

CONTEXT



GILLES BOGAERT

*Managing Director
Finance & Operations*

On the road to leadership

ORGANIC TOP LINE
GROWTH FASTER THAN
THE INDUSTRY

DISCIPLINE ON
OPERATING MARGIN...
... WITH THE RIGHT
LEVEL OF INVESTMENT

M&A STRATEGY

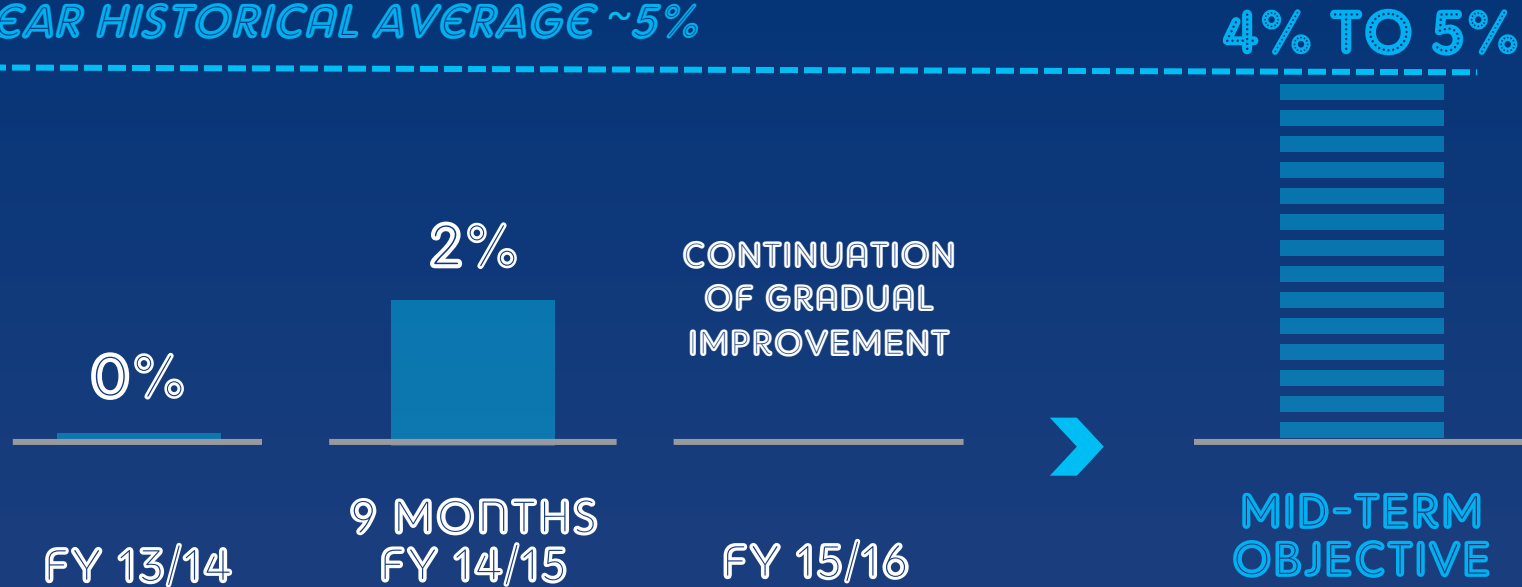


ORGANIC TOP LINE GROWTH
FASTER THAN THE INDUSTRY

MID-TERM OBJECTIVE

ORGANIC NET SALES GROWTH

10 YEAR HISTORICAL AVERAGE ~5%



All figures correspond to organic growth

RESUME TOPLINE GROWTH IN OUR 2 LARGEST MARKETS



US

A large olive-green diamond shape with a small blue diamond at its bottom-right corner. The text 'US' is centered in white.



CHINA

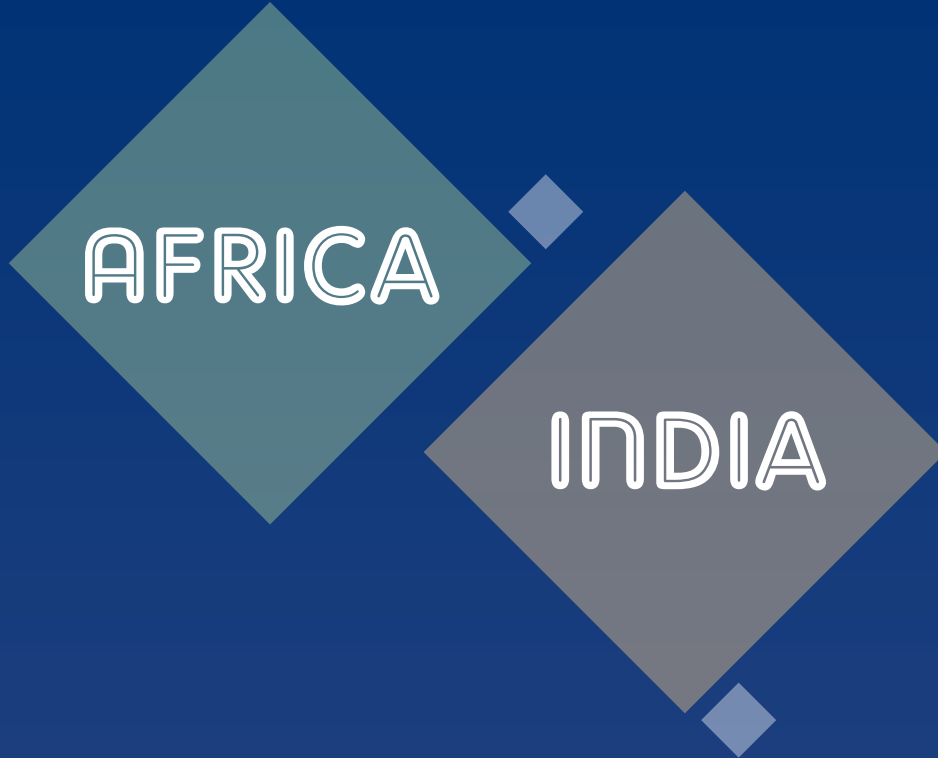
A large purple diamond shape with a small blue diamond at its top-left corner. The text 'CHINA' is centered in white.

RESUME TOPLINE GROWTH IN OUR 2 LARGEST MARKETS

	FY 08/09 – FY 12/13	FY 13/14	9 MONTHS FY 14/15		MID-TERM OBJECTIVE
US	+3%	+1%	-1%	➤	CLOSE TO MID-SINGLE DIGIT
CHINA	+18%	-23%	-3%	➤	HIGH SINGLE DIGIT NET SALES GROWTH

All figures correspond to organic growth

◆ CONTINUE TO DEVELOP OUR GROWTH RELAYS ◆



◆ DELIVER ON INNOVATION ◆

INCREMENTAL



STRETCH



BREAKTHROUGH



◆ INCREASE VALUE ◆

POSITIVE
PRICE & MIX



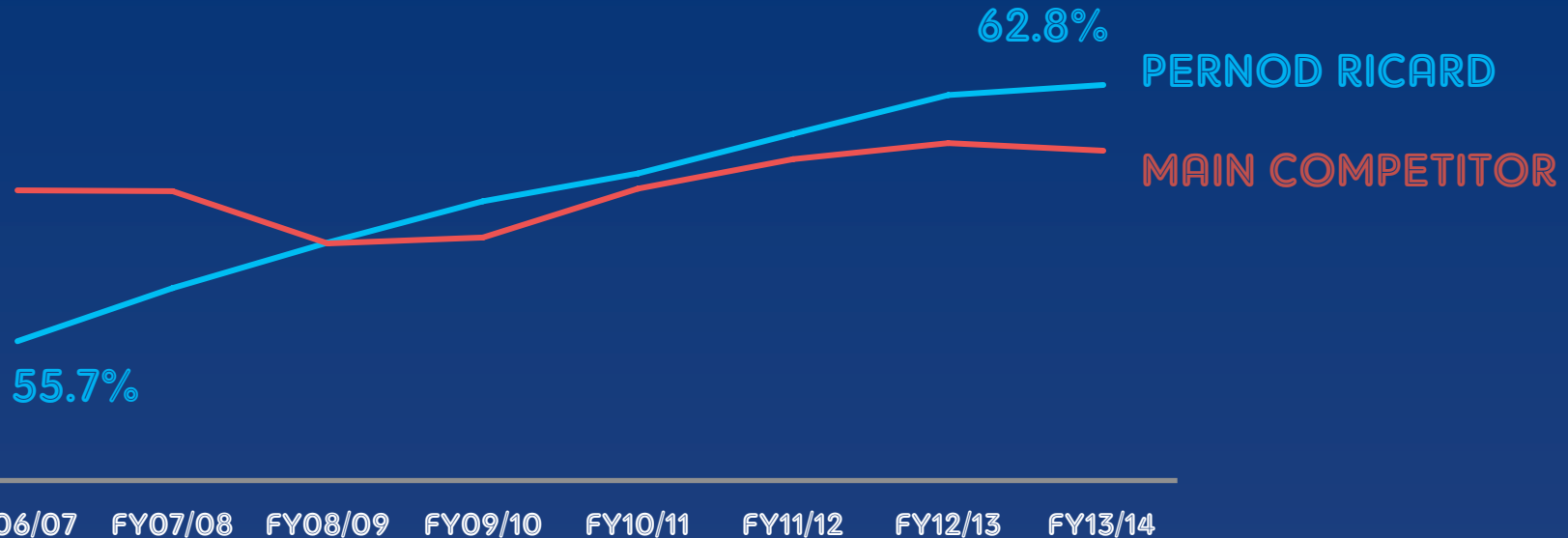
DISCIPLINE ON
OPERATING MARGIN...

... WITH THE RIGHT
LEVEL OF INVESTMENT

HISTORICAL EVOLUTION

GROSS MARGIN

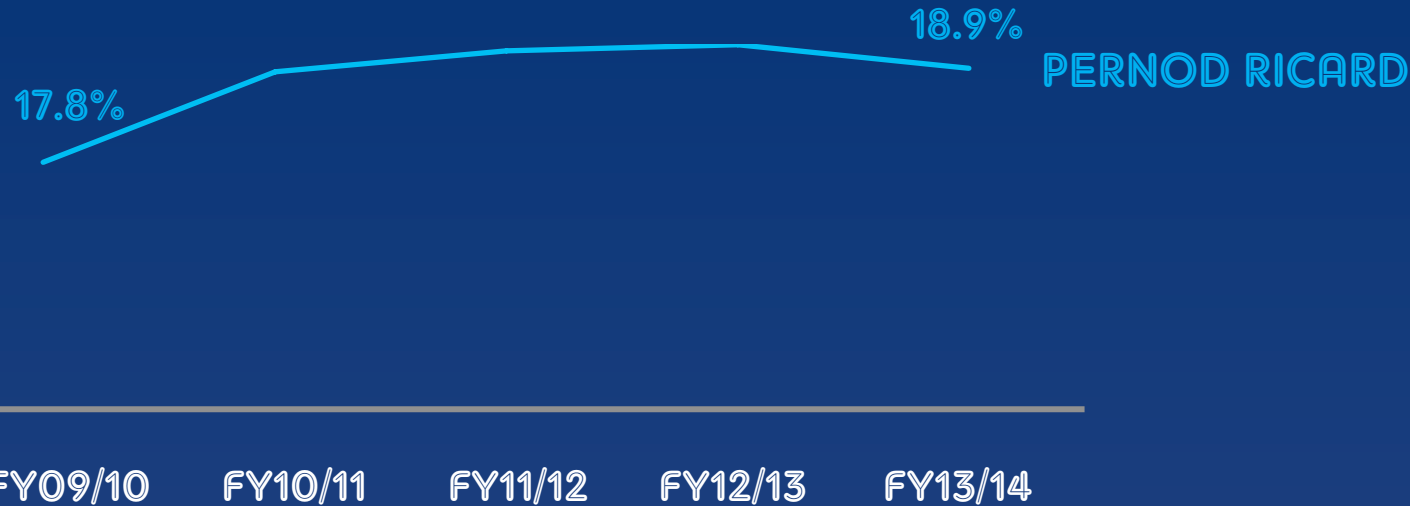
PREMIUMISATION AND STRONG PRICING



HISTORICAL EVOLUTION

A&P (AS % OF NET SALES)

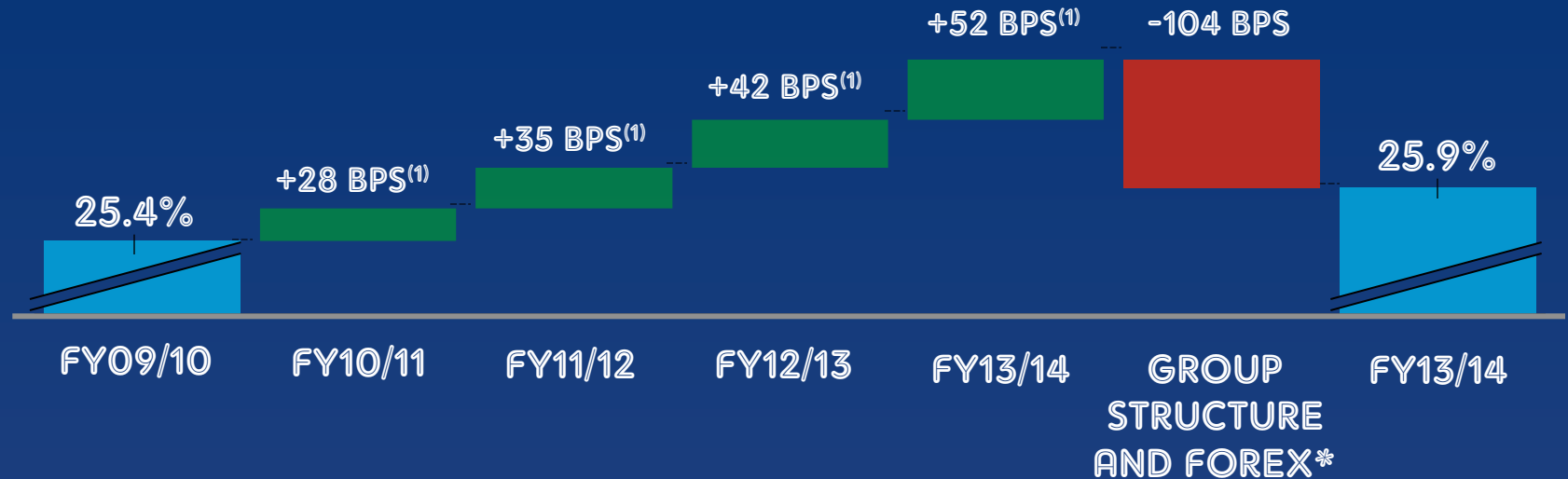
STABLE OVER THE PAST 4 YEARS



HISTORICAL EVOLUTION

OPERATING MARGIN

INCREASE DRIVEN BY GROSS MARGIN IMPROVEMENT



(1) Organic growth

* FY 10/11 to FY 13/14

FY 14/15

CONFIRMATION OF FY 14/15 GUIDANCE:

ORGANIC OPERATING PROFIT GROWTH
BETWEEN +1% AND +3%

SHORT-TERM

GROSS MARGIN

STILL UNDER SOME PRESSURE,
THOUGH LESS SO THAN IN FY 14/15

A&P

ORGANIC INCREASE
(SMALL PART OF FOREX GAINS REINVESTED)

STRUCTURE COSTS

STRONG DISCIPLINE + ALLEGRO SAVINGS

MID-TERM OBJECTIVES

GROSS MARGIN

INCREASE

A&P/SALES

CLOSE TO 19%

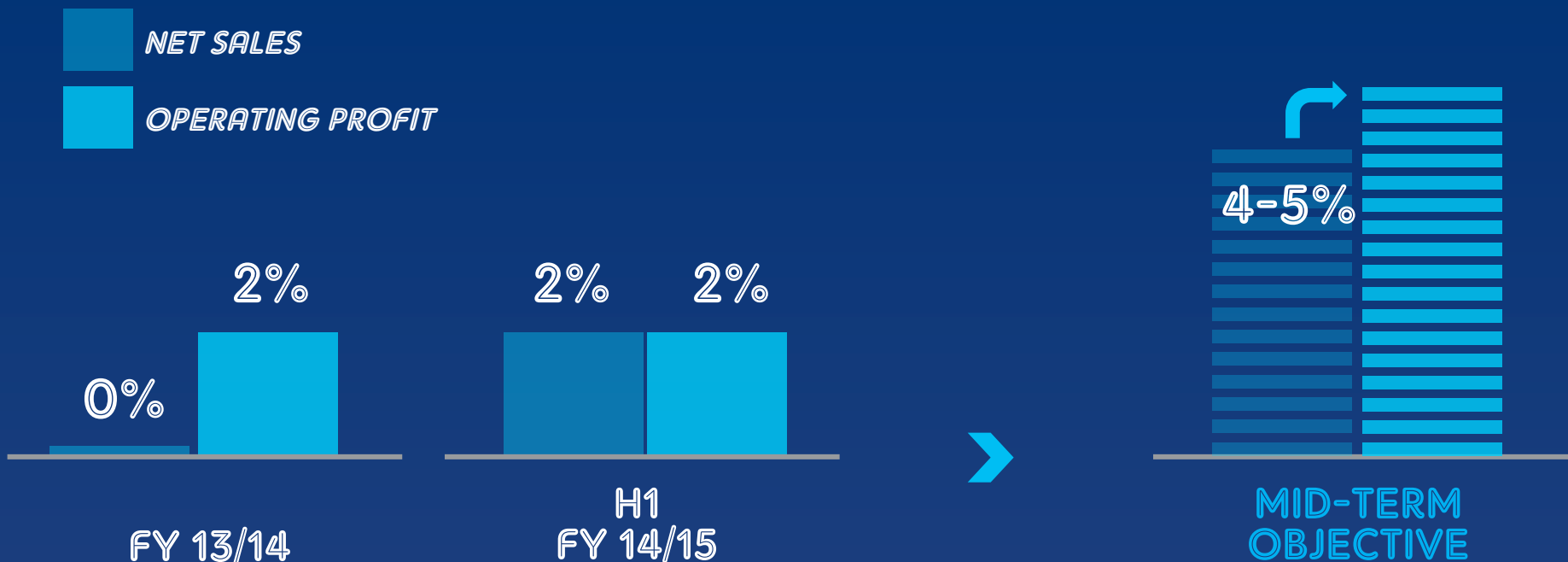
STRUCTURE COSTS

GROWTH \leq NET SALES GROWTH*

OPERATING PROFIT

GROWTH $>$ NET SALES GROWTH*

MID-TERM OBJECTIVE OPERATING PROFIT GROWTH



All figures correspond to organic growth



M&A STRATEGY

◆ CRITERIA FOR ACQUISITIONS ◆

◆ PORTFOLIO STRATEGIC ALIGNMENT

◆ VALUE CREATION

◆ INVESTMENT GRADE MAINTAINED

BOLT-ON ACQUISITIONS

