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The consistency of the performance we are delivering and the momentum we have in all 4 measures of our progress

And we've delivered 4 consecutive years of strong free cash flow performance, which we've sustained in the first half.

While I'm pleased with this performance, I will update you later on the work we're doing to further improve upon this.

this is another strong set of results. Let me take you through the numbers in more detail.

Pricing continues to be muted with net sales being driven by volume and mix.

Europe and Turkey continue to deliver consistently strong performance with this half mainly attributable to volume gains.

We are confident in our improving capability to invest in effective marketing activity,

I'd like to come back to the enablers behind our margin expansion. Gross margin was broadly flat in the half,

Operating margins were higher than expected at the time of the AGM trading statement,

We've made good progress in each of the 5 work streams, and you can see it in our results.

And on Royal Challenge, we identified the opportunity to increase spend and reallocate across our media channels.

as continued strong free cash flow was partially offset by the execution of the share buyback program and the closing of the Casamigos acquisition.

This has enabled good progress against our measures of efficient growth and value creation. We have shown how our productivity work is supporting investment in growth and improved margins.

I shared with you at the end of fiscal '17 the progress we have made to become one of the most trusted and respected consumer product companies in the world.

has created a vibrant business that is delivering consistent growth and share gains.

We are the leader in the luxury drinks category in Mexico with an almost 50% share.

We will continue to focus on brilliant execution of the 6 priorities across our markets to drive consistent

performance delivery.

In our developed market footprint, we are reinforcing our premium beer credentials, driving quality and visibility in the on-premise

Let me share with you what we're doing in each, starting with scotch.

Johnnie Walker continued to tell in-culture stories of personal progress across the world.

In China, the biggest spirits market globally, penetration of international spirits and scotch remains low. The prospects for scotch in China are bright with favorable demographics and rising incomes.

We are utilizing these insights to participate in the right occasions with the right brands at the right price.

through a campaign involving celebrity influencers, new packaging and quality cues and local activation against multicultural millennial consumers.

and continue to engage consumers at lifestyle events in key markets with the Ketel Market sampling mechanic, which has been very well-received by consumers.

The highway ban impact has been reducing sequentially in the first half as outlets reopen or relocate, and business has normalized at the end of the first half.

We continued the renovation of the power prestige brands in the first half, expanding the rollout of Antiquity with new packaging nationally.

as we mitigated the impact of inflation and GST with a combination of positive mix,

So good progress, and we remain committed to delivering our medium-term goal of improving organic operating margin to mid- to high teens.

These results demonstrate continued positive momentum from the consistent and rigorous execution of our strategy.

I'm pleased to share another strong set of results, which demonstrate the progress we are making towards our ambition to be one of the best performing, most trusted and respected consumer product companies in the world.

demonstrates that we are a stronger company as a result of the changes made over the past few years.

We continue to see solid growth in our 3 focus areas.

The broad-based growth across the business and the 3 focus areas demonstrates the consistent and effective execution of our strategy through our 6 execution priorities.

Thank you, Ivan, and good morning, everyone. We have delivered another strong set of results, demonstrating continuing progress against the measures we track to deliver efficient growth and value creation.

Reported sales were up just under 2% as organic growth was partially offset by unfavorable exchange.

primarily driven by particularly strong growth in Chinese white spirits despite the later timing of Chinese New Year.

In addition, we saw some improvement from the lower relative negative impact of exchange on operating profit versus net sales due to our hedging program, which delays the timing of the exchange impact on profit.

and we're delivering more improved marketing efficiencies. These efficiencies were broad-based across regions and were delivered by continuing to work with our agencies and our suppliers more efficiently and effectively.

largely as a result of the acceleration of employment benefit cost savings from the second half into the first half, which positively impacted margin by 35 basis points.

for the 3 years ended June 2019, with more of the remaining margin expansion coming through in fiscal '19 as we expect to have less costs to absorb

On marketing, I've already discussed the benefits we're seeing through continued improvement in efficiency.

For the full year, I expect our effective interest rate to remain around 3% as we continue to see the benefit from the refinancing with some risk of floating rates rising.

I'm pleased with our progress in this half. And I'm confident we remain on track to deliver our guidance of mid-single-digit top line growth

While I'm proud of Diageo's track record in this area, there is more we can do.

Crown Royal has created the Water B.O.Y.S., who have engaged tens of thousands of fans at football stadiums and sports bars across America

We are seeing strong results with our premium core brands growing double digit in the past few years.

We have grown the business double digit over the past few years and increased our already high share by more than 250 basis points.

and through creating a small dedicated team focused on the tourism business and third spaces.

Before I move on to our 3 focus areas, let me share with you the progress we have made on our premium core beer brand, Guinness.

and have expanded the Guinness portfolio with beers from The Brewers Project.

In Africa, we're driving physical availability by getting great quality Guinness in the right outlets at the right price, served cold and visible.

We continued to build on momentum we had on scotch in fiscal '17, growing net sales 3%. This solid performance was delivered while working through headwinds in some of our markets.

It is aged for at least 12 years, expertly crafted by our small team of 12 blenders and is widely recognized by whiskey experts.

Recent trends suggest that interest is increasing in the whiskey category, which is largely scotch right now.

And we still have room to drive further trial and distribution for both Regal Apple and Vanilla, and further expand our liquid credentials through the first release of the Blenders series

This gives me the confidence that we are on track to deliver our medium-term guidance

We are more consumer-centric, more efficient and more agile, which is enabling us to deliver consistent performance,

In scotch, momentum on Johnnie Walker, our flagship scotch brand and primary scotch, has continued, while performance on some of our other scotch brands was impacted by challenging conditions in a few markets.

We have become a reliable compounder of growth, using our brand portfolio and geographic footprint, coupled with our agility, to deliver consistent top line performance.

Africa performance was mixed with double-digit growth in Nigeria being partially offset by weakness in Africa Regional Markets and South Africa.

In Asia Pacific, lower volumes were caused mainly by India. As I mentioned, the popular segment there is in decline.

benefiting from the new media campaign and increased investment in sampling activities.

The savings span across most marketing activities, including media, experiential and right through to point of sale.

Reduced overheads were the big driver of our margin improvement. Our productivity initiatives focus on tight management of every line item within overheads, and our actions to reduce these costs delivered strongly in this half.

and will get greater benefits from our investments in net revenue management and marketing catalyst capabilities.

Brazil is a good example of how we are using formats as an NRM tool. Small formats enable more accessible price points and extend our access to new consumer occasions.

Moving to supply, we are driving cost of production down through a number of work streams. Nigeria, as an example, has made most progress in the supply areas that we categorize as make and move.

with growth in operating profit being offset by a one-off tax payment and increase of maturing stock within working capital.

Other finance charges were broadly the same as last year, in line with our expectations, as lower pension charges offset the increased valuation of the Zacapa option.

I would note that we are using current spot rates to forecast the translation impact on both revenue and operating profit as well as unhedged transaction exposure.

In December, we announced that we surpassed a year early our target to collect 5 million pledges to never drink and drive by activating Join The Pact campaigns in over 40 countries.

Our marketing focus has evolved significantly, with each brand supported by a purpose-driven platform which is driving recruitment.

We've done this with a shift from a seeding model with presence in 3 cities to national presence and also expanding from trend-leading accounts into the broader premium accounts universe.

We have embedded productivity in the Mexican business to drive out costs to invest in growth. This has resulted in savings being delivered across the 5 productivity work streams.

We're driving consumer engagement through the successful Made of Black campaign, which links the consumer interest in football and the English Premier League with the brand purpose.

due to challenging market conditions in the export channels in CCA, growth slowing in Colombia driven by recent tax increases and price increases in Mexico.

as Old Parr declined due to recent tax increases in Colombia and continued declines on Windsor due to scotch category contraction in Korea

Whiskey is the most preferred spirit among high net worth individuals, and this trend is accelerating.

There's been a boom in whiskey-led bars nationwide with more than 300 bars in China now.

We're tapping into the interest in prestige scotch with our rare scotch malts and cask offerings.

We have strong plans for the second half as the up-weight of marketing investment against proven brand plans continues, plans which have been driving improvement in brand equity and category share gains.

and our newest release of our Crown Royal Noble Collection in the second half.

And there's a robust pipeline of exciting innovation launches planned in the second half, which you will hear about in the coming months.

We are even more consumer-centric using data and insights to inform our actions.

We are doing this by making progress against our strategy to increase our spirits participation in emerging markets

while managing challenging conditions in some of our markets. Let me share the highlights of our first half performance with you.

Our productivity program is on track and has enabled us to up-weight investment in our brands and continue to expand margins.

Return on invested capital improvement was primarily driven by operating profit growth.

with truly global geographic reach and broad-based participation across most categories and price points.

East Africa net sales were flat, reflecting the impact from the uncertainty that followed the presidential election in Kenya.

Additionally, we saw volatility impacts from the Supreme Court ruling, prohibiting the sale of alcohol in certain outlets near certain state highways as well as the route-to-market changes in certain states.

Elsewhere, Windsor net sales declined double digit as it continued to suffer from the category decline in Korea, and Old Parr performance was impacted by the tax regulation changes in Colombia that I mentioned earlier.

This more than offset declines in Senator, reflecting the recent period of political uncertainty surrounding the presidential election in Kenya.

We are pleased with how this improvement was delivered, with our productivity work supporting the increase in marketing with much of the reductions in overhead still flowing through to the bottom line.

We saw benefit coming through from the work on organizational effectiveness and also the benefits from the second year of zero-based budgeting.

Looking to the full year, our expectations for fiscal '18 remain unchanged. We continue to expect organic net sales growth

Our margin performance and increased investment in marketing has been made possible by embedding a culture of productivity improvement throughout the business.

We used catalyst to plan and allocate our marketing spend across markets and brands at the beginning of the year. And now marketeers are using catalyst in their day-to-day roles to continuously optimize their spend based on the most current data.

Finally, the biggest contributor to our margin improvement this half was from overheads, which I've already discussed a bit.

partially offset by increased EBITDA. Moving now to exchange.

Basic EPS increased 36% due to the balance sheet remeasurement of our U.S. deferred tax liabilities as a result of the headline rate reduction, resulting in an exceptional tax credit.

demonstrating our commitment to promoting positive drinking experiences and tackling harmful drinking.

We will now raise the goal to collect 50 million pledges.

Our 6 priorities underpin the delivery of our strategy. Disciplined execution of our 6 priorities across the business is enabling the delivery of consistent results.

We have a strong innovation agenda aimed at recruiting consumers into spirits aligned with the 3 global pillars of recruit, re-recruit and disrupt.

These savings have been partially invested to fund our scotch and reserve brand focus.

And Ethiopia, following a successful trial, we launched Guinness nationally in November to a strong response from consumers.

crafted using irreplaceable whiskeys from ghost distilleries that have long since closed, together with other rare malt and grain scotch.

Let me share with you why we have confidence that our plans on the core brands are working.

We also made progress towards our goal to improve operating margins while navigating the impact of the implementation of the Goods and Services Tax,

We have a sharp focus on efficiency, which is allowing us to reinvest in our brands and deliver margin expansion.

of organic operating margin improvement in the 3 years ending fiscal 2019, and our performance ambition