



Pernod Ricard Asia
Créateurs de convivialité

Asia Conference



March 27th, 2014

▶ Short-term pause in the long-term growth

- ▶ Not the first time
- ▶ Impressive rebound post 2008 crisis
- ▶ Leading to record high comparables
- ▶ Current environment is particularly unfavorable
- ▶ Medium and long-term potential intact
- ▶ H1 impact likely to last through the full 13/14 fiscal year

▶ Different dynamics at play market-by-market

- ▶ Better resilience outside China
- ▶ India rally
- ▶ Travel Retail excellence
- ▶ Japan resurgence
- ▶ Thailand re-shuffle
- ▶ Korea adaptation
- ▶ China challenge

▶ Ambition intact

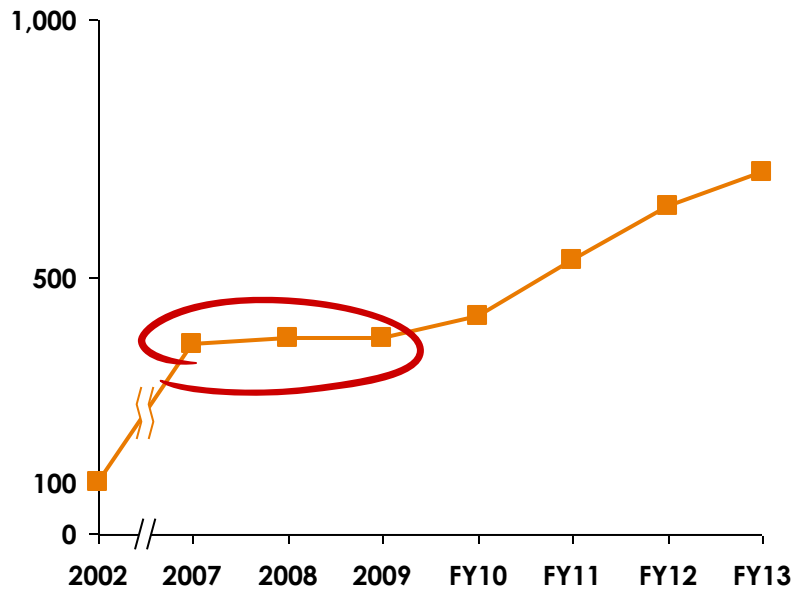
Not the first time



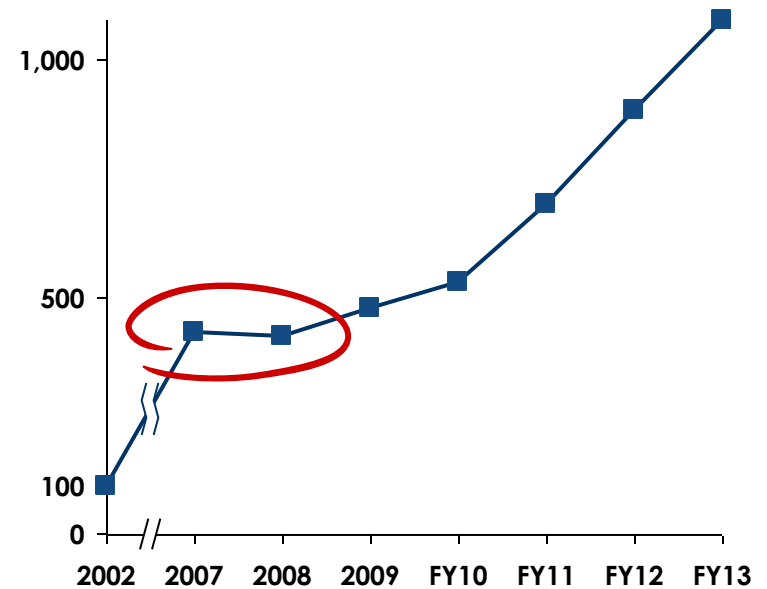
Pernod Ricard Asia

- ✓ Sustained growth over the long-term
- ✓ ...despite slight drop in 2008

Net Sales



Operating Profit



INDEX 100: 2002

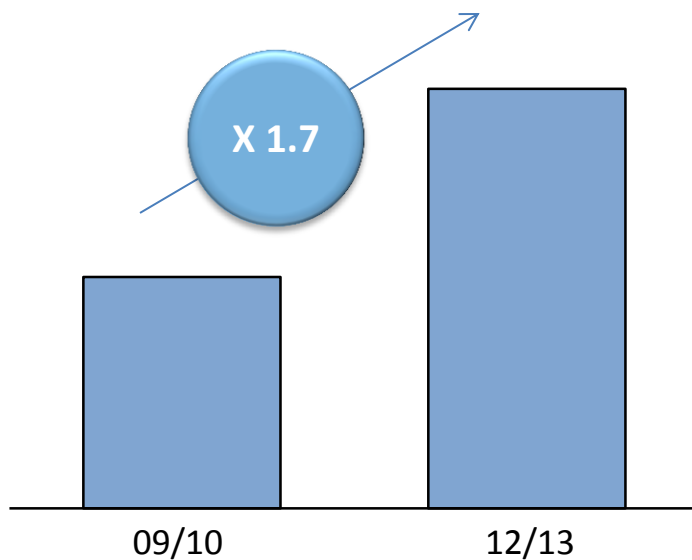
Impressive rebound post 2008 crisis



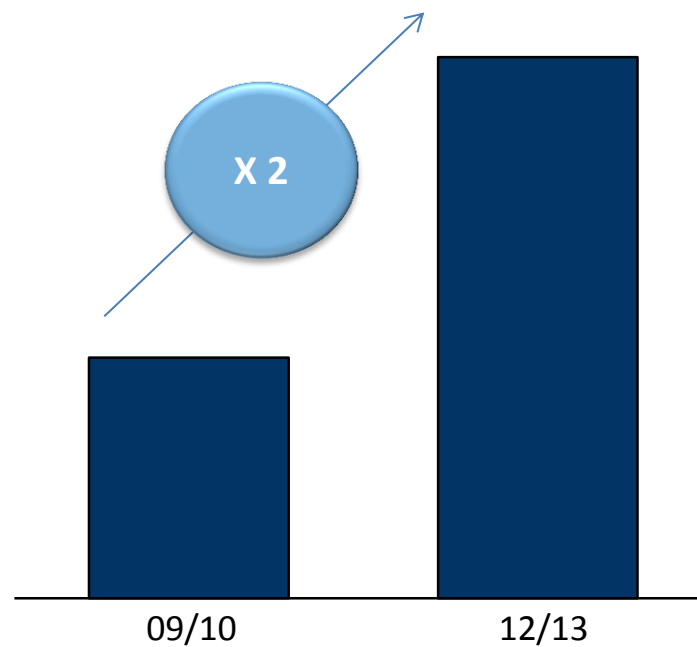
Pernod Ricard Asia

Business $\times 2$ in 3 years

Net Sales

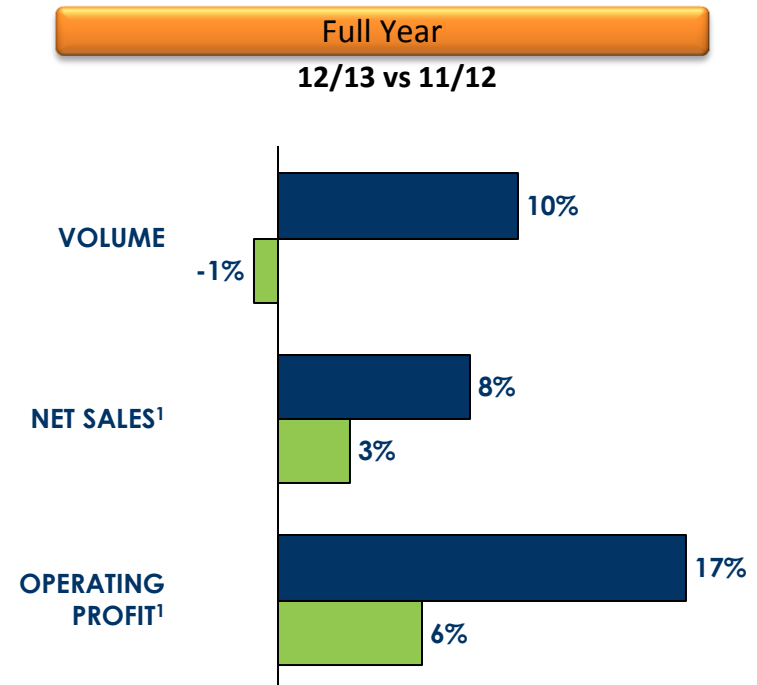
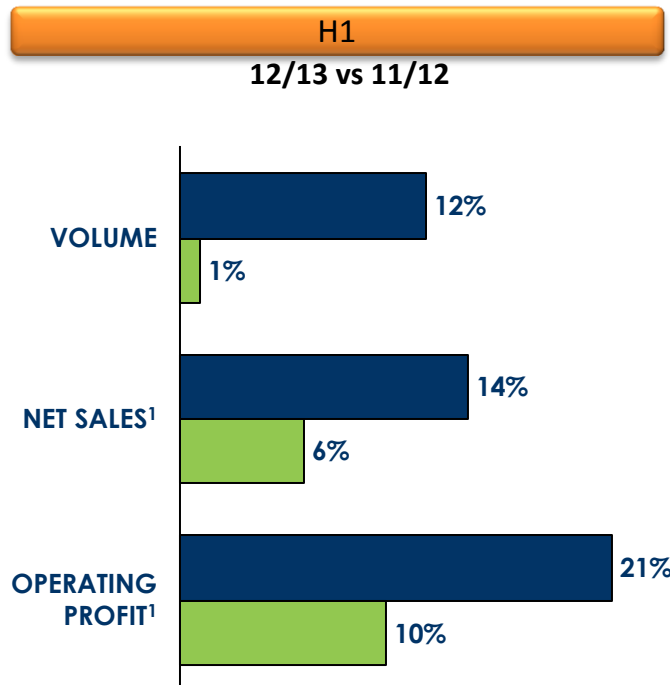


Operating Profit



INDEX 100: 09/10

... in particular in H1 exacerbated by rebuilding of Martell inventories



■ Pernod Ricard ■ International Competitor 1

1. Organic growth:

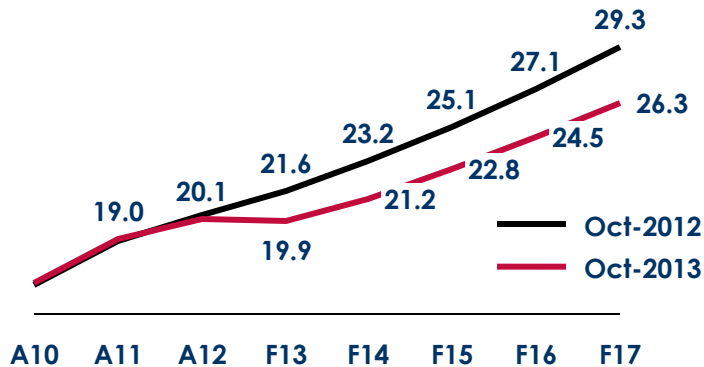
- Pernod Ricard: Asia figures only
- International Competitor 1: Asia Pacific figures

Current environment is particularly unfavourable

Macro-economic slowdown

FX headwinds

GDP ASIA (Billion USD)



<u>FX vs. €</u>	Dec'13 vs. Jul'13
INDONESIAN RUPIAH	-29%
INDIAN RUPEE	-10%
JAPANESE YEN	-12%
MALAYSIAN RINGIT	-9%

Anti-extravaganza and anti-corruption campaigns in China

- Repeated flow of new measures

Medium and long-term potential is intact for Asia



Pernod Ricard Asia

Huge reservoir for growth

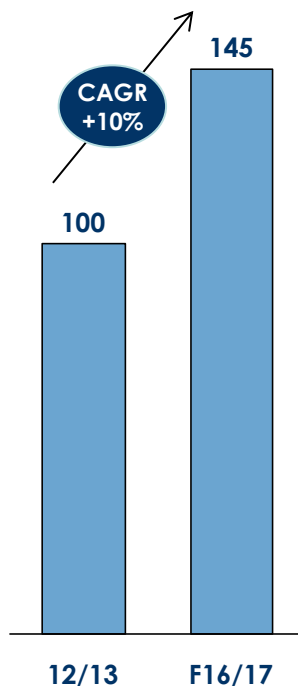
All Alcohol
10.5B

Premium+ Western Style Spirits
100M 9L Cs (4% of W&S)

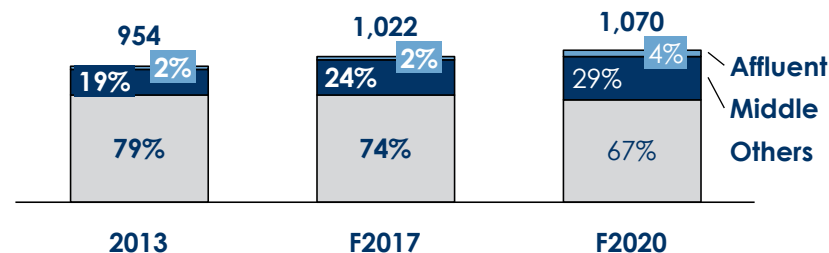
Wines & Spirits 2.8B
(Growth +0.2%)

Western Style Spirits
421M (15% of W&S)
Growth +2.5%

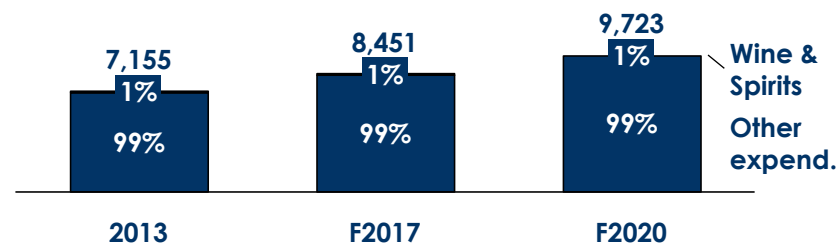
Imported Spirits
31M (1% of W&S)
Growth +2.5%



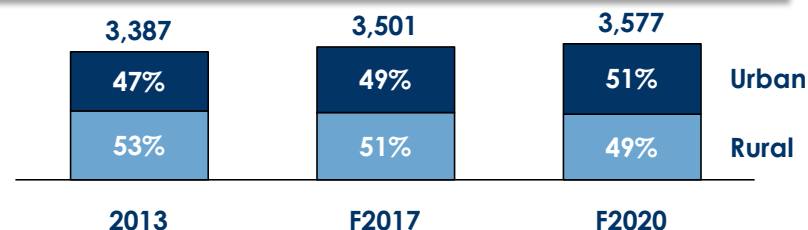
MAC Development



Consumption of Wine & Spirits



Urbanization



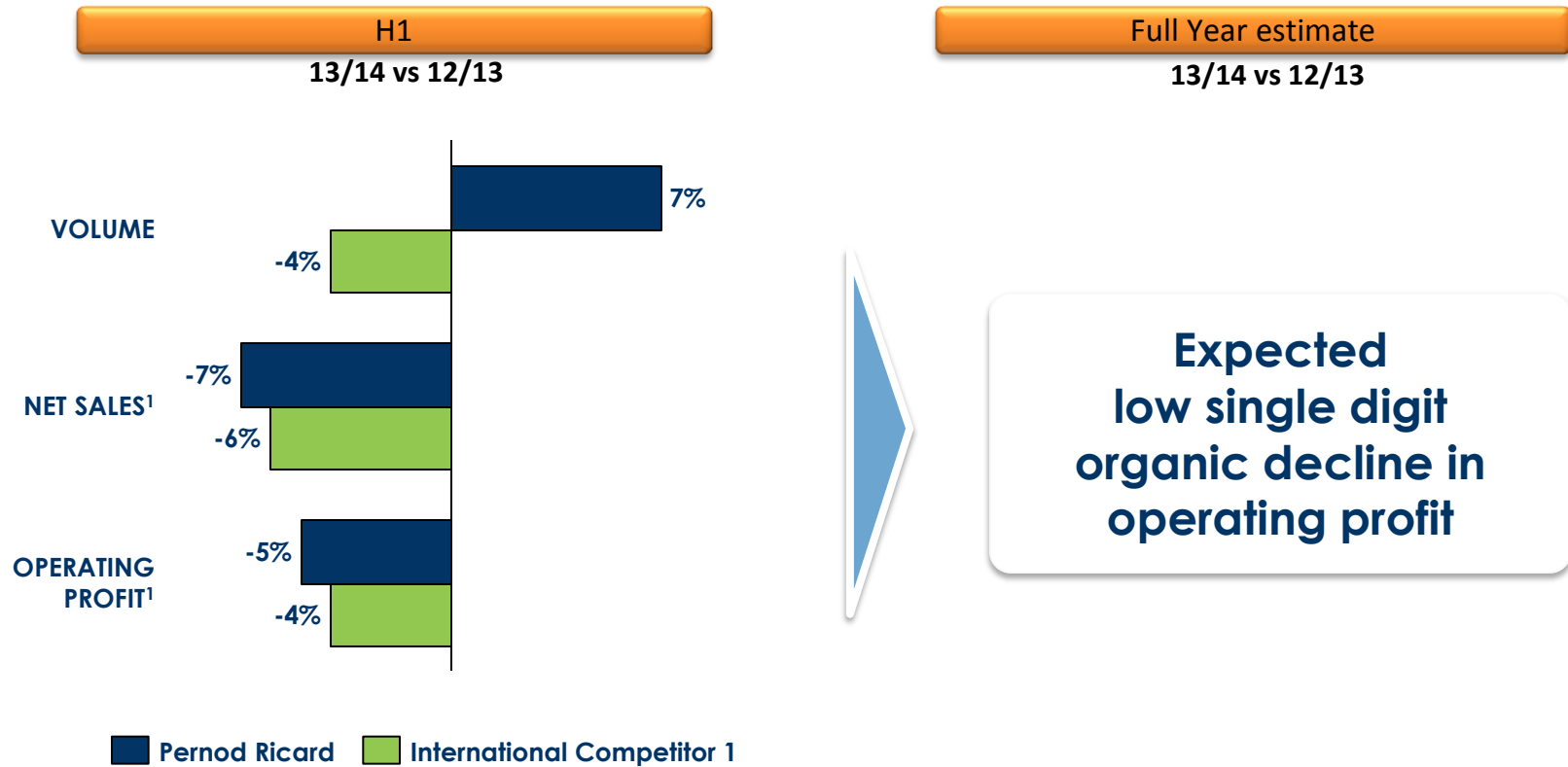
Source: IHS Global Insight 2013 (2005 USD Constant FX)
MAC: : Millions household income PPP, Affluents > \$80K, Middle Class: \$20k-80k, Others: <\$20k

CONSUMPTION: Billions USD, % annual expenditure of individuals.

URBANIZATION: Millions individuals

ASIA = China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam

H1 impact likely to last through the full fiscal year



1. Organic growth:

- Pernod Ricard: Asia figures only
- International Competitor 1: Asia Pacific figures

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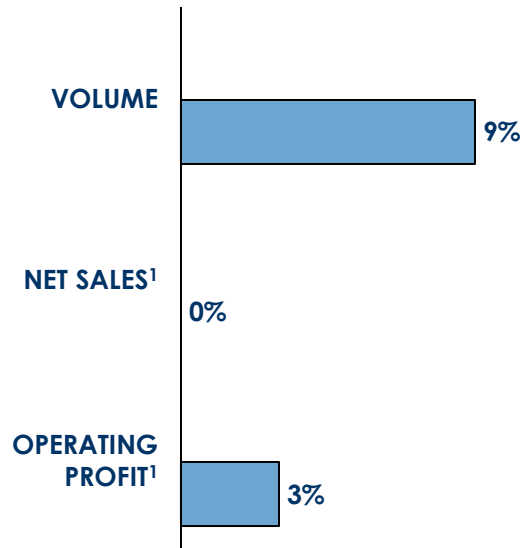
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H1
13/14 vs 12/13

Full Year estimate
13/14 vs 12/13

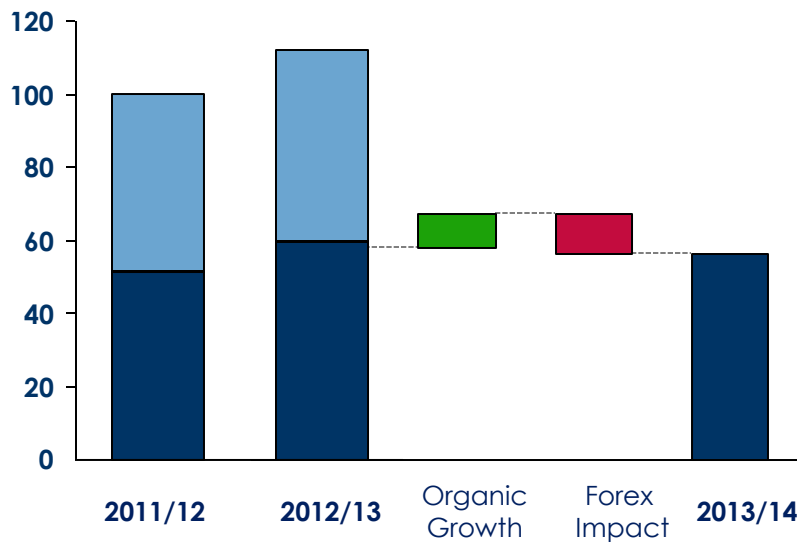


PR Asia excl. China

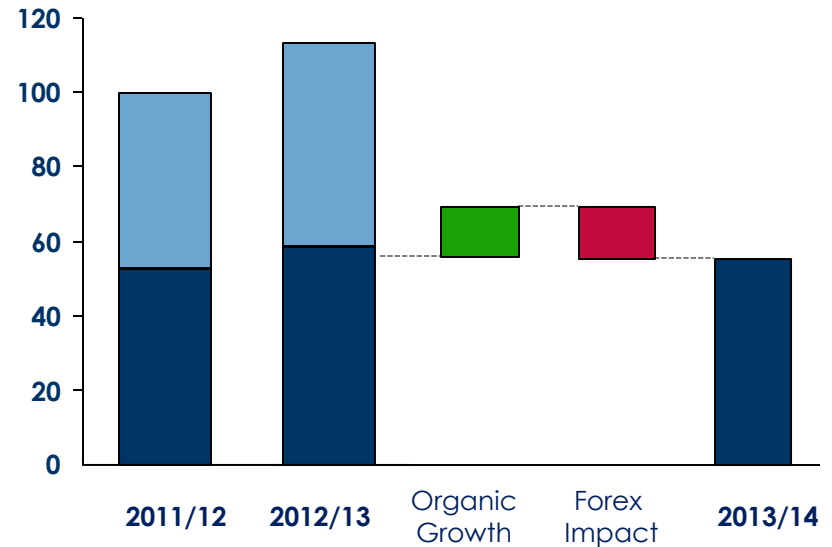
**Expected
high single digit
organic growth in
operating profit**

- ✓ 4th largest Pernod Ricard market – No.1 in Premium⁺ Western Style Spirits
- ✓ Sustained underlying momentum

Net Sales



Operating Profit



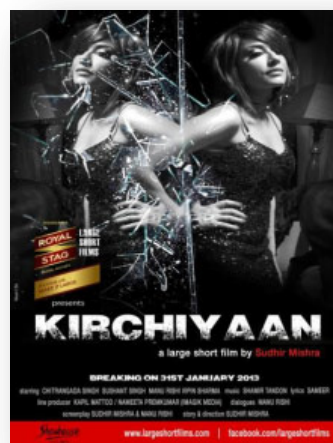
■ HY2 ■ HY1

Outperforming Competition

H1 13/14	PR India ⁽¹⁾	$\Delta^{(2)}$	Local Comp. 1	$\Delta^{(2)}$
Vol.	100	+14%	350	-2%
Net Sales	100	+16%	175	+5%
Operating Profit	100	+17%	86	0%

Leadership in Premium Indian Whiskies

SOM	H1	$\Delta^{(2)}$	Admix Reference (INR)
Blenders Pride	61%	+1pt	Premium (580<RSP<935)
Royal Stag	80%	-1pt	Deluxe(360<RSP <580)
Imperial Blue	29%	+1pt	Value (275<RSP<360)



Royal Stag Short Films, – Collaborating with Bollywood/budding film directors to develop an innovative online platform has got 16.5 Million+ minutes of content view in last 12 months.

Strong sustained performance on international brands



+40%*

No.1 Scotch
SOM¹ 42% +4pts



100 Pipers Box Concerts strengthens the ownership of Music & engages across digital & social media



+15%*

Challenging the leader
SOM² 43% +1pt



Chivas collaborates with designer Rajesh Pratap Singh to create a Chivas Festive Pack.



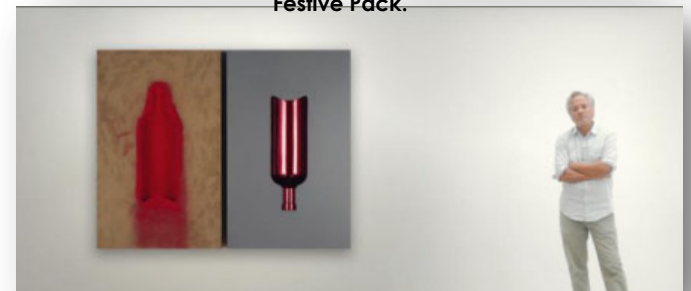
+63%*

No.1 Malt
SOM² 43% +7pts



+17%*

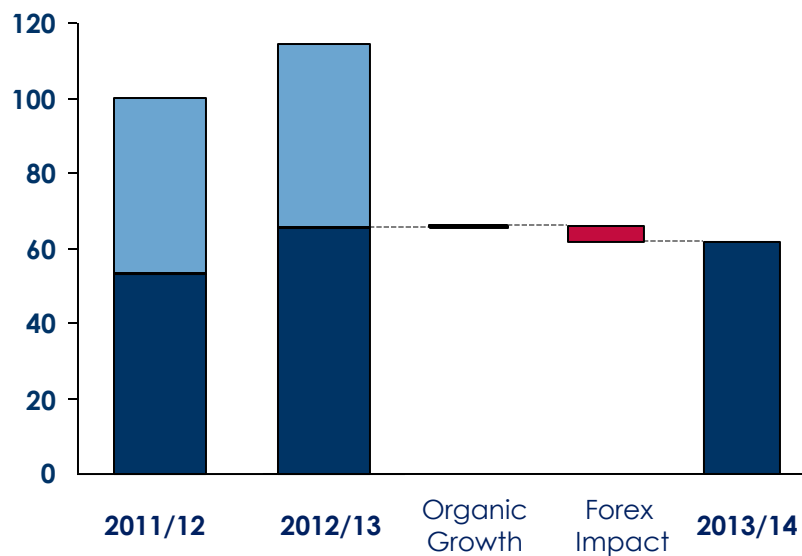
No.1 Premium Vodka.
SOM² 76% +2pts



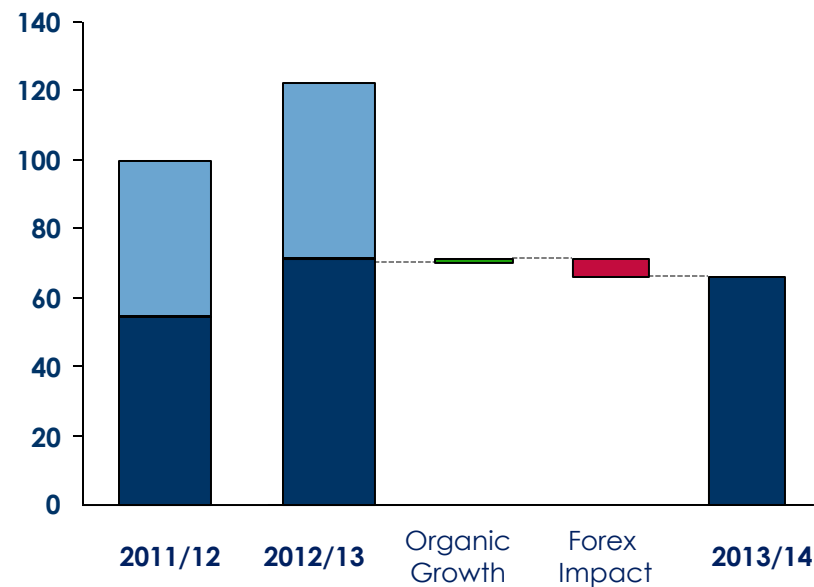
ABSOLUT collaborates with world renowned artist Anish Kapoor to create a masterpiece

- ✓ New organisation effective since July 2013
- ✓ H1 impacted by shipments timing

Net Sales



Operating Profit



■ HY2 ■ HY1

Depletions growing mid single digit, backed up by strong activation plans

 **CHIVAS**
LIVE WITH CHIVALRY

+5%*



Chivas 18 tin pack limited edition was launched in key markets (Jan – Jun 2014).

 **ROYAL SALUTE**

+6%*



Royal Salute Polo Batch was launched with polo themed promotional support (Jan – Feb 2014).

THE GLENLIVET

+33%*



The Glenlivet guardians campaign with a focus on Master Distiller's Reserve (Jan – Feb 2014).

 **MARTELL**
COGNAC

+3%*



Martell Millésimes 1971, exclusive to TR showcased in Martell shop-in-shop at multiple locations across Asia (Mar – Jun 2014).

Absolut Store in Kuala Lumpur



Pernod Ricard Asia

- The world's first ABSOLUT brand store opened in Kuala Lumpur. The 484-square-foot venue features an Absolut bespoke bar, while an “Absolut Drinkspiration” display offers cocktails for travellers to consume in a lounge area (Sep 2013 onwards).

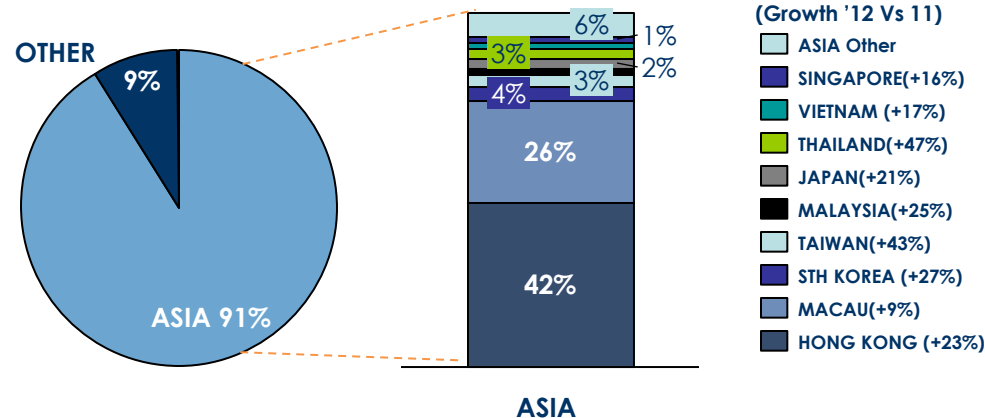


Seizing the opportunity of Chinese Travellers

2013 Top International Departing Airports for Chinese Pax

Top 6 Airports	Chinese Departing (M)	vs 2012
Hong Kong	4.6	30%
Bangkok	3.2	53%
Taipei	2.0	13%
Seoul	2.0	34%
Singapore	1.8	26%
Macau	1.0	27%

2012 Asian Countries Visited By Chinese



HK
(CNY- Value)

+34%

+14%

BKK
(H1 - Value)

+4%

+16%

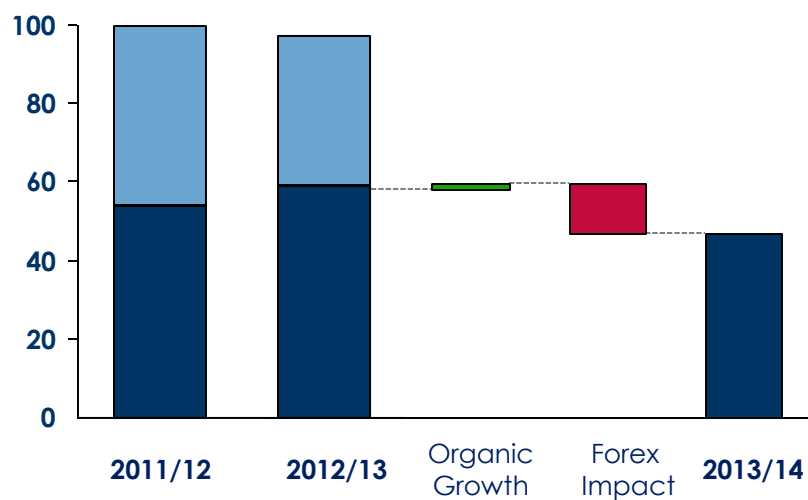
Korea
(2013- Volume)

+75%

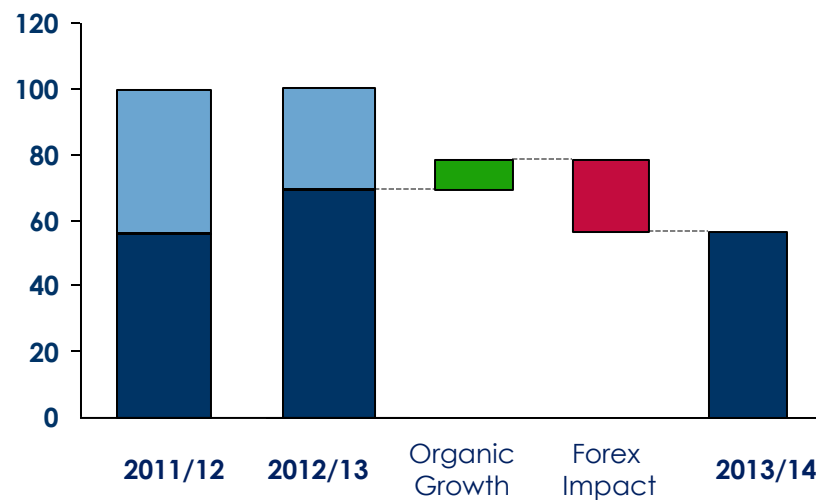
+14%

- ✓ Good underlying performance
- ✓ Martell distribution taken back by PR Japan in February 2014

Net Sales



Operating Profit



■ HY2 ■ HY1

Continued growth on key brands thanks to premiumisation/innovation

CHIVAS
LIVE WITH CHIVALRY

+4%*



Chivas Mizunara -
Scottish Tribute to
Japanese discernment
(October 2013)

CHAMPAGNE
PERRIER-JOUËT

+24%*



A new Belle Époque
limited edition to
celebrate spring. Price
150 INDEX (January
2014)

CAFÉ DE PARIS

+4%*



Continued flavour
innovation on Café de
Paris - Latest flavour
Melon
(February 2014)

JACOB'S CREEK

-1%*



Jacob's Creek collaborated with
Japanese chef Toru Hashimoto to
create W.A.H. Red wine to pair with
yakitori and Wagyu beef.
(March 2014)

Ballantine's

+2%*



This new spirit represents a
fusion of the traditions of
Scotland with the passion of
Brazil.
(coming soon)

Continued challenging market dynamics

- ▶ Duties increase September '13
- ▶ On-going protests
 - Bangkok state of emergency for 60 days
- ▶ Consumer confidence at its lowest point in 2 years
- ▶ Tourist arrivals reduced by half
- ▶ Strong competition from local Whiskies

Re-engineering of PR Thailand

- ▶ “New” PR Thailand effective April '14
- ▶ Leaner, more focused organisation
 - Off-Trade
 - On-Trade Greater Bangkok & South
- ▶ Key Portfolio priorities

High profile launches
Chivas Pinninfarina



Art in pARTy
experiential events



Lamoon Red Wine
Compliments Thai
Cuisine



Rapidly evolving environment

- ▶ Double digit decline of Whisky category but double digit growth of “Modern Spirits”
- ▶ Strong Decline of Traditional on-trade but strong growth of modern on-trade and off-trade

New business model (in progress)

BLENDING SCOTCH WHISKY
IMPERIAL®

Re-staged all sub-brands of Imperial
to differentiate local brand

ABSOLUT®
Country of Sweden
VODKA

Develop modern spirits
Art in pARTy experiential events



- ▶ New sales organisation in design

Event Space



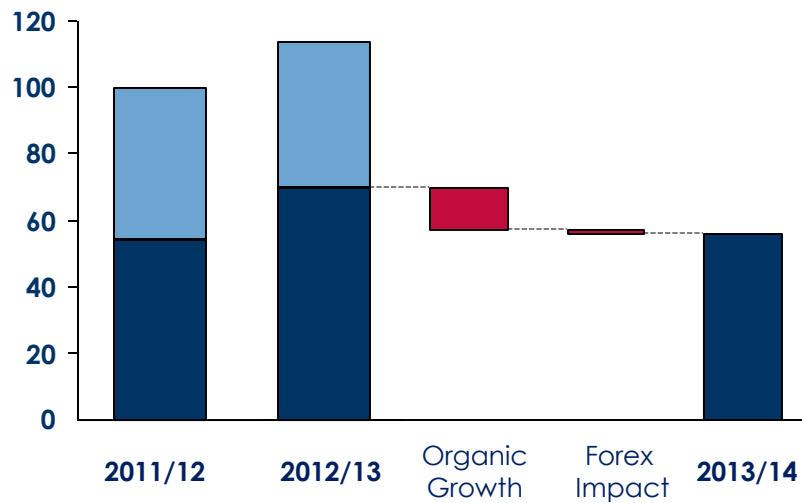
The flagship venue to communicate the brand “Pernod Ricard”, located in the fashionable Chungdam District

- Brand building events with consumers
- Training events (mentoring/cocktail/wine tasting)
- Corporate events & trade engagement

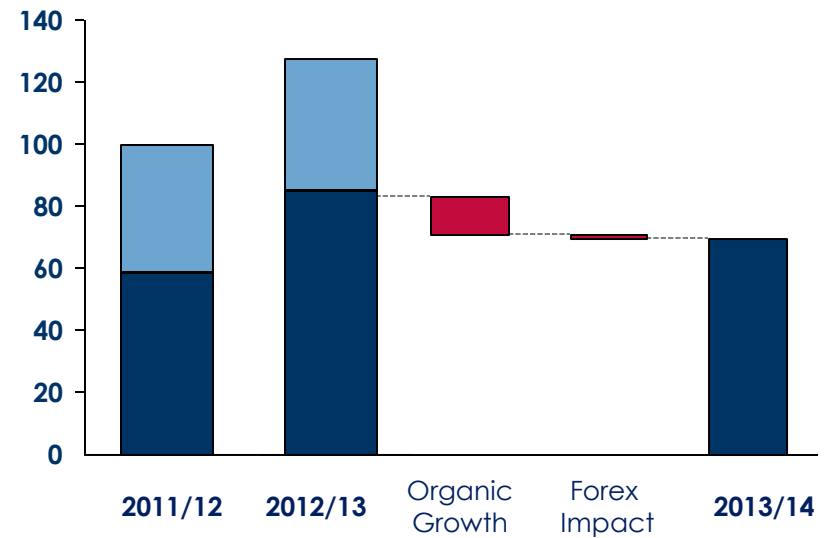


- ✓ Resisting strong headwinds
- ✓ ... to come out a stronger leader

Net Sales



Operating Profit



■ HY2 ■ HY1

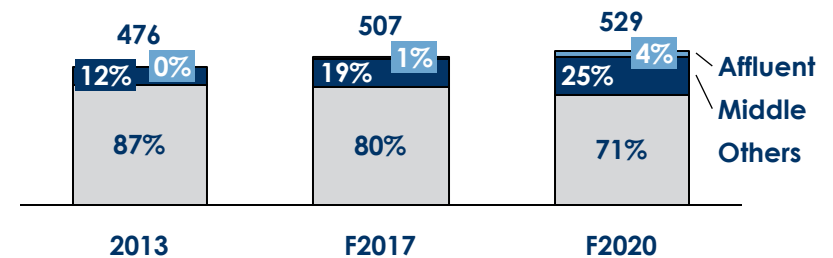
China paradox

Strong headwinds

- ▶ Macro-economic slowdown
- ▶ Anti-extravaganza and anti-corruption campaigns getting stronger, recent action on KTVs

Strong fundamentals

▶ MACs development

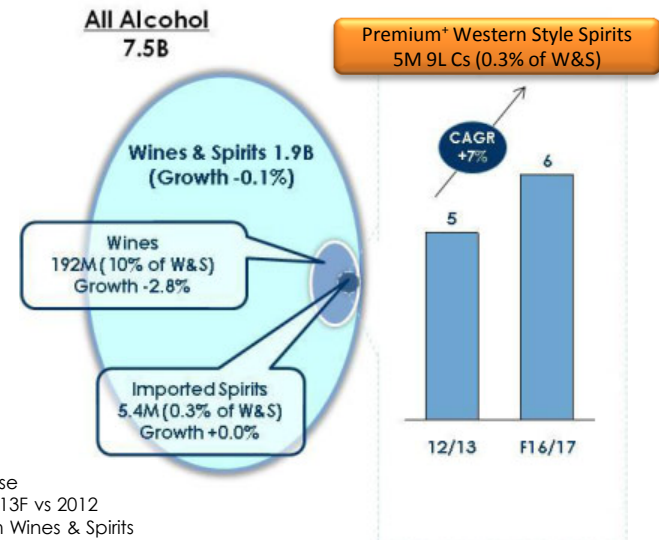


Market currently in double digit decline

Vol*	H1 13/14	CNY 13/14
Cognac	-20%	-20%
Whisky	-15%	-9%
Total Imported Spirits	-15%	N/A

*T1 Depletions

▶ Huge reservoir for imported wine and spirits



1. IWSR + Pernod Ricard Market View
2. Imported spirits include imported spirits in domestic and DF markets
3. Premium+WSS = WSS>7USD
4. All alcohol include beer, spirits, wine and cider in domestic and DF markets

PR China delivering a very competitive performance thanks to an effective CNY program

<u>YTD</u>	<u>SOM¹</u>
Martell	+5pts
Whiskies	+1pt
<i>of which Chivas</i> <i>of which Ballantine's</i>	+2pts -1pt

Performance by brand

<u>Volume</u> ¹	<u>CNY</u> ²	<u>YTD</u> ³
Martell	+1%	-6%
Whiskies	-22%	-19%
Total PR China	-13%	-14%

Performance by channel

<u>Volume</u> ⁴	<u>YTD</u> ³	<u>% total business</u>
KTVs	Double digit decline	~20%
F-KTVs	Mid single digit decline	~10%
Bars	High single digit decline	~25%
Off-Trade	High single digit decline	~35%
Other	n/a	~10%

PR China is best positioned to seize future growth opportunities

► Core Business Strong leader getting stronger

- ✓ Noblige success story



45%* 650 K Cs

► New Business

- ✓ Premium spirits targeting beer consumption



60%*

Leader of Premium Whisky



45%*

Leader of Premium Vodka

- ✓ Specific offer targeting meal consumption



Martell Distinction complements Chinese cuisine



Jacob's Creek True Emotions Campaign – China Exclusive

PR China is best positioned to seize future growth opportunities

▶ New Business

✓ Female offerings

Launch of Malibu RTD 01/04/2014



✓ E-commerce Success



✓ Kahlua & Champagne

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Confirming the value share mid-term objectives announced at last year Capital Market Day

<u>Value Share¹</u> <u>Premium+ Western Style Spirits</u>	<u>12/13</u>	Δ^2	<u>Mid-Term Objective</u>
PR Asia	36.5%	+3 pts	>40%
PR China	49.5%	+2 pts	>50%
PR India	46.5%	+2 pts	>50%



Pernod Ricard Asia

A large, light blue map of the Asian continent is centered on the slide. The map shows the outlines of the major landmasses of Asia, including the Indian subcontinent, Southeast Asia, and East Asia. The text "Thank You" is superimposed in the center of the map in a dark blue, bold, sans-serif font.

Thank You