



# CHRISTIAN PORTA

Chairman & CEO

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*March, 2016*



## 1 Pernod Ricard EMEA Overview

2 Western Europe

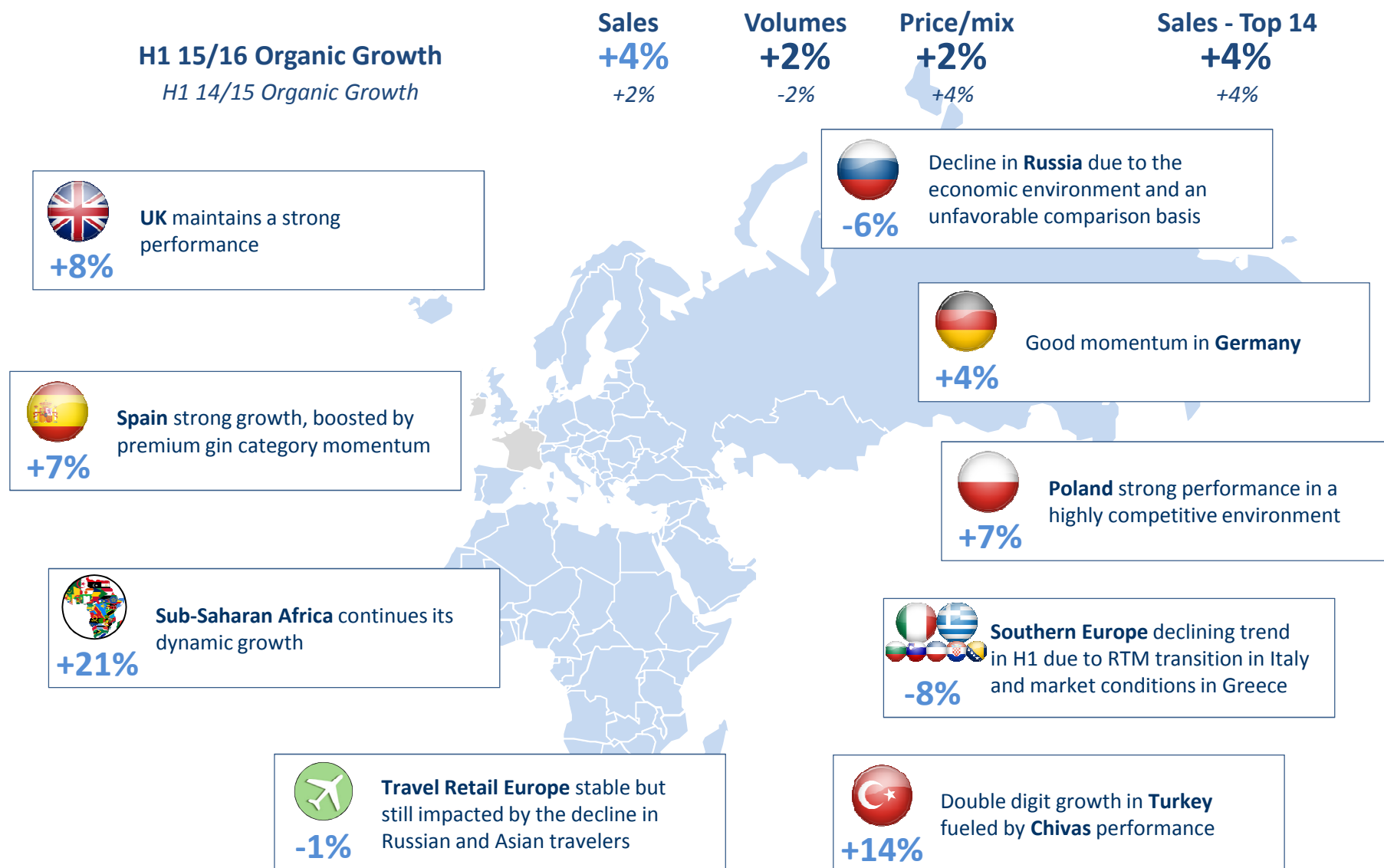
3 Central and Eastern Europe

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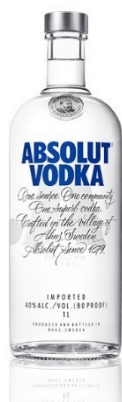


# Continued solid growth despite a tougher economic environment in most emerging markets



# Top 14 brands driving growth and continuing to build their leadership

Strong momentum in Germany and in the UK and fast development in Africa



H1 Sales  
**+3%**

**#1**

*In Premium vodka*

Solid performance in the Middle East and Turkey boosted by Extra and the bottle redesign



H1 Sales  
**+8%**

**#1**

*In Super Premium Scotch Whisky*

Double digit growth in Poland and in Sub-Saharan Africa



H1 Sales  
**+3%**

**#2**

*In Premium Scotch Whisky*

Continued momentum with growth in almost all markets



H1 Sales  
**+4%**

**#2**

*In Premium non-Scotch Whisky*

Growth primarily driven by Spain



H1 Sales  
**+4%**

**#1**

*In Premium Plus Gin*

Soft H1 impacted by declining category in Germany and portfolio rationalisation in Italy



H1 Sales  
**-1%**

**#1**

*In Premium Plus Rum*

Fast development in the Middle East and Africa offsetting soft H1 in Eastern Europe



H1 Sales  
**+19%**

**#2**

*In Cognac*

**TOP 14**



**+4%**



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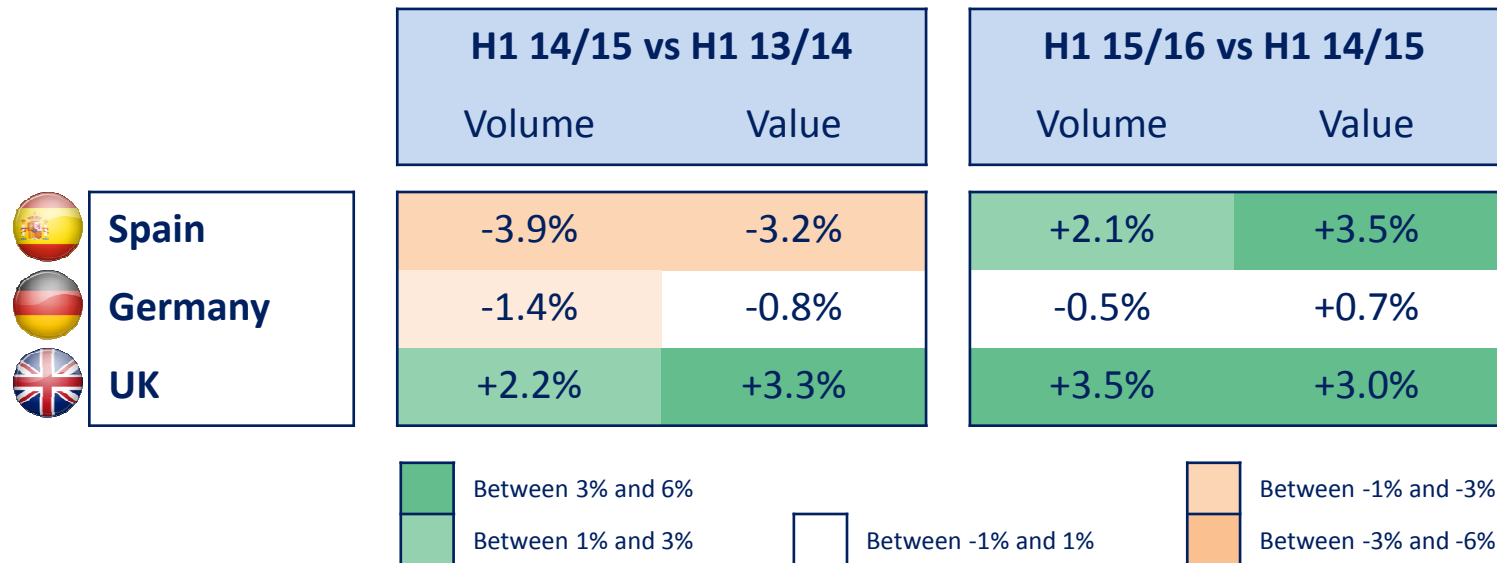
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# Improved market conditions, notably in Spain

## H1 market growth in key European markets



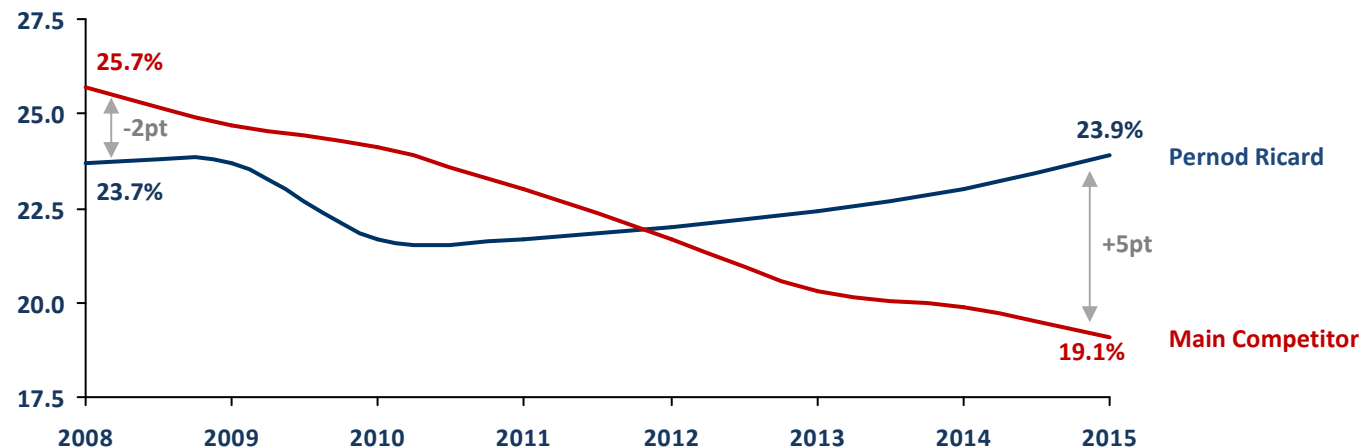
# Spain: Successful long-term strategy to maintain market share and achieve clear leadership despite the crisis



**Pernod Ricard Espana carefully but successfully adapted local ways of working and resources...**

- ✓ **Portfolio management with strong focus on:**
  - Key battlegrounds: Premium **Gin & Scotch**
  - **Innovation**, to create future growth relays
- ✓ **Partial adjustment of A&P and structure costs** while main competitor significantly cut resources
- ✓ Reinforcement of company culture – **winning mindset**

**...and took leadership position before the market rebound**



# Spain: Solid growth in H1 15/16 and reinforced leadership



## Improved market conditions

- ✓ 2015 GDP +3.1% according to IMF
- ✓ One of the eurozone's fastest growing economies
- ✓ Spirits market growing at +3.5% YTD

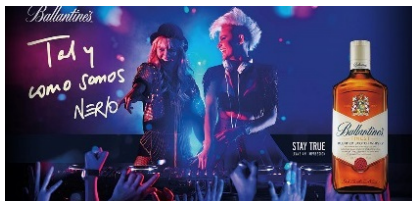
## Effective On-trade activations



*Seagram's Gin*



*Absolut Elektrik Parties*



*Ballantine's with Nervo's  
Stay True Campaign*



*Ritual Summer Parties*

## Reinforced Leadership

<i>Market Share 2014</i>	<i>Market Share 2015</i>	
<b>23.2%</b>	<b>23.9%</b>	<b>+0.7pt</b>

## Undisputed leadership in the Gin category



## Improved position in the Scotch category

<i>Market Share 2014</i>	<i>Market Share 2015</i>	
<b>29.1%</b>	<b>29.5%</b>	<b>+0.5pt</b>





# Germany: Confirmed leadership in a very competitive environment



## Reinforced Leadership

<i>Market Share 2014</i>	<i>Market Share 2015</i>	
<b>7.6%</b>	<b>8.2%</b>	<b>+0.6pt</b>

## Excellence of execution and focus on Prestige and Innovation



*Selected Prestige  
Flagship Outlets*



*Strong momentum on  
Lillet*



*Exclusive Prestige  
Events & Cooperations*



*Continued growth of  
Aperitivo Rosato*

## Market share gains

	<i>Market Share 2015</i>	<i>Market Share growth vs LY</i>
<b>ABSOLUT®</b>	8%	 <b>+1pt</b>
 <i>El Ron de Cuba</i>	22%	 <b>+1pt</b>
	18%	 <b>+4pt</b>
<i>Ballantine's</i>	25%	<b>Stable</b>
<b>RAMAZZOTTI</b>	17%	 <b>+1pt</b>
<b>LILLET®</b> <i>Maison fondée en 1823</i>	10%	 <b>+3pt</b>

# UK: Ongoing market share gains with dynamic growth on strategic spirits and wines



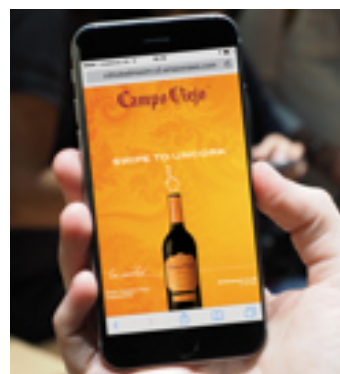
## Strong growth of key brands

H1 Sales organic growth



Prestige portfolio: +12%

## Driven by impactful campaigns



## Increased total market share

Market Share 2014	Market Share 2015	
6.9%	7.4%	+0.5pt

## Market share gains

	Market Share 2015	Market Share growth vs LY
<b>ABSOLUT.</b>	68%	+4pt
<b>CHIVAS</b>	30%	Stable
<b>JAMESON</b>	79%	+5pt
<b>Campo Viejo</b>	16%	+2pt
<b>JACOB'S CREEK</b>	8%	Stable

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# Russia: Resilient performance in a difficult environment



## Unstable environment

- ✓ Oil price
- ✓ RUB depreciation / high interest rates and inflation
- ✓ Ongoing **shift from Traditional to Modern Trade**

## Resilient top line supported by price increase

- ✓ Volume performance negatively impacted by last year's overshipments in H1
- ✓ Partially compensated by double digit price increases

## Focus on L3F

- ✓ Strong L3F activations driving MS gains



## Wide and balanced portfolio

- ✓ Strong whisky footprint
- ✓ Ararat, steadily growing "local" brand, completing the portfolio

## Increased total market share

Market Share 2014	Market Share 2015	
<b>12.2%</b>	<b>12.4%</b>	<b>+0.2pt</b>

## Market share gains

	Market Share 2015	Market Share growth vs LY
JAMESON IRISH WHISKEY	<b>18%</b>	<b>Stable</b>
Ballantine's	<b>11%</b>	<b>+1pt</b>
CHIVAS	<b>48%</b>	<b>-2pt</b>
ARARAT	<b>9%</b>	<b>+1pt</b>



# Poland: Rebound notably thanks to whisky portfolio and innovation in vodka



## Tough commercial environment

- ✓ Consumer base extremely price-sensitive
- ✓ Leading to high pressure on prices from all competitors

## Impactful activations on whisky



## Strengthening of vodka portfolio



## Market share gains

	Market Share 2015	Market Share growth vs LY
CHIVAS	32%	+2pt
Ballantine's	36%	+2pt
ABSOLUT.	14%	+1pt
WYBOROWA POLISH WÓDKA SINCE 1823	Since the introduction of the new bottle <sup>1</sup>	+4pt



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# Africa and Middle East: Many successes despite a more volatile environment

## Environment

- ✓ **Fast growing consumer base:** Emerging middle class / fast urbanisation / growing young adults
- ✓ **But pressure on economy** due to **oil price** weighting on **emerging currencies** and states budgets

**Nigeria:** Seagram's Imperial Blue  
New RTM implementation



H1 Net Sales:  
**x2**

**Angola:** Strong development of whisky

H1 Net Sales:

**+50%**



**+10%**



**+24%**



**South Africa:** Bespoke communications



**MENA & Turkey:** Chivas momentum

H1 Net Sales:  
**CHIVAS**

**+44%**  
MENA

**+41%**  
Turkey

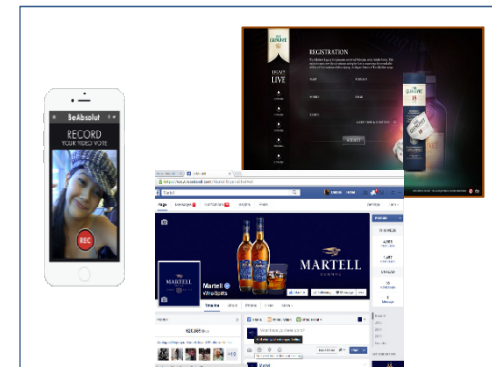
**Prestige:** Building capabilities to  
tackle the prestige opportunity

Prestige portfolio accounts for

**25%**

of Sub-Saharan Africa NS growth in H1

**Digital acceleration**



# South Africa: Further strengthening Pernod Ricard's position



## Growing footprint in South Africa





<i>Market Share 2014</i>	<i>Market Share 2015</i>	
<b>10.9%</b>	<b>11.8%</b>	<b>+0.9pt</b>

## Acceleration of Prestige strategy



**Prestige portfolio: +33%**  
H1 Sales

## Market share gains

	<i>Market Share 2015</i>	<i>Market Share growth vs LY</i>
	<b>29%</b>	<b>+2pt</b>
	<b>9%</b>	<b>Stable</b>
	<b>6%</b>	<b>+2pt</b>
	<b>19%</b>	<b>+4pt</b>

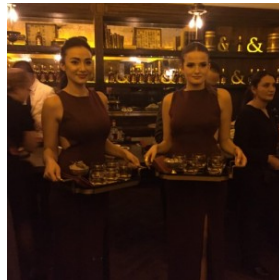
# Turkey: Solid performance despite a contrasted environment



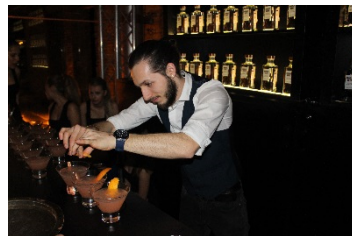
## Consolidated footprint

Market Share 2014	Market Share 2015	
40.2%	40.4%	+0.2pt

## Successful launch of Chivas Extra...



## ...and activations of Elyx



## Market share gains

	Market Share 2015	Market Share growth vs LY
CHIVAS	44%	+1pt
Ballantine's	16%	Stable
ABSOLUT.	53%	-1pt

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# Operational excellence in the implementation of regional business priorities

## Portfolio Management

- ✓ Focus our portfolio strategy on key consumers and consumption occasions

## RTM efficiency

- ✓ Continuous strengthening of Route-to-Market and Route-to-Consumer

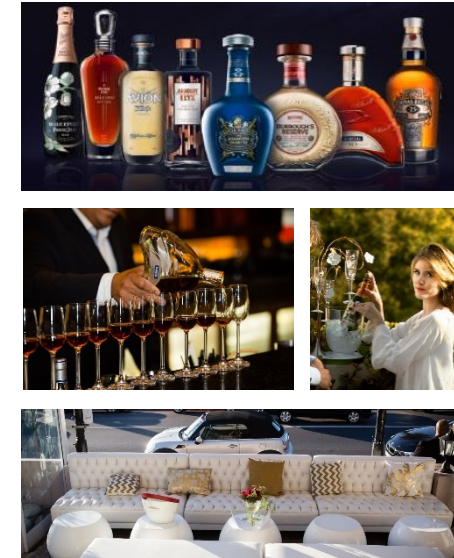
## Digital acceleration

- ✓ Accelerate the integration of digital
- ✓ Scale data-smart digital advertising

## Innovation



## Prestige



## Monkey 47 majority stake acquisition

- ✓ Strategic partnership into the ultra premium craft gin area



# Solid foundations with tailor-made sub-regions strategies delivering Pernod Ricard EMEA long term growth ambition

## WESTERN EUROPE

Improved growth in a more positive environment

## CENTRAL & EASTERN EUROPE

Confirmed objective to gain market share in a tougher environment

## AFRICA & MIDDLE EAST

On-track with strategic ambition despite a more volatile environment



From July 1<sup>st</sup> integration of **LATAM** into Pernod Ricard EMEA Management Entity operating model

# Q&As

