



Pernod Ricard EMEA & LATAM

Europe, Middle East, Africa & Latin America

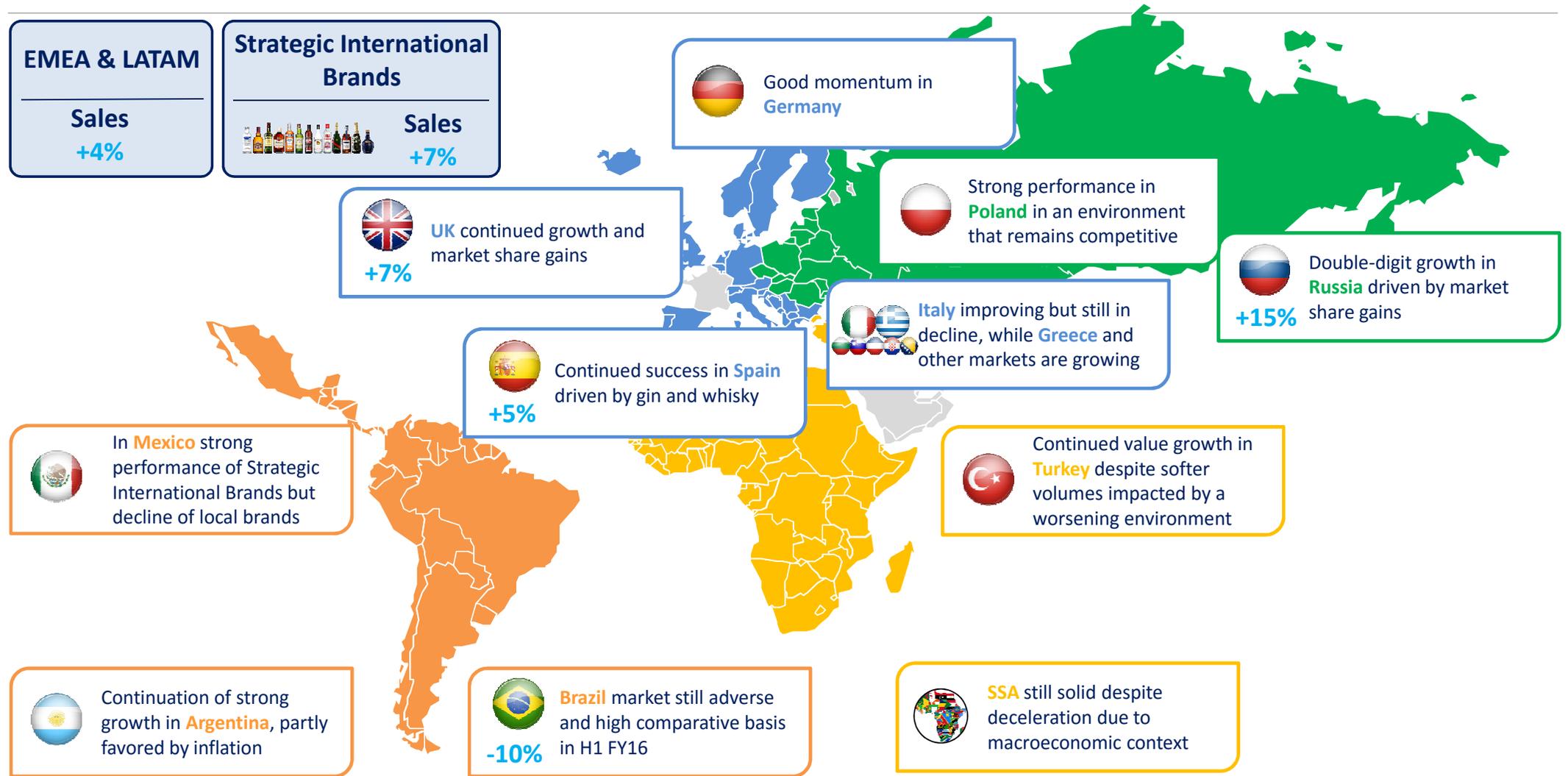
Regional conference call

Christian Porta
Chairman & CEO

March 29th, 2017



Solid H1 performance despite an environment that remains challenging



Strategic International Brands drive growth and continue to build their leadership

Strong growth across the region, in part. in the UK, South Africa, Germany and Poland



H1 Sales
+9%

#1

In Premium vodka

Dynamic growth in Emerging Markets and the UK



H1 Sales
+7%

#2

In Super Premium Scotch Whisky

Double digit growth in Russia, South Africa, Poland and Brazil



H1 Sales
+8%

#2

In Premium Scotch Whisky

Continued momentum with growth in almost all markets



H1 Sales
+17%

#2

In Premium non-Scotch Whisky

Softer in Spain in a competitive category but very good momentum in many markets



H1 Sales
+5%

#1

In Premium Plus Gin

Strong growth in LATAM and Russia and rebound in Germany



H1 Sales
+2%

#1

In Premium Plus Rum

Double-digit growth in the UK, Russia and SSA



H1 Sales
+6%

#2

In Super Premium Malts

Strategic International Brands



+7%



Innovation and luxury are key pillars of our strategy

Impactful campaigns on innovation



Chivas Extra
 Scotch crafted with extra passion
 Roll-out in all markets
+15% Sales H1 organic growth



Jameson Caskmates
 Successful innovation with halo effect
 Brings new consumers & occasions to the brand



Ballantine's Brasil, Shake it campaign

- Roll-out in 7 European markets
- 14m views & 54k engagements



Lillet
 Building a unique and elegant brand
 Leveraging strong momentum on aperitif segment
+41% Sales H1 organic growth



A clear luxury strategy with great results

- Dedicated expert teams in key markets
- Great activations to support growth opportunity
- Comprehensive and attractive portfolio



Germany +19%



UK +6%

H1 Sales organic growth



South Africa +14%



Mexico +13%





Spain: consolidated leadership in a market growing faster

Market trends

	2015	2016	△
Market Evolution	+3.9%	+6.1%	
Market Share	24.1%	24.0%	-0.1pt ▾

Digital transformation

- Development of a **Digital Culture**
- **Data Management** with a Business Vision
- Focus on **Content**
- New **Business Models**



Strong portfolio in key categories

#1 in Gin with the most complete portfolio



#2 in Whisky





Germany: continued growth in a still highly competitive market

Market trends

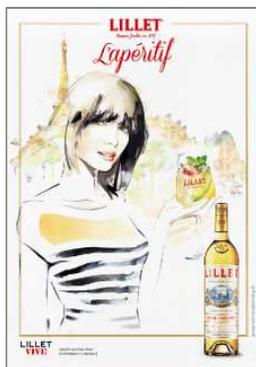
	2015	2016	△
Market Evolution	+0.2%	+0.2%	
Market Share	8.2%	8.4%	+0.2pt ▲

Prestige and Innovation are key growth drivers

H1 Sales organic growth



Prestige: +19%



Innovation: +12%

Strong market share gains

	Market Share 2016	△
	9%	+0.2pt ▲
 El Ron de Cuba	25%	+0.7pt ▲
	24%	+3.7pts ▲
	6%	+0.1pt ▲
	17%	Stable
 	23%	+2.4pts ▲



UK: dynamic growth and market share gains in a resilient environment in H1

Uncertain environment

- **Brexit** leading to strong GBP depreciation
- **Inflation** expected higher as a reaction
- In that context, Pernod Ricard **increased prices** in March

Market trends

	2015	2016	△
Market Evolution	+5.2%	+3.6%	
Market Share	7.4%	8.0%	+0.6pt ▲

Strong growth driven by Strategic International Spirits and Wines

H1 Sales organic growth



**Strategic International
Spirits: +9%**

**Champagne:
-2%**

**Wines:
+6%**

Market share gains

	Market Share 2016	△
ABSOLUT.	36%	+4.1pts ▲
CHIVAS	18%	+1.1pts ▲
JAMESON	11%	+0.1pt ▲
Campo Viejo™	20%	+4.1pts ▲
JACOBS CREEK	8%	-0.3pt ▼





Russia: a successful strategy and execution resulting in significant market share gain in a difficult and evolving environment

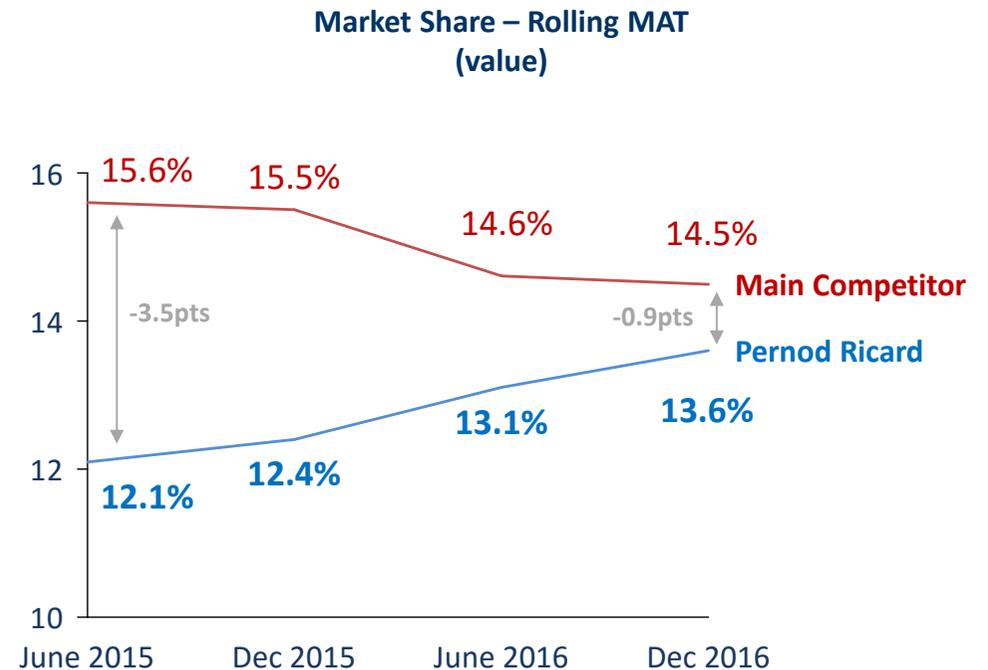
Clear strategy and excellence in execution...

- Leveraging a strong portfolio of brands (Strategic International brands supported by strong Strategic Local Brands)



- Focusing on value
 - Chivas at 134 RSP index vs main competitor
 - Ballantine's at 113 RSP index vs main competitor
- Managing sell-in / sell-out with a healthy stock-in-trade
- Excelling in Last 3 Feet and trade marketing execution
- Increasing commercial effectiveness with a RTM reorganization
- ... in an environment that remains fragile but is improving (oil price increase and RUB appreciation)

... allowing to reduce gap with the market leader





Russia: double-digit growth in H1 17 driven by strong market share gains

Effective activations in key channels



Ballantine's On-trade event



Ballantine's activation



Ararat Art collection Launch



Lillet aperitif



Olmeqa Digital Project

Jameson Caskmates

Significant market share gains

	2015	2016	△	
Market Evol. (vol)	-7.5%	-2.0%		
Market Evol. (value)	+4.1%	+4.0%		
Market Share	12.4%	13.6%	+1.2pt	▲

Market Share 2016



19% +0.5pt ▲



13% +1.8pts ▲



47% -0.3pt ▼



ARARAT

10% +0.5pt ▲





SSA: dynamic growth driven by South Africa, despite a difficult macroeconomic and geopolitical context

Market context

- Still fast growth of **consumer base**
- **Continued pressure on economies** (oil price, currencies...)
- **Pernod Ricard materially increased prices** following currencies devaluations in South Africa, Angola and Nigeria
- **Development of pan-African campaigns** (Ballantine's *Beat of Africa*, Chivas, Absolut, Jameson)

Angola

- **Tougher context** with restricted access to foreign currencies
- **Volumes significantly down** due to rationalized portfolio
- However sales decline limited due to **several strong price increases**

Nigeria

Sales x2

- Driven by a strong portfolio of **international and local brands**
- Supported by **focused investments and a new RTM**



Strong growth relays in South Africa

	2015	2016	△	
Market Evolution	+15.7%	+15.7%		
Market Share	11.7%	12.3%	+0.6pt	▲

Market Share 2016

	2015	2016	△	
JAMESON IRISH WHISKEY		31%	+1.9pts	▲
CHIVAS		9%	-0.9pt	▼
Ballantine's		9%	+3.5pts	▲
ABSOLUT		27%	+7.7pts	▲





Turkey: continued market share gains in a slowing market

Consolidated footprint

- Economic growth hampered by political instability and inflation
- **Declining on-trade and hotel channels and shift to off-trade**
- Pernod Ricard **continues to gain market share and to increase prices**

Key brands still dynamic

H1 Sales organic growth



+7%



+28%



+4%

Solid #2 position

	2015	2016	△
Market Evolution	+24.6%	+16.4%	△
Market Share	32.9%	34.1%	+1.2pts ▲

Market share gains

	Market Share 2016	△
 CHIVAS	41%	+3.0pts ▲
 ABSOLUT	45%	+1.4pts ▲
 <i>Ballantine's</i>	22%	+1.0pt ▲





Mexico: strategic refocus on international brands and reshaping of the organization to drive future growth

Reengineering of PR Mexico

- **Clear future growth opportunities** despite short-term uncertainties
- **Disposal of Domecq local brandies and wines in FY17** (and Caribe Cooler in FY15)
- **RTM alignment** with new strategy
- **Overinvestment on Strategic International Brands** to support market share ambition

Impactful activations delivering good growth

+21%

+13%

H1 Sales organic growth

Market trends and shares

	2015	2016	△	
Market Evolution	+11.7%	+10.4%		
Market Share	13.3%	12.3%	-1.0pt	▼

Market Share
2016



ABSOLUT.	32%	-1.3pts	▼
CHIVAS	8%	-0.7pt	▼
MARTELL COGNAC	53%	-1.9pts	▼



Brazil: sound strategy in place enabling stable market share in a challenging environment

Solid strategy

- **Market conditions still adverse** but expected to improve
- **Price increase on international brands** following BRL devaluation
- **Strong portfolio of local brands** (Montilla, Orloff) providing scale and market penetration to **support international brands**
- **Efficient organization and resource optimization in place to drive future growth**



Whisky activation



Absolut Nights

#2 position

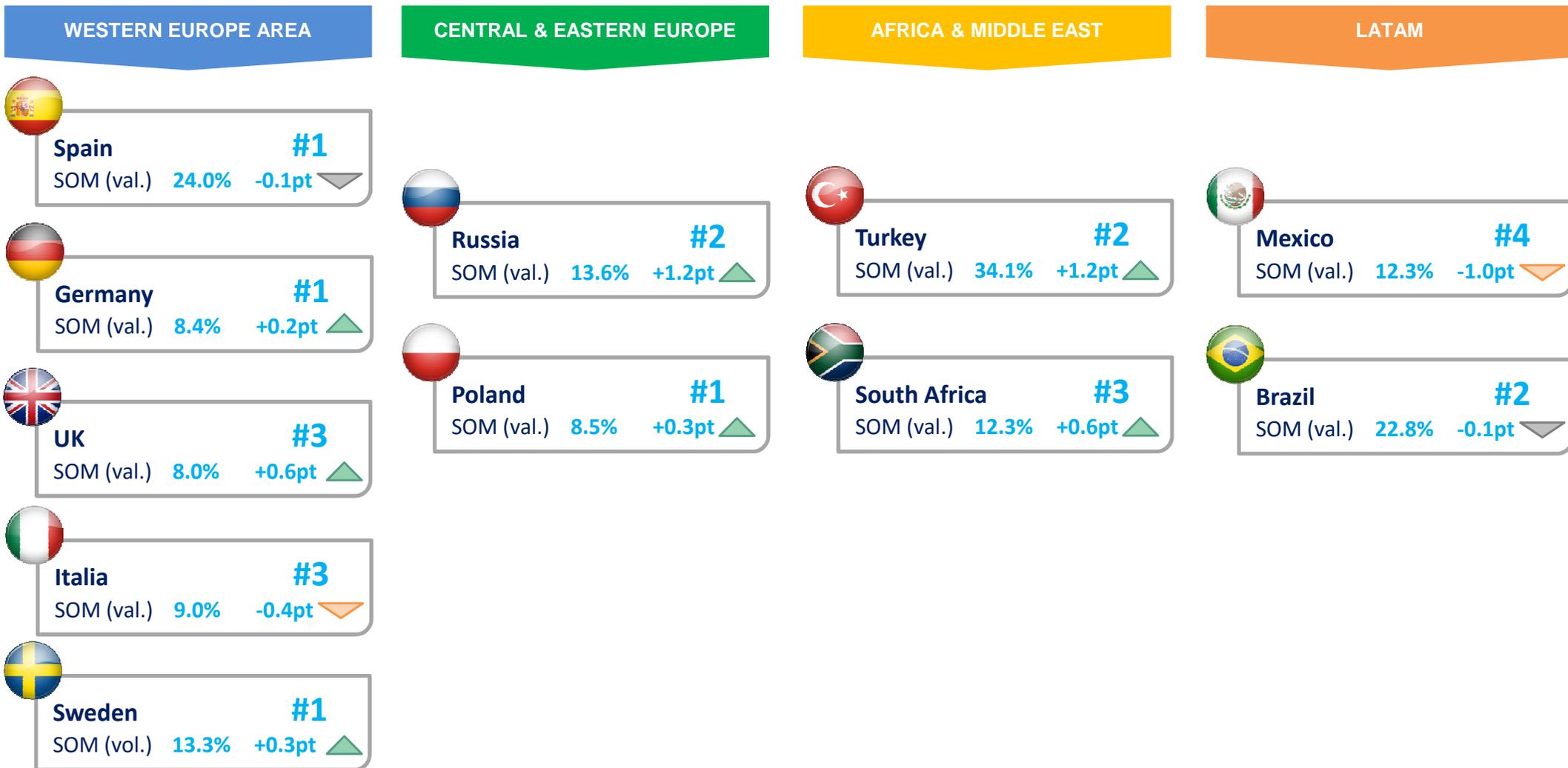
	2015	2016	△
Market Evolution	+2.3%	-6.4%	
Market Share	22.9%	22.8%	-0.1pt

Market share gains

	Market Share 2016	△	
CHIVAS	13%	-0.7pt	▼
ABSOLUT	73%	+0.3pt	▲
Ballantine's	6%	+0.4pt	▲



Conclusion: a winning strategy delivering market share gains in most markets



Conclusion: Solid foundations to continue to grow in EMEA & rebound in LATAM

- ✓ **Strong market share gains in EMEA** consolidating leadership positions
- ✓ **Sound strategy in place in LATAM** to support market share ambitions
- ✓ Focus on **operational excellence across EMEA & LATAM**
 - RTM adapted where needed
 - Excellence in Last 3 Feet
 - Focus on Digital





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Q&A

