

Con Constandis  
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Pernod Ricard  
*Créateurs de convivialité*

# Reinforcing leadership in China

28 May 2013



Capital Market Day  
— Beijing 2013 —

## An ambitious mid-term objective

**Expand leadership**  
in Premium+ Western Style Spirits<sup>(1)</sup>

**Value Share<sup>(2)</sup> > 50%**  
by 2015

**+3pts**  
vs. 2012

**Grow organically**

**Double-digit profit growth**

(1) Above 7 USD

(2) Gross margin

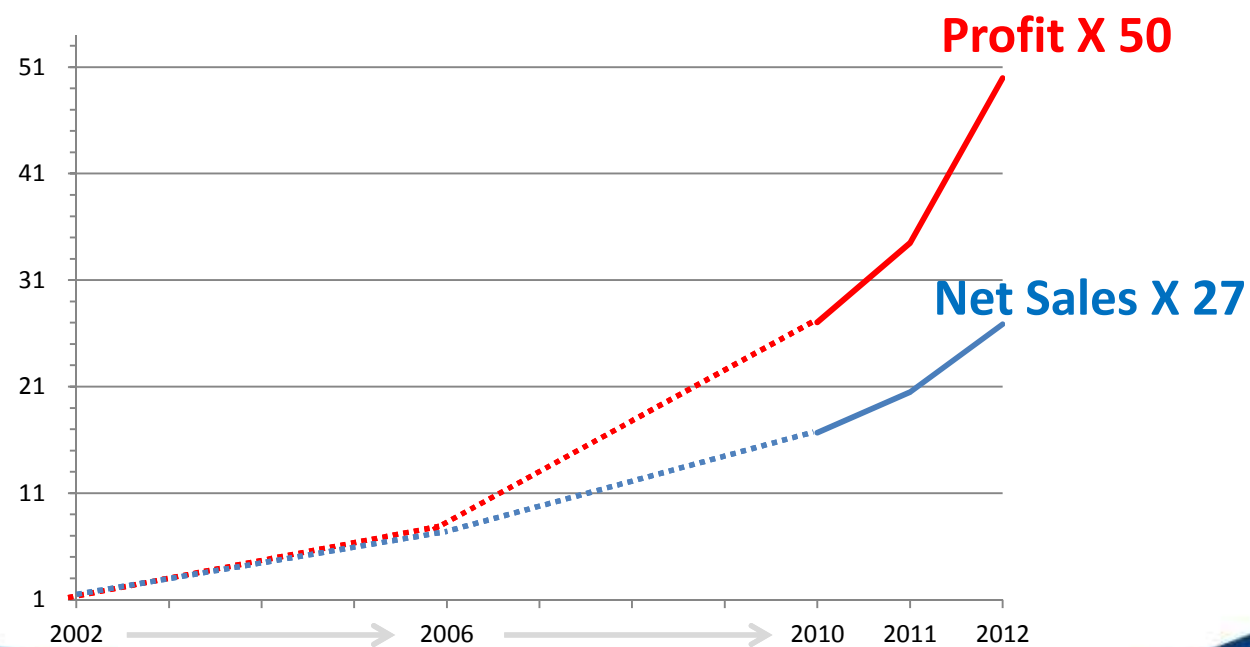
## Profitable since day one

**2<sup>nd</sup> market**

for Pernod Ricard

**€ 1bn**

in Net Sales

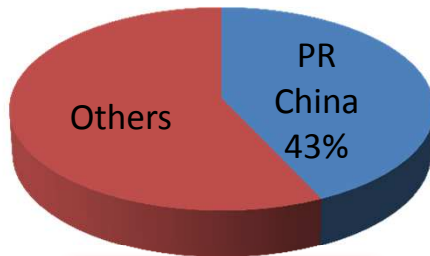


Note: Seagram acquisition in end 2001

Index 1 in 2002

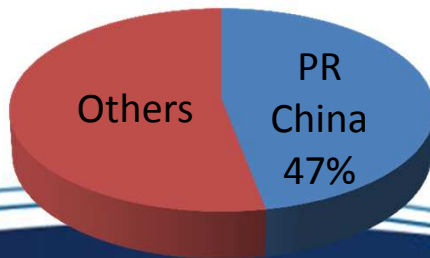
## PR China - the undisputed leader in imported spirits

### Volume (2012)



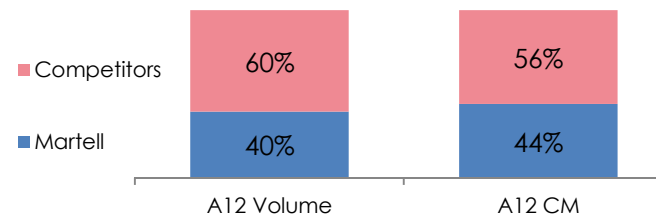
**+2 pts vs. 2010**

### Value (2012)



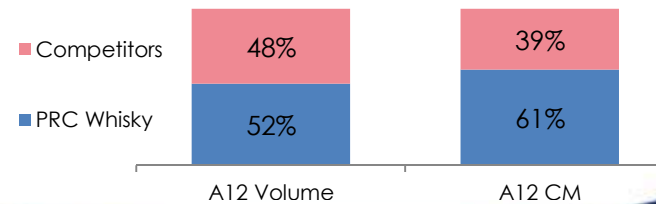
**+2 pts vs. 2010**

### Value leader in Cognac



**+3 pts vs. 2010**

### Profitable player in Whisky



**+3 pts vs. 2010**



Pernod Ricard  
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## The foundation of Pernod Ricard leadership

### Portfolio

Leading premium brands in all key segments driven by **premiumisation** and **innovation**

### Distribution

The most **comprehensive geographic footprint with global channel coverage**

### People / Talent









Most experienced network  
Unmatched **pool of talents**

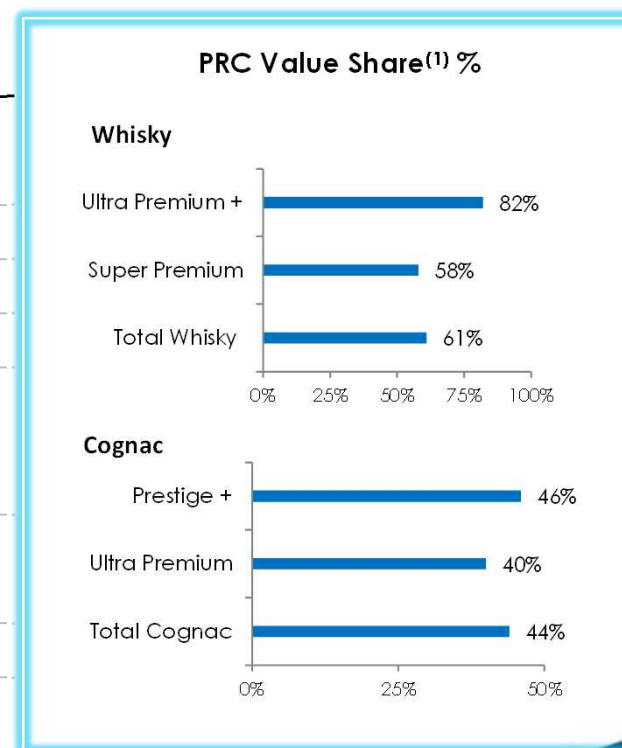
### Culture

**Decentralized, entrepreneurial, innovative and accountable**

THE SPRINGBOARD  
TO CAPTURE  
FUTURE GROWTH

# The foundation of Pernod Ricard leadership

(A12)	Value Share <sup>(1)</sup> %	Market Position
<b>Scotch Whisky</b>		
 <b>CHIVAS</b>	34%	No. 1 Whisky
	15%	No. 3 Whisky
 <b>ROYAL SALUTE</b>	72%	No. 1 Prestige Whisky
 <b>THE GLENLIVET</b>	9%	No. 4 Malt Whisky
<b>Cognac</b>		
 <b>MARTELL</b>	44%	No. 1 Cognac
<b>Other Segments</b>		
 <b>ABSOLUT</b> <i>Country of Sweden</i> <b>VODKA</b>	40%	No. 1 Vodka
 <b>G.H. MUMM</b>  <b>PERRIER JOUËT</b>	56%	No. 1 Total Champagne



## Driven by premiumisation and innovation

### Chivas J&J



Achieved **27%** SOM<sup>(1)</sup> in A12

(1) In Ultra Premium Whisky

### Martell Noblige



Re-launch in 2006



SOM<sup>(2)</sup>

Before (in A06) **7%**



After

**34%**

(2) in Ultra Premium Cognac

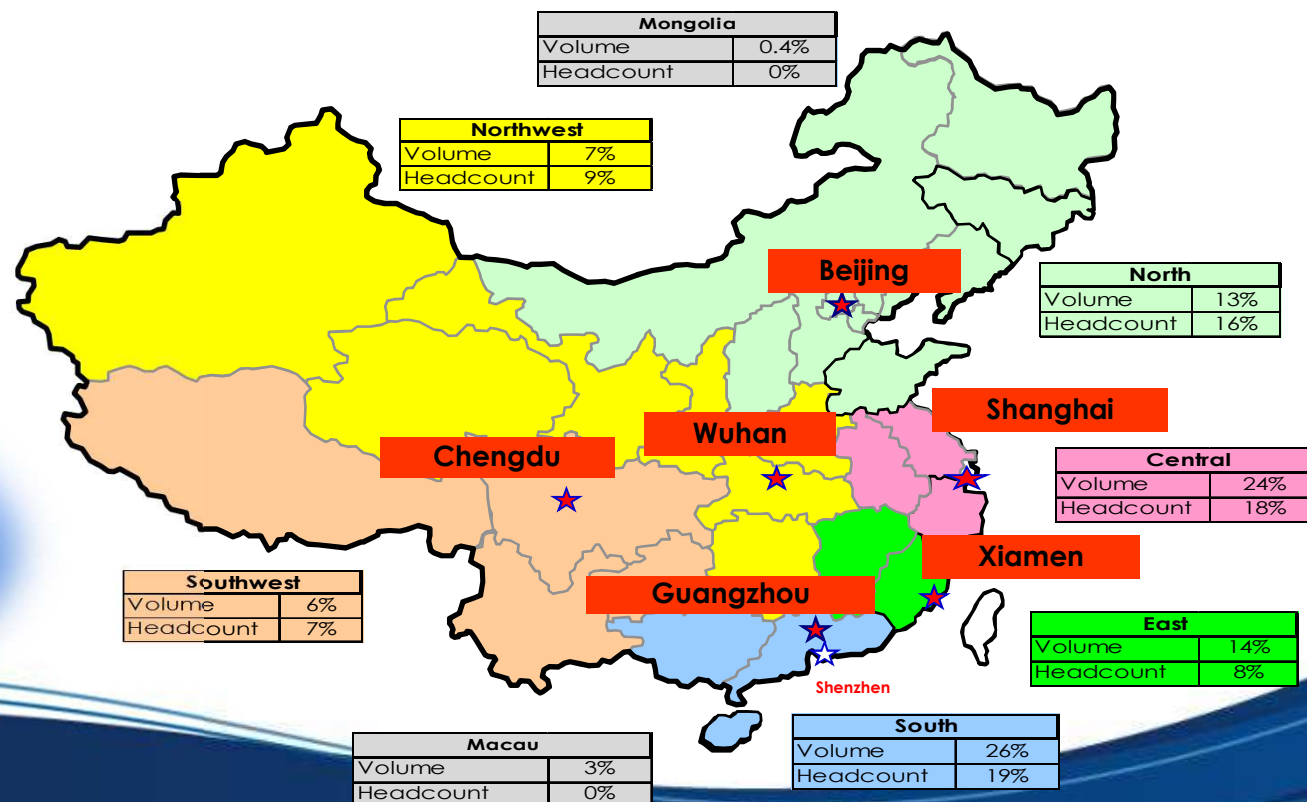


## The most comprehensive geographic footprint

**423 Cities**

6 regional offices  
53 local offices

**7 tier-1  
& 340 tier-2  
wholesalers**



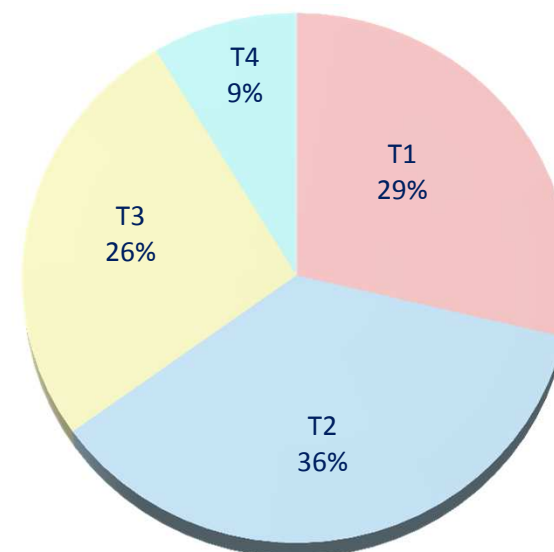


## The most comprehensive geographic footprint

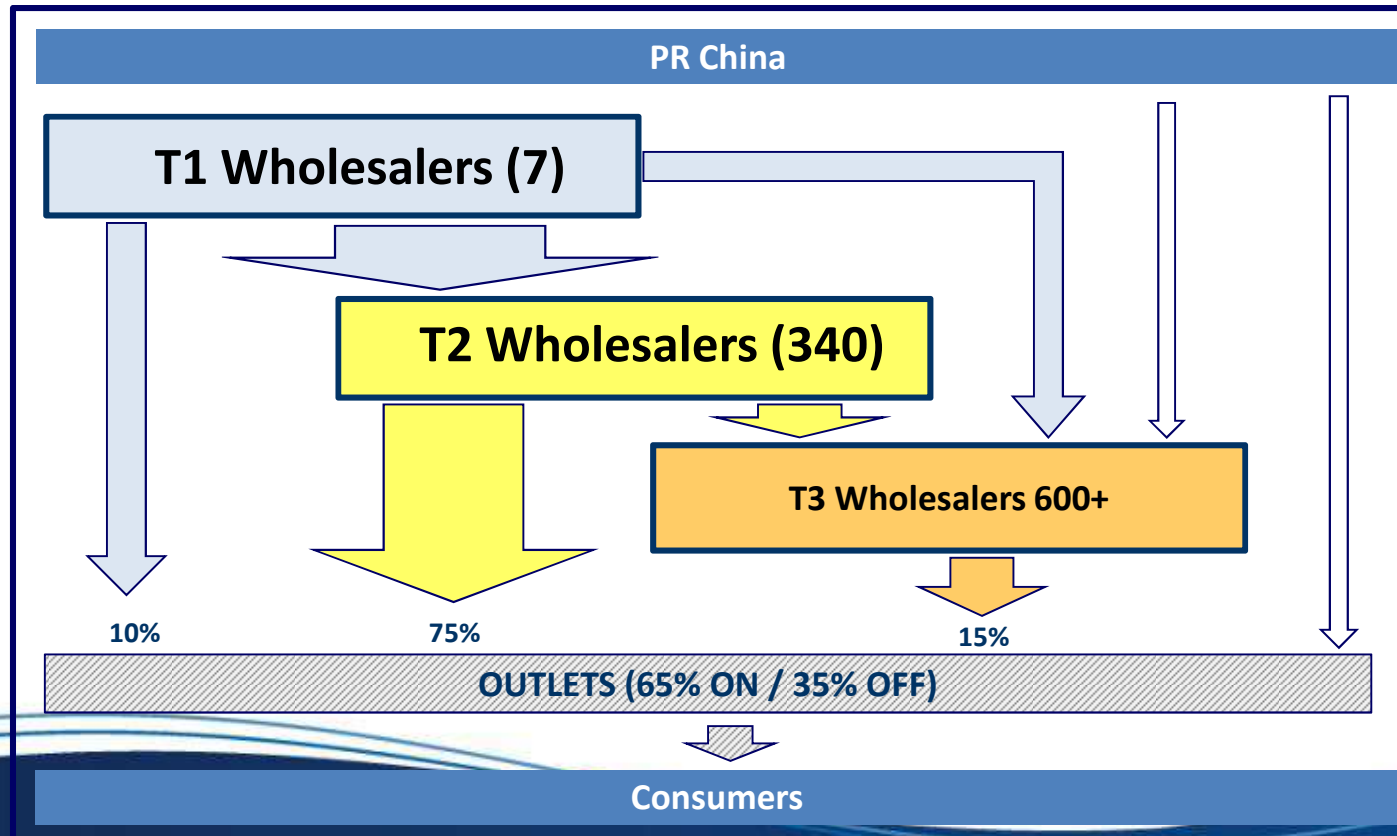
**100% COVERAGE DOWN TO TIER 3 CITIES**

CITY TIER	BASE #	COVERAGE #
T1	4	4
T2	25	25
T3	83	83
T4	538	311
Total	650	423

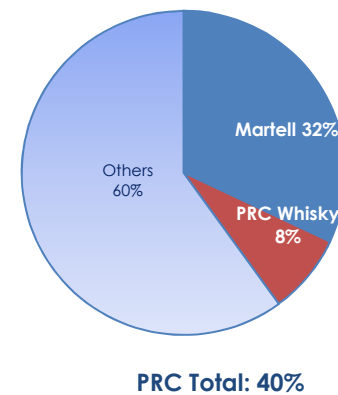
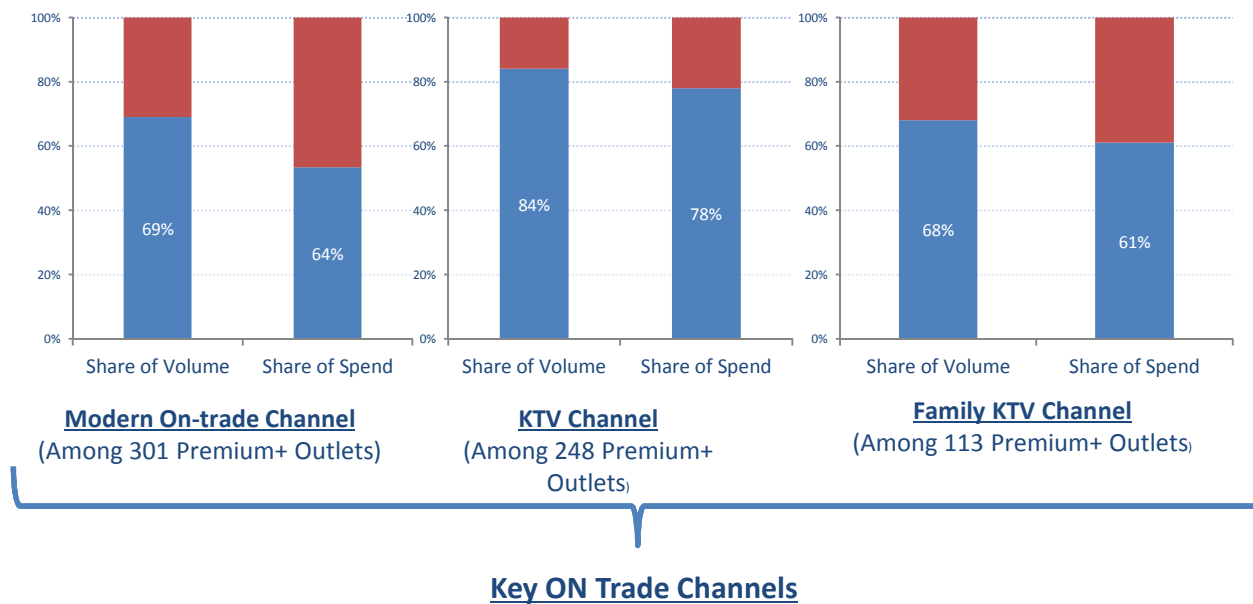
Volumes by city tier



## Best in class route to market



## With global channel coverage



**A12 Volume Share  
OFF Channel**

**LEADERSHIP IN ALL KEY CHANNELS**



Pernod Ricard  
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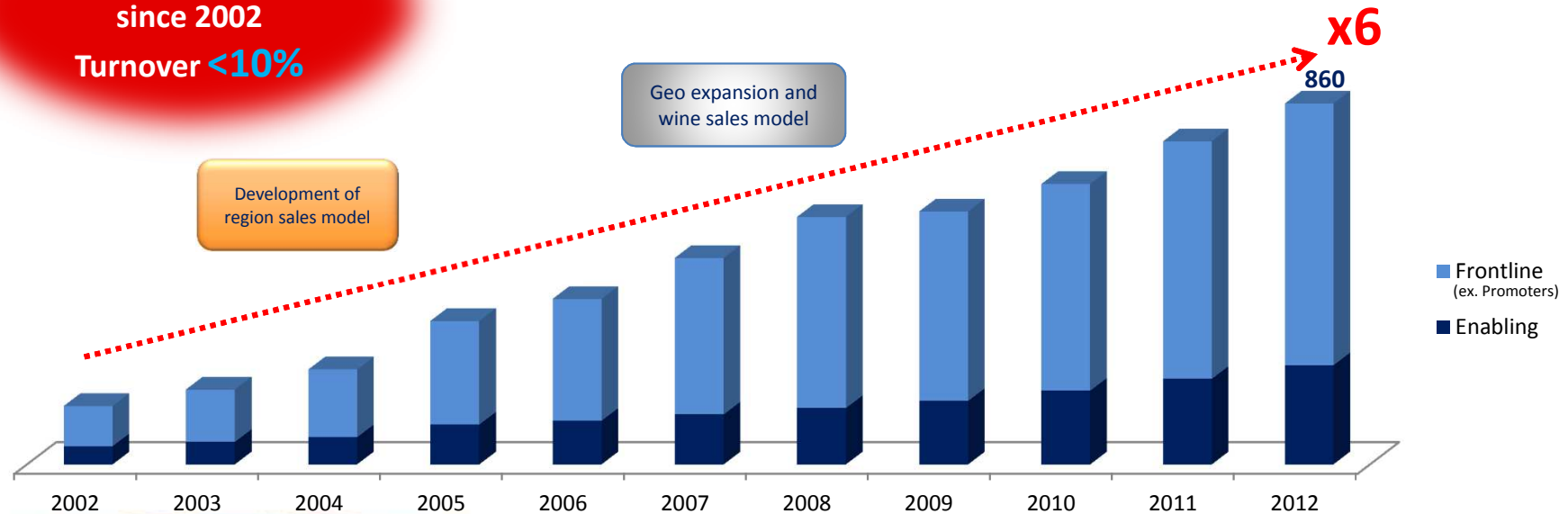
## Most experienced network and unmatched pool of talents

Headcount **x6**  
since 2002  
Turnover **<10%**

- Luxury network set-up
- Channel Development / National Trade Marketing set-up
- Divisions established (17)

Geo expansion and  
wine sales model

Development of  
region sales model



## Culture: decentralization, entrepreneurship

To be covered  
in the  
Breakout session

HR Road to Leadership

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*Shaping our Future*

with **Asian Talents  
& Leaders**

who are **Collectively Committed**  
to **Sustainable Performance**

and **Highly Engaged**  
on the **Road to Leadership**

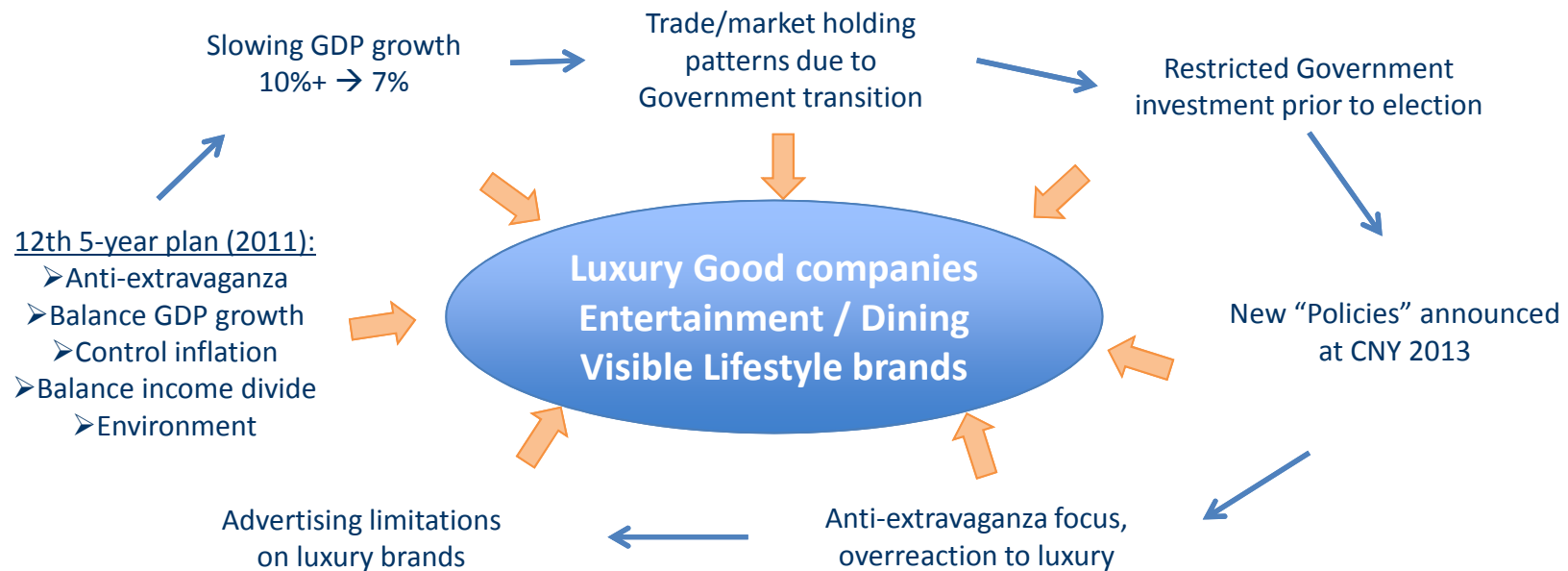
Capital Market Day  
— Beijing 2013 —

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*2013, a year of converging challenges*



## Short-term: pressure on consumer purchasing behavior



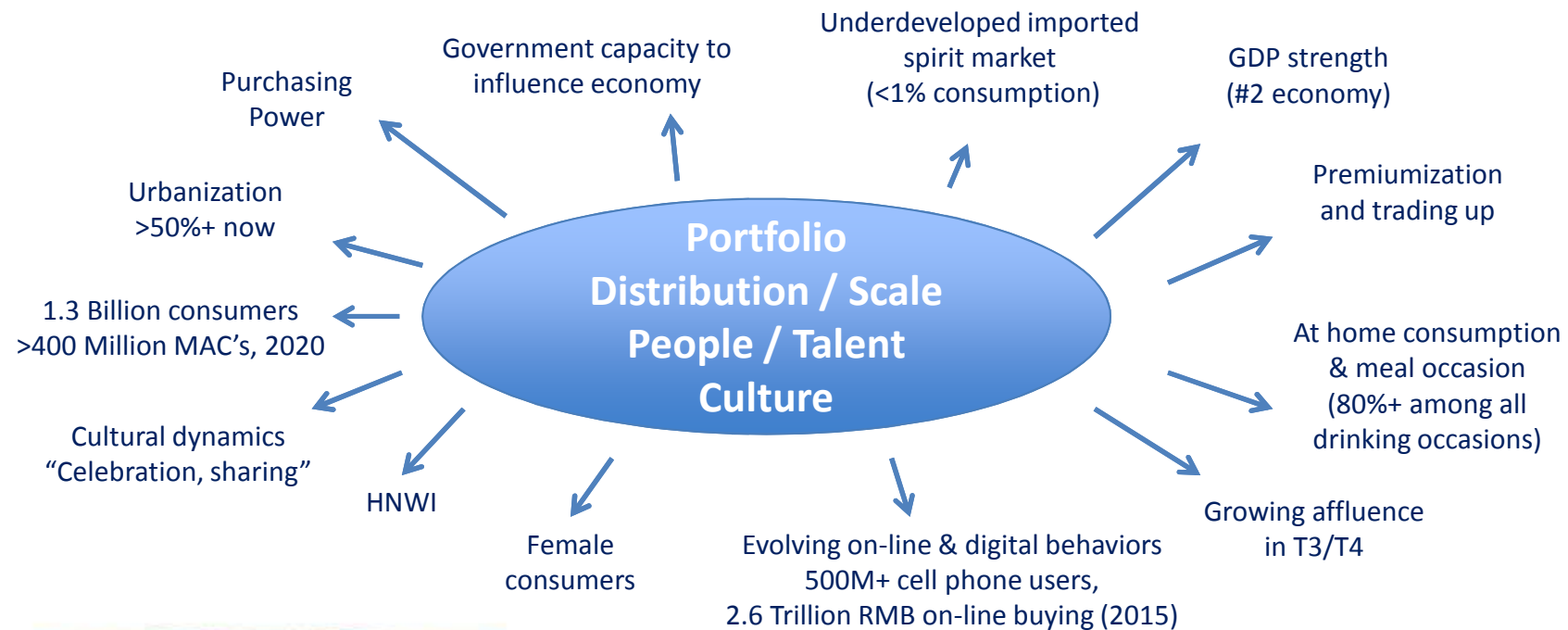




*Pernod Ricard China  
best positioned to weather recent challenges  
and deliver sustainable growth*



## Mid & long term: fundamentals extremely strong



## Key battlegrounds and ambitions

Further leverage our core brands

Reinforce leadership in dominant segments: cognac and whisky

New emerging categories: wine, champagne, vodka

Ensure leadership position

Luxury penetration

Reinforce position in ultra-prestige<sup>+</sup>

New consumption pools

Innovate to tap into Meal occasions / Beer conversion / Female

MACs expansion

Leverage the width and depth of our Route to Market

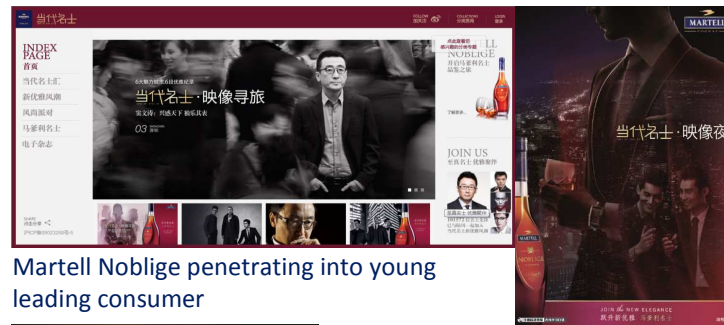
## Further leverage the strength of our core brands

### REINFORCE LEADERSHIP IN DOMINANT SEGMENTS

Expand the  
Category

Build Iconic  
Brand

#### Cognac



Martell Noblige penetrating into young leading consumer



#### Whisky



Le Baron Home Party



T3/T4 Penetration



New Chivas TV Commercial



Chivas Collective

## New emerging categories

### ENSURE LEADERSHIP POSITIONS IN EMERGING CATEGORIES

#### Wine

Build Brand Equity



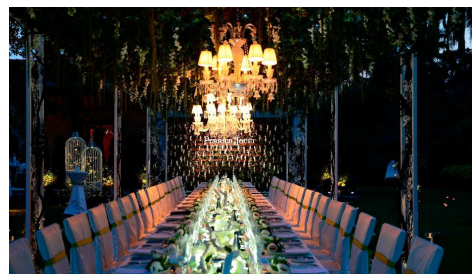
Tailor made China TVC to drive Brand Awareness & Image

Win the Trade & Consumer



Barrel Selection Range - China Off-Channel exclusive

#### Champagne



PJ Ultimate Champagne experience to build premium Brand Image



Mumm Golden Bottle edition- Top Bars exclusive

#### Vodka

Absolut Unique - build Brand Affinity & Creativity Image



Absolut Ritual - On-trade recruitment





## Luxury penetration

### REINFORCE OUR POSITION IN ULTRA-PRESTIGE<sup>+</sup>



VIP Team – build direct HNWI relationship, serve their needs on social occasions



Unique Multi-Category Portfolio



HNWI partnership on private LC Club (BJ), deepen long term relationship



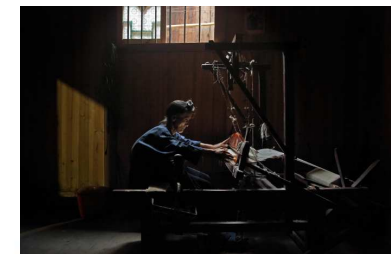
Luxury Events for recruitment and HNWI customization



Value-added service on luxury lifestyle/ travel experience



Exclusive Signature Products & Offerings



LC Fund to support Craftsmanship protection in China

## New consumption pools

### INNOVATE TO BUILD NEW VOLUME BASE & DRIVE CATEGORY DEVELOPMENT

#### Meal Occasions



Chivas HI  
A Mix-Drink, Communication & Education Machine



Meal Education Digital Platform & Partnership  
Program with No. 1 Restaurant Directory in China



#### Beer Conversion



New Drinker Recruitment & Beer Conversion in F-KTV  
behind tasting, merchandising, promotion & education



New Product  
Development

Illustration Only

#### Female



Female Drinker Recruitment with both wines &  
spirits in On & Off trade



New Product  
Development

Illustration Only



# MACs expansion

## LEVERAGE THE WIDTH AND DEPTH OF OUR ROUTE TO MARKET

### Off-trade



#### Traditional Off-Trade

Convert Group Purchase from local Wines & Spirits through partnership WS stores & mentoring activities



#### Modern Off-Trade

Drive recruitment through In-store Excellence Program

### On-Trade



#### Influence Frequent Bar Goers

Expand CRM Platform from pilot cities to more T1 & 2 cities to influence their consumption behaviour



#### Active Outlet Portfolio Management

Expand leadership nationally & optimize profitability

### New Channel



#### E-Commerce

Expand flagship outlets at T-mall and 360.com & cooperation with more emerging operators



#### Digital Eco-system

Integrate all digital engagement & communication resources to enable our Relationship Marketing Intelligence for personalized brand relationship & experience

## CSR commitment, industry leadership, global alignment

### SUSTAIN LEADERSHIP, MAINTAIN REPUTATION, SUPPORT 5 GLOBAL COMMITMENTS



No drinking and driving campaign  
with RTSAC and local authorities



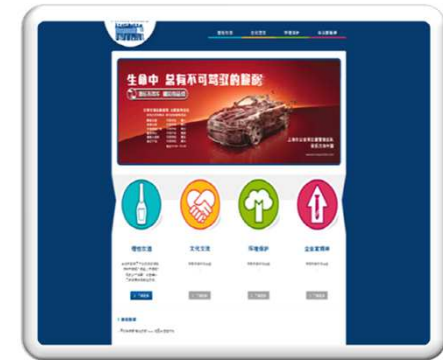
Responsib'all Day



中国疾病预防控制中心  
CHINESE CENTER FOR DISEASE CONTROL AND PREVENTION



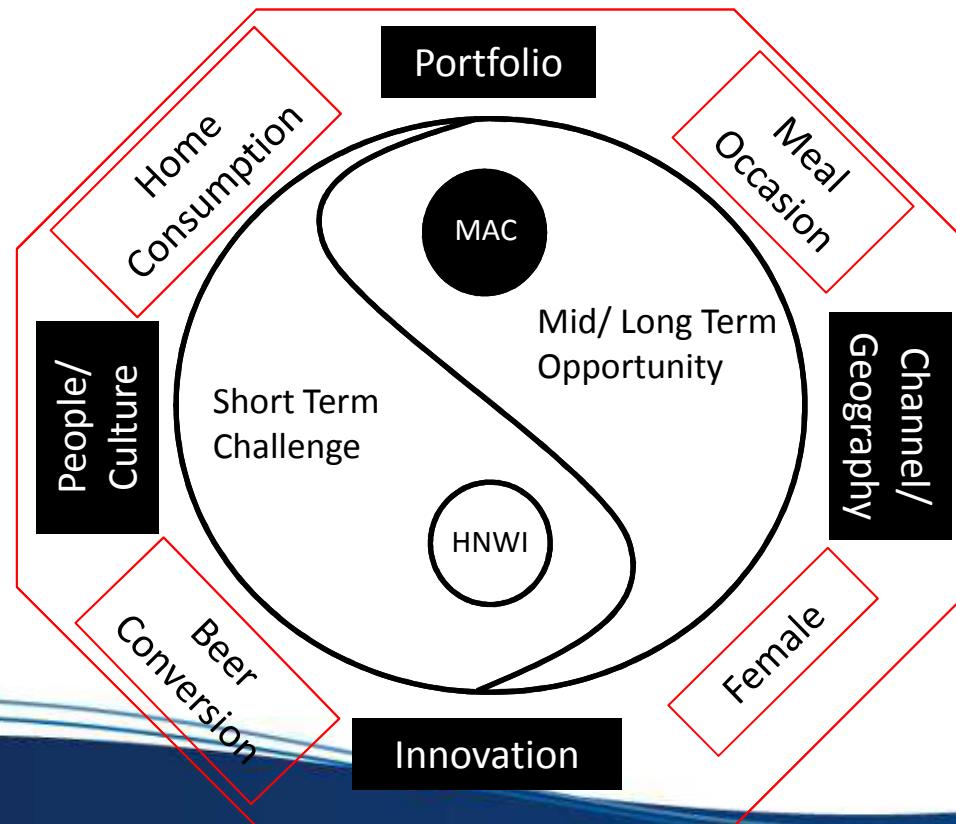
Reduce underage drinking, education and  
research program with MOH/CDC



Digital Platforms to support  
public education

- “2012 Outstanding Enterprise Contributing to CSR” - China CSR Conference
- “2012 China’s Outstanding Corporate Citizen” - China Corporate Citizenship Forum
- “2012 Most Influential CSR Public Event” - CSR and Public Communications Summit
- “2012 Best Enterprise Image Award” - China Finance Summit

## Best positioned for sustainable and responsible growth





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