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# 2005 First Half Results

Conference call

*26 September 2005*

# Highlights and sales review

Enzo Visone, CEO

# Six months ended 30 June 2005



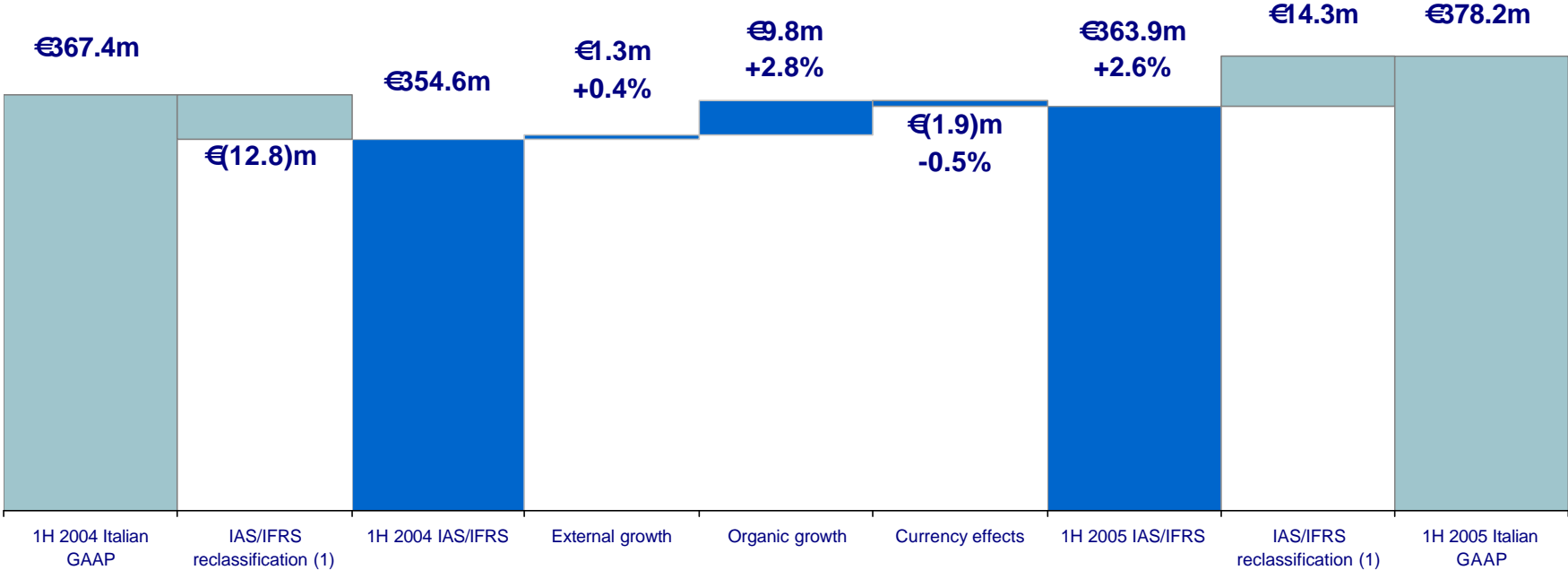
## Key financial results

	<b>1H 2005 €million</b>	<b>% change at actual exchange</b>	<b>% change at constant exchange</b>
<b>Net sales</b>	363.9	+2.6%	+3.2%
<b>Trading profit</b>	107.5	+3.2%	+4.5%
<b>EBITDA before one-off's</b>	89.4	+5.7%	+7.3%
<b>EBITDA</b>	92.0	+7.0%	+8.5%
<b>EBIT before one-off's</b>	81.0	+6.3%	+8.1%
<b>Operating profit = EBIT</b>	83.6	+7.9%	+9.6%
<b>Group's net profit</b>	53.4	+18.4%	+20.4%

- > The financial results of the Campari Group for the first half of 2005 and those of the period to which they are compared have been calculated according to IAS/IFRS accounting standards
- > 2005 first half results:
  - top line growth driven by positive trends across the Group's core brands
  - margin improvement driven by favourable sales mix and operating efficiencies
  - net profit growth also reflects accretion from Skyy minority deal

# 2005 first half net sales and IAS/IFRS effects

## Growth drivers



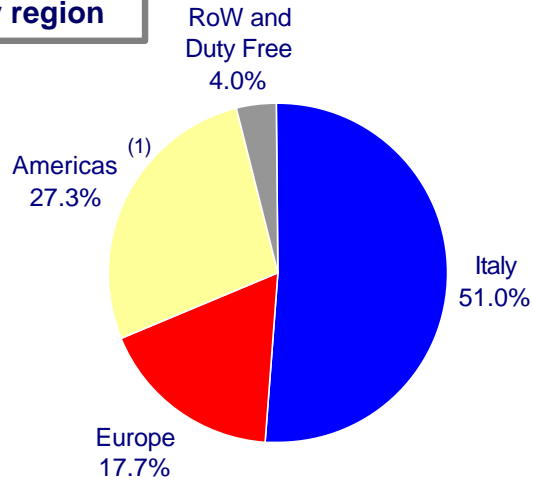
**(1) Reclassification between net sales and A&P expenses in application of IAS 18. The amounts subject to these reclassifications relate to trade promotions invoiced by customer to the Group. (See Schedule 1 for an analysis of IAS/IFRS impacts on net sales and A&P).**

- > Positive organic growth is driven by Group's core brands and is in part offset by the weak performance of low-margin Mixx, Lipton Ice Tea and carbonated soft drinks
- > External growth relates to new distribution rights of Jack Daniel's in Italy and Martin Miller's gin in USA
- > Negative currency effect, attributable to US dollar, is in part offset by positive contribution from Brazilian Real

# Net sales breakdown

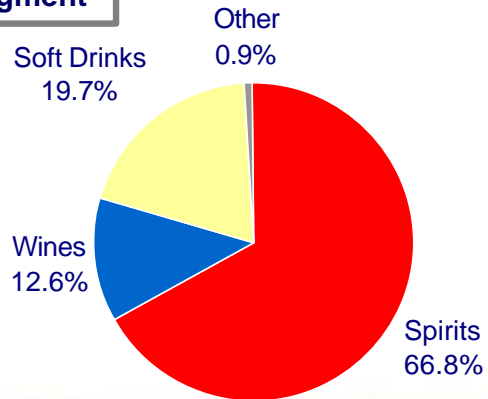


**H1 2005 sales by region**

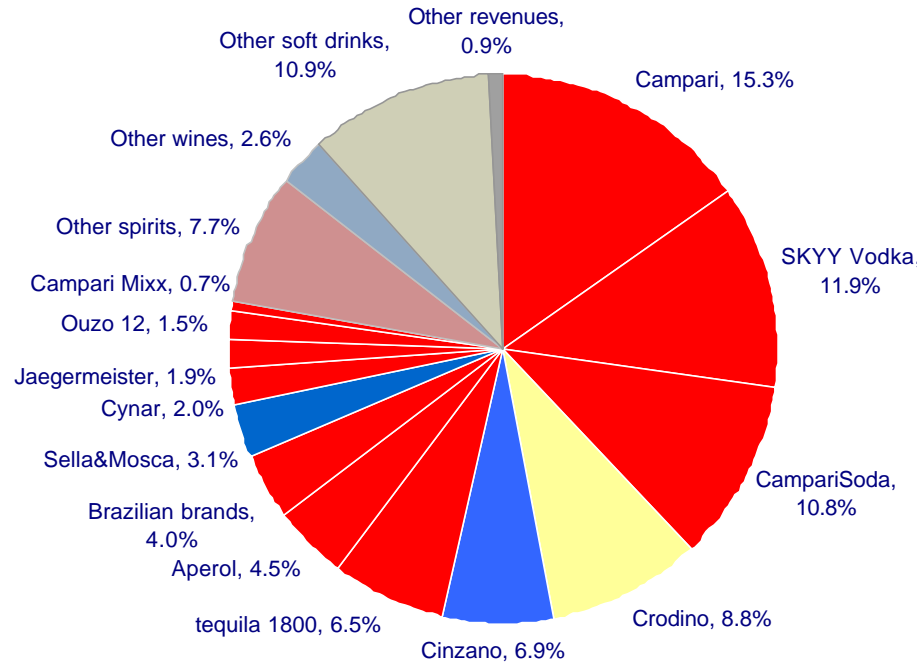


(1) Include USA 19.9%; Brazil 6.2%; other 1.2%

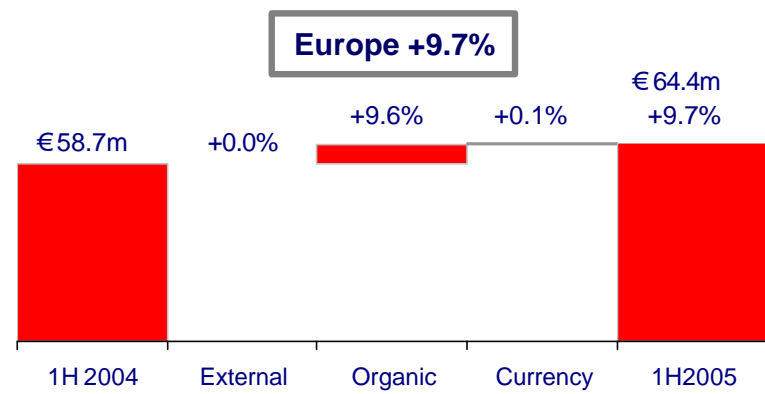
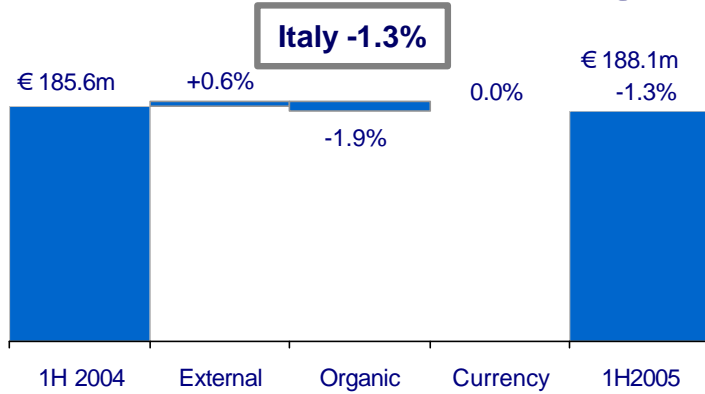
**H1 2005 sales by segment**



**H1 2005 sales by brand**

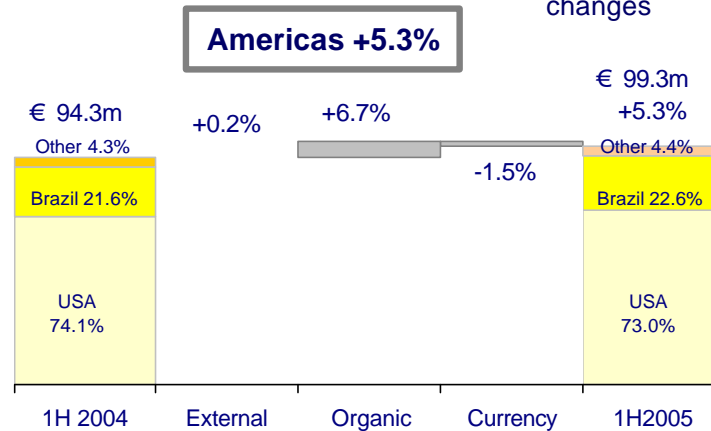


# Net sales by region



- > Solid performance by Aperol, Campari, Crodino and Cinzano vermouths
- > Positive organic growth (+1.3%) if Mixx and Lipton Ice Tea were excluded
- > External growth generated by the distribution of Brown Forman brands

- > Positive performance of German market
- > Growth in other major European markets
- > Recovery in Austrian and Russian sales after distributor changes

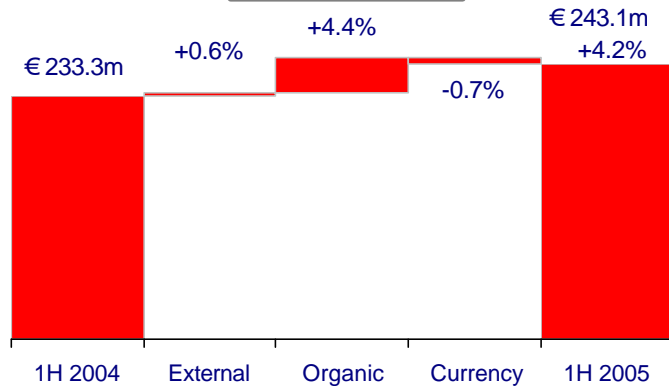


- > US organic growth (+8.4%) driven by SKYY and tequila 1800
- > Flat performance in Brazilian sales at constant exchange rates
- > External growth driven by Martin Miller's gin in the US

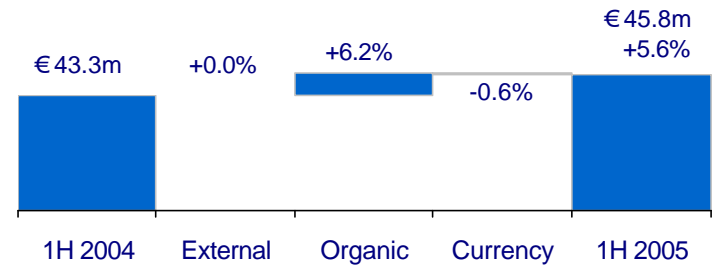
# Net sales by segment



**Spirits +4.2%**



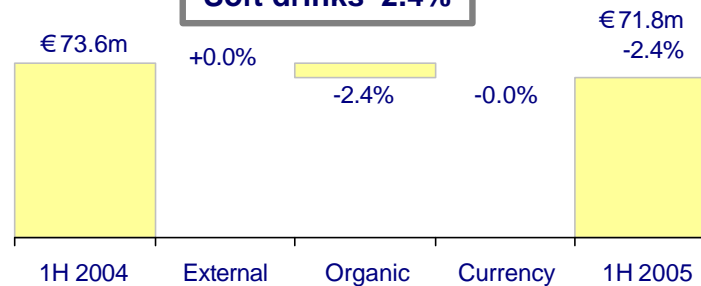
**Wines +5.6%**



- > Solid performance by Campari, SKYY, Aperol, Cynar and tequila 1800
- > Weaker performance of Brazilian admix whiskies and Scotch whiskies

- > Strong performance by Cinzano vermouths, Riccadonna and Mondoro is in part offset by Cinzano sparkling wines and Sella & Mosca

**Soft drinks -2.4%**



- > Positive contribution of Crodino is offset by the negative performance of carbonated soft drinks and, in particular, Lipton Ice Tea

# Review of main brands (1/2)



<b>% change in value H1 2005 / H1 2004</b>	<b>at constant exchange</b>	<b>at actual exchange</b>	
<b>Spirits</b>			
<b>Campari</b>	+3.8%	+4.0%	> Positive performance in Germany, Italy and other major European markets. Weaker performance in Brazil. Expected sales recovery achieved in Austria and Russia.
<b>SKYY</b>	+12.1%	+7.4%	> Strong growth in the US (+9.6% at constant exchange). US depletions show consistent double digit growth in SKYY core and slowdown in flavours range. Strong growth in sales outside US (above 30%) which accounts for 15% of total SKYY volumes. Including SKYY90, total SKYY sales grew by 13.3% at constant exchange rates.
<b>CampariSoda</b>	-1.0%	-1.0%	> Mainly concentrated on Italian market.
<b>Aperol</b>	+16.4%	+16.4%	> Excellent performance on key domestic market and good progression in Germany.
<b>Brazilian brands</b>	-2.1%	+7.6%	> Positive trend in Dreher sales is offset by weaker performance in admix whiskies in Q2.
<b>Cynar</b>	+30.5%	+32.9%	> Excellent performance attributable to the extended distribution in Brazil and distributor change in Switzerland.
<b>Ouzo 12</b>	-0.3%	-0.4%	> Expected recovery achieved in Q2 after strong and temporary decline in Q1 due to the reduction in stocks operated in Greece in anticipation of the introduction of the new packaging.
<b>tequila 1800</b>	+15.5%	+10.4%	> Continuing double digit growth in key US market.
<b>Jägermeister</b>	-1.9%	-1.8%	> Mainly concentrated on Italian market.



# Review of main brands (2/2)



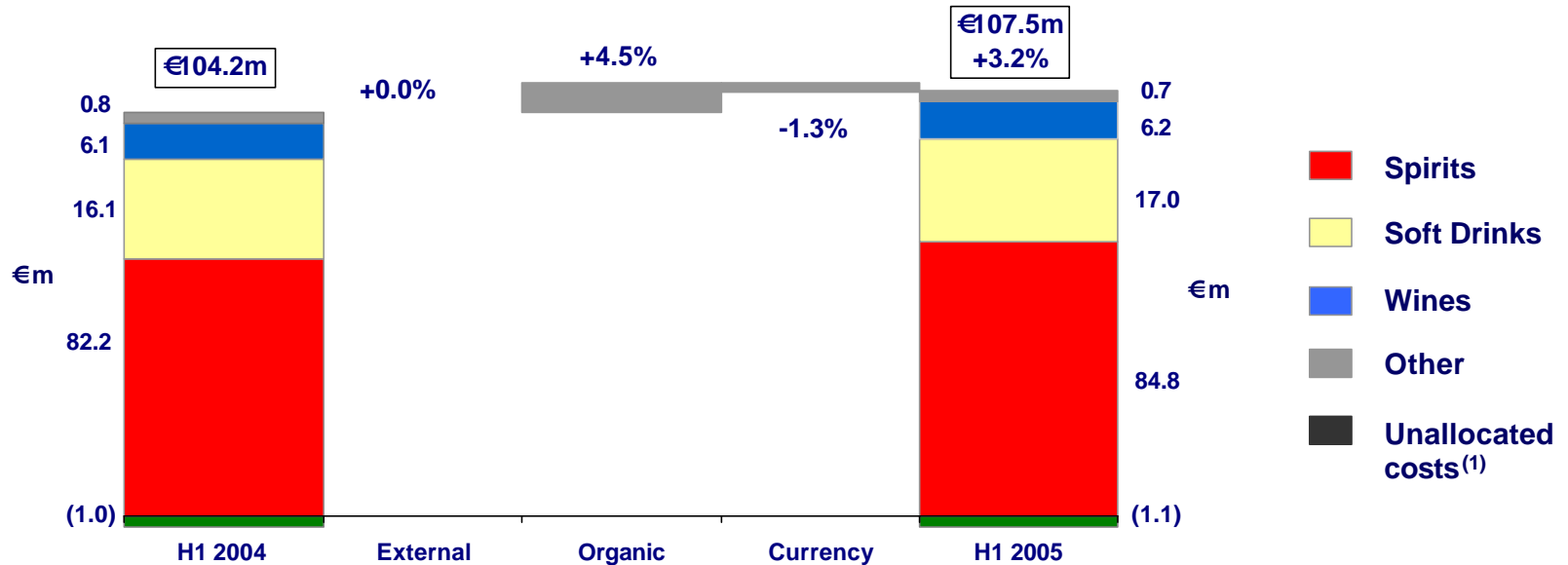
<b>% change in value H1 2005 / H1 2004</b>	<i>at constant exchange</i>	<i>at actual exchange</i>	
<b>Wines</b>			
<b>Cinzano sparkling wines</b>	-5.0%	-5.2%	> Weak but relatively insignificant result in Italy, where sales are mostly concentrated in Q4, and Germany, where sales are expected to recover in H2 as a result of a brand repositioning (introduction of new packaging in July 2005).
<b>Cinzano vermouths</b>	+30.3%	+29.5%	> Strong progression driven by Italian market and major European markets.
<b>Sella &amp; Mosca</b>	-4.3%	-4.2%	> Decline attributable to weaker sales mainly in Italy.
<b>Soft drinks</b>			
<b>Crodino</b>	+4.0%	+4.0%	> Solid growth trend sustained by strong brand awareness and increasing market share in its core market.
<b>Carbonated soft drinks</b>	-2.9%	-2.9%	> Weaker performance due to adverse weather conditions.

# Profitability by business area

Paolo Marchesini, CFO

# Consolidated trading profit

## Growth analysis



### Notes:

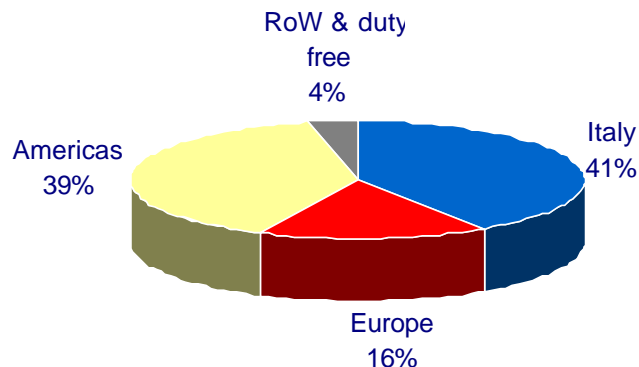
(1) Unallocated costs amounting to €1.1 m in H1 2005 (€1.0 m in H1 2004) relate to incremental production fixed costs generated by transition to new Novi Ligure plant. Growth in trading profit of 3.3% before unallocated costs.

# Spirits

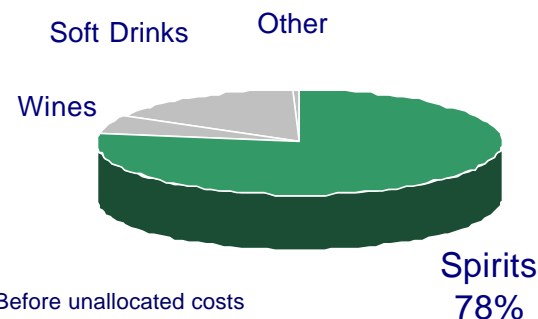


## Trading profit analysis

**Spirits sales by region**



**Spirits as % of Group trading profit (1)**



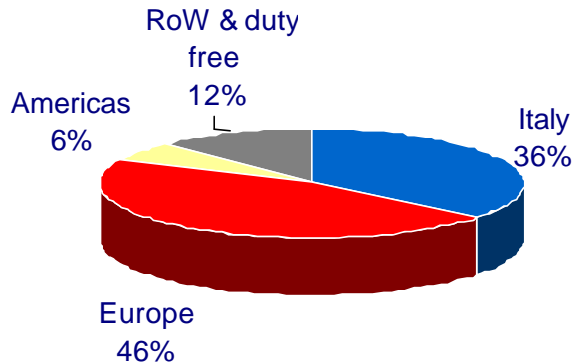
	1H 2005		1H 2004		Change %
	€ million	%	€ million	%	
Net sales	243.1	100.0%	233.3	100.0%	4.2%
Gross margin	162.0	66.6%	155.1	66.5%	4.4%
<b>Trading profit</b>	<b>84.8</b>	<b>34.9%</b>	<b>82.2</b>	<b>35.2%</b>	<b>3.2%</b>

- > Trading profit down from 35.2% to 34.9% on net sales due to higher A&P investments
- > Variation in trading profit is composed of 4.5% organic growth (driven by SKYY, Campari, Aperol) and 1.3% negative currency impact

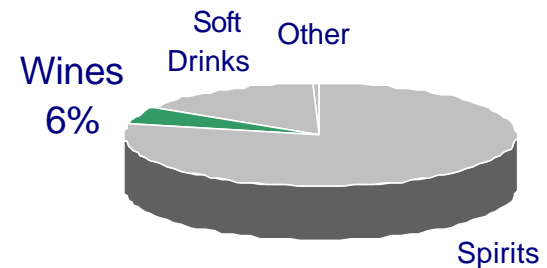
# Wines

## Trading profit analysis

**Wines sales by region**



**Wines as % of Group trading profit (1)**



(1) Before unallocated costs

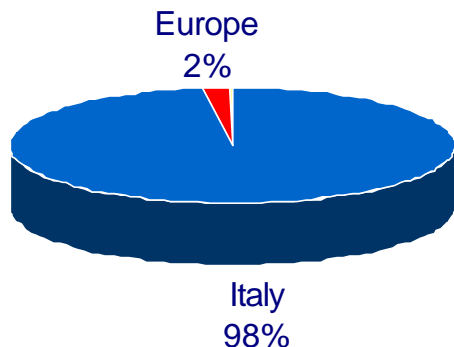
	1H 2005		1H 2004		Change
	€ million	%	€ million	%	%
Net sales	45.7	100.0%	43.3	100.0%	5.6%
Gross margin	20.2	44.1%	18.7	43.3%	7.6%
<b>Trading profit</b>	<b>6.2</b>	<b>13.5%</b>	<b>6.1</b>	<b>14.0%</b>	<b>1.6%</b>

- > Improvement in gross margin is driven by production efficiencies
- > Trading profit down from 14.0% to 13.5% on net sales is due to higher A&P investment, in particular on Cinzano brands
- > Variation in trading profit is composed of 4.6% organic growth and 3.0% negative currency impact

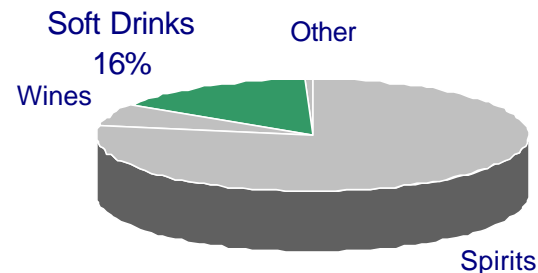
# Soft Drinks

## Trading profit analysis

Soft drinks sales by region



Soft drinks as % of Group trading profit (1)



(1) Before unallocated costs

	1H 2005		1H 2004		Change
	€ million	%	€ million	%	%
Net sales	71.8	100.0%	73.6	100.0%	-2.4%
Gross margin	31.9	44.4%	31.9	43.4%	-0.1%
<b>Trading profit</b>	<b>17.0</b>	<b>23.7%</b>	<b>16.1</b>	<b>21.9%</b>	<b>5.3%</b>

- > Positive trend in trading profit is driven by the good performance of highly profitable Crodino brand and by a lower A&P investment on low-margin carbonated soft drinks

# H1 2005 consolidated results

Paolo Marchesini, CFO

# Consolidated EBIT



Change at constant exchange

+3.2%

+4.5%

+9.6%

+8.5%

	1H 2005		1H 2004		Change at actual exchange
	€ m	%	€ m	%	%
<b>Net turnover</b>	<b>363.9</b>	<b>100.0%</b>	<b>354.6</b>	<b>100.0%</b>	<b>2.6%</b>
COGS	(150.3)	-41.3%	(148.9)	-42.0%	0.9%
<b>Gross margin</b>	<b>213.6</b>	<b>58.7%</b>	<b>205.7</b>	<b>58.0%</b>	<b>3.8%</b>
Advertising and promotion	(62.9)	-17.3%	(58.7)	-16.6%	7.2%
Sales and distribution expenses	(43.2)	-11.9%	(42.9)	-12.1%	0.7%
<b>Trading profit</b>	<b>107.5</b>	<b>29.5%</b>	<b>104.2</b>	<b>29.4%</b>	<b>3.2%</b>
G&A and other net operating income	(26.5)	-7.3%	(28.0)	-7.9%	-5.4%
<b>EBIT before one-off's</b>	<b>81.0</b>	<b>22.3%</b>	<b>76.2</b>	<b>21.5%</b>	<b>6.3%</b>
One-off's <sup>(1)</sup>	2.6	0.7%	1.3	0.4%	100.0%
<b>Operating profit = EBIT</b>	<b>83.6</b>	<b>23.0%</b>	<b>77.5</b>	<b>21.9%</b>	<b>7.9%</b>
<i>Other information:</i>					
Depreciation & Amortisation <sup>(2)</sup>	(8.5)	-2.3%	(8.5)	-2.4%	0.0%
EBITDA before one-off's	89.4	24.6%	84.6	23.9%	5.7%
<b>EBITDA</b>	<b>92.0</b>	<b>25.3%</b>	<b>86.0</b>	<b>24.3%</b>	<b>7.0%</b>

(1) According to IAS/IFRS net exceptional income (renamed as one-off's) is reclassified as a component of operating profit.

(2) Amortisation of intangible assets (mainly softwares). According to IAS/IFRS, goodwill and trademarks are not amortised.

- > **Gross profit** up from 58.0% to 58.7% on net sales driven by lower cost of materials, favourable sales mix and operating efficiencies
- > **A&P** expenses up from 16.6% to 17.3%. Higher investments in particular on Campari and SKYY in part offset by lower spending on Mixx
- > **Sales and distribution** expenses down from 12.1% to 11.9% on net sales due to lower transportation costs
- > **G&A and other net operating income** decreases due to lower non-recurring costs
- > **One-off's** of €2.6 m mainly attributable to real estate capital gain in Switzerland



# Consolidated net profit



	1H 2005		1H 2004		Change at actual exchange	Change at constant exchange
	€ m	%	€ m	%	%	
<b>Operating profit = EBIT</b>	<b>83.6</b>	<b>23.0%</b>	<b>77.5</b>	<b>21.9%</b>	<b>7.9%</b>	<b>+9.6%</b>
Net financial income (expenses)	(4.7)	-1.3%	(4.3)	-1.2%	9.3%	
Income from associates	(0.2)	-0.1%	(0.7)	-0.2%	-71.4%	
<b>Pretax profit</b>	<b>78.6</b>	<b>21.6%</b>	<b>72.4</b>	<b>20.4%</b>	<b>8.6%</b>	
Taxes	(23.4)	-6.4%	(21.0)	-5.9%	11.4%	
<b>Net profit</b>	<b>55.2</b>	<b>15.2%</b>	<b>51.4</b>	<b>14.5%</b>	<b>7.4%</b>	
Minority interests	(1.8)	-0.5%	(6.3)	-1.8%	-71.4%	
<b>Group's net profit</b>	<b>53.4</b>	<b>14.7%</b>	<b>45.1</b>	<b>12.7%</b>	<b>18.4%</b>	<b>+20.4%</b>

- > Increase in **net financial expenses** is due to the higher average net debt in 1H 2005, as a result of the acquisition of an additional 30.1% stake in Skyy Spirits on 25 February 2005
- > Decrease in **minority interests** entirely attributable to the reduction in the stake held by third parties in Skyy Spirits

# Analysis of tax rate



(€ million)	H1 2004	FY 2004
<b>PBT after minorities (A)</b>	<b>66.1</b>	<b>140.0</b>
Tax Italian GAAP (B)	(17.8)	(36.9)
Impact of IAS/IFRS on tax related to GW amortisation <sup>(1)</sup>	(3.4)	(6.5)
Other IAS/IFRS tax impact	0.2	0.3
Total Tax	(21.0)	(43.1)
<b>Net income</b>	<b>45.1</b>	<b>96.9</b>
Adj. Tax rate (B / A)	<b>27.0%</b>	<b>26.0%</b>

(€ million)	H1 2005	FY 2005 E
<b>PBT after minorities (A)</b>	<b>76.8</b>	
Deferred tax on amortisation of GW deductible for tax purposes <sup>(1)</sup>	(4.2)	
Other tax (B)	(19.2)	
Total Tax	(23.4)	
<b>Net income</b>	<b>53.4</b>	
Adj. Tax rate (B / A)	<b>25.0%</b>	

**Total tax =**  
25% adj. Tax rate +  
€ 9.2 m deferred tax

Note:

(1) In some countries fiscal amortisation of GW remains deductible for tax purposes notwithstanding termination of GW amortisation in consolidated accounts.

# Consolidated free cash flow



€ million	Notes	30 June 2005	30 June 2004
Net profit		53.4	45.1
Amortisation		8.5	8.5
Deferred taxes		7.7	4.5
Variation in tax payables and receivables		5.8	(15.4)
Trade receivables	(1)	(18.3)	(2.8)
Inventories	(2)	(24.2)	(16.9)
Trade payables		13.2	19.7
Net change in Operating Working Capital		(29.3)	(0.0)
Other non cash items		1.2	3.9
<b>Cash flow from operating activities (A)</b>		<b>47.3</b>	<b>46.5</b>
Acquisition of tangible fixed assets	(3)	(8.6)	(8.8)
Net income from disposals of tangible fixed assets		3.2	1.0
Acquisition of intangible assets		(2.0)	(1.6)
<b>Cash flow from investing activities (capex) (B)</b>		<b>(7.4)</b>	<b>(9.4)</b>
<b>Free cash flow (A+B)</b>		<b>39.9</b>	<b>37.1</b>
Acquisitions and changes in perimeter	(4)	(118.2)	(14.1)
Acquisition and sale of own shares		(0.5)	1.0
Other changes (equity investments, financial receivables)		1.0	(0.4)
Dividends paid		(28.1)	(24.7)
<b>Cash flow from other activities (C)</b>		<b>(145.8)</b>	<b>(38.1)</b>
Exchange rate differences on Operating Working Capital	(5)	(13.2)	(0.6)
Other exchange rate differences and other movements		(6.8)	(4.3)
<b>Exchange rate differences and other movements in shareholders' equity (D)</b>		<b>(19.9)</b>	<b>(4.9)</b>
<b>Net increase (decrease) in net financial position (A+B+C+D)</b>		<b>(125.8)</b>	<b>(5.9)</b>
Net financial position at start of period	(6)	(230.0)	(297.1)
Net financial position at end of period		(355.8)	(303.0)

Notes: (1) Increase due to seasonality factors (soft drinks)

(2) Increase in stocks of finished products in anticipation of the closing down of Sesto San Giovanni plant (August 2005)

(3) Include € 4.9 m of maintenance capex, €2.7 m in Sella & Mosca vineyards, € 1.0 m in Koutsicos

(4) Acquisition of a further 30.1% stake in Skyy Spirits in February 2005

(5) Total change in Operating Working Capital in H1 2005: € 42.5 m

(6) At 1-Jan-2005 after introduction of IAS 32 and 39

# Financial indebtedness



€ million	Notes	30 June 2005	1 Jan 2005	Change
Cash and banks		198.5	239.5	(41.0)
Marketable securities		22.0	6.5	15.5
Cash flow hedging		0.3	0.7	(0.3)
Payables to banks		(117.1)	(56.7)	(60.4)
Real estate lease payables (current portion)	(1)	(3.0)	(2.9)	(0.0)
Private placement (current portion)		(3.3)	(2.9)	(0.4)
Accrued interests on private placement		(9.3)	(8.3)	(1.0)
Accrued net interests cross currency swap on bond issue		3.7	3.4	0.3
<b>Short-term cash/(debt)</b>		<b>91.8</b>	<b>179.1</b>	<b>(87.4)</b>
Payables to banks		(28.3)	(3.6)	(24.8)
Cross currency swap on bond issue	(2)	(23.6)	(59.4)	35.8
Interest rate swap on private placement	(2)	10.4	9.6	0.8
Real estate lease payables	(1)	(20.5)	(22.0)	1.5
Bond	(3)	(235.9)	(200.0)	(35.8)
Private placement	(3)	(148.2)	(132.1)	(16.0)
Other financial payables		(1.5)	(1.6)	0.1
<b>Medium to long-term cash/(debt)</b>		<b>(447.6)</b>	<b>(409.1)</b>	<b>(38.5)</b>
<b>Total net cash/(debt)</b>	(4)	<b>(355.8)</b>	<b>(230.0)</b>	<b>(125.8)</b>

## Notes:

- (1) Real estate lease relates to industrial property in Novi Ligure
- (2) According to IAS 32 and 39, derivative instruments are recorded at fair value
- (3) According to IAS 32 and 39, underlying financial liabilities are recorded at fair value
- (4) Net cash/(debt) at 31 Dec 2004 amounted to € 228.7 m according to Italian GAAP (€ 226.7 m according to IAS/IFRS). Increase by € 1.3 m to € 230.0 m at 1-Jan-2005 after introduction of IAS 32 and IAS 39 at 1-Jan-2005

- > Acquisition of a further 30.1% stake in Skyy Spirits for a total amount of US\$ 156.6 m February 2005 (€ 118.2 m)
- > Debt to equity ratio is 57.4% at 30 June 2005

# Outlook & Conclusion

Enzo Visone, CEO

- > Macroeconomic scenario in some European markets, particularly in Italy and Germany, continues to be characterised by uncertainty as to GDP growth, consumption trends and cost of raw materials
- > On the contrary, Eastern European countries, where the Group has finalised major distribution agreements, show interesting signs of growth
- > In the Americas, the US and Brazilian markets continue to show positive growth
- > The Group's business performance and the first half results enable us to look at 2005 with confidence and to expect our main brands to continue to develop positively in their core markets

# Supplementary schedules

# Supplementary schedules



- Schedule - 1      Impacts of IAS/IFRS on net sales and A&P
- Schedule - 2      Currency effects on net sales
- Schedule - 3      Consolidated income statement
- Schedule - 4      Consolidated balance sheet (invested capital and financing sources)
- Schedule - 5      Consolidated balance sheet (asset and liabilities)
- Schedule - 6      Consolidated cash flow
- Schedule - 7      Average exchange rates



## Impacts of IAS/IFRS on net sales and A&amp;P

(€ million)	H1 2005	H1 2004	FY 2004
<b>Net sales Italian GAAP</b>	<b>378.2</b>	<b>367.4</b>	<b>779.2</b>
Trade promotions reclassification	(14.3)	(12.8)	(28.1)
<b>Net sales restated IAS / IFRS</b>	<b>363.9</b>	<b>354.6</b>	<b>751.1</b>

(€ million)	H1 2005	H1 2004	FY 2004
<b>A&amp;P Italian GAAP</b>	<b>77.2</b>	<b>71.4</b>	<b>159.5</b>
A&P reclassification	(14.3)	(12.8)	(28.1)
<b>A&amp;P restated IAS / IFRS</b>	<b>62.9</b>	<b>58.7</b>	<b>131.4</b>
<i>A&amp;P as % of net sales Italian GAAP</i>	<i>20.4%</i>	<i>19.5%</i>	<i>20.5%</i>
<i>A&amp;P as % of net sales IAS / IFRS</i>	<i>17.3%</i>	<i>16.6%</i>	<i>17.5%</i>

# Currency effects on net sales

## Consolidated net sales by segment

	1H 2005		1H 2004		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Spirits	243.1	66.8%	233.3	65.8%	4.2%	0.6%	4.4%	-0.7%
Wines	45.8	12.6%	43.3	12.2%	5.6%	0.0%	6.2%	-0.6%
Soft drinks	71.8	19.7%	73.6	20.8%	-2.4%	0.0%	-2.4%	0.0%
Other revenues	3.2	0.9%	4.4	1.2%	-27.8%	0.0%	-27.9%	0.1%
<b>Total</b>	<b>363.9</b>	<b>100.0%</b>	<b>354.6</b>	<b>100.0%</b>	<b>2.6%</b>	<b>0.4%</b>	<b>2.8%</b>	<b>-0.5%</b>

## Consolidated net sales by region

	1H 2005		1H 2004		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Italy	185.6	51.0%	188.1	53.1%	-1.3%	0.6%	-1.9%	0.0%
Europe	64.4	17.7%	58.7	16.6%	9.7%	0.0%	9.6%	0.1%
Americas (1)	99.3	27.3%	94.3	26.6%	5.3%	0.2%	6.7%	-1.5%
RoW & Duty Free	14.5	4.0%	13.5	3.8%	7.7%	0.4%	11.4%	-4.1%
<b>Total</b>	<b>363.9</b>	<b>100.0%</b>	<b>354.6</b>	<b>100.0%</b>	<b>2.6%</b>	<b>0.4%</b>	<b>2.8%</b>	<b>-0.5%</b>

## (1) Breakdown of Americas

	1H 2005		1H 2004		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
USA	72.5	73.0%	69.9	74.1%	3.8%	0.2%	8.4%	-4.8%
Brazil	22.4	22.6%	20.4	21.6%	10.0%	0.0%	0.1%	9.9%
Other countries	4.4	4.4%	4.0	4.3%	9.1%	0.0%	10.7%	-1.7%
<b>Total</b>	<b>99.3</b>	<b>100.0%</b>	<b>94.3</b>	<b>100.0%</b>	<b>5.3%</b>	<b>0.2%</b>	<b>6.7%</b>	<b>-1.5%</b>

# Consolidated income statement

	1H 2005		1H 2004		Change
	€ m	%	€ m	%	%
<b>Net sales (1)</b>	<b>363.9</b>	<b>100.0%</b>	<b>354.6</b>	<b>100.0%</b>	<b>2.6%</b>
<b>COGS</b>	<b>(150.3)</b>	<b>-41.3%</b>	<b>(148.9)</b>	<b>-42.0%</b>	<b>0.9%</b>
<b>Gross margin</b>	<b>213.6</b>	<b>58.7%</b>	<b>205.7</b>	<b>58.0%</b>	<b>3.8%</b>
Advertising and promotion	(62.9)	-17.3%	(58.7)	-16.6%	7.2%
Sales and distribution expenses	(43.2)	-11.9%	(42.9)	-12.1%	0.7%
<b>Trading profit</b>	<b>107.5</b>	<b>29.5%</b>	<b>104.2</b>	<b>29.4%</b>	<b>3.2%</b>
General and administrative expenses and other net operating income	(26.5)	-7.3%	(28.0)	-7.9%	-5.4%
<b>EBIT before one-off's</b>	<b>81.0</b>	<b>22.3%</b>	<b>76.2</b>	<b>21.5%</b>	<b>6.3%</b>
One-off's	2.6	0.7%	1.3	0.4%	100.0%
<b>Operating profit = EBIT</b>	<b>83.6</b>	<b>23.0%</b>	<b>77.5</b>	<b>21.9%</b>	<b>7.9%</b>
Net financial income (expenses)	(4.7)	-1.3%	(4.3)	-1.2%	9.3%
Income from associates	(0.2)	-0.1%	(0.7)	-0.2%	-71.4%
<b>Pretax profit</b>	<b>78.6</b>	<b>21.6%</b>	<b>72.4</b>	<b>20.4%</b>	<b>8.6%</b>
Taxes	(23.4)	-6.4%	(21.0)	-5.9%	11.4%
<b>Net profit</b>	<b>55.2</b>	<b>15.2%</b>	<b>51.4</b>	<b>14.5%</b>	<b>7.4%</b>
Minority interests	(1.8)	-0.5%	(6.3)	-1.8%	-71.4%
<b>Group's net profit</b>	<b>53.4</b>	<b>14.7%</b>	<b>45.1</b>	<b>12.7%</b>	<b>18.4%</b>
<i>Other information:</i>					
Depreciation & Amortisation	(8.5)	-2.3%	(8.5)	-2.4%	0.0%
EBITDA before one-off's	89.4	24.6%	84.6	23.9%	5.7%
<b>EBITDA</b>	<b>92.0</b>	<b>25.3%</b>	<b>86.0</b>	<b>24.3%</b>	<b>7.0%</b>

Notes:

(1) Net of discounts and excise duty

# Consolidated balance sheet

## Invested capital and financing sources

€ million	30 June 2005	31 December 2004	Change
Inventories	145.7	114.4	31.3
Trade receivables	208.5	180.7	27.7
Trade payables	(158.7)	(142.1)	(16.5)
<b>Operating working capital</b>	<b>195.5</b>	<b>153.0</b>	<b>42.5</b>
Tax credits	6.6	10.4	(3.8)
Other receivables, other current assets	9.9	13.0	(3.1)
<b>Other current assets</b>	<b>16.5</b>	<b>23.4</b>	<b>(6.9)</b>
Payables to tax authorities	(23.6)	(20.5)	(3.1)
Other current liabilities	(34.4)	(33.3)	(1.1)
<b>Other current liabilities</b>	<b>(58.0)</b>	<b>(53.8)</b>	<b>(4.2)</b>
Staff severance fund	(13.6)	(13.6)	0.0
Deferred taxes	(31.7)	(25.1)	(6.6)
Pre-paid taxes	16.9	15.5	1.4
Other non-current assets	5.8	5.1	0.7
Other non-current liabilities	(15.6)	(15.9)	0.3
<b>Other net assets/liabilities</b>	<b>(38.2)</b>	<b>(33.9)</b>	<b>(4.3)</b>
Net tangible assets (included biological assets and property)	160.4	157.8	2.6
Goodwill and trademarks	698.7	579.1	119.6
Non-current assets for sale	0.1	0.1	(0.0)
Equity investments and own shares	0.2	30.2	(30.0)
<b>Total fixed assets</b>	<b>859.4</b>	<b>767.2</b>	<b>92.2</b>
<b>Invested Capital</b>	<b>975.2</b>	<b>855.8</b>	<b>119.3</b>
Shareholders' equity	619.4	629.2	(9.8)
Net financial position	355.8	226.7	129.1
<b>Financing sources</b>	<b>975.2</b>	<b>855.8</b>	<b>119.3</b>

# Consolidated balance sheet (1/2)

## Assets

€ million	30 June 2005	31 December 2004
<b>ASSETS</b>		
<b>Non-current assets</b>		
Net tangible fixed assets	146.8	144.2
Biological assets	9.5	9.5
Property	4.1	4.1
Goodwill and trademarks	693.8	575.6
Intangible assets	4.9	3.4
Interests in associates	0.2	0.4
Own shares	0.0	29.8
Pre-paid taxes	16.9	15.5
Other non-current assets	16.2	5.1
<b>Total non-current assets</b>	<b>892.4</b>	<b>787.7</b>
<b>Current assets</b>		
Inventories	145.7	114.4
Trade receivables	208.5	180.7
Short-term financial receivables	4.1	3.9
Cash, bank and securities	220.5	246.0
Other receivables	16.4	22.9
<b>Total current assets</b>	<b>595.1</b>	<b>567.9</b>
Non-current assets for sale	0.1	0.1
<b>Total assets</b>	<b>1,487.6</b>	<b>1,355.6</b>

# Consolidated balance sheet (2/2)

## Liabilities

€ million	30 June 2005	31 December 2004
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	29.0	29.0
Reserves	585.0	595.8
Group's shareholders' equity	614.0	624.8
Minority interests	5.4	4.4
<b>Total shareholders' equity</b>	<b>619.4</b>	<b>629.2</b>
<b>Non-current liabilities</b>		
Bonds	384.0	378.0
Other non-current financial payables	73.9	27.2
Staff severance fund	13.6	13.6
Risks fund	15.4	15.9
Deferred tax	31.7	25.1
Other non-current liabilities	0.2	0.0
<b>Total non-current liabilities</b>	<b>518.9</b>	<b>459.7</b>
<b>Current liabilities</b>		
Banks loan	117.1	56.7
Other financial payables	15.6	14.2
Trade payables	158.7	142.1
Payables to tax authorities	23.6	20.5
Other current liabilities	34.4	33.3
<b>Total current liabilities</b>	<b>349.3</b>	<b>266.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,487.6</b>	<b>1,355.6</b>

# Consolidated cash flow (1 of 2)

€ million	30 June 2005	30 June 2004
<b><i>Cash flow generated by operating activities</i></b>		
Net profit	53.4	45.1
Depreciation and amortisation	8.5	8.5
Gains on sale of fixed assets	(1.9)	(0.4)
Provision (payment) for employees' leaving indemnity	(0.0)	0.1
Use of provisions	(0.5)	(0.5)
Deferred taxes	7.7	4.5
Net change in tax credits and liabilities	5.8	(15.4)
<i>Trade receivables</i>	(18.3)	(2.8)
<i>Inventories</i>	(24.2)	(16.9)
<i>Trade payables</i>	13.2	19.7
<b><i>Net change in Operating Working Capital</i></b>	<b>(29.3)</b>	<b>(0.0)</b>
Net change in other current assets and liabilities	3.0	4.4
Other non cash items	0.6	0.4
<b><i>Cash flow generated by operating activities</i></b>	<b>47.3</b>	<b>46.5</b>
<b><i>Net cash flow generated by investing activities</i></b>		
Acquisition of tangible fixed assets	(8.6)	(8.8)
Income from disposals of tangible fixed assets	3.3	1.0
Acquisition of intangible fixed assets	(2.0)	(12.9)
Acquisition of 30.1% stake in Skyy Spirits, LLC	(118.2)	0.0
Acquisition of new subsidiaries	0.0	(2.8)
Net change in equity investments	0.0	0.7
Acquisition and sale of own shares	(0.5)	1.0
Change in minority interests	0.6	(1.6)
<b><i>Net cash flow generated by investing activities</i></b>	<b>(125.5)</b>	<b>(23.4)</b>

# Consolidated cash flow (2 of 2)

€ million	30 June 2005	30 June 2004
<b><i>Cash flow generated by financing activities</i></b>		
New lease contract	0.0	27.6
Payment of lease instalments	(1.5)	(1.2)
Net change in short-term bank borrowings	60.4	19.6
Accrued interests on private placements and swap	0.8	0.1
Change in other financial payables (non current)	24.8	0.3
Change in other financial receivables and payables in nfp	0.3	0.5
Net change in marketable securities	(15.5)	(5.9)
Dividends paid	(28.1)	(24.7)
<b><i>Cash flow generated by financing activities</i></b>	<b>41.2</b>	<b>16.4</b>
Exchange rate effects on Operating Working Capital	(13.2)	(0.6)
Other exchange rate effects and other movements	9.2	0.9
<b><i>Exchange rate differences and other movements of Shareholders' equity</i></b>	<b>(3.9)</b>	<b>0.4</b>
<b><i>Net increase (decrease) in cash and banks</i></b>	<b>(41.0)</b>	<b>39.9</b>
Net cash position at the beginning of period	239.5	133.6
<b>Net cash position at the end of period</b>	<b>198.5</b>	<b>173.5</b>



# Average exchange rates

	1H 2005	1H 2004	% change
<b>Brazilian Real : 1 Euro</b>	3.315	3.642	
<b>Euro : 1 Brazilian Real</b>	0.3017	0.2746	9.9%
<b>US dollar : 1 Euro</b>	1.285	1.228	
<b>Euro : 1 US dollar</b>	0.7781	0.8145	-4.5%
	1Q 2005	1Q 2004	% change
<b>Brazilian Real : 1 Euro</b>	3.497	3.622	
<b>Euro : 1 Brazilian Real</b>	0.2859	0.2761	3.6%
<b>US dollar : 1 Euro</b>	1.311	1.251	
<b>Euro : 1 US dollar</b>	0.7631	0.7995	-4.6%
	2Q 2005	2Q 2004	% change
<b>Brazilian Real : 1 Euro</b>	3.133	3.662	
<b>Euro : 1 Brazilian Real</b>	0.3192	0.2731	16.9%
<b>US dollar : 1 Euro</b>	1.260	1.205	
<b>Euro : 1 US dollar</b>	0.7937	0.8299	-4.4%



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