

Five year record

Consolidated income statement

	2005	2006	2007	2008	2009
	€ m	€ m	€ m	re-presented € m	€ m
Continuing operations*					
Sales	3 671	4 308	4 827	5 290	5 418
Cost of sales	(1 415)	(1 588)	(1 753)	(1 875)	(1 988)
Gross profit	2 256	2 720	3 074	3 415	3 430
Net operating expenses	(1 771)	(2 007)	(2 174)	(2 297)	(2 448)
Operating profit	485	713	900	1 118	982
Net finance (costs)/income	(48)	5	31	47	(101)
Profit before taxation	437	718	931	1 165	881
Taxation	(97)	(130)	(158)	(194)	(133)
Profit after taxation	340	588	773	971	748
Minority interests	(2)	(2)	(1)	1	(1)
Net profit of the parent and its subsidiaries	338	586	772	972	747
Share of results of associated undertakings	474	526	578	1	3
Tobacco	474	526	577	–	–
Other	–	–	1	1	3
Attributable net profit – underlying basis	812	1 112	1 350	973	750
Gross profit margin	61.5%	63.1%	63.7%	64.6%	63.3%
Operating profit margin	13.2%	16.6%	18.6%	21.1%	18.1%
Effective taxation rate**	22.2%	18.1%	17.0%	16.9%	15.7%

* Continuing operations: the share of results from Tobacco have been included in continuing operations up to and including 31 March 2007.

** The effective taxation rate is determined on profit from continuing and discontinued subsidiary operations.

Basis of preparation

The income statement is presented on an underlying basis, which excludes the effect of disposal gains, restructuring charges and similar items identified in the financial review. A reconciliation to the results presented on a reported basis is given on page 114.

Analysis of sales

	2005	2006	2007	2008	2009
	€ m	€ m	€ m	re-presented € m	€ m
Sales by geographic region					
Europe	1 580	1 811	2 042	2 284	2 363
Asia-Pacific	755	899	1 070	1 295	1 474
Americas	697	875	984	1 012	889
Japan	639	723	731	699	692
	3 671	4 308	4 827	5 290	5 418
Sales by distribution channel					
Retail	1 509	1 762	2 009	2 214	2 304
Wholesale	2 162	2 546	2 818	3 076	3 114
	3 671	4 308	4 827	5 290	5 418
Sales by product line					
Watches	1 750	2 053	2 263	2 555	2 569
Jewellery	844	1 011	1 146	1 254	1 374
Leather goods	258	353	463	498	481
Writing instruments	297	326	373	362	307
Clothing and other	522	565	582	621	687
	3 671	4 308	4 827	5 290	5 418

Five year record continued

Consolidated income statement reconciliation

	2005	2006	2007	2008 re-presented	2009
	€ m	€ m	€ m	€ m	€ m
Reconciliation of attributable net profit					
Continuing operations*					
As reported	1 212	1 094	1 328	973	750
Share of BAT exceptional items	(324)	40	38	–	–
Gain on partial disposal of share of BAT	(76)	–	–	–	–
Net disposal gains reported in subsidiaries	–	(22)	(16)	–	–
On an underlying basis	812	1 112	1 350	973	750

* Continuing operations: the share of results from Tobacco have been included in continuing operations up to and including 31 March 2007.

Per share information

	2005	2006	2007	2008 re-presented	2009
Earnings per share as reported					
– basic	€ 2.212	€ 1.978	€ 2.366	€ 1.734	€ 1.340
– fully diluted	€ 2.185	€ 1.951	€ 2.331	€ 1.710	€ 1.337
Earnings per share on an underlying basis					
– basic	€ 1.482	€ 2.010	€ 2.405	€ 1.734	€ 1.340
– fully diluted	€ 1.464	€ 1.983	€ 2.369	€ 1.710	€ 1.337
Dividend per share	€ 0.500	€ 0.600	€ 0.650	€ 0.780	CHF 0.30
Special dividend per share	€ 0.500	€ 0.500	€ 0.600	–	–
	2005	2006	2007	2008	2009
Closing market price					
Highest price	CHF 38.40	CHF 63.20	CHF 72.60	CHF 82.80	CHF 30.04
Lowest price	CHF 29.95	CHF 35.30	CHF 50.50	CHF 52.75	CHF 14.23

Earnings per share information for periods before 20 October 2008 was previously reported on a per unit basis. Other than closing market prices in 2009, no amounts have been re-presented to reflect the changes in capital structure following the Group restructuring that was effected on 20 October 2008.

Cash flow from operations

	2005	2006	2007	2008 re-presented	2009
	€ m	€ m	€ m	€ m	€ m
Operating profit	561	741	916	1 101	951
Depreciation and other items	57	159	175	134	229
Increase in working capital	(137)	(126)	(121)	(267)	(361)
Cash inflow from operating activities	481	774	970	968	819
Capital expenditure – net	(127)	(189)	(221)	(295)	(336)
Net cash inflow from operating activities	354	585	749	673	483

Exchange rates

	2005	2006	2007	2008	2009
Average rates					
€ : US\$	1.2589	1.2176	1.2829	1.4173	1.4216
€ : JPY	135.18	137.70	150.00	161.59	143.07
€ : CHF	1.5392	1.5508	1.5871	1.6390	1.5597
€ : £	0.6821	0.6821	0.6778	0.7061	0.8360