VERY GOOD H1 FY18
+5.1% ORGANIC SALES GROWTH (+0.4% REPORTED)
+5.7% ORGANIC GROWTH IN PRO[1] (-0.3% REPORTED)
+25% NET PROFIT[2]
VERY STRONG FREE CASH FLOW GROWTH: +21%

UPGRADE OF FY18 GUIDANCE[3]:
ORGANIC GROWTH IN PRO BETWEEN +4% AND +6%

SALES

Sales for H1 FY18 totalled €5,082m, with **organic growth of +5.1%** and **reported growth of +0.4%**, due to negative FX.

Performance accelerated, thanks to the the consistent implementation of the **medium-term growth roadmap:**

- Sustained and diversified growth, with all regions and categories performing well
- improving price / mix
- negative impact of later Chinese New Year[4] offset by strong Martell demand (high-single digit volume target for full FY18)
- favourable basis of comparison in some geographies (as in Q1.)

All categories were dynamic, each growing +5%:

- **Strategic International Brands continued their strong growth**, driven in particular by Martell and Jameson
- **Strategic Local Brands accelerated** thanks to Seagram's Indian whiskies, Olmeca/Altos and improving trend on Imperial (Korea)
- **Strategic Wines accelerated** due to Campo Viejo's momentum
- "Other" improved significantly driven by **fast-growing premium brands, in particular Monkey 47, Lillet and Avion.**

In terms of geography, **the acceleration was driven by Asia,** in particular China (despite adverse Chinese New Year phasing), India and Travel Retail Asia

- **Americas:** continued dynamism **+6%**
- **Asia-Rest of World: acceleration +7%** vs. +3% in H1 FY17
- **Europe:** continued good performance **+3%**

Q2 Sales were €2,790m, with +4.6% organic growth (-0.8% reported), broadly consistent with underlying trends in Q1.

[1] PRO: Profit from Recurring Operations
[2] Reported Group share
[3] Guidance given to market on 31 August 2017 of organic PRO growth between +3% and +5%
[4] Chinese New Year on 16 February 2018 vs. 28 January 2017

RESULTS

H1 FY18 PRO[1] was €1,496m, with organic growth of +5.7% and **-0.3% reported, due to USD weakness[2].** For full-year FY18, the **FX impact on PRO[1] is estimated at c. -€180m[3].**

The organic PRO margin was up +21bps, driven by:

- **Gross margin ratio**: **+65bps** (partly enhanced by phasing)
    - **price impact improving**
    - **positive mix** thanks in particular to Martell, Jameson and Chivas
    - **tight management of Cost Of Goods Sold** thanks to operational efficiency initiatives, but negative impact of agave cost and Goods & Services Tax in India
- **A&P[1]: +7%**
    - **growth ahead of topline in H1** due to phasing and accelerated spend to internationalise Martell
- **Structure costs ratio stable.**

The H1 FY18 corporate income **tax rate** on recurring items was **c.25%** and this rate should carry through **for full-year FY18.** The USA tax reform is not expected to have a material impact on the corporate income tax rate in future.

Group share of Net PRO[1] **was €994m,** +4% reported vs. H1 FY17, despite adverse FX, thanks to a reduction in financial expenses. At constant FX, growth was +10%.

Group share of Net profit was €1,147m, +25% reported vs. H1 FY17, due to a reduction in financial expenses and positive non-recurring items (including a one-off sale of bulk Scotch inventory, the reimbursement of the French 3% tax on FY13-17 dividends and a €55m one-off P&L positive net impact further to the reevaluation of deferred tax assets pursuant to the USA tax reform.)

IFRS 15 will be implemented from FY19, leading to the reclassification of certain A&P expenses in deduction of Sales and the integration of the activity of certain third-party bottlers in India into Sales and Cost of Goods Sold. The main proforma estimated impacts are:

- neutral on PRO but PRO margin up c. 70bps
- Sales reduced by c.3%
- Gross Margin down c. 170bps
- A&P / Sales ratio down c. 300bps to c.16%.

FREE CASH FLOW AND DEBT

Free Cash Flow increased very strongly to €799m, +21% vs. H1 FY17, resulting in a Net debt decrease of €476m to €7,375m. **The Net Debt/EBITDA** ratio at average rates[2] was **down significantly to 2.9x** at 31 December 2017.

The average **cost of debt reduced to 3.4%** vs. 4.0% in H1 FY17. The expected cost for full-year FY18 is c. 3.6%.

[1] PRO: Profit from Recurring Operations; GM: Gross Margin; A&P: Advertising & Promotional expenditure

[2] EUR/USD average rate of 1.18 in H1 FY18 vs. 1.10 in H1 FY17

[3] Based on average FX rates projected on 25 January 2018, particularly a EUR/USD rate of 1.25

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, declared,

"*H1 FY18 was a very good semester, with an acceleration vs. FY 17, in particular in China, India and Global Travel Retail.*

For full-year FY18, we will maintain our focus on digital, innovation and operational excellence (including pricing.) We expect sustained and diversified growth to continue across our regions and brands. We are therefore increasing our guidance for full-year FY18 organic growth in Profit from Recurring Operations to between +4% and +6%[1]."

About Pernod Ricard

Pernod Ricard is the world's n°2 in wines and spirits with consolidated Sales of €9,010 million in FY17. Created in 1975 by the merger of Ricard and Pernod, the Group has undergone sustained development, based on both organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard holds one of the most prestigious brand portfolios in the sector: 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 employs a workforce of approximately 18,500 people and operates through a decentralised organisation, with 6 "Brand Companies" and 86 "Market Companies" established in each key market. Pernod Ricard is strongly committed to a sustainable development policy and encourages responsible consumption. Pernod Ricard's strategy and ambition are based on 3 key values that guide its expansion: entrepreneurial spirit, mutual trust and a strong sense of ethics.

Pernod Ricard is listed on Euronext (Ticker: RI; ISIN code: FR0000120693) and is part of the CAC 40 index.

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[1] Guidance given to market on 31 August 2017 of organic PRO growth between +3% and +5%

All growth data specified in this presentation refers to organic growth, unless otherwise stated. Data may be subject to rounding.

A detailed presentation of H1 FY18 Sales and Results can be downloaded from our website: www.pernod-ricard.com

Audit procedures have been carried out on the half-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 H1 FY18 (in 9Lcs millions)	Organic Sales growth H1 FY18	Volumes	Price/mix
Absolut	6.4	2%	3%	0%
Chivas Regal	2.6	2%	2%	1%
Ballantine's	4.0	2%	3%	-1%
Ricard	2.3	-8%	-8%	0%
Jameson	4.0	12%	11%	1%
Havana Club	2.4	7%	5%	2%
Malibu	1.9	7%	5%	1%
Beefeater	1.6	3%	1%	1%
Martell	1.4	10%	8%	3%
The Glenlivet	0.6	1%	3%	-2%
Royal Salute	0.1	-5%	-5%	0%
Mumm	0.5	0%	-2%	1%
Perrier-Jouët	0.2	4%	1%	3%
Strategic International Brands	28.1	5%	3%	2%

Sales Analysis by Region

Net Sales (€ millions)	Q1 FY17		Q1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	649	*29%*	652	*28%*	3	*0%*	40	*6%*	(3)	*0%*	(34)	*-5%*
Asia / Rest of World	917	*41%*	940	*41%*	23	*2%*	64	*7%*	(1)	*0%*	(41)	*-4%*
Europe	682	*30%*	701	*31%*	19	*3%*	23	*3%*	(1)	*0%*	(3)	*0%*
World	2,248	*100%*	2,292	*100%*	45	*2%*	128	*6%*	(5)	*0%*	(78)	*-3%*

Net Sales (€ millions)	Q2 FY17		Q2 FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	782	*28%*	747	*27%*	(35)	*-5%*	38	*5%*	(10)	*-1%*	(64)	*-8%*
Asia / Rest of World	1,123	*40%*	1,125	*40%*	2	*0%*	71	*6%*	(1)	*0%*	(69)	*-6%*
Europe	907	*32%*	918	*33%*	11	*1%*	19	*2%*	(3)	*0%*	(5)	*-1%*
World	2,813	*100%*	2,790	*100%*	(23)	*-1%*	128	*5%*	(14)	*0%*	(137)	*-5%*

Net Sales (€ millions)	H1 FY17		H1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,431	*28%*	1,399	*28%*	(32)	*-2%*	79	*6%*	(13)	*-1%*	(98)	*-7%*
Asia / Rest of World	2,040	*40%*	2,065	*41%*	25	*1%*	136	*7%*	(1)	*0%*	(110)	*-5%*
Europe	1,589	*31%*	1,619	*32%*	29	*2%*	42	*3%*	(4)	*0%*	(8)	*-1%*
World	5,061	*100%*	5,082	*100%*	22	*0%*	256	*5%*	(19)	*0%*	(216)	*-4%*

Bulk spirits are allocated by Region according to the Regions' weight in the Group

Summary Consolidated Income Statement

(€ millions)	H1 FY17	H1 FY18	Change
Net sales	**5,061**	**5,082**	**0%**
Gross Margin after logistics costs	**3,158**	**3,200**	**1%**
Advertising and promotion expenses	(901)	(930)	3%
Contribution after A&P expenditure	**2,257**	**2,270**	**1%**
Structure costs	(756)	(774)	2%
Profit from recurring operations	**1,500**	**1,496**	**0%**
Financial income/(expense) from recurring operations	(201)	(153)	-24%
Corporate income tax on items from recurring operations	(334)	(333)	0%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(9)	(16)	80%
Group share of net profit from recurring operations	**957**	**994**	**4%**
Other operating income & expenses	(0)	62	NA
Financial income/(expense) from non-recurring operations	(4)	4	NA
Corporate income tax on items from non recurring operations	(38)	87	NA
Group share of net profit	**914**	**1,147**	**25%**
Non-controlling interests	10	16	65%
Net profit	**924**	**1,163**	**26%**

Profit from Recurring Operations by Region

World

(€ millions)	H1 FY17		H1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	5,061	*100.0%*	5,082	*100.0%*	22	*0%*	256	*5%*	(19)	*0%*	(216)	*-4%*
Gross margin after logistics costs	3,158	*62.4%*	3,200	*63.0%*	42	*1%*	195	*6%*	(6)	*0%*	(146)	*-5%*
Advertising & promotion	(901)	*17.8%*	(930)	*18.3%*	(28)	*3%*	(67)	*7%*	0	*0%*	39	*-4%*
Contribution after A&P	2,257	*44.6%*	2,270	*44.7%*	13	*1%*	127	*6%*	(6)	*0%*	(108)	*-5%*
Profit from recurring operations	**1,500**	***29.6%***	**1,496**	***29.4%***	**(5)**	***0%***	**87**	***6%***	**(9)**	***-1%***	**(83)**	***-6%***

Americas

(€ millions)	H1 FY17		H1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,431	*100.0%*	1,399	*100.0%*	(32)	*-2%*	79	*6%*	(13)	*-1%*	(98)	*-7%*
Gross margin after logistics costs	972	*68.0%*	937	*67.0%*	(35)	*-4%*	52	*5%*	(6)	*-1%*	(82)	*-8%*
Advertising & promotion	(291)	*20.4%*	(299)	*21.4%*	(8)	*3%*	(27)	*9%*	0	*0%*	19	*-6%*
Contribution after A&P	681	*47.6%*	638	*45.6%*	(43)	*-6%*	25	*4%*	(5)	*-1%*	(63)	*-9%*
Profit from recurring operations	**463**	***32.4%***	**423**	***30.3%***	**(40)**	***-9%***	**17**	***4%***	**(8)**	***-2%***	**(50)**	***-11%***

Asia / Rest of World

(€ millions)	H1 FY17		H1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,040	*100.0%*	2,065	*100.0%*	25	*1%*	136	*7%*	(1)	*0%*	(110)	*-5%*
Gross margin after logistics costs	1,212	*59.4%*	1,243	*60.2%*	30	*2%*	103	*8%*	(0)	*0%*	(73)	*-6%*
Advertising & promotion	(330)	*16.2%*	(355)	*17.2%*	(26)	*8%*	(44)	*13%*	(0)	*0%*	18	*-6%*
Contribution after A&P	883	*43.3%*	887	*43.0%*	5	*1%*	59	*7%*	(0)	*0%*	(55)	*-6%*
Profit from recurring operations	**633**	***31.0%***	**628**	***30.4%***	**(5)**	***-1%***	**36**	***6%***	**(0)**	***0%***	**(41)**	***-6%***

Europe

(€ millions)	H1 FY17		H1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,589	*100.0%*	1,619	*100.0%*	29	*2%*	42	*3%*	(4)	*0%*	(8)	*-1%*
Gross margin after logistics costs	973	*61.2%*	1,020	*63.0%*	47	*5%*	39	*4%*	(1)	*0%*	8	*1%*
Advertising & promotion	(280)	*17.6%*	(275)	*17.0%*	5	*-2%*	4	*-1%*	0	*0%*	1	*-1%*
Contribution after A&P	693	*43.6%*	745	*46.0%*	52	*7%*	43	*6%*	(1)	*0%*	10	*1%*
Profit from recurring operations	**405**	***25.5%***	**445**	***27.5%***	**40**	***10%***	**34**	***8%***	**(1)**	***0%***	**7**	***2%***

Bulk spirits are allocated by Region according to the Regions' weight in the Group

Foreign Exchange Impact

Forex impact H1 FY18 (€ millions)		Average rates evolution H1 FY17	H1 FY18	%	On Net Sales	On Profit from Recurring Operations[1]
US dollar	USD	1.10	1.18	7.1%	(87)	(46)
Chinese yuan	CNY	7.41	7.81	5.5%	(27)	(18)
Turkish lira	TRL	3.43	4.30	25.6%	(8)	(8)
Japanese yen	JPY	116.12	131.67	13.4%	(11)	(7)
Indian rupee	INR	73.73	75.87	2.9%	(14)	(5)
Pound sterling	GBP	0.86	0.89	3.8%	(9)	3
Other					(61)	(3)
Total					**(216)**	**(83)**

For full-year FY18, a negative FX impact on PRO of c. -€180m is expected[2]

Notes
1. Impact on PRO includes strategic hedging on Forex
2. Based on average FX rates for full FY 18 projected on 25 January 2018, particularly EUR/USD = 1.25

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a **1% appreciation of the USD** and linked currencies[(1)]

Impact on the income statement[(2)]	(€ millions)
Profit from recurring operations	+18
Financial expenses	(2)
Pre-tax profit from recurring operations	**+16**

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	**+44**

(1) CNY, HKD *(2) Full-year effect*

Balance Sheet

Assets (€ millions)	30/06/2017	31/12/2017
(Net book value)		
Non-current assets		
Intangible assets and goodwill	17,152	16,692
Tangible assets and other assets	3,028	3,107
Deferred tax assets	2,377	1,581
Total non-current assets	**22,557**	**21,380**
Current assets		
Inventories	5,305	5,251
of which aged work-in-progress	*4,416*	*4,356*
of which non-aged work-in-progress	*72*	*59*
Receivables (*)	1,134	1,841
Trade receivables	*1,059*	*1,763*
Other trade receivables	*74*	*78*
Other current assets	270	269
Other operating current assets	*264*	*263*
Tangible/intangible current assets	*6*	*5*
Tax receivable	111	144
Cash and cash equivalents and current derivatives	700	907
Total current assets	**7,521**	**8,412**
Assets held for sale	10	5
Total assets	**30,088**	**29,797**
(*) after disposals of receivables of:	**557**	**840**

Liabilities and shareholders' equity (€ millions)	30/06/2017	31/12/2017
Group Shareholders' equity	**13,706**	**14,372**
Non-controlling interests	180	184
of which profit attributable to non-controlling interests	*28*	*16*
Total Shareholders' equity	**13,886**	**14,556**
Non-current provisions and deferred tax liabilities	4,524	3,743
Bonds non-current	6,900	6,677
Non-current financial liabilities and derivative instruments	522	617
Total non-current liabilities	**11,946**	**11,036**
Current provisions	159	148
Operating payables	1,826	2,032
Other operating payables	935	729
of which other operating payables	*619*	*693*
of which tangible/intangible current payables	*316*	*36*
Tax payable	156	279
Bonds - current	94	92
Current financial liabilities and derivatives	1,087	925
Total current liabilities	**4,256**	**4,205**
Liabilities held for sale	-	-
Total liabilities and shareholders' equity	**30,088**	**29,797**

Analysis of Working Capital Requirement

(€ millions)	June 2016	December 2016	June 2017	December 2017	H1 FY17 WC change	H1 FY18 WC change
Aged work in progress	4,364	4,331	4,416	4,356	8	(25)
Advances to suppliers for wine and ageing spirits	5	16	5	24	11	20
Payables on wine and ageing spirits	(109)	(140)	(107)	(153)	(31)	(47)
Net aged work in progress	**4,260**	**4,207**	**4,314**	**4,228**	**(12)**	**(52)**
Trade receivables before factoring/securitization	1,517	2,745	1,617	2,603	1,192	1,042
Advances from customers	(2)	(17)	(16)	(8)	(15)	8
Other receivables	305	297	333	315	(3)	5
Other inventories	857	784	818	837	(76)	42
Non-aged work in progress	73	80	72	59	7	(12)
Trade payables and other	(2,168)	(2,521)	(2,323)	(2,565)	(322)	(302)
Gross operating working capital	**582**	**1,367**	**502**	**1,241**	**783**	**782**
Factoring/Securitization impact	(520)	(913)	(557)	(840)	(386)	(294)
Net Operating Working Capital	**62**	**454**	**(56)**	**402**	**397**	**489**
Net Working Capital	**4,322**	**4,661**	**4,258**	**4,630**	**385**	**436**
				Of which recurring variation	**374**	**453**
				Of which non recurring variation	**10**	**(17)**

Net Debt

(€ millions)	30/06/2017			31/12/2017		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	94	6,900	6,993	92	6,677	6,769
Syndicated loan	-	319	319	-	209	209
Commercial paper	630	-	630	730	-	730
Other loans and long-term debts	441	161	601	177	380	558
Other financial liabilities	1,071	480	1,551	908	589	1,497
GROSS FINANCIAL DEBT	1,165	7,379	8,545	1,000	7,266	8,266
Fair value hedge derivatives – assets	(6)	(17)	(22)	(3)	(5)	(8)
Fair value hedge derivatives – liabilities	-	7	7	-	8	8
Fair value hedge derivatives	(6)	(9)	(15)	(3)	3	0
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	-	-	-	-	-
Net asset hedging derivative instruments – assets	(2)	-	(2)	(6)	-	(6)
Net asset hedging derivative instruments – liabilities	-	-	-	-	-	-
Net asset hedging derivative instruments	(2)	-	(2)	(6)	-	(6)
Financial debt after hedging	1,158	7,370	8,528	991	7,269	8,260
Cash and cash equivalents	(677)	-	(677)	(886)	-	(886)
Net financial debt	481	7,370	7,851	106	7,269	7,375

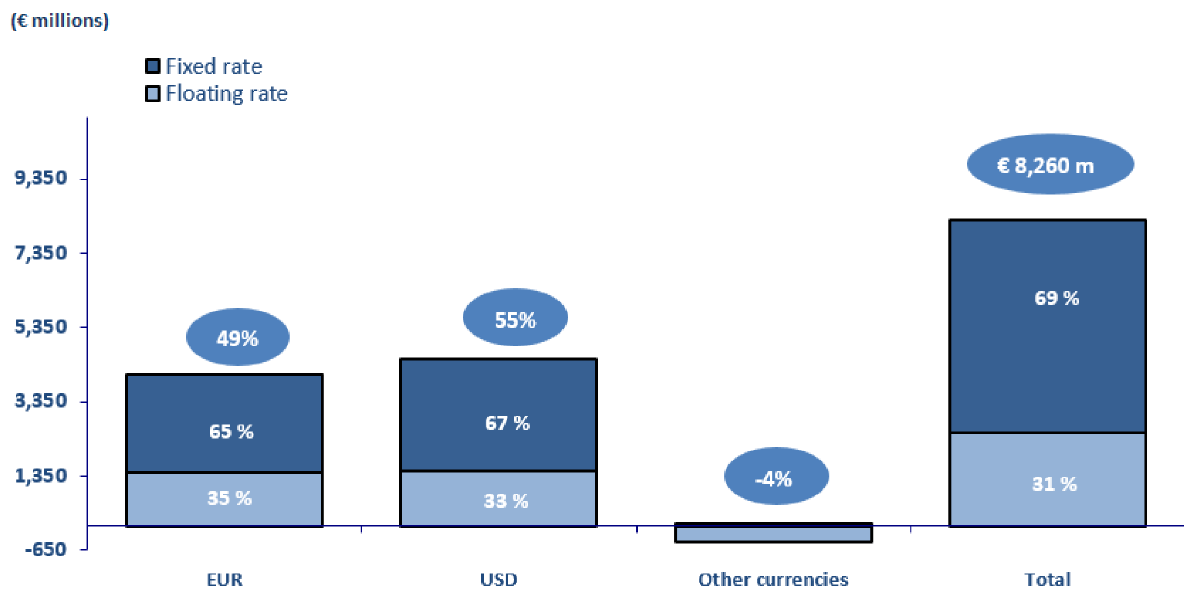
Change in Net Debt

(€ millions)	31/12/2016	31/12/2017
Operating profit	1,500	1,558
Depreciation and amortisation	106	106
Net change in impairment of goodwill, PPE and intangible assets	4	1
Net change in provisions	(75)	(17)
Retreatment of contributions to pension plans acquired from Allied Domecq	4	3
Changes in fair value on commercial derivatives and biological assets	1	(2)
Net (gain)/loss on disposal of assets	(10)	(39)
Share-based payments	20	18
Self-financing capacity before interest and tax	**1,551**	**1,628**
Decrease / (increase) in working capital requirements	(385)	(436)
Net interest and tax payments	(363)	(263)
Net acquisitions of non financial assets and others	(145)	(129)
Free Cash Flow	**658**	**799**
of which recurring Free Cash Flow	*741*	*690*
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq	(0)	8
Dividends paid	(501)	(543)
(Acquisition) / Disposal of treasury shares and others	(23)	(32)
Decrease / (increase) in net debt (before currency translation adjustments)	**134**	**231**
Foreign currency translation adjustment	(371)	245
Decrease / (increase) in net debt (after currency translation adjustments)	**(237)**	**476**
Initial net debt	(8,716)	(7,851)
Final net debt	(8,953)	(7,375)

Debt Maturity at 31 December 2017

Available cash at end December 2017: €0.9bn in cash and €2.3bn syndicated credit not used (syndicated credit coming to maturity in June 2022)

Gross Debt Hedging at 31 December 2017[1]



Natural debt hedging maintained: EUR/USD breakdown close to that of EBITDA
69% of Gross debt at fixed rates

1. includes fair value and net foreign currency asset hedge derivatives

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

Diluted EPS

(x 1,000)	H1 FY17	H1 FY18
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)	(1,148)	(1,388)
Dilutive impact of stock options and performance shares	1,166	1,437
Number of shares used in diluted EPS calculation	**265,440**	**265,471**

(€ millions and €/share)	H1 FY17	H1 FY18	reported △
Group share of net profit from recurring operations	957	994	+4%
Diluted net earnings per share from recurring operations	**3.61**	**3.74**	**+4%**

Upcoming Communications

DATE[1]	EVENT
Thursday 22 March 2018	**EMEA LATAM conference call**
Thursday 19 April 2018	**Q3 FY18 Sales**
Wednesday 6 June 2018	**Asia Conference call**
Wednesday 29 August 2018	**FY18 Full-year Sales & Results**
Thursday 18 October 2018	**Q1 FY19 Sales**
Wednesday 21 November 2018	**Annual General Meeting**

1 The above dates are indicative and are liable to change