



Pernod Ricard
Créateurs de convivialité

SALES TO 30 SEPTEMBER 2015

22 October 2015



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*All growth data specified in this presentation refers to organic growth (constant FX and Group structure), unless otherwise stated.
Data may be subject to rounding.*

This presentation can be downloaded from our website: www.pernod-ricard.com



Executive summary

+3%

Sales

Continued gradual improvement in Q1 Sales, in a contrasted environment

Good start in Europe (+3%)

- Good growth in Spain and UK
- France and Russia resilient but negatively impacted by technical factors

Improvement in the Americas (+6%) driven by the USA

- Strong Q1 in the USA, partly favoured by phasing
- Resilience in Brazil and Canada
- Decrease for Travel Retail Americas due to tough competitive context

Growth deceleration in Asia-Rest of World (+1%) due to a difficult environment in China

- Weak demand in China
- Good Q1 in India and Africa/Middle East
- Continued difficulties in Korea and South-East Asia

+3%

**Sales
improvement
driven by
mature markets**

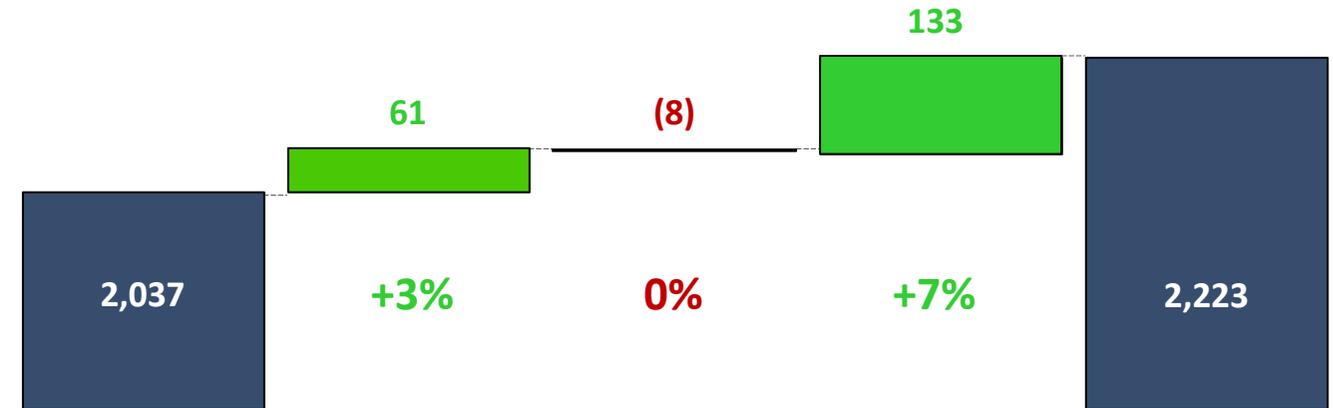
Key figures

		Q1 15/16 vs. Q1 14/15
Sales	€ 2,223 m	+3% Reported growth: +9%
<i>Mature markets</i>	€ 1,351 m	+4%
<i>Emerging markets</i>	€ 872 m	+2% +7% excl. China
<i>Top 14</i>	€ 1,430 m	+2%
<i>Key local brands</i>	€ 403 m	+5%
<i>Priority Premium Wines</i>	€ 117 m	+8%

+9%

Reported Sales

Sales growth over 3 months



Q1 2014/15

Organic growth

Growth driven by volumes (+6%) and positive pricing but negative mix (Martell and Indian whiskies)

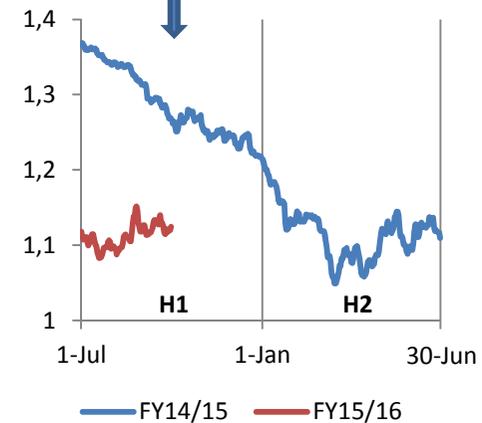
Group structure

Forex impact

Highly positive due to USD and RMB

Q1 2015/16

Favourable basis of comparison through H1



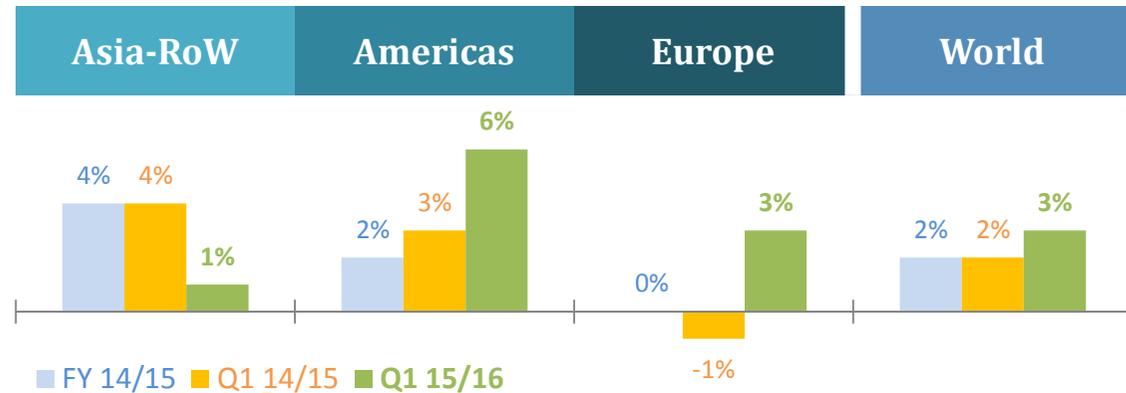
EUR / USD parity July 14- Sept 15

The background is a solid blue color with a subtle gradient. A thin, light blue vertical line is positioned to the left of the text. The text 'Sales analysis' is centered horizontally and vertically in a light blue, sans-serif font.

Sales analysis

Good momentum in Americas and Europe but Asia weaker

Organic sales growth by region



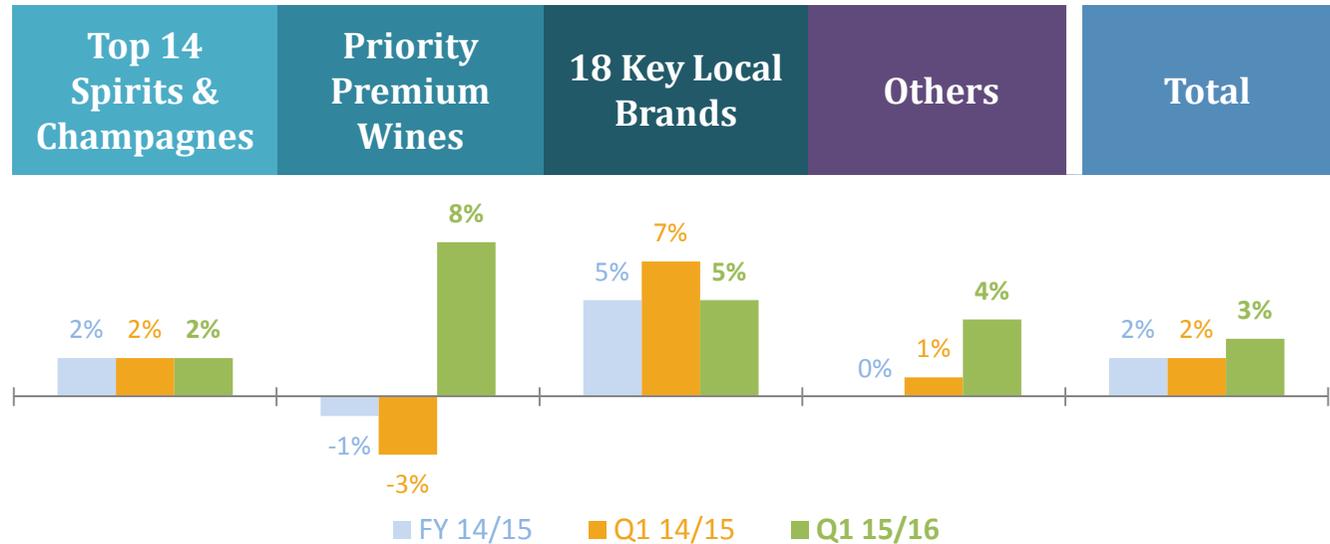
Still growing but at a slower pace due to difficult context in China	Improvement driven by the USA (partly enhanced by phasing)	Good start	Overall gradual improvement
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% of Sales



Improvement vs. Q1 14/15 driven in particular by innovation

Organic sales growth by category



Good performance driven by Jameson and The Glenlivet. Positive volumes and price but negative mix	Good growth driven by improvement in the UK and Australia	Growth driven by Indian whiskies and Passport	Good growth of Avi3n and Aberlour	Gradual underlying improvement in brand performance
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+1%
**Sales in
Asia-RoW**

Asia-Rest of World

Still growing but at a slower pace due to difficult context in China

China: -9%

- **Macro-economic slowdown** negatively impacting Spirits consumption
- Q1 negatively impacted by Tier 1 and 2 **wholesaler destocking**
- **Martell Sales down -4%**, impacted by the deceleration of Noblige
- Scotch declining double-digit
- Improving price / mix in Q1
- **Underlying trends estimated at down ~4/5% in value, in line with FY14/15**

India

- **Continued double-digit growth**, both for the Top 14 and Indian whiskies

Travel Retail Asia

- Slow start due to MERS, reduced purchasing from Chinese travellers and competitive pressure, with a difficult basis of comparison

South-East Asia

- Ongoing difficulties linked to macroeconomic environment

Africa and Middle East: +21%

- **Continued very strong growth** driven by Sub-Saharan Africa
- Excellent performance of Scotch whiskies, Jameson and Martell

+8%

**Sales growth
in USA**

Americas

Strong growth in USA, partly favoured by phasing

Market: continuation of strong trends seen in calendar H1 2015

- Nielsen⁽¹⁾ volumes +3.1% and value +7.5%
- Premiumisation remains strong

Pernod Ricard USA

- **Strong reported performance** due to:
 - **Favourable basis of comparison**
 - **Technical phasing impacts** in September, some of which will reverse in Q2
- **Improved underlying performance vs. FY 2014/15**, as expected:
 - Nielsen⁽¹⁾ volumes +1.4% and value +5.9%

Underlying performance by brand⁽¹⁾ due to:

- **Absolut**: slightly improved performance (-2% vs. -3% in FY 2014/15)
- **Jameson**: ongoing double-digit performance, +26%
- **The Glenlivet**: +15%, continued outperformance of the whisky category
- **Malibu**: +4% in a flat category
- **Avión and Altos**: outperformance of the tequila category

(1) Nielsen value data 13 weeks to September 2015

+4%

Sales growth
in Americas
excl. USA

Americas

Other markets

Canada

- Solid performance

Brazil: +5%

- **Market slowdown** in a difficult macroeconomic environment
- Shipments benefitted from **buy-in prior to price increases** on main brands
- **Market share gains⁽¹⁾ in a flat market**
 - Absolut +16% (vs. vodka +6%)
 - Chivas +13% , The Glenlivet +27%, Passport +8% (vs. whisky -2%)
- Duty increase scheduled in December 2015

Mexico

- **Low single digit decline**, broadly reflecting underlying trend

Travel Retail

- **Double-digit decline driven by Duty Free in Brazil and border zones** due to FX volatility and high basis of comparison

(1) Nielsen value data- 2 months to end July 2015

+3%

Europe

Good start, both in West (+3%) and East (+4%)

France

- **As expected, decline resulting from reversal of forward shipments** in June (in anticipation of mutualisation of back-offices between Pernod and Ricard)
- Excluding technical impacts, **underlying trends⁽¹⁾ improving** with **market share gains**, particularly for the Top 14

Spain

- **Confirmed rebound of the market** (on- and off-premise)
- Strong performance of Pernod Ricard **led by gin portfolio** (Beefeater, Seagram's Gin) and return to growth of Scotch brands (Ballantine's and Chivas)

Germany

- **Good growth**, with **market share gains** (in particular for Jameson, Havana Club and Absolut)

UK

- **Strong start** for Top 14 and Premium Wines

Travel Retail Europe

- **Early improvement**

Russia

- **Mid-single digit decline** due to unfavourable comparison (stocking in Q1 14/15)
- Good **resilience in a soft market**, with Group's underlying trend broadly stable (-1%)

Poland

- **Strong rebound** with double-digit growth, due in part to an easy comparison, with market share gains

(1) Nielsen value data – period ending 06 September 2015

2015/16 Outlook

2015/16 Full-Year Outlook

Expectation of continued gradual improvement in Sales growth vs. FY 2014/15 in a contrasted environment

- Improvement expected in the USA and Europe but difficult environment in China
- Commercial landscape remaining very competitive, though some positive pricing is anticipated

Continued implementation of long-term growth strategy

- **Strict pricing** policy
- **A&P increasing** to support key projects and innovations
- **Operational excellence** initiatives with cost discipline

FY 2015/16 guidance: Organic growth in Profit from Recurring Operations between +1% and +3%

Positive Foreign exchange impact expected but strong volatility remains

- Impact on PRO estimated⁽¹⁾ at approximately +€20m

(1) based on average FX rates for full FY 2015/16 projected on 16 October 2015, particularly a EUR/USD rate of 1.13

Upcoming communications

DATE⁽¹⁾

EVENT

Friday 6 November 2015

Annual General Meeting

Tuesday 10 December 2015

Americas Conference Call

Thursday 11 February 2016

2015/16 Half-Year Results

Monday 14 March 2016

EMEA Conference Call

Thursday 21 April 2016

9M 2015/16 Sales

Tuesday 31 May 2016

Asia Conference Call



Appendices

Sales Analysis by Region

Net Sales (€ millions)	Q1 2014/15		Q1 2015/16		Change		Organic Growth		Group Structure		Forex impact	
Europe	652	32.0%	658	29.6%	7	1%	20	3%	(1)	0%	(12)	-2%
Americas	530	26.0%	627	28.2%	97	18%	33	6%	(4)	-1%	68	13%
Asia / Rest of the World	855	42.0%	938	42.2%	82	10%	7	1%	(2)	0%	77	9%
World	2 037	100.0%	2 223	100.0%	186	9%	61	3%	(8)	0%	133	7%

Forex Impact on Q1 Sales

Forex impact Q1 2015/16 (€ millions)		Average rates evolution			On Net Sales
		2014/15	2015/16	%	
US dollar	USD	1.33	1.11	-16.1%	88
Chinese yuan	CNY	8.17	7.01	-14.2%	36
Indian rupee	INR	80.31	72.27	-10.0%	20
Pound sterling	GBP	0.79	0.72	-9.6%	11
Brazilian real	BRL	3.01	3.94	30.7%	(7)
Russian rouble	RUB	48.08	70.45	46.5%	(18)
Other currencies					3
Total					133



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