VERY GOOD H1 FY19

+7.8% ORGANIC SALES GROWTH (+5.0% REPORTED)
+12.8% ORGANIC GROWTH IN PRO[1] (+10.6% REPORTED)
+11% NET PROFIT FROM RECURRING OPERATIONS[2]
CONTINUED DELEVERAGING: NET DEBT / EBITDA AT 2.6X[3]

UPGRADE OF FY19 GUIDANCE[4]:

ORGANIC GROWTH IN PRO BETWEEN +6% AND +8%

FY19-21 PLAN "TRANSFORM & ACCELERATE":

SALES +4 TO +7% WITH OPERATING LEVERAGE OF C. 50-60 BPS PER ANNUM

SALES

Sales for H1 FY19 totalled €5,185m, with **organic growth of +7.8%** and **reported growth of +5.0%**, due to negative FX.

Growth continued to be dynamic, thanks to the consistent implementation of the **medium-term growth and operational excellence roadmap:**

- **good diversified growth**
- **strong price / mix,** in particular on the Strategic International Brands
- positive impact of **earlier Chinese New Year[5]** which will unwind in H2
- **significant progress on FY16-20 Operational Excellence roadmap**: expectation is to complete €200m P&L savings by end June 2019, one year ahead of plan

Strong dynamism reflected consistent long-term investment:

- **Americas:** robust growth **+4%,** with USA growing broadly in line with market
- **Asia-Rest of World:** strong acceleration **+16%**, thanks to China and India (with both markets further enhanced by technical factors[5]) and Africa Middle-East
- **Europe: stable** overall, with continued momentum in Eastern Europe but contrasted performance in Western Europe

Very strong performance across portfolio, with strong price/mix at +2.3%:

- **Strategic International Brands: +10%,** strong growth driven by Martell, Jameson, Scotch, Gin and Champagne and very good price/mix effect (+5.9%)
- **Strategic Local Brands: +11%,** acceleration thanks to Seagram's Indian whiskies (including positive pricing)
- **Specialty Brands: +11%** with very strong growth of Lillet, Monkey 47 and Altos
- **Strategic Wines: -8%,** due to implementation of value strategy and high comparison basis on Campo Viejo (+23% in H1 FY18.)

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[1] PRO: Profit from Recurring Operations
[2] Reported Group share
[3] Based on average EUR/USD rates: 1.18 in 2018 vs. 1.13 in 2017
[4] Guidance given to market on 29 August 2018 of organic PRO growth between +5% and +7%
[5] CNY: Chinese New Year on 5 Feb 2019 vs. 16 Feb 2018; India: low comparison basis due to lapping highway ban in Q1 FY18

Q2 Sales were €2,798m, with +5.6% organic growth (+3.2% reported), following a Q1 that was enhanced by phasing and the comparison base.

H2 growth is expected to moderate due to Martell sustainable growth management, wholesaler inventory optimisation in USA and a commercial dispute in France and Germany.

RESULTS

H1 FY19 PRO[1] was €1,654m, with organic growth of +12.8% and **+10.6% reported**. For full-year FY19, the **FX impact on PRO is estimated at c. +€30m[2].**

The H1 organic PRO margin was up very significantly, by +148bps, thanks to:

- **very strong topline growth**
- **Gross margin expansion +71bps,** partially favoured by earlier CNY
  - **improved pricing** driven by Martell, Seagram's Indian Whiskies, Chivas, Jameson and Perrier-Jouët
  - **negative mix** impact due to acceleration of Seagram's Indian Whiskies, although their margin is improving
  - **COGS inflationary pressure** mostly offset by **Operational excellence** initiatives
- **A&P: +5%** with reduction in A&P ratio due to H1/H2 phasing
- **Structure cost discipline: +5%.**

H2 margin to be softer due to managing Martell growth sustainability, finished goods' inventory optimisation in USA and A&P phasing.

The H1 FY19 corporate income **tax rate** on recurring items was **c.25%;** the rate is expected at c. 26% **for full-year FY19**.

Group share of Net PRO[1] **was €1,105m,** +11% reported vs. H1 FY18, thanks mainly to excellent improvement in PRO.

Group share of Net profit was €1,023m, -11% reported vs. H1 FY18, despite excellent improvement in PRO due to lapping positive non-recurring items in H1 FY18 (one-off Scotch bulk sale, tax reimbursement and re-evaluation of deferred tax pursuant to the USA tax reform.)

FREE CASH FLOW AND DEBT

Free Cash Flow was €585m, in decline vs. H1 FY18, due to positive non-recurring one-offs in H1 FY18.

Net debt decreased by €152m vs. H1 FY18 to €7,223m at 31 December 2018 despite the €93m increase in the dividend payment. **The Net Debt/EBITDA** ratio at average rates[3] was **down significantly to 2.6x** at 31 December 2018.

The average **cost of debt was 3.8% for H1 FY19** and expected at c. 3.9% for full year FY19.

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

[2] Based on average FX rates projected on 24 January 2019, particularly a EUR/USD rate of 1.14

[3] Based on average EUR/USD rates: 1.18 in 2018 vs. 1.13 in 2017

TRANSFORM & ACCELERATE 3-YEAR PLAN

“Transform & Accelerate” started in FY19 with the objective of embedding dynamic growth and improving operational leverage, in line with the objective of maximising long term value creation.

FY19-21 ambition:

- **+4% to +7% topline growth**, leveraging key competitive advantages and consistent investment behind key priorities
- focus on **pricing and building on operational excellence initiatives, with new plan aiming at delivering additional savings of €100m by FY21**
- strong **A&P investment, maintained at c.16% of Sales,** with careful arbitration to support must-win brands and markets while stimulating innovation
- **discipline on Structure costs**, investing in priorities while maintaining agile organisation, with growth below topline growth rates
- **Operating leverage of c.50-60 bps, provided topline is in +4 to +7% bracket.**

REMINDER OF FINANCIAL POLICY

- progressively **increase dividend distribution to c. 50%** of Net profit from Recurring Operations by FY20 (NB FY18 dividend at 41%)
- commitment to **active portfolio management and value-creating M&A** while retaining **investment grade** rating.

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

“*H1 FY19, the first semester of our new Transform & Accelerate 3-year plan, was very strong. While enhanced by phasing, it confirms the acceleration of our growth, resulting from our long-term investment strategy.*

For full year FY19, in an environment that remains uncertain, we aim to continue dynamic and diversified growth across our regions and brands. By the end of June 2019, we will have completed our operational excellence plan announced in 2016, delivering €200m of P&L savings one year ahead of plan.

We are increasing our guidance for FY19 organic growth in Profit from Recurring Operations to between +6% and +8% while improving operating leverage by c. 50bps. We will continue to roll out our strategic plan, focused on investing for sustainable and profitable long-term growth.”

All growth data specified in this press release refers to organic growth (at constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

A detailed presentation of H1 FY19 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.

Profit from recurring operations

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

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 H1 FY19 (in 9Lcs millions)	Organic Sales growth H1 FY19	Volumes	Price/mix
Absolut	6.2	-1%	-2%	1%
Chivas Regal	2.6	7%	2%	5%
Ballantine's	4.3	8%	8%	0%
Ricard	2.5	5%	6%	-1%
Jameson	4.3	8%	6%	2%
Havana Club	2.5	1%	2%	-2%
Malibu	1.8	-5%	-6%	1%
Beefeater	1.7	9%	10%	-1%
Martell	1.7	23%	15%	8%
The Glenlivet	0.7	11%	10%	1%
Royal Salute	0.1	15%	15%	0%
Mumm	0.5	2%	0%	2%
Perrier-Jouët	0.2	12%	5%	7%
Strategic International Brands	29.1	10%	4%	6%

Sales Analysis by Period and Region

Net Sales (€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,369	27.7%	1,389	26.8%	20	1%	51	4%	(5)	0%	(26)	-2%
Asia / Rest of World	2,015	40.8%	2,266	43.7%	251	12%	323	16%	(0)	0%	(73)	-4%
Europe	1,552	31.4%	1,530	29.5%	(23)	-1%	4	0%	(9)	-1%	(17)	-1%
World	4,937	100.0%	5,185	100.0%	248	5%	378	8%	(14)	0%	(115)	-2%

Net Sales (€ millions)	Q1 FY18		Q1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	639	28.7%	636	26.6%	(3)	0%	15	2%	(3)	0%	(15)	-2%
Asia / Rest of World	916	41.1%	1,084	45.4%	169	18%	208	23%	(0)	0%	(39)	-4%
Europe	671	30.2%	667	27.9%	(4)	-1%	7	1%	(4)	-1%	(8)	-1%
World	2,226	100.0%	2,387	100.0%	161	7%	230	10%	(7)	0%	(62)	-3%

Net Sales (€ millions)	Q2 FY18		Q2 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	730	26.9%	753	26.9%	23	3%	36	5%	(2)	0%	(10)	-1%
Asia / Rest of World	1,100	40.6%	1,182	42.2%	82	7%	116	11%	(0)	0%	(34)	-3%
Europe	881	32.5%	863	30.8%	(18)	-2%	(4)	0%	(5)	-1%	(9)	-1%
World	2,711	100.0%	2,798	100.0%	87	3%	148	6%	(8)	0%	(53)	-2%

Note:
Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Summary Consolidated Income Statement

(€ millions)	H1 FY18	H1 FY19	Change
Net sales	4,937	5,185	5%
Gross Margin after logistics costs	3,027	3,239	7%
Advertising and promotion expenses	(771)	(799)	4%
Contribution after A&P expenditure	2,257	2,440	8%
Structure costs	(761)	(786)	3%
Profit from recurring operations	1,496	1,654	11%
Financial income/(expense) from recurring operations	(153)	(157)	2%
Corporate income tax on items from recurring operations	(333)	(379)	14%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(16)	(13)	-19%
Group share of net profit from recurring operations	994	1,105	11%
Other operating income & expenses	62	(66)	NA
Financial income/(expense) from non-recurring operations	4	1	NA
Corporate income tax on items from non recurring operations	87	(18)	NA
Group share of net profit	1,147	1,023	-11%
Non-controlling interests	16	14	-17%
Net profit	1,163	1,036	-11%

Note:
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Profit from Recurring Operations by Region

World

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	4,937	*100.0%*	5,185	*100.0%*	248	*5%*	378	*8%*	(14)	*0%*	(115)	*-2%*
Gross margin after logistics costs	3,027	*61.3%*	3,239	*62.5%*	212	*7%*	270	*9%*	(3)	*0%*	(55)	*-2%*
Advertising & promotion	(771)	*15.6%*	(799)	*15.4%*	(28)	*4%*	(40)	*5%*	(2)	*0%*	13	*-2%*
Contribution after A&P	2,257	*45.7%*	2,440	*47.1%*	184	*8%*	230	*10%*	(5)	*0%*	(41)	*-2%*
Profit from recurring operations	**1,496**	***30.3%***	**1,654**	***31.9%***	**158**	***11%***	**193**	***13%***	**(8)**	***-1%***	**(26)**	***-2%***

Americas

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,369	*100.0%*	1,389	*100.0%*	20	*1%*	51	*4%*	(5)	*0%*	(26)	*-2%*
Gross margin after logistics costs	908	*66.3%*	942	*67.8%*	34	*4%*	29	*3%*	(2)	*0%*	7	*1%*
Advertising & promotion	(283)	*20.7%*	(276)	*19.8%*	8	*-3%*	4	*-1%*	(1)	*1%*	5	*-2%*
Contribution after A&P	625	*45.6%*	666	*48.0%*	42	*7%*	33	*5%*	(4)	*-1%*	12	*2%*
Profit from recurring operations	**423**	***30.9%***	**470**	***33.8%***	**47**	***11%***	**36**	***8%***	**(7)**	***-2%***	**18**	***4%***

Asia / Rest of the World

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,015	*100.0%*	2,266	*100.0%*	251	*12%*	323	*16%*	(0)	*0%*	(73)	*-4%*
Gross margin after logistics costs	1,166	*57.9%*	1,353	*59.7%*	187	*16%*	231	*20%*	(0)	*0%*	(44)	*-4%*
Advertising & promotion	(279)	*13.8%*	(309)	*13.6%*	(30)	*11%*	(37)	*13%*	0	*0%*	7	*-2%*
Contribution after A&P	887	*44.0%*	1,044	*46.1%*	157	*18%*	194	*22%*	(0)	*0%*	(37)	*-4%*
Profit from recurring operations	**628**	***31.2%***	**766**	***33.8%***	**138**	***22%***	**167**	***26%***	**0**	***0%***	**(29)**	***-5%***

Europe

(€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	1,552	*100.0%*	1,530	*100.0%*	(23)	*-1%*	4	*0%*	(9)	*-1%*	(17)	*-1%*
Gross margin after logistics costs	953	*61.4%*	944	*61.7%*	(9)	*-1%*	9	*1%*	(1)	*0%*	(18)	*-2%*
Advertising & promotion	(208)	*13.4%*	(214)	*14.0%*	(6)	*3%*	(7)	*3%*	(0)	*0%*	2	*-1%*
Contribution after A&P	745	*48.0%*	730	*47.7%*	(15)	*-2%*	2	*0%*	(1)	*0%*	(16)	*-2%*
Profit from recurring operations	**445**	***28.7%***	**418**	***27.3%***	**(27)**	***-6%***	**(10)**	***-2%***	**(2)**	***0%***	**(15)**	***-3%***

Note:
Bulk Spirits are allocated by Region according to the Regions' weight in the Group
FY18 numbers restated for IFRS 15 norm as per Press Release 25 September 2018

Foreign Exchange Impact

Forex impact H1 FY19 (€ millions)		Average rates evolution H1 FY18	H1 FY19	%	On Net Sales	On Profit from Recurring Operations
US dollar	USD	1.18	1.15	-2.0%	26	16
Chinese yuan	CNY	7.81	7.91	1.2%	(7)	(5)
Indian rupee	INR	75.87	81.93	8.0%	(45)	(16)
Russian rouble	RUB	69.03	76.13	10.3%	(13)	(10)
Turkish Lira	TRL	4.30	6.44	49.6%	(19)	(18)
Pound sterling	GBP	0.89	0.89	-0.3%	1	(1)
Other					(58)	7
Total					(115)	(26)

For full-year FY19, a positive FX impact on PRO of c. +€30m is expected[1]

Notes:
Impact on PRO includes strategic hedging on Forex
1. Based on average FX rates for full FY 19 projected on 24 January 2019, particularly EUR/USD = 1.14

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	+21
Financial expenses	(2)
Pre-tax profit from recurring operations	**+19**

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

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

Balance Sheet

Assets (€ millions)	30/06/2018	31/12/2018
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,858	16,998
Tangible assets and other assets	3,322	3,408
Deferred tax assets	1,556	1,571
Total non-current assets	**21,737**	**21,976**
Current assets		
Inventories	5,472	5,515
of which aged work-in-progress	*4,532*	*4,581*
of which non-aged work-in-progress	*71*	*84*
Receivables (*)	1,122	1,991
Trade receivables	*1,031*	*1,932*
Other trade receivables	*91*	*59*
Other current assets	280	282
Other operating current assets	*273*	*275*
Tangible/intangible current assets	*7*	*7*
Tax receivable	177	80
Cash and cash equivalents and current derivatives	771	928
Total current assets	**7,821**	**8,797**
Assets held for sale	0	6
Total assets	**29,558**	**30,779**
(*) after disposals of receivables of:	610	772

Liabilities and shareholders' equity (€ millions)	30/06/2018	31/12/2018
Group Shareholders' equity	**14,797**	**15,479**
Non-controlling interests	181	180
of which profit attributable to non-controlling interests	*26*	*14*
Total Shareholders' equity	**14,978**	**15,659**
Non-current provisions and deferred tax liabilities	3,567	3,643
Bonds non-current	6,777	6,865
Non-current financial liabilities and derivative instruments	494	475
Total non-current liabilities	**10,838**	**10,983**
Current provisions	143	133
Operating payables	1,951	2,214
Other operating payables	960	750
of which other operating payables	*621*	*683*
of which tangible/intangible current payables	*338*	*66*
Tax payable	225	238
Bonds - current	93	96
Current financial liabilities and derivatives	371	706
Total current liabilities	**3,743**	**4,137**
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	**29,558**	**30,779**

Analysis of Working Capital Requirement

(€ millions)	June 2017	December 2017	June 2018	December 2018	H1 FY18 WC change*	H1 FY19 WC change*
Aged work in progress	4,416	4,356	4,532	4,581	(25)	64
Advances to suppliers for wine and ageing spirits	5	24	10	29	20	19
Payables on wine and ageing spirits	(107)	(153)	(96)	(172)	(47)	(77)
Net aged work in progress	**4,314**	**4,228**	**4,447**	**4,439**	**(52)**	**7**
Trade receivables before factoring/securitization	1,617	2,603	1,641	2,704	1,042	1,054
Advances from customers	(16)	(8)	(6)	(6)	8	(1)
Other receivables	333	315	353	305	5	(1)
Other inventories	818	837	869	849	42	(16)
Non-aged work in progress	72	59	71	84	(12)	11
Trade payables and other	(2,323)	(2,565)	(2,471)	(2,719)	(302)	(238)
Gross operating working capital	**502**	**1,241**	**457**	**1,217**	**782**	**809**
Factoring/Securitization impact	(557)	(840)	(610)	(772)	(294)	(162)
Net Operating Working Capital	**(56)**	**402**	**(153)**	**445**	**489**	**648**
Net Working Capital	**4,258**	**4,630**	**4,294**	**4,884**	**436**	**654**
* without FX effects and reclassifications				Of which recurring variation	**453**	**651**
				Of which non recurring variation	**(17)**	**3**

Net Debt

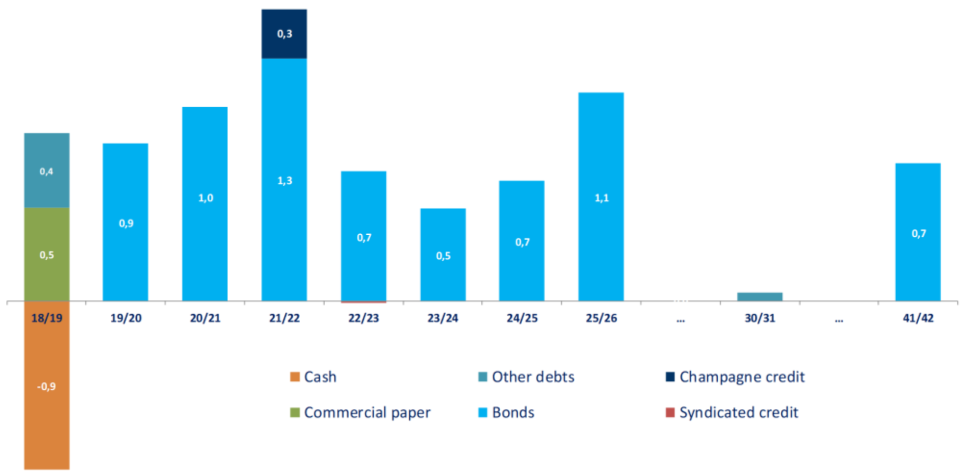
(€ millions)	30/06/2018			31/12/2018		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	**93**	**6,777**	**6,869**	**96**	**6,865**	**6,961**
Syndicated loan	-	-	-	-	-	-
Commercial paper	280	-	280	505	-	505
Other loans and long-term debts	80	463	542	195	455	651
Other financial liabilities	**360**	**463**	**822**	**700**	**455**	**1,156**
Gross Financial debt	**452**	**7,239**	**7,691**	**796**	**7,320**	**8,117**
Fair value hedge derivatives – assets	-	-	-	-	-	-
Fair value hedge derivatives – liabilities	-	25	25	-	14	14
Fair value hedge derivatives	**-**	**25**	**25**	**-**	**14**	**14**
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	-	-	-	2	-	2
Net asset hedging derivative instruments	**(1)**	**-**	**(1)**	**2**	**-**	**2**
Financial debt after hedging	**452**	**7,265**	**7,716**	**798**	**7,334**	**8,132**
Cash and cash equivalents	**(754)**	**-**	**(754)**	**(910)**	**-**	**(910)**
Net financial debt	**(303)**	**7,265**	**6,962**	**(112)**	**7,334**	**7,223**

Change in Net Debt

(€ millions)	31/12/2017	31/12/2018
Operating profit	1,558	1,588
Depreciation and amortisation	106	111
Net change in impairment of goodwill, PPE and intangible assets	1	26
Net change in provisions	(17)	4
Retreatment of contributions to pension plans acquired from Allied Domecq and others	3	3
Changes in fair value on commercial derivatives and biological assets	(2)	(5)
Net (gain)/loss on disposal of assets	(39)	(1)
Share-based payments	18	18
Self-financing capacity before interest and tax	**1,628**	**1,744**
Decrease / (increase) in working capital requirements	(436)	(654)
Net interest and tax payments	(263)	(374)
Net acquisitions of non financial assets and others	(129)	(131)
Free Cash Flow	**799**	**585**
of which recurring Free Cash Flow	***690***	***622***
Net disposal of financial assets and activities, contributions to pension plans acquired from Allied Domecq and	8	(103)
Dividends paid	(543)	(636)
(Acquisition) / Disposal of treasury shares and others	(32)	(54)
Decrease / (increase) in net debt (before currency translation adjustments)	**231**	**(208)**
IFRS 15 opening adjustment		16
Foreign currency translation adjustment	245	(69)
Decrease / (increase) in net debt (after currency translation adjustments)	**476**	**(260)**
Initial net debt	(7,851)	(6,962)
Final net debt	(7,375)	(7,223)

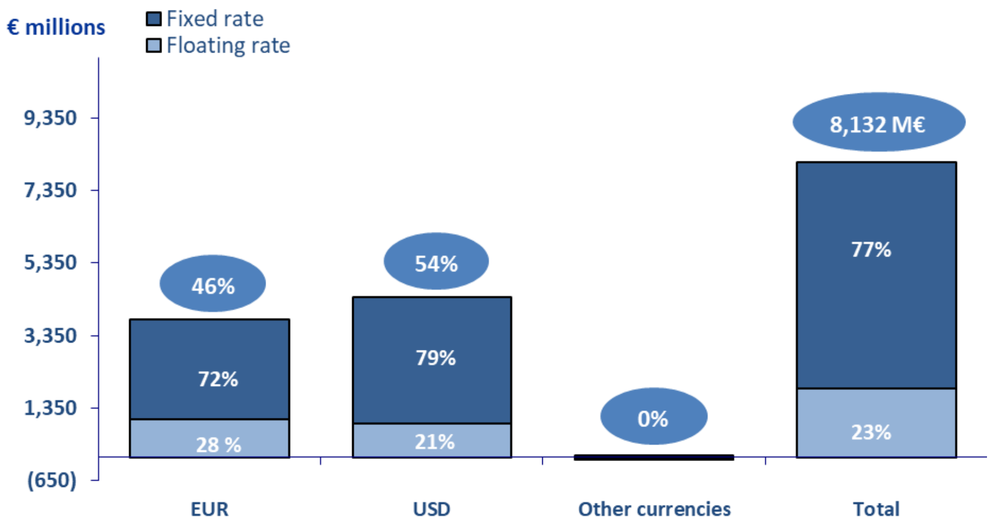
Net Debt Maturity at 31 December 2018

€ billions



Note: Available cash at end December 2018: €0.9bn in cash and €2.5bn syndicated credit not used (syndicated credit coming to maturity in June 2023)

Gross Debt after hedging at 31 December 2018[1]



Natural debt hedging maintained: EUR/USD breakdown close to that of EBITDA
77% 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

Net Debt / EBITDA ratio evolution

	Closing rate	Average rate[2]
EUR/USD rate: Jun FY18 → Dec FY19	*1.17 → 1.15*	*1.19 → 1.18*
Ratio at 30/06/2018	**2.7**	**2.6[1]**
EBITDA & cash generation excl. Group structure effect and forex impact	**(0.1)**	(0.1)
Group structure and forex impacts	+0.1	+0.1
Ratio at 31/12/2018	**2.6**	**2.6**

1 Syndicated credit spreads and covenants are based on the same ratio at 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)	H1 FY18	H1 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)	(1,388)	(1,215)
Dilutive impact of stock options and performance shares	1,437	1,274
Number of shares used in diluted EPS calculation	**265,471**	**265,481**

(€ millions and €/share)	H1 FY18	H1 FY19	reported △
Group share of net profit from recurring operations	994	1,105	11%
Diluted net earnings per share from recurring operations	**3.74**	**4.16**	**11%**

Upcoming Communications

DATE[1]	EVENT
Tuesday 19 March 2019	**EMEA LATAM conference call**
Thursday 18 April 2019	**Q3 FY19 Sales**
Tuesday 4 June 2019	**Asia Conference call**
Thursday 29 August 2019	**FY19 Full-year Sales & Results**
Wednesday 16 October 2019	**Q1 FY20 Sales**

1 The above dates are indicative and are liable to change