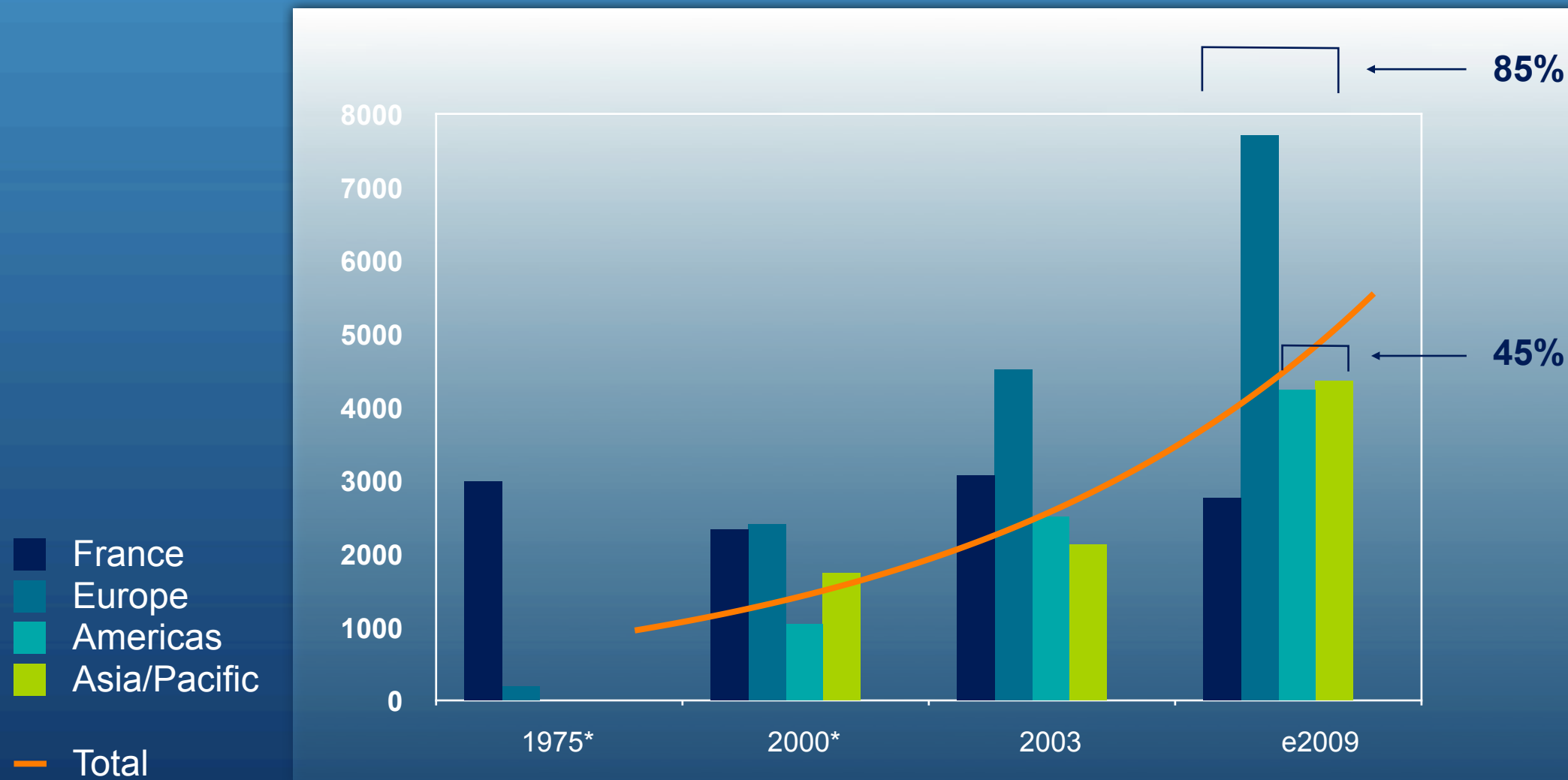
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A dark blue world map is visible in the background, showing the outlines of continents and countries. The map is centered on the Atlantic Ocean, with North and South America on the left and Europe, Africa, and Asia on the right. The map is rendered in a lighter shade of blue than the background.

Bruno Rain

Managing Director
Human Resources

A workforce that is more and more international



- 85 % of workforce non-French
- 45 % non-European

HR Policy: Support Group development

- Talents
- Mobility
- Responsibility



Consistent with our strong presence in the new economies

Workforce	2003	2008
BRIC	1,120	1,789
Of which Brazil	517	498
Russia	92	234
India	334	535
China	177	522
Eastern Europe	938	944
Central Europe	275	361
South Eastern Asia	230	311
Central and South America	516	1,637

- Recruitment of high potential individuals in those countries
- Association/partnership with universities and top business schools
- Retention / LTIP
- International mobility of emerging talent to all our subsidiaries
- Strong local corporate responsibility actions in the field



- Tools
 - ✓ Management of high potential individuals
 - ✓ Group training centre
 - ✓ International mobility policy
 - ✓ Career committees by function
 - ✓ Variable remuneration and stock option/free share plan

2 Group key processes for career development

*The annual **Development Review of Potential individuals** seeks to identify staff*

In 2008, among the 128 executives identified as “High Potential for the Group”, 38 (i.e. 30%) came from new economies: *China, Russia, India, Brazil, Poland, etc.*

*The **Career Committees** by function aim to monitor, in detail, the development*

Among 409 executives identified as “Group Experts”, 120 (i.e. 30%) came from new economies.

A training centre at the heart of Group culture



The **Pernod Ricard Training Centre** is in the Château de La Voisine, in the Rambouillet forest close to Paris.
Its mission: develop employees management skills, from all backgrounds and area of expertise.

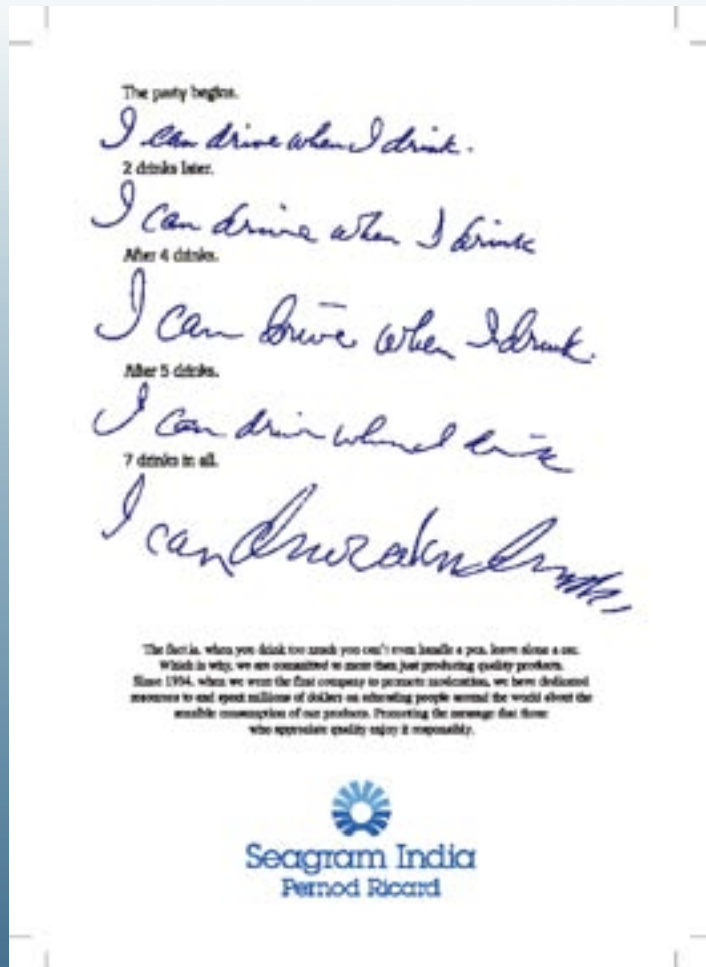
In 2008, 30% of executives trained in Pernod Ricard's Training Centre came from new economies, (i.e. 133 out of a total of 456 training sessions)



Acting responsibly worldwide



30% of responsible consumption initiatives are in new economies



India: since 2007
TV adverts and radio
campaigns



China: since 2005
Partnership with the RTSAC
(Road Traffic Safety
Association of China) 60
million people, made aware
through TV adverts, the
Internet, the Press, etc.



Brazil:
adoption in May 2009



Pernod Ricard

A dark blue world map is centered in the background of the slide, showing the outlines of continents and countries.

Emmanuel Babeau

Managing Director
Finance



Pernod Ricard

Share capital increase – April 2009

Benchmark / capital increase – April 2009

EMEA rights issues from non-financial issuers since January 1, 2009 in excess of €500mm in size

Announcement date	Issuer	Country	Sector	Rights issue size		Subscription levels ¹		
				Amount (€mm)	% of market capitalization	Take-up ratio	Add'l demand in % of deal ²	Overall subscription
January-29	Xstrata	UK	Mining	4,380	40%	99.4%	N/a	N/a
January-30	Gas Natural	Spain	Utilities	3,500	30%	99.9%	36.8%	136.7%
February-3	SAS	Sweden	Airline	561	75%	98.6%	23.3%	121.8%
February-9	Hammerson	UK	Real estate	696	35%	98.6%	N/a	N/a
February-12	SNAM Rete Gas	Italy	Utilities	3,500	44%	N/a ³	N/a	N/a
February-12	British Land	UK	Real estate	782	21%	96.6%	N/a	N/a
February-19	Land Securities	UK	Real estate	883	23%	94.8%	N/a	N/a
February-20	Lafarge	France	Building mat.	1,500	27%	98.2%	73.8%	172.0%
February-20	Saint-Gobain	France	Building mat.	1,512	14%	95.7%	N/a	N/a
March-3	CRH	Ireland	Building mat.	1,278	13%	94.4%	N/a	N/a
March-4	Segro	UK	Real estate	590	59%	95.3%	N/a	N/a
March-6	Wolseley	UK	Building mat.	876	35%	98.3%	N/a	N/a
Average				1,672	35%	97.3%	44.6%	141.9%
Pernod Ricard France Beverage				1,036	11%	98.3%	130.5%	228.8%

Source: Bloomberg, companies, J.P. Morgan

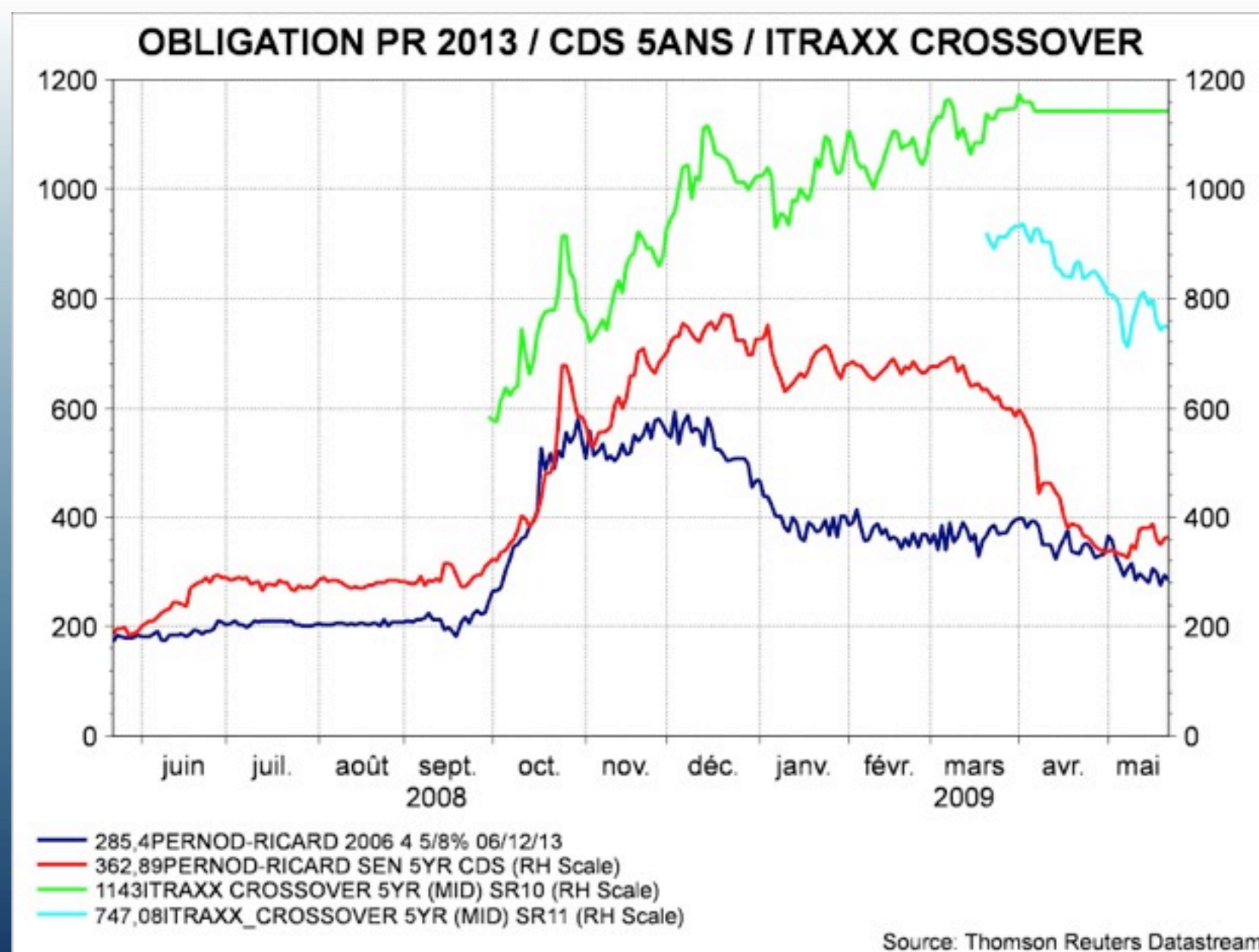
¹ Note that reducible demand ("demande réductible") is not permitted in the UK and that reducible demand was also not permitted for the Saint-Gobain rights issue (BSA structure)

² "Additional demand in % of deal". Essentially equivalent to reducible demand

³ The subscription period for the SNAM Rete Gas rights issue has not yet ended

Record subscription

CDS reduced from more than 600 to 363 on 25 May



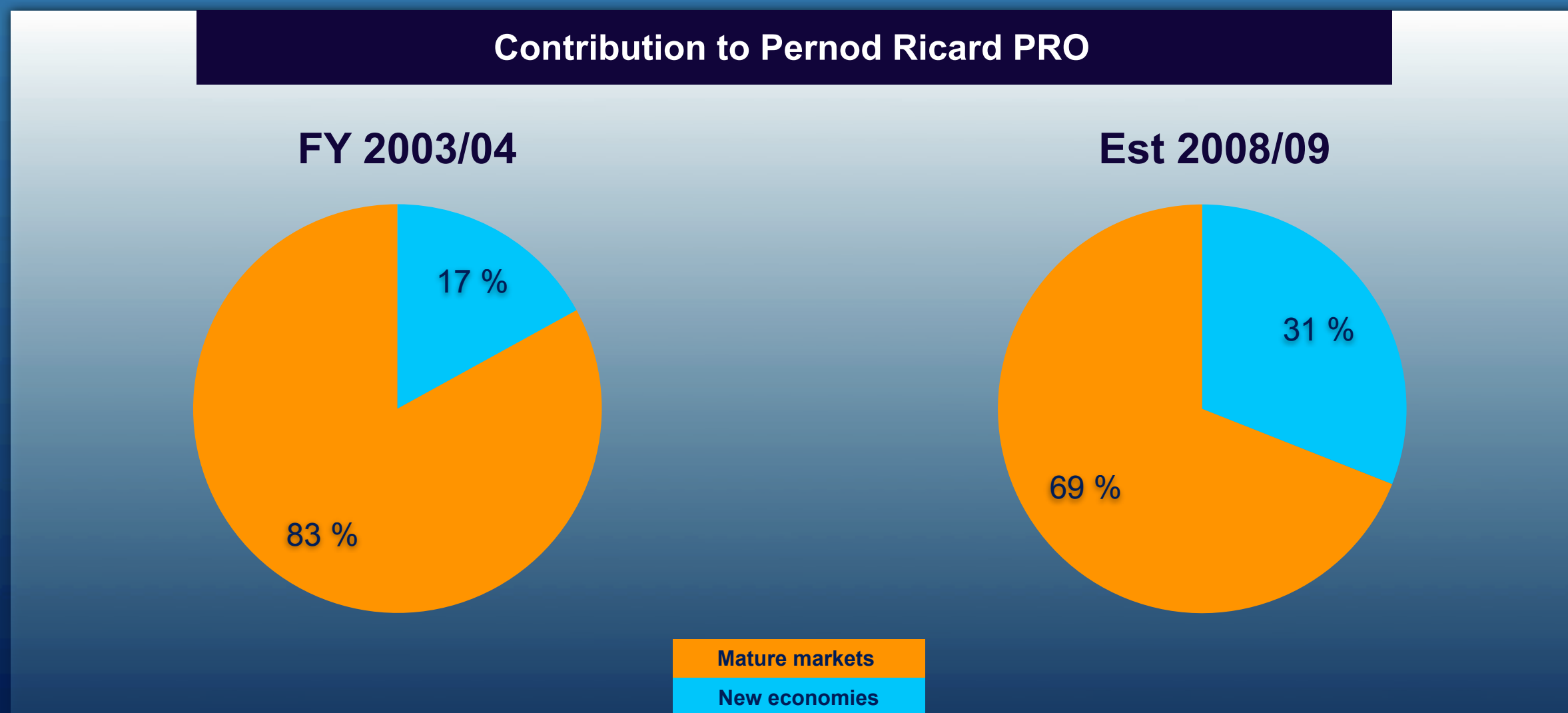


Pernod Ricard

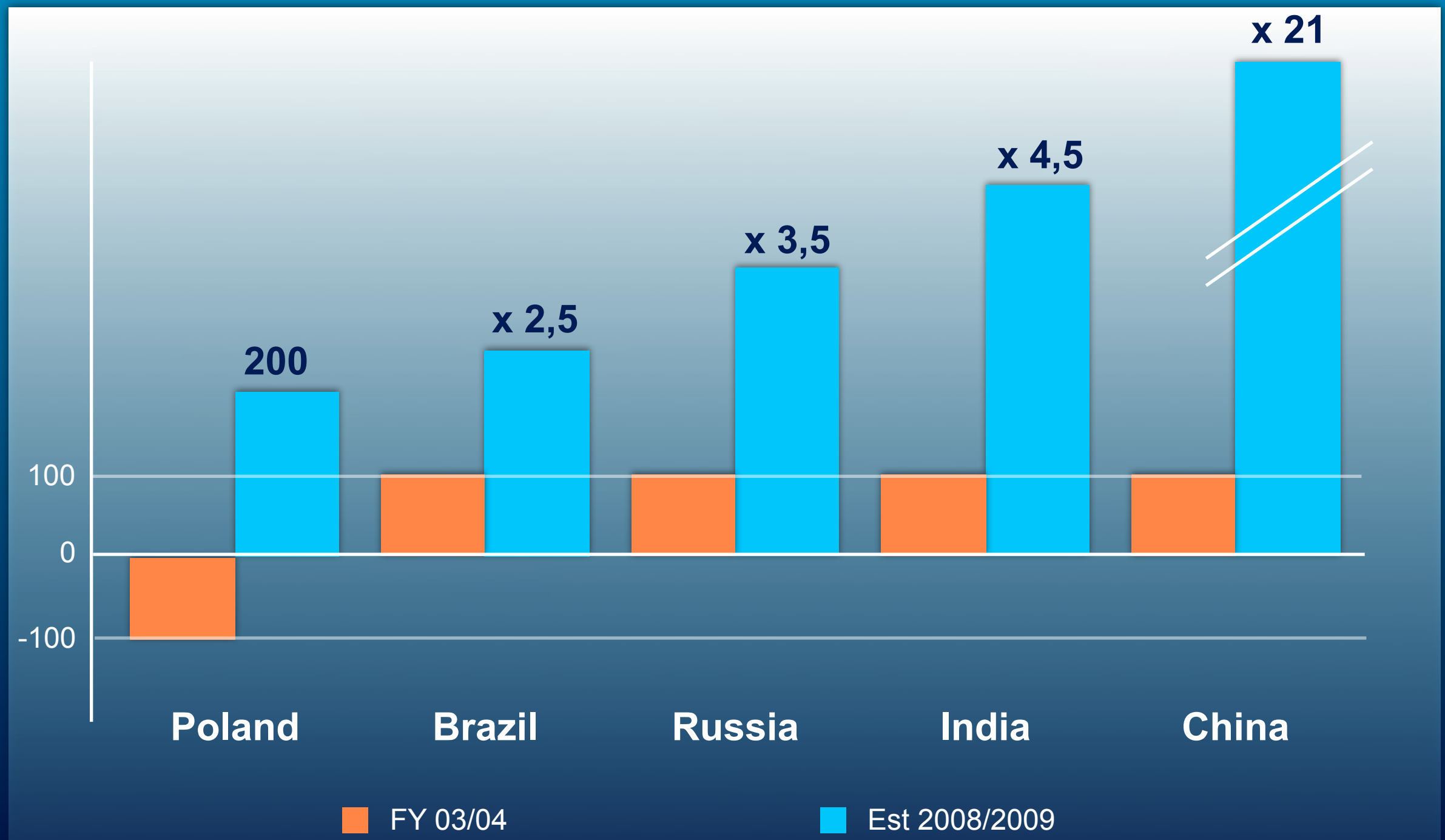
**Contribution of new economies
to profit from recurring operations**

Contribution of new economies to profit from recurring operations (PRO)

‘New economies’ markets (as profitable as mature markets) should account for 31% of Pernod Ricard FY 2008/09 PRO vs only 17% in FY 2003/2004



Growth in profit from recurring operations in major new economies





Pernod Ricard

Latest business trends

- As expected, destocking outside of US was lower in April, but Eastern Europe markets remained difficult
- In the US, destocking should as anticipated continue to impact business in Q4
- Globally sales grew slightly in April, but it is still too early to talk of market recovery: Spain, UK, Ireland, Greece, South Korea still facing difficult market conditions



- China, India and South America confirmed their status as growth drivers for the Group in April 2009
- Panel data and market information from wholesalers confirmed Pernod Ricard market share gains in many countries : Spain, France, Germany, China, India, Mexico, ...
- In the US, ABSOLUT still faces high comparison bases, but our other key brands continue to perform very well: Jameson, The Glenlivet, Malibu, ...



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PREMIUM BRANDS AT THE HEART OF THE NEW GLOBAL ECONOMY