EXCELLENT FY19, DEMONSTRATING CLEAR BUSINESS ACCELERATION: +6.0% ORGANIC SALES GROWTH (+5.3% REPORTED) +8.7% ORGANIC GROWTH IN PRO[1] (+9.5% REPORTED)

FY20 GUIDANCE: ORGANIC GROWTH IN PRO BETWEEN +5% AND +7%

FINANCIAL POLICY INFLECTION: DIVIDEND INCREASED TO €3.12/SHARE (50% PAYOUT) FROM FY19 UP TO €1BN SHARE BUY-BACK PROGRAMME ACROSS FY20 AND FY21

SALES

Sales for FY19 totalled €9,182m, with very strong organic growth at +6.0% (+5.3% reported) and **continued development of Must-win markets**:

- **USA: Sell-out broadly in line with market**[2] and strengthening of route-to-market;
- **China: +21%,** excellent performance thanks to continued strong dynamism of Martell and growth relays;
- **India: +20%,** with continued expansion of Seagram's Indian whiskies and Strategic International Brands;
- **Travel Retail: +6%,** strong growth driven by all regions.

Regionally, FY19 Sales were driven mainly by Asia:

- **Americas: +2%,** acceleration in Canada, strong growth in Latam and Sell-out broadly in line with market in USA, but Sales dampened by USA wholesaler inventory optimisation;
- **Asia-Rest of World: +12%, strong acceleration** driven mainly by China, India and Turkey and continued strong growth in Japan
- **Europe: +1%, slight growth in contrasted environment,** with continued strong growth in Eastern Europe partly offset by Western Europe (difficult market in France and commercial disputes.)

Pernod Ricard continued to leverage its premium portfolio. There was strong growth across all key spirits categories:

- **Strategic International Brands: +7%, continued strong growth,** notably on Jameson, with acceleration on Martell and Scotch, dampened by impact of USA wholesaler inventory management
- **Strategic Local Brands: +12%, acceleration** driven by Seagram's Indian Whiskies
- **Specialty Brands: +12%, continued strong momentum,** particularly for Lillet, Altos, Monkey 47, Ultra premium Irish Whiskey range and Smooth Ambler
- **Strategic Wines: -5%,** due to value strategy in UK and USA inventory management
- **Innovation: contributing c.25% of Group topline growth**, in particular thanks to Martell Blue Swift, Chivas XV, Beefeater Pink, Lillet and Monkey 47

Q4 Sales were €1,994m, +5% organic growth (+7% reported), with the continuation of dynamic growth dampened by USA wholesaler inventory management.

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[1] PRO: Profit from Recurring Operations
[2] Internal estimate of USA Spirits market growing +4.5%

RESULTS

FY19 PRO[1] was €2,581m, with organic growth of +8.7% and +9.5% reported. The PRO margin expanded by +74bps organically (+108bps on a reported basis mainly due to positive FX of +€25m.)

Organic PRO[1] growth of +8.7%, the highest since FY12, was driven by:

- **Gross margin +7%, +39bps margin improvement vs. FY18 on an organic basis,** thanks to:
  - **strong pricing** on Strategic brands of +2%
  - Cost of Goods headwinds offset by **accelerated completion of Operation excellence FY16-20 roadmap, 1 year ahead of schedule**
  - **negative mix** linked mainly to Seagram's Indian whiskies and USA wholesaler inventory management.
- **A&P: +6%,** increase broadly in line with Sales, with strong arbitration and focus behind strategic priorities (China and India in particular)
- **Structure: +4%,** moderate increase in context of business acceleration, thanks to strong discipline and resource focus on key priorities.

The FY19 corporate income **tax rate** on recurring items was **close to 26%,** a slight increase vs. FY18 driven by profit increase in countries with higher tax rates.

Group share of Net PRO[1] was €1,654m, +9.5% reported vs. FY18.

Group share of Net profit was €1,455m, -8% reported vs. FY18, a decrease driven mainly by one-off items in FY19 and an unfavourable basis of comparison (positive one-off effects in FY18.)

ACTIVE PORTFOLIO MANAGEMENT

Pernod Ricard continued to implement its M&A strategy during FY19:

- **leverage high-growth categories** through Super-premium acquisitions:
  - **Malfy**, leveraging gin boom
- **strengthen key markets:**
  - **Rabbit Hole[2]** bourbon and **TX[3]** American whiskey to reinforce USA footprint
- **develop new route-to-markets and geographies**
  - **distribution partnership with Domaines Barons de Rothschild (Lafitte)** in China to boost Premium Business Unit on-trade route-to-market
  - **JV with local partner in Myanmar** to capture Emerging Middle Class opportunity
  - **acquisition of Bodeboca platform to accelerate e-commerce capability**
- **disposal of non-core assets**
  - **Argentinian wine** portfolio
  - third-party distribution for **Imperial (Korea)**

[1] PRO: Profit from Recurring Operations
[2] majority stake, closing in FY20
[3] agreement announced 5th August 2019

FREE CASH FLOW AND DEBT

Very strong cash performance continued, with Recurring FCF reaching €1,477m, +4% vs. FY18, but Free Cash Flow decreasing to €1,366m, -5% vs. FY18, due to positive one-off items in FY18. This resulted in a **Net debt decrease of -€342m to €6,620m.**

The Net Debt/EBITDA ratio at average rates was 2.3[1] at 30 June 2019, down from 2.6 at 30 June 2018, with increased dividend and dynamic M&A.

FINANCIAL POLICY

Supported by **continued strong cash generation and deleveraging**, the financial policy has been updated. The priorities, while retaining an investment grade rating, are:

1. increased **investment in future organic growth**, in particular through strategic inventories and capex
2. continued **active portfolio management** and value-creating M&A
3. **accelerated dividend distribution** increase to c.50% payout from FY19
4. up to €1bn **share buy-back programme** across FY20 and FY21

Accordingly, a **dividend of €3.12** is proposed for the Annual General Meeting of 8 November 2019.

In addition to the increase in the dividend payout ratio, Pernod Ricard is further announcing its intention to implement a **share buy-back programme for a maximum amount of €1bn**. This programme is due to be implemented over FY20 and FY21 and the shares acquired through this programme are due to be cancelled.

This share buy-back programme will be implemented **depending on market conditions**. As a result, the timing, volumes and purchase price will be decided from time to time. Furthermore, Pernod Ricard may decide to suspend or terminate this programme at any time, without further notice or justification.

This buy-back programme is undertaken in the context of continued implementation of the Group's strategic plan, in consistency with its financial policy priorities.

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, declared, "*FY19 was an excellent year, demonstrating clear business acceleration, while investing for long-term value creation. Our PRO growth, at +8.7%, is our highest since FY12.*

For FY20, we will continue implementing our FY19-21 "Transform & Accelerate" plan, with increasing support for our priority brands, markets, strategic investments and Sustainability & Responsibility 2030 Roadmap. In a particularly uncertain environment, our guidance for FY20 is organic growth in PRO of between +5% and +7%."

[1] Average EUR/USD rate of 1.14 in FY19 vs. 1.19 in FY18

About Pernod Ricard

Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales of €9,182 million in FY19. Created in 1975 by the merger of Ricard and Pernod, the Group has developed through organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive brand portfolios in the industry, including: Absolut Vodka, Ricard pastis, Ballantine's, Chivas Regal, Royal Salute, and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek, Brancott Estate, Campo Viejo, and Kenwood wines. Pernod Ricard's brands are distributed across over 160 markets, and by its own direct salesforce in 73 markets. The Group's decentralised organisation empowers its 19,000 employees to be true on-the-ground ambassadors of its vision of "Créateurs de Convivialité." As reaffirmed by the Group's three-year strategic plan, "Transform and Accelerate," deployed in 2018, Pernod Ricard's strategy focuses on investing in long-term, profitable growth for all stakeholders. The Group remains true to its three founding values: entrepreneurial spirit, mutual trust, and a strong sense of ethics. As illustrated by the 2030 roadmap supporting the United Nations Sustainable Development Goals (SDGs), "We bring good times from a good place." In recognition of Pernod Ricard's strong commitment to sustainable development and responsible consumption, it has received a Gold rating from Ecovadis and is ranked No. 1 in Vigeo Eiris for the beverage sector. Pernod Ricard is also a United Nation's Global Compact LEAD company. Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 index.

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All growth data specified in this presentation refers to organic growth, unless otherwise stated. Data may be subject to rounding.
A detailed presentation of FY19 Sales and Results can be downloaded from our website: www.pernod-ricard.com
Audit procedures have been carried out on the full-year financial statements. The Statutory Auditors' report will be issued following their review of the management report.

Definitions and reconciliation of non-IFRS measures to IFRS measures

Pernod Ricard's management process is based on the following non-IFRS measures which are chosen for planning and reporting. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures and reported movements therein.

Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements and acquisitions and disposals.
Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates.
For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculation from the anniversary of the acquisition date in the current year.
Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the prior year, the Group, in the organic movement calculations, excludes the results for that business from the prior year. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.
This measure enables to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

Free cash flow

Free cash flow comprises the net cash flow from operating activities excluding the contributions to Allied Domecq pension plans, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of the capital expenditures.

"Recurring" indicators

The following 3 measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their unusual occurrence, cannot be considered as inherent to the recurring performance of the Group:

- *Recurring free cash flow*

Recurring free cash flow is calculated by restating free cash flow from non-recurring items.

- *Profit from recurring operations*

Profit from recurring operations corresponds to the operating profit excluding other non-current operating income and expenses.

- *Group share of net profit from recurring operations*

Group share of net profit from recurring operations corresponds to the Group share of net profit excluding other non-current operating income and expenses, non-recurring financial items and corporate income tax on non-recurring items.

Net debt

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at the closing rate), including fair value and net foreign currency assets hedging derivatives (hedging of net investments and similar), less cash and cash equivalents.

EBITDA

EBITDA stands for "earnings before interest, taxes, depreciation and amortization". EBITDA is an accounting measure calculated using the Group's profit from recurring operations excluding depreciation and amortization on operating fixed assets.

Appendices

Emerging Markets

Asia-Rest of World		Americas	Europe
Algeria	Malaysia	Argentina	Albania
Angola	Mongolia	Bolivia	Armenia
Cambodia	Morocco	Brazil	Azerbaijan
Cameroon	Mozambique	Caribbean	Belarus
China	Namibia	Chile	Bosnia
Congo	Nigeria	Colombia	Bulgaria
Egypt	Persian Gulf	Costa Rica	Croatia
Ethiopia	Philippines	Cuba	Georgia
Gabon	Senegal	Dominican Republic	Hungary
Ghana	South Africa	Ecuador	Kazakhstan
India	Sri Lanka	Guatemala	Kosovo
Indonesia	Syria	Honduras	Latvia
Iraq	Tanzania	Mexico	Lithuania
Ivory Coast	Thailand	Panama	Macedonia
Jordan	Tunisia	Paraguay	Moldova
Kenya	Turkey	Peru	Montenegro
Laos	Uganda	Puerto Rico	Poland
Lebanon	Vietnam	Uruguay	Romania
Madagascar	Zambia	Venezuela	Russia
			Serbia
			Ukraine

Strategic International Brands' organic Sales growth

	Volumes FY19 (in 9Lcs millions)	Organic Sales growth FY19	Volumes	Price/mix
Absolut	11.1	-3%	-2%	-1%
Chivas Regal	4.5	6%	2%	3%
Ballantine's	7.6	7%	7%	-1%
Ricard	4.4	-3%	-2%	-1%
Jameson	7.7	6%	6%	0%
Havana Club	4.6	0%	1%	-1%
Malibu	3.7	-1%	-2%	1%
Beefeater	3.2	8%	8%	-1%
Martell	2.6	18%	11%	8%
The Glenlivet	1.2	9%	8%	1%
Royal Salute	0.2	16%	15%	1%
Mumm	0.7	1%	-2%	3%
Perrier-Jouët	0.3	5%	0%	6%
Strategic International Brands	51.9	7%	2%	4%

Note: USA wholesaler inventory reduction impacting performance, in particular for Jameson, Absolut and The Glenlivet

Sales Analysis by Region

Net Sales (€ millions)	FY18		FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	2,485	*28.5%*	2,545	*27.7%*	60	*2%*	40	*2%*	(7)	*0%*	27	*1%*
Asia / Rest of World	3,564	*40.9%*	3,965	*43.2%*	401	*11%*	443	*12%*	0	*0%*	(42)	*-1%*
Europe	2,674	*30.7%*	2,672	*29.1%*	(1)	*0%*	28	*1%*	(12)	*0%*	(17)	*-1%*
World	8,722	*100.0%*	9,182	*100.0%*	460	*5%*	512	*6%*	(19)	*0%*	(32)	*0%*

Net Sales (€ millions)	Q4 FY18		Q4 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	586	*31.3%*	589	*29.5%*	3	*0%*	(21)	*-4%*	2	*0%*	22	*4%*
Asia / Rest of World	671	*35.9%*	777	*39.0%*	106	*16%*	93	*14%*	0	*0%*	13	*2%*
Europe	612	*32.8%*	628	*31.5%*	16	*3%*	14	*2%*	(0)	*0%*	2	*0%*
World	1,869	*100.0%*	1,994	*100.0%*	125	*7%*	86	*5%*	2	*0%*	37	*2%*

Net Sales (€ millions)	H2 FY18		H2 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,115	*29.5%*	1,155	*28.9%*	40	*4%*	(11)	*-1%*	(2)	*0%*	52	*5%*
Asia / Rest of World	1,548	*40.9%*	1,699	*42.5%*	150	*10%*	120	*8%*	0	*0%*	30	*2%*
Europe	1,121	*29.6%*	1,143	*28.6%*	21	*2%*	24	*2%*	(3)	*0%*	0	*0%*
World	3,785	*100.0%*	3,997	*100.0%*	212	*6%*	134	*4%*	(5)	*0%*	83	*2%*

Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 figures restated for IFRS 15 norm application

Summary Consolidated Income Statement

(€ millions)	FY18	FY19	Change
Net sales	**8,722**	**9,182**	**5%**
Gross Margin after logistics costs	**5,289**	**5,648**	**7%**
Advertising and promotion expenses	(1,429)	(1,512)	6%
Contribution after A&P expenditure	**3,860**	**4,137**	**7%**
Structure costs	(1,502)	(1,556)	4%
Profit from recurring operations	**2,358**	**2,581**	**9%**
Financial income/(expense) from recurring operations	(301)	(314)	4%
Corporate income tax on items from recurring operations	(520)	(586)	13%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(26)	(27)	5%
Group share of net profit from recurring operations	**1,511**	**1,654**	**9%**
Other operating income & expenses	(62)	(206)	NA
Financial income/(expense) from non-recurring operations	(1)	3	NA
Corporate income tax on items from non recurring operations	129	4	NA
Group share of net profit	**1,577**	**1,455**	**-8%**
Non-controlling interests	26	27	5%
Net profit	**1,603**	**1,482**	**-8%**

FY18 figures restated for IFRS 15 norm application

Profit from Recurring Operations by Region

World

(€ millions)	FY18		FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	8,722	*100.0%*	9,182	*100.0%*	460	*5%*	512	*6%*	(19)	*0%*	(32)	*0%*
Gross margin after logistics costs	5,289	*60.6%*	5,648	*61.5%*	359	*7%*	346	*7%*	(1)	*0%*	14	*0%*
Advertising & promotion	(1,429)	*16.4%*	(1,512)	*16.5%*	(83)	*6%*	(82)	*6%*	(1)	*0%*	0	*0%*
Contribution after A&P	3,860	*44.3%*	4,137	*45.1%*	277	*7%*	265	*7%*	(2)	*0%*	14	*0%*
Profit from recurring operations	2,358	*27.0%*	2,581	*28.1%*	223	*9%*	207	*9%*	(9)	*0%*	25	*1%*

Americas

(€ millions)	FY18		FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,485	*100.0%*	2,545	*100.0%*	60	*2%*	40	*2%*	(7)	*0%*	27	*1%*
Gross margin after logistics costs	1,629	*65.6%*	1,698	*66.7%*	69	*4%*	10	*1%*	0	*0%*	59	*4%*
Advertising & promotion	(495)	*19.9%*	(504)	*19.8%*	(9)	*2%*	(5)	*1%*	(0)	*0%*	(5)	*1%*
Contribution after A&P	1,134	*45.6%*	1,193	*46.9%*	59	*5%*	5	*0%*	0	*0%*	54	*5%*
Profit from recurring operations	735	*29.6%*	785	*30.9%*	50	*7%*	(1)	*0%*	(2)	*0%*	53	*7%*

Asia / Rest of the World

(€ millions)	FY18		FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,564	*100.0%*	3,965	*100.0%*	401	*11%*	443	*12%*	0	*0%*	(42)	*-1%*
Gross margin after logistics costs	2,030	*57.0%*	2,308	*58.2%*	278	*14%*	301	*15%*	0	*0%*	(23)	*-1%*
Advertising & promotion	(528)	*14.8%*	(592)	*14.9%*	(64)	*12%*	(68)	*13%*	(0)	*0%*	3	*-1%*
Contribution after A&P	1,502	*42.2%*	1,716	*43.3%*	213	*14%*	233	*15%*	0	*0%*	(20)	*-1%*
Profit from recurring operations	996	*28.0%*	1,179	*29.7%*	183	*18%*	195	*19%*	(1)	*0%*	(12)	*-1%*

Europe

(€ millions)	FY18		FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,674	*100.0%*	2,672	*100.0%*	(1)	*0%*	28	*1%*	(12)	*0%*	(17)	*-1%*
Gross margin after logistics costs	1,630	*61.0%*	1,643	*61.5%*	13	*1%*	36	*2%*	(2)	*0%*	(21)	*-1%*
Advertising & promotion	(406)	*15.2%*	(415)	*15.5%*	(9)	*2%*	(10)	*2%*	(1)	*0%*	2	*0%*
Contribution after A&P	1,224	*45.8%*	1,228	*45.9%*	4	*0%*	26	*2%*	(3)	*0%*	(19)	*-2%*
Profit from recurring operations	626	*23.4%*	617	*23.1%*	(10)	*-2%*	13	*2%*	(6)	*-1%*	(16)	*-3%*

Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 figures restated for IFRS 15 norm application

Foreign Exchange Impact

Forex impact FY19 (€ millions)		Average rates evolution FY18	FY19	%	On Net Sales	On Profit from Recurring Operations
US dollar	USD	1.19	1.14	-4.4%	104	61
Chinese yuan	CNY	7.76	7.79	0.3%	(3)	(2)
Indian rupee	INR	77.70	80.52	3.6%	(39)	(13)
Russian rouble	RUB	70.51	74.93	6.3%	(13)	(9)
Turkish Lira	TRL	4.63	6.40	38.2%	(25)	(22)
Pound sterling TC	GBP	0.89	0.88	-0.5%	2	(2)
Other					(59)	12
Total					**(32)**	**25**

Note : Impact on Profit from Recurring Operations includes strategic hedging on Forex

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a **1% appreciation of the USD**

Impact on the income statement[1]	(€ millions)
Profit from recurring operations	+14
Financial expenses	(2)
Pre-tax profit from recurring operations	**+11**

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	**+41**

(1) Full-year effect

Balance Sheet

Assets (€ millions)	30/06/2018	30/06/2019
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,858	17,074
Tangible assets and other assets	3,322	4,002
Deferred tax assets	1,556	1,590
Total non-current assets	**21,737**	**22,666**
Current assets		
Inventories	5,472	5,756
aged work-in-progress	*4,532*	*4,788*
non-aged work-in-progress	*71*	*79*
other inventories	*869*	*889*
Receivables (*)	1,122	1,226
Trade receivables	*1,031*	*1,168*
Other trade receivables	*91*	*59*
Other current assets	280	359
Other operating current assets	*273*	*291*
Tangible/intangible current assets	*7*	*67*
Tax receivable	177	105
Cash and cash equivalents and current derivatives	771	929
Total current assets	**7,821**	**8,375**
Assets held for sale	0	5
Total assets	**29,558**	**31,045**
(*) after disposals of receivables of:	610	674

Liabilities and shareholders' equity (€ millions)	30/06/2018	30/06/2019
Group Shareholders' equity	**14,797**	**15,987**
Non-controlling interests	181	195
of which profit attributable to non-controlling interests	*26*	*27*
Total Shareholders' equity	**14,978**	**16,182**
Non-current provisions and deferred tax liabilities	3,567	3,735
Bonds non-current	6,777	6,071
Non-current financial liabilities and derivative instruments	494	379
Total non-current liabilities	**10,838**	**10,185**
Current provisions	143	149
Operating payables	1,951	2,187
Other operating payables	960	1,058
of which other operating payables	*621*	*660*
of which tangible/intangible current payables	*338*	*398*
Tax payable	225	157
Bonds - current	93	944
Current financial liabilities and derivatives	371	182
Total current liabilities	**3,743**	**4,676**
Liabilities held for sale	0	2
Total liabilities and shareholders' equity	**29,558**	**31,045**

Analysis of Working Capital Requirement

(€ millions)	June 2017	June 2018	June 2019	FY18 WC change*	FY19 WC change*
Aged work in progress	4,416	4,532	4,788	160	268
Advances to suppliers for wine and ageing spirits	5	10	12	(1)	2
Payables on wine and ageing spirits	(107)	(96)	(105)	6	(11)
Net aged work in progress	**4,314**	**4,447**	**4,695**	**166**	**259**
Trade receivables before factoring/securitization	1,617	1,641	1,842	88	187
Advances from customers	(16)	(6)	(24)	10	(18)
Other receivables	333	353	338	40	24
Other inventories	818	869	889	81	15
Non-aged work in progress	72	71	79	4	2
Trade payables and other	(2,323)	(2,471)	(2,717)	(225)	(226)
Gross operating working capital	**502**	**457**	**405**	**(3)**	**(15)**
Factoring/Securitization impact	(557)	(610)	(674)	(63)	(63)
Net Operating Working Capital	**(56)**	**(153)**	**(269)**	**(65)**	**(78)**
Net Working Capital	**4,258**	**4,294**	**4,427**	**100**	**181**
* without FX effects and reclassifications			Of which recurring variation	**141**	**201**
			Of which non recurring variation	**(41)**	**(21)**

Net Debt

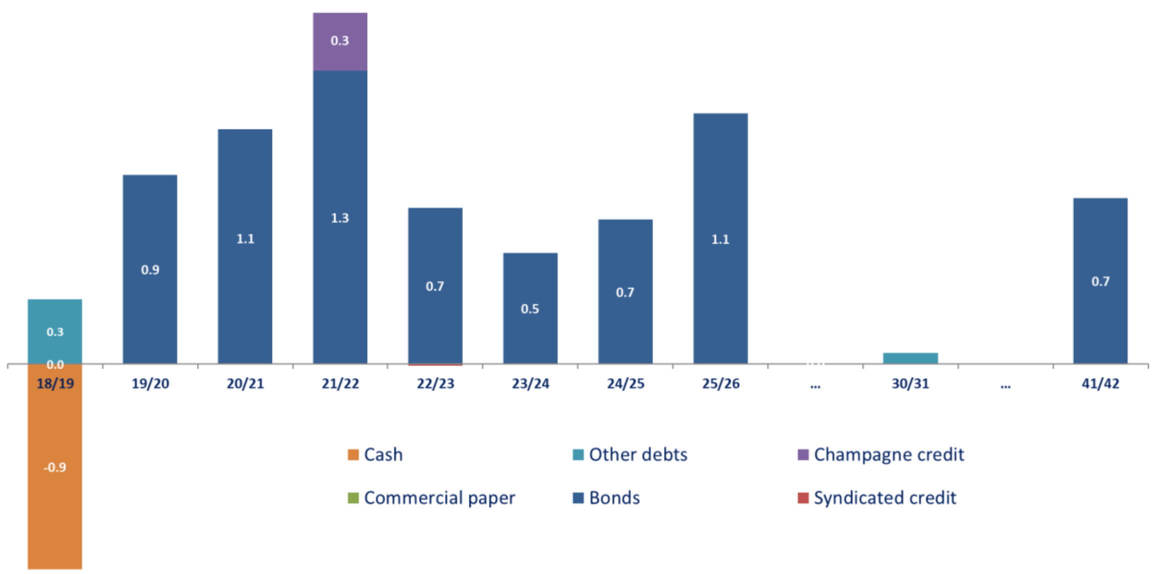
(€ millions)	30/06/2018			30/06/2019		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	93	6,777	6,869	944	6,071	7,015
Syndicated loan	-	-	-	-	-	-
Commercial paper	280	-	280	-	-	-
Other loans and long-term debts	80	463	542	177	363	540
Other financial liabilities	360	463	822	177	363	540
Gross Financial debt	452	7,239	7,691	1,121	6,434	7,555
Fair value hedge derivatives – assets	-	-	-	-	(13)	(13)
Fair value hedge derivatives – liabilities	-	25	25	-	2	2
Fair value hedge derivatives	-	25	25	-	(12)	(12)
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	-	-	-	-	-
Net asset hedging derivative instruments – assets	(1)	-	(1)	-	-	-
Net asset hedging derivative instruments – liabilities	-	-	-	0	-	0
Net asset hedging derivative instruments	(1)	-	(1)	0	-	0
Financial debt after hedging	452	7,265	7,716	1,121	6,422	7,543
Cash and cash equivalents	(754)	-	(754)	(923)	-	(923)
Net financial debt	(303)	7,265	6,962	198	6,422	6,620

Change in Net Debt

(€ millions)	30/06/2018	30/06/2019
Operating profit	2,296	2,375
Depreciation and amortisation	216	226
Net change in impairment of goodwill, PPE and intangible assets	73	69
Net change in provisions	(35)	7
Retreatment of contributions to pension plans acquired from Allied Domecq and others	14	3
Changes in fair value on commercial derivatives and biological assets	(1)	(7)
Net (gain)/loss on disposal of assets	(48)	0
Share-based payments	35	40
Self-financing capacity before interest and tax	**2,549**	**2,714**
Decrease / (increase) in working capital requirements	(100)	(181)
Net interest and tax payments	(659)	(829)
Net acquisitions of non financial assets and others	(358)	(338)
Free Cash Flow	**1,433**	**1,366**
of which recurring Free Cash Flow	***1,422***	***1,477***
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq and others	(60)	(181)
Dividends paid	(551)	(645)
(Acquisition) / Disposal of treasury shares and others	(23)	(121)
Decrease / (increase) in net debt (before currency translation adjustments)	**798**	**420**
IFRS 15 opening adjustment		16
Foreign currency translation adjustment	91	(94)
Decrease / (increase) in net debt (after currency translation adjustments)	**889**	**342**
Initial net debt	(7,851)	(6,962)
Final net debt	(6,962)	(6,620)

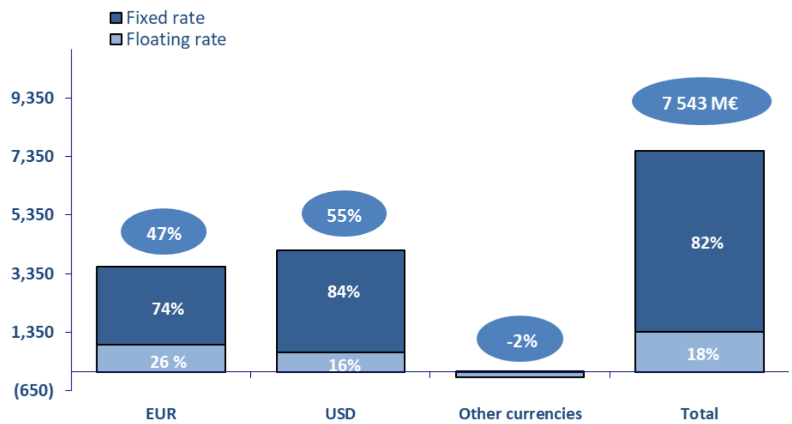
Net Debt Maturity

€ billions



Note: Syndicated credit facility of €2.5bn not used

Gross Debt after hedging



Bond details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 850 m	2.000%	20/03/2014	22/06/2020
	€ 650 m	2.125%	29/09/2014	27/09/2024
	€ 500 m	1.875%	28/09/2015	28/09/2023
	€ 600 m	1.500%	17/05/2016	18/05/2026
USD	$ 1,000 m	5.750%	07/04/2011	07/04/2021
	$ 1,500 m	4.450%	25/10/2011	15/01/2022
	$ 1,650 m o/w: $ 800 m at 10.5 years $ 850 m at 30 years	4.250% 5.500%	12/01/2012	15/07/2022 15/01/2042
	$ 201 m	Libor 6m + spread	26/01/2016	26/01/2021
	$ 600 m	3.250%	08/06/2016	08/06/2026

Net Debt / EBITDA ratio evolution

	Closing Rate	Average rate[2]
EUR/USD rate: Jun FY18 -> Jun FY19	*1.17 -> 1.14*	*1.19 -> 1.14*
Ratio at 30/06/2018	**2.7**	**2.6**[1]
EBITDA & cash generation excl. Group structure effect and forex impact	**(0.4)**	**(0.4)**
Group structure and forex impacts	**+0.1**	**+0.1**
Ratio at 30/06/2019	**2.3**	**2.3**

1 Syndicated credit spreads and covenants are based on the same ratio as the average rate of the last twelve months of closing date

2 Average rate of last twelve months of closing date

Diluted EPS calculation

(x 1,000)	FY18	FY19	
Number of shares in issue at end of period	265,422	265,422	
Weighted average number of shares in issue (pro rata temporis)	265,422	265,422	
Weighted average number of treasury shares (pro rata temporis)	(1,308)	(1,248)	
Dilutive impact of stock options and performance shares	1,429	1,246	
Number of shares used in diluted EPS calculation	**265,543**	**265,420**	
(€ millions and €/share)	**FY18**	**FY19**	**reported △**
Group share of net profit from recurring operations	1,511	1,654	9.5%
Diluted net earnings per share from recurring operations	**5.69**	**6.23**	**9.5%**

IFRS 16 implementation starting FY20

The Group will use the modified retrospective approach. This transition approach implies that comparative figures for the previous financial periods will not be restated to reflect the adoption of IFRS16.

To measure IFRS16 expected impacts on the Group financial results, relevant data collection and contracts inventory have been completed.

Based on the ongoing contracts, the expected IFRS16 impacts are the following:

- C. €500m increase in total assets and liabilities. Most of the impact is due to premises where the Group is operating
- C. €100m increase in EBITDA on a full-year basis
- Non-material impacts on the operational result, the financial result and the net result. Full-year impact estimations are lower than 10 million euros on each of these aggregates
- An increase of c.€80m to €90m in cash flow from operations on a full-year basis, with the corresponding decrease in cash flow from financing.

This new lease standard includes simplification measures: the Group will not apply IFRS16 requirements to lease contracts whose term is lower than twelve months, the Group will also exclude the leases for which the underlying asset is 'low-value' and will continue to treat finance leases as they were treated under IAS 17.

Upcoming Communications

DATE[1]	EVENT
Thursday 17 October 2019	**Q1 FY20 Sales**
Friday 8 November 2019	**Annual General Meeting**
Thursday 13 February 2020	**H1 FY20 Sales & Results**
Thursday 23 April 2020	**Q3 FY20 Sales**

1 The above dates are indicative and are liable to change