

Consolidated Statements of Income for Zanadu Products

	Years ended December 31,	
	2019	2018
Net sales	R10,284.70	R10,588.90
Other revenue	98.10	101.20
Total revenue	10,382.80	10,690.10
Costs, expenses, and other:		
Cost of sales	3,888.30	3,949.10
Selling, general and administrative expenses	5,476.30	5,401.70
Operating profit	1,018.20	1,339.30
Interest expense	104.80	100.40
Interest income	(20.2)	(37.1)
Other expense, net	7.10	37.70
Total other expenses	91.70	101.00
Income before taxes	926.50	1,238.30
Income taxes	298.30	362.70
Net income	628.20	875.60
Net income attributable to non-controlling interests	(2.4)	(.3)
Net income attributable to Avon	<u>R 625.80</u>	<u>R 875.30</u>
Earnings per share:		
Basic	R 1.45	R 2.04
Diluted	R 1.45	R 2.03

Consolidated Balance Sheets for Zanadu Products, Inc (in millions, except per share data)

	As of Dec, 31, 2019	As of Dec, 31, 2018
Assets		
Cash and cash equivalents	R 1,311.60	R 1,104.70
Accounts receivable (less allowances of R165.50 and R127.90)	779.70	687.80
Inventories	1,067.50	1,007.90
Prepaid expenses and other	1,030.50	756.50
Total current assets	4,189.30	3,556.90
Property, plant, and equipment, at cost		
Land	144.30	85.30
Buildings and improvements	1,048.10	1,008.10
Equipment	1,506.90	1,346.50
Total property, plant, and equipment, at cost	2,699.30	2,439.90
Less accumulated depreciation	(1,169.70)	(1,096.00)
Net property, plant, and equipment	1,529.60	1,343.90
Other assets	1,113.80	1,173.20
Total assets	<u>R 6,832.70</u>	<u>R 6,074.00</u>
Liabilities and Shareholders' Equity		
Debt maturing within 1 year	R 138.10	R 1,031.40
Accounts payable	754.70	724.30
Accrued compensation	291.00	234.40
Other accrued liabilities	697.10	581.90
Sales and taxes other than income	259.20	212.20
Income taxes	134.70	128.00
Total current liabilities	2,274.80	2,912.20
Long-term debt	2,307.80	1,456.20
Employee benefit plans	588.90	665.40
Long-term income taxes	173.80	168.90
Other liabilities	174.80	159.00
Total liabilities	<u>R 5,520.10</u>	<u>R 5,361.70</u>
Commitments and contingencies		
Shareholders' equity		
Common stock, par value R.25 – authorized 1,500 shares; issued 740.9		
And 739.4 shares	R 186.10	R 185.60
Additional paid-in capital	1,941.00	1,874.10
Retained earnings	4,383.90	4,118.90
Accumulated other comprehensive loss	(692.60)	(965.90)
Treasury stock, at cost (313.4 and 313.1 shares)	(4,545.80)	(4,537.80)
Total Avon shareholders' equity	<u>1,272.60</u>	<u>674.90</u>
Non-controlling interest	40.00	37.40
Total shareholders' equity	<u>R 1,312.60</u>	<u>R 712.30</u>
Total liabilities and shareholders' equity	R 6,832.70	R 6,074.00