

2017/18 Full-year Sales and Results
Press release - Paris, 29 August 2018

VERY STRONG FY18:

+6.0% ORGANIC SALES GROWTH (-0.3% REPORTED)
+6.3% ORGANIC GROWTH IN PRO¹ (-1.5% REPORTED)

FY19 GUIDANCE:

ORGANIC GROWTH IN PRO¹ BETWEEN +5% AND +7%

SALES

Sales for FY18 totalled €8,987m. Organic Sales growth accelerated to +6.0% vs. +3.6% in FY17, thanks to consistent strategy implementation. Reported Sales were down -0.3%.

Sales were very strong, with broad-based growth coming from a wide spectrum of markets...

- **Americas: continued dynamism +6%**, with USA now growing broadly in line with market and acceleration in Mexico and Brazil
- **Asia-Rest of World: acceleration +9%**, thanks to return to strong growth in China and India
- **Europe: modest growth +2%**, with good momentum in Eastern Europe, Germany and UK but difficulties in France and Spain
- **Travel Retail in good growth**, across all regions, thanks in part to new organisation, leading to value market share gains

... and brands:

- **Strategic International Brands' acceleration +7%** vs. +4% in FY17: 11 out of 13 in growth, 6 improving vs. FY17
- Very strong performance of **Martell (+14%)** and **Jameson (+14%)**
- **improving trends for overall Scotch portfolio** (+3% vs. stable in FY17) and return to growth of **Chivas (+5%)**
- **Absolut +2%**, thanks to success outside of USA (+6%) although USA still in decline
- significant improvement of **Seagram's Indian whiskies +13%** vs. +3% in FY17
- **Innovation contributing** significantly to topline growth.

Q4 Sales were €1,927m with +5% in organic growth (-2% reported), broadly consistent with underlying trends in the first 9 months of the year.

RESULTS

FY18 PRO¹ was €2,358m, with organic growth of +6.3% and -1.5% reported. The PRO margin was up +14bps organically but down -34bps on a reported basis due to **adverse FX (-€180m.)**

¹ PRO: Profit from Recurring Operations

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Organic PRO¹ growth was **in line with the revised annual guidance of c. +6%**. It was driven by:

- **Gross margin +6%, a +15bps margin improvement vs. FY17 on an organic basis**, thanks to:
 - **Pricing** improving
 - **Operational excellence savings** limiting impact of **cost of goods' increases** (in particular Agave cost and GST in India)
 - strong growth from Martell and Jameson but **negative mix** from growth in Seagram's Indian Whiskies and decline of Ricard
- **A&P: +7% to prepare for future growth**, remaining broadly stable at c. 19% of Sales
- **Tight management of Structure costs: +5%** (+4% excluding Other income and expense), with **targeted investment in Emerging markets and growth relays**.

The FY18 corporate income **tax rate** on recurring items was **c. 25%**, in line with FY17. **The expected rate for FY19 is c. 26%**.

Group share of Net PRO¹ was €1,511m, +2% reported vs. FY17.

Group share of Net profit was €1,577m, +13% reported vs. FY17, thanks in particular to a reduction in financial expenses.

FREE CASH FLOW AND DEBT

Free Cash Flow was very strong, increasing to €1,433m, +10% vs. FY17, resulting in a Net debt decrease of -€889m to €6,962m.

The average **cost of debt reduced to 3.5%** vs. 3.8% in FY17. The expected for FY19 is c. 3.9%.

The Net Debt/EBITDA ratio at average rates was 2.6² at 30 June 2018, significantly down from 3.0 at 30 June 2017.

PROPOSED DIVIDEND

A dividend of €2.36 is proposed for the Annual General Meeting of 21 November 2018, **up +17% from FY17**, corresponding to an **increase in pay-out ratio to 41%**, reflecting the Group's policy of gradually increasing cash distribution from approximately one-third of Group Net Profit from Recurring Operations to c. 50% by FY20.

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, declared, *"FY18 was a very strong year. Consistent strategic implementation has enabled us to deliver a significant improvement in business performance while investing for the future. Our Sales have accelerated and diversified, and our margins improved."*

In FY19, in a still uncertain geopolitical and monetary environment, we will continue consistently implementing our strategy. Our guidance for FY19 is organic growth in Profit from Recurring Operations between +5% and +7%."

¹ PRO: Profit from Recurring Operations

² Average EUR/USD rate of 1.19 in FY18 vs. 1.09 in FY17

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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 FY18 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.

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About Pernod Ricard

Pernod Ricard is the world's n°2 in wines and spirits with consolidated Sales of €8,987m in FY18. 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 18,900 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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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 FY18 (in 9Lcs millions)	Organic Sales growth FY18	Volumes	Price/mix
Absolut	11.4	2%	2%	0%
Chivas Regal	4.4	5%	5%	0%
Ballantine's	7.1	5%	5%	0%
Ricard	4.5	-6%	-5%	-1%
Jameson	7.3	14%	12%	1%
Havana Club	4.6	6%	5%	0%
Malibu	3.8	6%	5%	1%
Beefeater	2.9	4%	4%	0%
Martell	2.4	14%	12%	2%
The Glenlivet	1.1	5%	5%	0%
Royal Salute	0.2	-2%	1%	-2%
Mumm	0.8	1%	-1%	2%
Perrier-Jouët	0.3	6%	1%	6%
Strategic International Brands	50.7	7%	4%	3%

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Sales Analysis by Region

Net Sales (€ millions)	FY17		FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	2,661	29.5%	2,546	28.3%	(114)	-4%	159	6%	(18)	-1%	(255)	-10%
Asia / Rest of World	3,568	39.6%	3,648	40.6%	80	2%	324	9%	(1)	0%	(242)	-7%
Europe	2,781	30.9%	2,792	31.1%	11	0%	50	2%	(7)	0%	(32)	-1%
World	9,010	100.0%	8,987	100.0%	(23)	0%	533	6%	(26)	0%	(530)	-6%

Net Sales (€ millions)	Q4 2017		Q4 2018		Change		Organic Growth		Group Structure		Forex impact	
Americas	628	32.0%	603	31.3%	(24)	-4%	43	7%	(5)	-1%	(63)	-10%
Asia / Rest of World	690	35.2%	682	35.4%	(8)	-1%	38	5%	0	0%	(46)	-7%
Europe	645	32.9%	642	33.3%	(3)	0%	12	2%	(2)	0%	(13)	-2%
World	1,962	100.0%	1,927	100.0%	(35)	-2%	93	5%	(6)	0%	(122)	-6%

Net Sales (€ millions)	H2 2017		H2 2018		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,230	31.1%	1,148	29.4%	(82)	-7%	80	7%	(4)	0%	(157)	-13%
Asia / Rest of World	1,527	38.7%	1,583	40.5%	56	4%	188	12%	(0)	0%	(132)	-9%
Europe	1,192	30.2%	1,174	30.1%	(18)	-2%	8	1%	(3)	0%	(24)	-2%
World	3,949	100.0%	3,905	100.0%	(44)	-1%	277	7%	(8)	0%	(314)	-8%

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

Summary Consolidated Income Statement

(€ millions)	FY17	FY18	Change
Net sales	9,010	8,987	0%
Gross Margin after logistics costs	5,602	5,604	0%
Advertising and promotion expenses	(1,691)	(1,720)	2%
Contribution after A&P expenditure	3,912	3,884	-1%
Structure costs	(1,517)	(1,526)	1%
Profit from recurring operations	2,394	2,358	-2%
Financial income/(expense) from recurring operations	(376)	(301)	-20%
Corporate income tax on items from recurring operations	(509)	(520)	2%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(27)	(26)	-3%
Group share of net profit from recurring operations	1,483	1,511	2%
Other operating income & expenses	(163)	(62)	NA
Financial income/(expense) from non-recurring operations	3	(1)	NA
Corporate income tax on items from non recurring operations	71	129	NA
Group share of net profit	1,393	1,577	13%
Non-controlling interests	28	26	-7%
Net profit	1,421	1,603	13%

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Profit from Recurring Operations by Region

World

(€ millions)	FY17		FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	9,010	100.0%	8,987	100.0%	(23)	0%	533	6%	(26)	0%	(530)	-6%
Gross margin after logistics costs	5,602	62.2%	5,604	62.4%	1	0%	345	6%	(5)	0%	(338)	-6%
Advertising & promotion	(1,691)	18.8%	(1,720)	19.1%	(29)	2%	(120)	7%	(1)	0%	92	-5%
Contribution after A&P	3,912	43.4%	3,884	43.2%	(28)	-1%	225	6%	(6)	0%	(247)	-6%
Profit from recurring operations	2,394	26.6%	2,358	26.2%	(37)	-2%	155	6%	(11)	0%	(180)	-8%

Americas

(€ millions)	FY17		FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,661	100.0%	2,546	100.0%	(114)	-4%	159	6%	(18)	-1%	(255)	-10%
Gross margin after logistics costs	1,790	67.3%	1,690	66.4%	(99)	-6%	92	5%	(4)	0%	(187)	-10%
Advertising & promotion	(551)	20.7%	(533)	20.9%	18	-3%	(29)	5%	(1)	0%	47	-9%
Contribution after A&P	1,239	46.6%	1,157	45.5%	(81)	-7%	64	5%	(5)	0%	(140)	-11%
Profit from recurring operations	790	29.7%	735	28.9%	(55)	-7%	55	7%	(9)	-1%	(101)	-13%

Asia / Rest of the World

(€ millions)	FY17		FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,568	100.0%	3,648	100.0%	80	2%	324	9%	(1)	0%	(242)	-7%
Gross margin after logistics costs	2,102	58.9%	2,164	59.3%	62	3%	207	10%	(0)	0%	(145)	-7%
Advertising & promotion	(618)	17.3%	(662)	18.1%	(44)	7%	(82)	13%	(0)	0%	38	-6%
Contribution after A&P	1,484	41.6%	1,502	41.2%	18	1%	125	8%	(0)	0%	(107)	-7%
Profit from recurring operations	1,000	28.0%	996	27.3%	(4)	0%	74	7%	(0)	0%	(77)	-8%

Europe

(€ millions)	FY17		FY18		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,781	100.0%	2,792	100.0%	11	0%	50	2%	(7)	0%	(32)	-1%
Gross margin after logistics costs	1,710	61.5%	1,749	62.6%	39	2%	46	3%	(1)	0%	(5)	0%
Advertising & promotion	(522)	18.8%	(525)	18.8%	(3)	1%	(9)	2%	(0)	0%	6	-1%
Contribution after A&P	1,188	42.7%	1,224	43.8%	36	3%	36	3%	(1)	0%	1	0%
Profit from recurring operations	604	21.7%	626	22.4%	22	4%	26	4%	(2)	0%	(2)	0%

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Foreign Exchange Impact

Forex impact FY18 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		FY17	FY18	%		
US dollar	USD	1.09	1.19	9.5%	(215)	(116)
Chinese yuan	CNY	7.42	7.76	4.5%	(38)	(26)
Indian rupee	INR	72.41	77.70	7.3%	(64)	(22)
Japanese yen	JPY	118.88	131.65	10.7%	(18)	(11)
Other					(194)	(6)
Total					(530)	(180)

Note : Impact on PRO includes strategic hedging on Forex

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	+41

⁽¹⁾ CNY, HKD

⁽²⁾ Full-year effect

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Balance Sheet

Assets (€ millions)	30/06/2017	30/06/2018
(Net book value)		
Non-current assets		
Intangible assets and goodwill	17,152	16,858
Tangible assets and other assets	3,028	3,322
Deferred tax assets	2,377	1,556
Total non-current assets	22,557	21,737
Current assets		
Inventories	5,305	5,472
<i>of which aged work-in-progress</i>	4,416	4,532
<i>of which non-aged work-in-progress</i>	72	71
Receivables (*)	1,134	1,122
<i>Trade receivables</i>	1,059	1,031
<i>Other trade receivables</i>	74	91
Other current assets	270	280
<i>Other operating current assets</i>	264	273
<i>Tangible/intangible current assets</i>	6	7
Tax receivable	111	177
Cash and cash equivalents and current derivatives	700	771
Total current assets	7,521	7,821
Assets held for sale	10	0
Total assets	30,088	29,558

(*) after disposals of receivables of:

557 610

Liabilities and shareholders' equity (€ millions)	30/06/2017	30/06/2018
Group Shareholders' equity	13,706	14,797
Non-controlling interests	180	181
<i>of which profit attributable to non-controlling interests</i>	28	26
Total Shareholders' equity	13,886	14,978
Non-current provisions and deferred tax liabilities	4,524	3,567
Bonds non-current	6,900	6,777
Non-current financial liabilities and derivative instruments	522	494
Total non-current liabilities	11,946	10,838
Current provisions	159	143
Operating payables	1,826	1,951
Other operating payables	935	960
<i>of which other operating payables</i>	619	621
<i>of which tangible/intangible current payables</i>	316	338
Tax payable	156	225
Bonds - current	94	93
Current financial liabilities and derivatives	1,087	371
Total current liabilities	4,256	3,743
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	30,088	29,558

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Analysis of Working Capital Requirement

(€ millions)	June 2016	June 2017	June 2018	FY17 WC change*	FY18 WC change*
Aged work in progress	4,364	4,416	4,532	148	160
Advances to suppliers for wine and ageing spirits	5	5	10	(0)	(1)
Payables on wine and ageing spirits	(109)	(107)	(96)	(1)	6
Net aged work in progress	4,260	4,314	4,447	147	166
Trade receivables before factoring/securitization	1,517	1,617	1,641	127	88
Advances from customers	(2)	(16)	(6)	(14)	10
Other receivables	305	333	353	60	40
Other inventories	857	818	869	(3)	81
Non-aged work in progress	73	72	71	(1)	4
Trade payables and other	(2,168)	(2,323)	(2,471)	(191)	(225)
Gross operating working capital	582	502	457	(22)	(3)
Factoring/Securitization impact	(520)	(557)	(610)	(46)	(63)
Net Operating Working Capital	62	(56)	(153)	(68)	(65)
Net Working Capital	4,322	4,258	4,294	79	100
* at average FX rates	Of which recurring variation			65	141
	Of which non recurring variation			14	(41)

Net Debt

(€ millions)	30/06/2017			30/06/2018		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	94	6,900	6,993	93	6,777	6,869
Syndicated loan	-	319	319	-	-	-
Commercial paper	630	-	630	280	-	280
Other loans and long-term debts	441	161	601	80	463	542
Other financial liabilities	1,071	480	1,551	360	463	822
Gross Financial debt	1,165	7,379	8,545	452	7,239	7,691
Fair value hedge derivatives – assets	(6)	(17)	(22)	-	-	-
Fair value hedge derivatives – liabilities	-	7	7	-	25	25
Fair value hedge derivatives	(6)	(9)	(15)	-	25	25
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	-	-	-	-	-
Net asset hedging derivative instruments – assets	(2)	-	(2)	(1)	-	(1)
Net asset hedging derivative instruments – liabilities	-	-	-	-	-	-
Net asset hedging derivative instruments	(2)	-	(2)	(1)	-	(1)
Financial debt after hedging	1,158	7,370	8,528	452	7,265	7,716
Cash and cash equivalents	(677)	-	(677)	(754)	-	(754)
Net financial debt	481	7,370	7,851	(303)	7,265	6,962

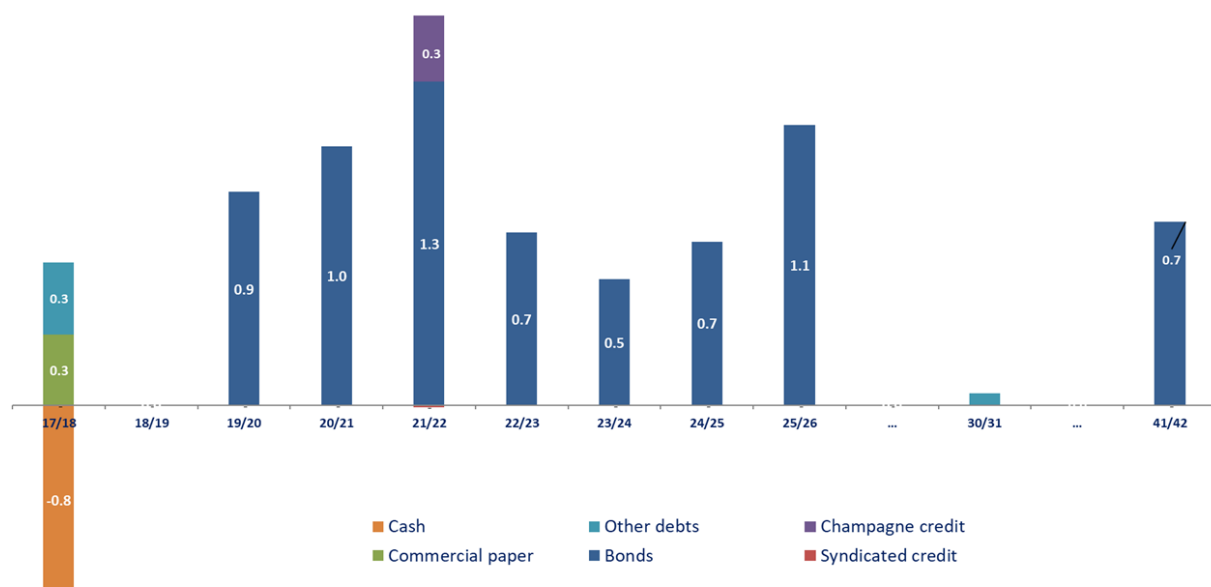
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Change in Net Debt

(€ millions)	30/06/2017	30/06/2018
Operating profit	2,232	2,296
Depreciation and amortisation	219	216
Net change in impairment of goodwill, PPE and intangible assets	75	73
Net change in provisions	(59)	(35)
Retreatment of contributions to pension plans acquired from Allied Domecq and others	7	14
Changes in fair value on commercial derivatives and biological assets	(14)	(1)
Net (gain)/loss on disposal of assets	6	(48)
Share-based payments	34	35
Self-financing capacity before interest and tax	2,499	2,549
Decrease / (increase) in working capital requirements	(79)	(100)
Net interest and tax payments	(771)	(659)
Net acquisitions of non financial assets and others	(350)	(358)
Free Cash Flow	1,299	1,433
<i>of which recurring Free Cash Flow</i>	<i>1,471</i>	<i>1,422</i>
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq and others	50	(60)
Dividends paid	(511)	(551)
(Acquisition) / Disposal of treasury shares and others	(36)	(23)
Decrease / (increase) in net debt (before currency translation adjustments)	802	798
Foreign currency translation adjustment	62	91
Decrease / (increase) in net debt (after currency translation adjustments)	865	889
Initial net debt	(8,716)	(7,851)
Final net debt	(7,851)	(6,962)

Net Debt Maturity at 30 June 2018

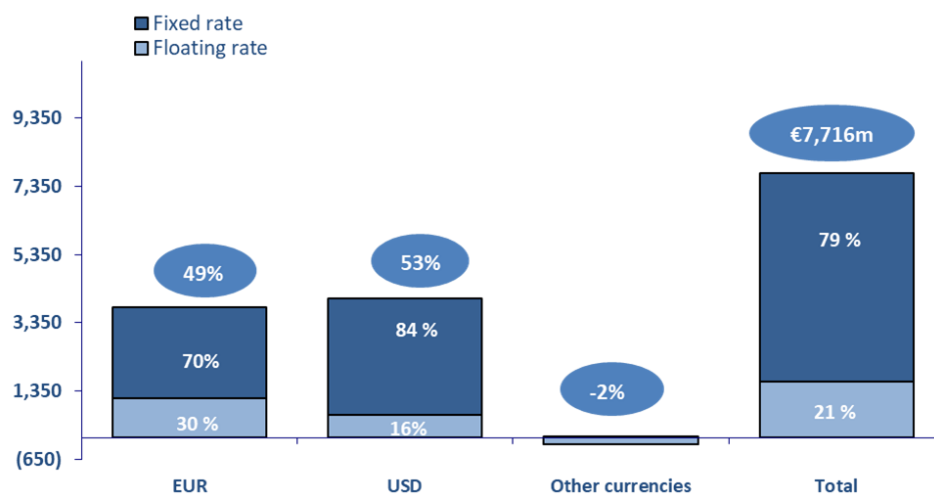
€ billions



Note: Syndicated credit facility of €2.5bn not used

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Gross Debt after hedging at 30 June 2018



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%	12/01/2012	15/07/2022
		5.500%		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
EUR/USD rate: FY17 → FY18	1.14 → 1.17	1.09 → 1.19
Ratio at 30/06/2017	3.0	3.0¹
EBITDA & cash generation excl. Group structure effect and forex impact	(0.5)	(0.5)
Group structure and forex impacts	+0.2	+0.1
Ratio at 30/06/2018	2.7	2.6

¹ Syndicated credit spreads and covenants are based on the same ratio at the average rate

2017/18 Full-year Sales and Results

Press release - Paris, 29 August 2018

Diluted EPS calculation

(x 1,000)	FY17	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)	(1,189)	(1,308)
Dilutive impact of stock options and performance shares	1,245	1,429
Number of shares used in diluted EPS calculation	265,478	265,543

(€ millions and €/share)	FY17	FY18	reported △
Group share of net profit from recurring operations	1,483	1,511	+2%
Diluted net earnings per share from recurring operations	5.58	5.69	+2%

IFRS 15 Pro-Forma

Implementation from FY19, leading to:

- reclassification of certain A&P expenses in deduction of Sales
- integration of the activity of certain third-party bottlers in India into Sales and Cost of Goods Sold

Main proforma estimated impacts:

- neutral on PRO but PRO margin up c. +80bps
- Sales reduced by c. -3%
- Gross Margin ratio down c. -170bps
- A&P / Sales ratio down c. -270bps to c. 16%

Upcoming Communications

DATE ¹	EVENT
Thursday 18 October 2018	Q1 FY19 Sales
Wednesday 21 November 2018	Annual General Meeting
Thursday 7 February 2019	H1 FY19 Sales & Results
Thursday 18 April 2019	Q3 FY19 Sales

¹ The above dates are indicative and are liable to change