2017 Half Year Results

Investor Presentation
3 August 2017

GRUPPO CAMPARI

TOASTING LIFE TOGETHER

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Results for half year ended 30 June 2017

Positive first semester with strong organic gross profit increase

Key figures	H1 2017 € million	H1 2017 % on sales	Change vs. H1 2016 Reported	Organic	FX	Perimeter [(1)]
Net sales	**844.7**	*100.0%*	**13.5%**	***+6.8%***	***+1.8%***	***+5.0%***
of which: Global priorities				*+9.2%*		
Regional priorities				*+11.5*		
Gross profit	**505.4**	*59.8%*	**+18.6%**	**+9.6%**	**+1.6%**	**+7.4%**
margin accretion (bps)			+260bps	*+150bps*	*-10bps*	*+120bps*
EBIT adjusted [(2)]	**163.4**	*19.3%*	**+11.6%**	***+2.9%***	***+0.6%***	***+8.1%***
margin accretion (bps)			-30bps	*-70bps*	*-20bps*	*+60bps*
EBITDA adjusted [(2)]	**191.7**	*22.7%*	**+11.5%**	***+3.4%***	***+0.8%***	***+7.3%***
margin accretion (bps)			-40bps	*-70bps*	*-20bps*	*+50bps*
Group net profit adjusted [(3)]	**93.5**	*11.1%*	**21.1%**			

(1) Grand Marnier acquisition (closed June 29th, 2016, net of disposals and agency brands terminations

(2) EBITDA and EBIT before operating adjustments of € (5.0) million mainly due to restructuring costs

(3) Group net profit before operating and financial adjustments of € (29.4) million pre-tax, and fiscal effects and tax benefits of overall € 44.5 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million, and 'Patent Box' tax benefit of € 36.2 million, consisting of € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017)

Delivering on strategy: H1 2017 results

Strong organic net sales growth balanced by re-investments into the business

> Organic growth

- **Solid organic sales growth** despite the sustained comparison base (+5.0% in H1 2016) showing **an acceleration in the second quarter** (Q2 2017 +7.6% vs. Q1 2017: +5.7%)
  - **Continuous improvement in sales mix** driven by the consistent **outperformance of Global Priorities, up +9.2%,** and **Regional Priorities, up +11.5%, in key high-margin developed markets**, with Local priorities stabilizing at **+0.3%**
- **EBIT adjusted organic growth +2.9%** in H1 2017 showing an acceleration in the second quarter (Q2 2017 3.6% vs. Q1 2017 1.6%)
  - Adverse phasing of A&P investments in H1 (-150bps), as planned, and investments in enhanced distribution capabilities (-70bps dilution) lead to a margin dilution of 70 bps in EBIT adjusted, despite **gross margin expansion of +150 bps in H1 2017 (+150bps in Q2)**

> Perimeter effect

- **Accretive effect** due to the combined impact of the Grand Marnier acquisition and disposals of low margin businesses in line with the Group strategy of focusing on the core spirits business. **Positive effect** of **+5.0% on sales** and **+8.1% on EBIT** in the half

> Group net profit

- **Group net profit reported of € 108.6 million million in H1 2017**, up 61.7%
- **Group net profit adjusted**(1) **of € 93.5 million, up 21.1%** on a like-for-like basis, at 11.1% of sales

> Net financial debt

- **Net financial debt at € 1,252.8 million** as of June 30th, 2017 vs. December 31st, 2016 (€ 1,192.4 million (2)) taking into account the Bulldog acquisition, the dividend payment, the sale of the Chilean winery and cash outflow from liability management transactions (3)
- The effects of recent disposals including the French winery (closed on July 1st, 2017) and Carolans & Irish Mist (closed on August 1st, 2017) plus real estate assets (closing in H2 2017) for a total amount of € 197.5 million (4) were not included in the net financial debt as of June 30th, 2017
- Net Debt / EBITDA ratio of 2.9x as of June 30th, 2017. On a proforma (5) basis, i.e including the above effects, would be 2.2x

(1) Group net profit before operating and financial adjustments of € (29.4) million pre-tax, and fiscal effects and tax benefits of overall € 44.5 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million, and 'Patent Box' tax benefit of € 36.2 million, consisting of € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017)
(2) After reclassifications of € 7.2 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values
(3) Counter-value of the Bulldog acquisition of € 80.1 million (including the earn-out), dividend payment of € 52.1 million, the value of the Chilean winery disposal of € 30.0 million and liability management cash outflow of € 23.2 million
(4) € 197.5 of which French winery € 20.5 million, Cardans and Irish mist € 141.7 million and Grand Marnier headquarters building in Paris (pre-tax) of € 35.3 million
(5) Proforma ratio including the effects of the disposals closed and to be closed after June 30th, 2017

Positive organic growth in a tough environment

Organic sales growth highlights by region

> **Americas**

H1 2017: +7.6% (Q2:+7.4%)

- Positive growth in **US** (**+5.0%**) despite a tough comparison base vs. last year (H1 2016: +8.6%), helped by catch-up shipments in Q1, while Q2 saw positive growth of **+3.0%**. Continued YTD growth in **Jamaica (+10.7%), Mexico (+35.0%)** and **Canada (+8.1%)**
- **Argentina grew +3.1%** thanks to a strong recovery in Q2 (+36.4%). **Positive growth in Brazil** (**+29.0%**) vs. an easy comparison base in H1 2016 (-26.5%) with a strong Q2: +19.0% whilst macroeconomic conditions remain fragile

> **Southern Europe, Middle East & Africa**

H1 2017: +2.8% (Q2:+3.8%)

- **Positive performance in Italy +1.4% (Q2:+3.4%)** as the second quarter benefited from a later Easter. Overall performance was supported by Aperol and Campari
- Positive **results in France** and **Spain** helped offset the sustained macro weakness in **Nigeria** while **Global Travel Retail** registered a slight decline on the half mostly due to order phasing in Q2

> **North, Central & Eastern Europe**

H1 2017: +13.8% (Q2:+15.5%)

- **Flattish overall performance in Germany** (**-0.3%**). **Aperol** continued its positive momentum, compensating for a decline in low-margin agency brands and **Cinzano**
- **Russia's positive growth** continues with sustained **positive results of sparkling wines** and **Aperol** (off a small base) while the local macro environment remains uncertain
- **UK had a very positive half year**, showing an acceleration in Q2. The **UK**, as well as the **Czech Republic** and **Belgium,** were particularly driven by **positive results from Aperol, Wild Turkey** and **Campari,** while **Regional Priority** brands such as **Bulldog** and **GlenGrant** also contributed positively

> **Asia Pacific**

H1 2017: +2.8% (Q2:+6.4%)

- Declines in **Australia (-2.7%)** driven by both a tough comparison base vs H1 2016 of +12.6% as well as weakness in the ready-to-drink category, compounded by a competitive environment and adverse weather conditions. **Aperol** continues its high growth trajectory
- **Very positive growth** in both **Japan,** thanks to a particularly good recovery from **Campari** and **Wild Turkey bourbon**, as well as **China,** which saw good growth from **SKYY Vodka** and **GlenGrant**

Sales organic performance driven by Global & Regional brands

Organic sales growth highlights

Global Priorities

Organic sales growth [1] +9.2%

Positive growth driven by the high margin global priority portfolio: **Aperol +22.0%, Campari +7.7%, Wild Turkey +12.9%**, the **Jamaican rums +3.4%** and a decline, as expected, in **SKYY -3.6%**

Regional Priorities

Organic sales growth +11.5%

Positive growth from major brands such as **Cinzano (+5.9%)**, **Bulldog[2] (+29.9%)** as well as continued strong outperformance from **Espolòn +48.7%**

Local Priorities

Organic sales growth +0.3%

The **single-serve aperitifs** of **Campari Soda** and **Crodino** recovered in Q2, while the **Brazilian brands** continue to grow against an easy comparison base. **Cabo Wabo**, our super premium tequila, also registered strong positive growth

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(1) Global Priorities organic growth include Campari, Aperol, SKYY, Wild Turkey and Jamaican Rum in H1 2017. Grand Marnier sales included In the perimeter effect in H1 2017
(2) Acquisition completed in February 2017 and included in organic growth as the brand was already distributed by Gruppo Campari

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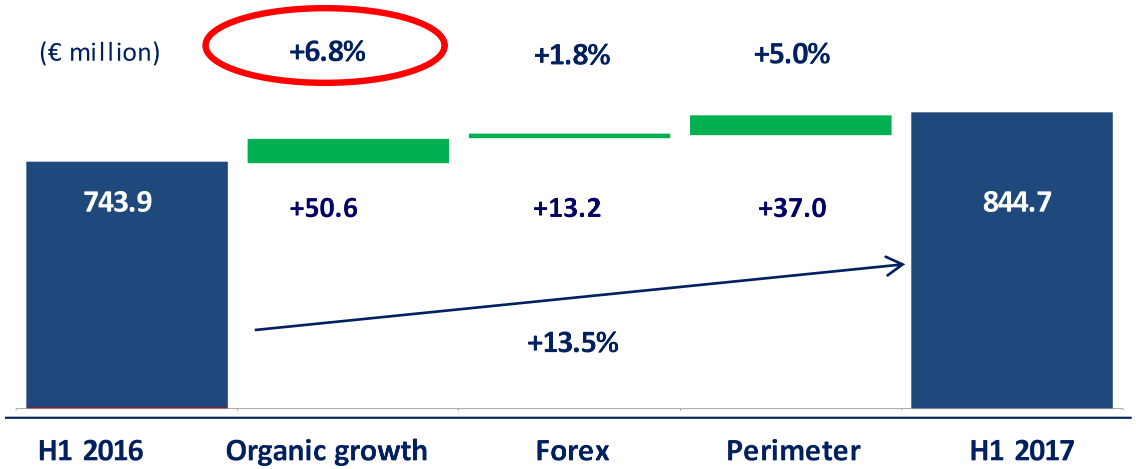
Net sales results for Half Year 2017

Growth drivers



Breakdown of change in perimeter	€ m
- Acquisitions [1]	58.9
- Disposals [2]	(14.4)
- New agency brands	2.4
- Termination of agency brands [3]	(10.0)
Total perimeter change	**37.0**

(1) Acquisition of Grand Marnier consolidated as of July 1, 2016
(2) Disposals of non-core businesses, including private label business (March 2016) in Italy, still wine business (December 2016), Chilean wine business (January 2017)
(3) Includes agency brands in NCEE

> **Organic change of +6.8%** (or € 50.6 million), driven by **strong organic growth of high-margin Global Priorities (+9.2%**) and **Regional Priorities (+11.5%)**

> **Forex effect of +1.8%** (or € 13.2 million) mainly due to the **revaluation of most currencies in the Group's markets vs. the Euro** such as the **Brazilian real**, **US Dollar, Russian Rouble**, and **Australian Dollar**. Their positive effect has offset the strengthening of the **Euro** against other currencies such as the **Argentinean Peso**, **Jamaican Dollar, Mexican Peso** and **British Pound**

> **Perimeter impact of +5.0%** (or € 37.0 million) was the combined effect of the Grand Marnier acquisition, consolidated as of July 1st, 2016, the termination of some distribution agreements and the sale of non-core businesses, in line with the Group's strategy of streamlining non-strategic and low-margin activities and increasing focus on the core business

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Net sales by regions and key markets in H1 2017

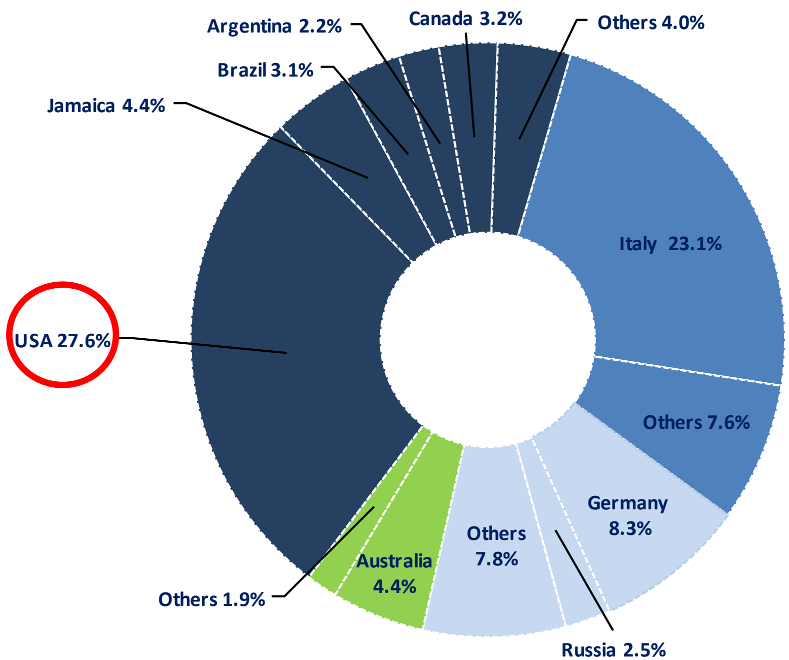
US is the largest market with 27.6% of Group's sales

H1 2017 net sales: € 844.7 m

Organic growth: +6.8%

Americas
(44.5% of Group net sales)
Organic growth: +7.6%

Southern Europe, Middle East and Africa
(30.6% of Group net sales)
Organic growth: +2.8%



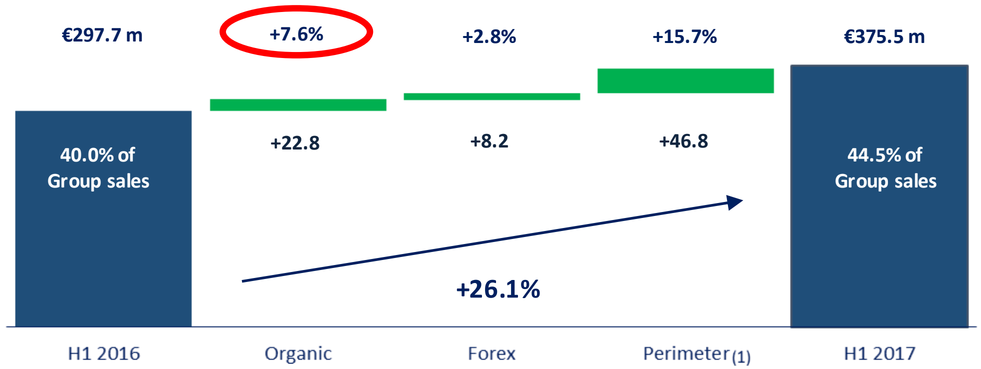
Asia Pacific
(6.3% of Group net sales)
Organic growth: +2.8%

North, Central & Eastern Europe
(18.6% of Group net sales)
Organic growth: +13.8%

Developed vs. emerging markets: 79% vs 21% in H1 2017[1]

[1] Key emerging markets include Jamaica, Russia, Brazil, Argentina, Mexico, South Africa and Nigeria

Net sales by region – Americas



H1 2017 geographic overview

By market	Organic	Forex	Perimeter (1)	% Group sales
USA	5.0%	3.2%	24.9%	27.6%
Jamaica	10.7%	-1.9%	0.2%	4.4%
Brazil	29.0%	26.1%	0.1%	3.1%
Argentina	3.1%	-5.8%	-5.5%	2.2%
Canada	8.1%	3.1%	13.4%	3.2%
Other countires	10.0%	-2.4%	4.4%	4.0%
Total	***7.6%***	***2.8%***	***15.7%***	***44.5%***

Americas net sales organic growth by quarter

Q2 2017	7.4%	Q1 2017	8.0%
Q2 2016	0.2%	Q1 2016	6.9%

> **US**

- Solid first half **organic growth of +5.0%** against a tough comparable base (H1 2016: +8.6%). Q2 grew positively by +3.0%, after a particularly strong Q1 growth, as communicated
- **Global Priorities up organically (+4.6%)** driven by the **Wild Turkey portfolio (+14.6%)** and the Italian specialties, particularly **Aperol (+42.1%)** and **Campari (+15.6%)**. Continued **positive momentum of Espolòn,** up high double digits, with strong momentum on bitters with **Averna** and **Cynar** up double digits
- **SKYY Vodka declined** in H1 2017 by **-2.7%** as it continues to be impacted by a **competitive environment** within the category, with infusions continuing their **negative trend**. A marketing campaign launched in Q2 2017 aims to stabilise the core brand

> **Jamaica**

- **Organic increase of +10.7%** driven by **Global Priorities (+14%)** thanks to a good performance from the **Jamaican rum portfolio**, in particular **Wray&Nephew Overproof**, also thanks to **Campari** (up high double digit)

> **Brazil**

- **Brazil** registered a **high double-digit organic sales increase in Q2**, with **H1 organic sales up +29.0%**, favoured by an easy comparable base last year (H1 2016: -26.5%). Macroeconomic conditions remain fragile, while the Brazilian brands as well as **SKYY**, **Aperol** and **Campari** grew positively

> **Argentina**

- **A recovery in Q2 (+36.4%)** allowed the market to register positive organic growth for H1 2017 of **+3.1%**, with **SKKY Vodka** and **Cynar** both performing by value as well as volume, while **Aperol** continues to grow strong double digit

> **Canada**

- **Solid organic growth (+8.1%)** boosted by excellent Q2 growth **(+10.7%)** driven by **Forty Creek, SKYY Vodka** and the aperitifs (**Aperol**, **Campari**). **Wild Turkey** bourbon also registered excellent growth in the first half, up **+32.2%.** Our innovative spiced-rum, **Baron Samedi**, also contributed positively to the growth

> **Mexico**

- **Continued high double digit growth** into the first half, driven by **SKYY ready-to-drink, the Jamaican rum portfolio, Aperol** and **Campari**

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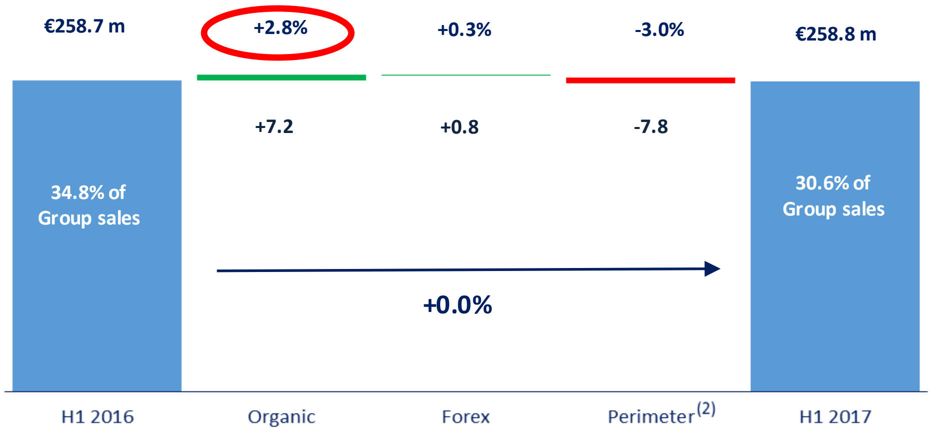
(1) Perimeter effect mainly driven by Grand Marnier acquisition

Net sales by region - Southern Europe, Middle East & Africa (1)



H1 2017 geographic overview

By market	Organic	Forex	Perimeter (2)	% Group sales
Italy	1.4%	0.0%	-4.3%	23.1%
Other markets	7.6%	1.3%	1.2%	7.6%
of which GTR	-5.8%	0.0%	11.5%	1.7%
Total	***2.8%***	***0.3%***	***-3.0%***	***30.6%***

SEMEA net sales organic growth by quarter

Q2 2017	3.8%	Q1 2017	1.4%
Q2 2016	2.7%	Q1 2016	4.8%

> **Italy**

- After slightly negative organic results in Q1 (-1.4%) due to a difficult comparison base in Q1 2016 which benefitted from the positive effect of an earlier Easter, Italy had a stronger **Q2 (+3.4%)** boosted by the Easter weekend and ended the half up **+1.4%**
- **Global Priorities +5.8% on the half,** driven by growth in **Aperol (+10.9%). Campari, Braulio, Zedda Piras** and the soft drink **Freedea range** also contributed to growth, while **Crodino** and **Campari Soda** registered a slightly negative performance on the half year, despite a positive trend in Q2

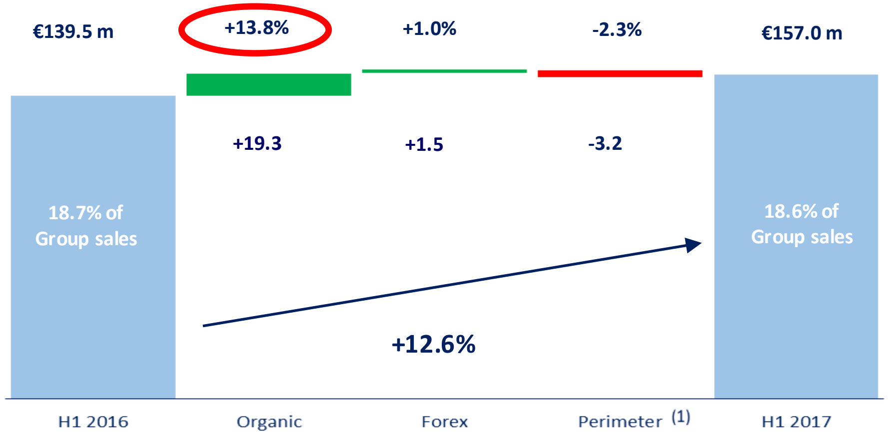
> **Others**

- A solid performance from other markets in rest of the region (+7.6%): sustained outperformance by **Spain (Aperol, Bulldog** and **Campari), South Africa (Aperol** and **Wild Turkey bourbon)** and **France (Aperol** and **Campari),** which registered very positive organic growth. These outperformances helped compensate for the negative performance of **Nigeria**, which is being impacted by prolonged socio-economic instability
- **Global Travel Retail** was down by -5.8% as one-offs in Q2 negatively impacted the first half, despite very strong performances from **Aperol, Bulldog** and **GlenGrant**

(1) Incl. Global Travel Retail

(2) Perimeter effect in Italy driven by disposals of non-core still wine businesses, in GTR driven by Grand Marnier

Net sales by region - North, Central & Eastern Europe



H1 2017 geographic overview

By market	Organic	Forex	Perimeter [1]	% Group sales
Germany	-0.3%	0.0%	-7.4%	8.3%
Russia	111.7%	52.9%	32.4%	2.5%
Other markets	20.4%	-4.1%	0.2%	7.8%
Switz.	7.3%	1.8%	-0.2%	1.6%
UK	39.5%	-13.2%	3.6%	1.6%
Total	***13.8%***	***1.0%***	***-2.3%***	***18.6%***

NCEE net sales organic growth by quarter

Q2 2017	15.5%	Q1 2017	11.5%
Q2 2016	12.7%	Q1 2016	13.3%

> **Germany**

- With a positive **+0.5% increase in Q2,** Germany closed H117 with slight organic decline of **-0.3% in H1 2017**. The weakness was driven by **agency brands** and **sparkling wines** as well as an unfavorable comparison base in H1 2017 (H1 2016: +9.5%), while **Campari, Cinzano Vermouth** and **Ouzo** also suffered weakness in Q2. This weakness was mostly offset by continued positive performances of **Aperol** (+19.9%), **Averna** (+12.8%) and **Frangelico** (+20.5%) as well as positive performances from **Wild Turkey bourbon** and **Bulldog** in the half

> **Russia**

- **Positive performance** (+111.7%) for the half vs. easier comparison bases (H1 15: -37.7%, H1 16: +16.5%) as the market continues to normalize after macro-economic conditions caused severe consumer weakness throughout 2015 and early 2016. Despite the pleasing results for the half, the Group remains cautious on the competitive landscape and macroeconomic environment in this market
- **Cinzano sparkling wines (up triple-digit), Mondoro (up triple-digit)** and **Cinzano Vermouth (up double-digit)** all outperformed while our Italian specialties, particularly **Aperol**, continue their positive momentum alongside **Espolòn** and **Wild Turkey bourbon**

> **Others**

- **Overall positive organic growth at +20.4%,** mainly driven by **UK (+39.5%)** thanks to positive performances by **Aperol**, **Campari**, the **Jamaican rums**, **Wild Turkey, GlenGrant** and **Bulldog**. Other Northern and Eastern European markets recorded positive growth, particularly **Belgium (Aperol, Bulldog** and **Crodino**) as well as **Poland** and the **Czech Republic**

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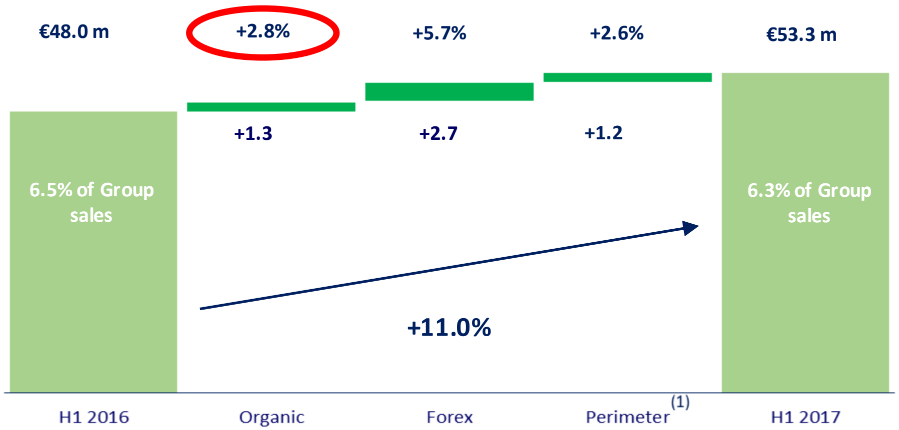
(1) Perimeter effect mainly driven by termination of agency brands in both Germany and Russia

Net sales by region - Asia Pacific



H1 2017 geographic overview

By market	Organic	Forex	Perimeter[(1)]	% Group sales
Australia	-2.7%	5.9%	0.5%	4.4%
Other markets	18.7%	5.0%	8.4%	1.9%
Japan	94.8%	11.9%	23.6%	0.7%
China	22.0%	-2.4%	8.7%	0.5%
Total	***2.8%***	***5.7%***	***2.6%***	***6.3%***

Asia Pacific net sales organic growth by quarter

Q2 2017	6.4%	Q1 2017	-1.1%
Q2 2016	2.7%	Q1 2016	5.8%

> **Australia**

- The region's biggest market registered an organic decline of **-2.7%** on the half against a tough comparison base (H1 2016: +12.6%) which was mainly driven by continued weakness within both the **Wild Turkey ready-to-drink** and **Wild Turkey bourbon** segments due to strong competitive pressure
- There was, however, **positive growth** in the **Global Priorities (+1.8%)** which was driven primarily by the continued outperformance of **Aperol (up high double-digit)**. **Regional Priority growth (+3.4%)** was driven by **Espolòn** and **GlenGrant (both up double-digit)**. There were positive results too from **SKYY Vodka** and **Campari**, which offset weakness in **Frangelico** and the **Jamaican rums**

> **Others**

- Other markets were up +18.7% thanks to very good performances from both **Japan** and **China**. In Japan, after recently changing our distribution partnership and recovery of shipments vs. last year, **Wild Turkey bourbon, Campari, SKYY Vodka, Aperol** and **Cinzano Sparkling wines** all grew. Within **China**, after recently strengthening our geographic presence in all regions following the distribution agreement with Camus, **SKYY Vodka** and **GlenGrant** continue to grow, off a small base

(1) Perimeter effect mainly driven by acquisition of Grand Marnier, off a small base

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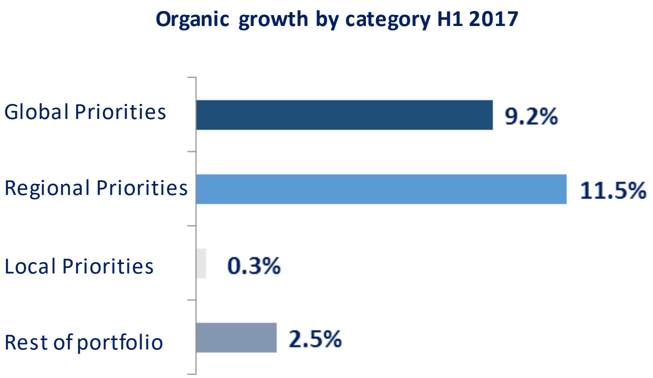
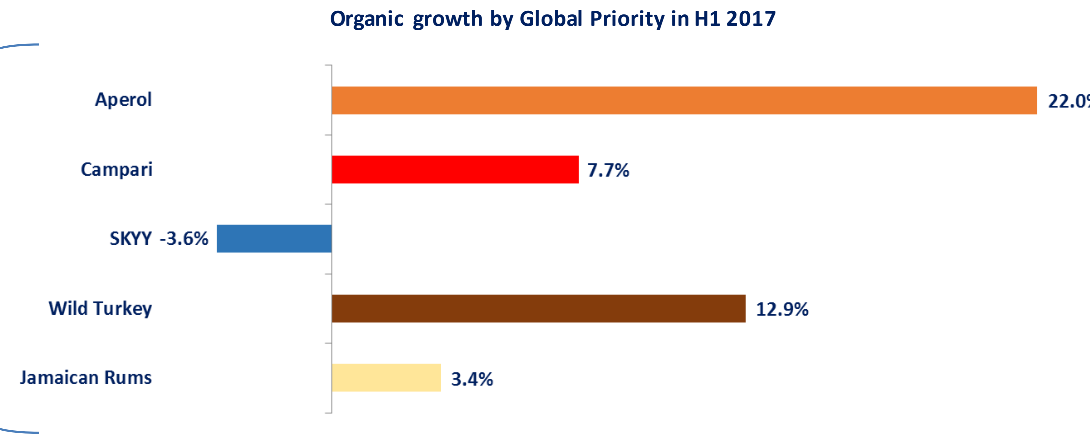
Net sales by brand - Overview

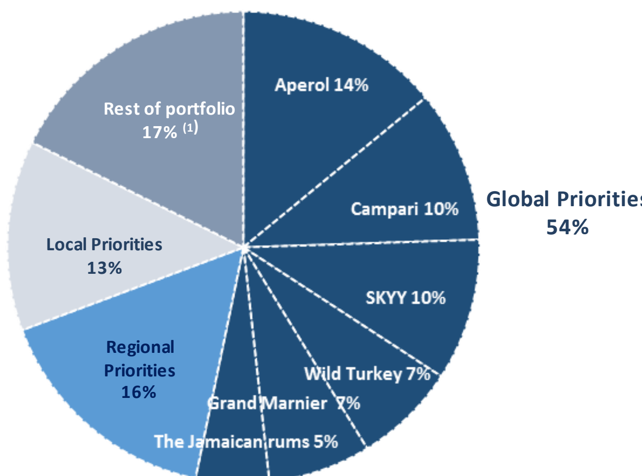
H1 2017





H1 2017 Net sales: €844.7m

Organic growth: +6.8%



Local Priorities

- Campari Soda
- Crodino
- Wild Turkey rtd
- Dreher & Sagatiba
- Cabo Wabo
- Ouzo 12

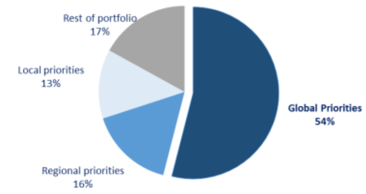
Regional Priorities

- **Tequila**
  - Espolòn
- **Whiskies**
  - GlenGrant
  - Forty Creek
- **Gin**
  - Bulldog
- **Italian after dinner bitters and liqueurs**
  - Averna & Braulio
  - Cynar
  - Frangelico
- **Vermouth & Sparkling wine**
  - Cinzano
  - Mondoro & Riccadonna

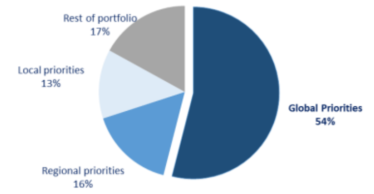
(1) Including other own brands 10%, agency brands 6% and bulk & co-packing 2%

Brand sales review

Global priorities



Global priorities	Brand sales as % of Group's sales in H1 2017	Organic change in H1 2017	
APEROL	14%	+22.0%	> **Continued positive trends** in all core markets (including Italy and Germany) with **an overall acceleration in Q2 (+24.2%).** The standout performance of Aperol makes it the **Group's largest brand in the portfolio**, with c.14% of sales. **Very robust results** also from **potential and seeding markets** of USA, Switzerland, UK, Australia, Spain, Czech Republic, France, Chile, Brazil, GTR and Russia
CAMPARI	10%	+7.7%	> **Very solid performance** from the Campari brand, with **growth** in **the USA**, **France**, **Austria, Brazil**, **Japan** and **Jamaica**. Overall positive performance was also boosted from growth in **Italy**, after an initial tough start to the year due to calendar shifts around Easter. Continued weakness in Nigeria with some **phasing in Germany** and **Argentina**
SKYY VODKA	10% [(1)] [(1)] *including SKYY Infusions*	-3.6%	> After a stable Q1, the second quarter saw a negative trend in the brand, largely due to the core **US market,** which registered a negative performance, mainly attributable to a competitive environment within the category as well as being penalized by recent distribution changes and **category weakness** in the flavoured vodka. A recent marketing campaign launched in Q2 aims to stabilise the brand > Very good results were delivered in **Brazil**, **Canada**, **Argentina** and **China**, which offset some weakness in **Germany, South Africa** and **Italy**



Brand sales review
Global priorities (cont'd)

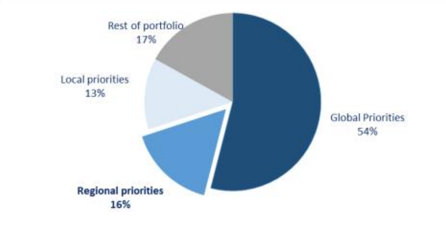
Global priorities	Brand sales as % of Group's sales in H1 2017	Organic change in H1 2017	
Wild Turkey Bourbon, Wild Turkey American Honey, Russell's Reserve	7%(1)(2)	+12.9%	> **Very substantial increase in sales,** both in the **US,** boosted by successful marketing campaigns, as well as **Japan,** as expected. Other high-potential markets such as **Canada**, **Russia**, and the **UK** also registered positive growth, albeit from a small base, which compensated declines in **Australia** > **American Honey**, despite weakness in **Australia**, grew in the **US** as well as smaller markets, registering a H1 organic change of +12.9%
Appleton Estate Jamaica Rum, J.Wray Jamaica Rum, Wray & Nephew White Overproof Rum	5%(1)	+3.4%	> **Overall positive growth,** despite declines in Q2, **mainly driven by Jamaica weakness** due to a difficult comparison base. On the half, **Jamaica** (+4.2%), **the UK** (+56.7%) and **the US** (+8.6%) were particularly driven by Appleton Estate and Wray&Nephew Overproof

(1) Incl. Wild Turkey straight bourbon, Russell's reserve, American Honey
(2) Wild Turkey ready-to-drink and American Honey ready-to-drink are excluded

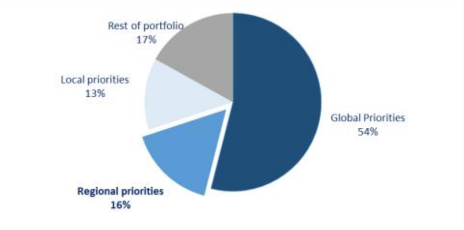
(1) Incl. Appleton Estate, J.Wray, W&N Overproof

Brand sales review

Regional Priorities



	Regional Priorities	Brand sales as % of Group's sales in H1 2017	Organic change H1 2017	
Tequila	ESPOLÒN	2%	+48.7%	> Sustained **strong double digit growth overall**, with positive trends in **core US** market (**+48.5%**) while also **positive momentum continues** in new markets (particularly **Russia,** but also **Italy, Canada** and **Australia**)
Whiskies	GLENGRANT SINGLE MALT	1%	+2.3%	> **Very satisfactory performance overall,** with **sales mix improvement** driven by **high-margin, longer-aged propositions** in the brand's strategic markets such as **South Africa, Australia, China, UK,** and **Switzerland**, which more than offset a decline in the low-margin Italian market
	FORTY CREEK	1%	-0.3%	> **Good performance** in the core market of **Canada,** decline in **the US**
Italian after dinner bitters and liqueurs	AVERNA, BRAULIO, CYNAR	3%	+2.3%	> **Positive results of Braulio** in **Switzerland** and **Italy,** while **Averna** had double digit growth in the **US** and **Germany**. Slightly offset by weakness in **Italy** which was also due to a tough comparison base > **Overall positive** results for **Cynar,** mainly driven by the **US, Brazil** and **Argentina** which was partially affected by negative performances in **Italy** and **Switzerland**
	Frangelico liqueur	1%	-0.8%	> **Slight contraction** due to temporary weakness in the **US market,** while **Germany** performed well



Brand sales review

Regional Priorities (cont'd)

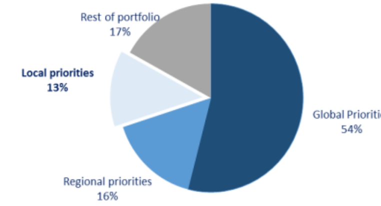
Regional Priorities	Brand sales as % of Group's sales in H1 2017	Organic change H1 2017	
Gin – BULLDOG LONDON DRY GIN	1%(1)	+29.9%	> **Good performance** recorded in the half, with Q2 registering +27.0%, mainly due to positive growth in **Spain, Belgium**, the **US**, the **UK** and **Global Travel Retail**

(1) Brand acquired in February 2017 and included in organic changes given that it was already distributed by Campari

Regional Priorities	Brand sales as % of Group's sales in H1 2017	Organic change H1 2017	
Sparkling wine & vermouth – CINZANO	3% (1)	+5.9%	> **Negative performance in vermouth mainly** driven by declines in **Argentina** (also due to a tough comparison base) and **Germany**, partly offset by good trends in **Russia,** the **Czech Republic** and **Spain** > Double digit growth in **sparkling wines**, largely due to Russia as the market returned to growth, helped by **positive performances** in other **Eastern European** markets**,** compensating for weakness in **Germany**
Sparkling wine & vermouth – MONDORO, RICCADONNA	2%	+25.4%	> **Overall Positive performance** driven by **Mondoro** with good growth in **Russia,** despite weakness in the **US,** while **Riccadonna** also grew, mainly due to a strong Q2 performance in **France** and **Chile**

(1) Incl. Cinzano vermouth and Cinzano sparkling wines

Brand sales review
Local Priorities



Local Priorities	Brand sales as % of Group's sales in H1 2017	Organic change H1 2017	
CAMPARISODA	4%	-3.2%	> **Weakness** in the **core Italian market**, despite positive performance in Q2, favoured by the Easter shift
CRODINO	4%	-0.1%	> **Stability in core Italian** market (around 90% of brands sales) with positive trends thanks to product innovation, Crodino Arancia Rosso, as well as marketing support. Good growth in **Belgium, Germany** and the **Netherlands,** albeit off a small base
	2%	-8.8%	> **Negative growth** in **core Australian market** driven by competitive pricing pressure as well as poor weather at the start of the year
Dreher Sagatiba	2%	+22.3%	> **Positive** results primarily driven by a recovery in **Brazil** (core market) against a low comparison base. Despite the positive performance, the market **continues to be impacted by macroeconomic challenges**
12 OUZO	1%	-7.5%	> **Declines** mainly driven by the core **German** market due to a tough comparison base from last year, while the **US** and the **UK** grew

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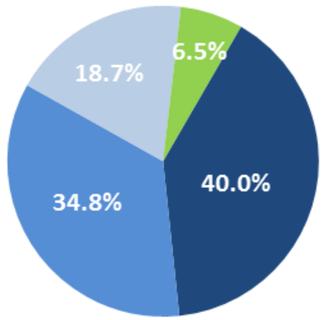
Net sales and EBIT (1) analysis by region

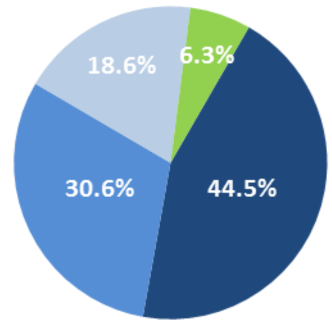
H1 2016 | **H1 2017**

Net Sales breakdown by region

H1 2016

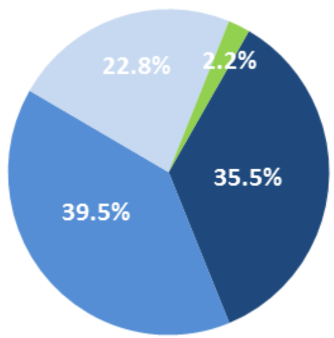


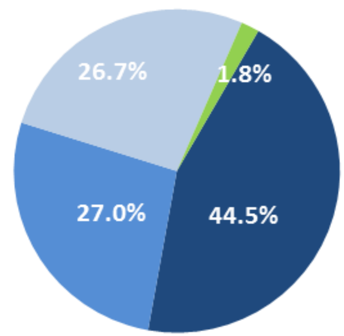
H1 2017



- Americas
- Southern Europe, Middle East & Africa
- North, Central & Eastern Europe
- Asia Pacific

EBIT [1] breakdown by region





- Americas
- Southern Europe, Middle East & Africa
- North, Central & Eastern Europe
- Asia Pacific

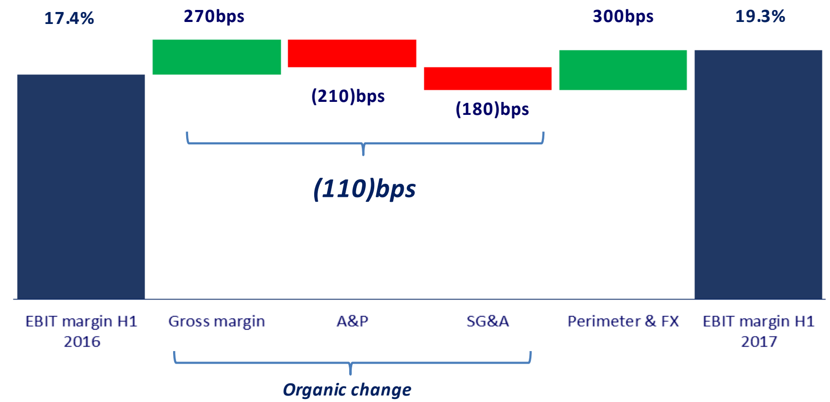
> **Americas** represent the **Group's largest region** (44.5% of Group's net sales in H1 2017, from 40.0% in H1 2016) and **the largest profit pool for the Group** (44.5% of Group's EBIT [1] in H1 2017, up from 35.5% in H1 2016), mainly driven by Grand Marnier

[1] EBIT adjusted

EBIT [1] by region – Americas

	H1 2017		H1 2016		Reported change	Organic change
	€ million	% of sales	€ million	% of sales		
Net sales	375.5	100.0%	297.7	100.0%	+26.1%	+7.6%
Gross profit	220.4	58.7%	160.8	54.0%	+37.1%	+13.1%
A&P	(72.7)	-19.4%	(50.2)	-16.8%	+44.9%	+21.0%
SG&A	(75.1)	-20.0%	(58.7)	-19.7%	+27.9%	+17.2%
EBIT [1]	**72.6**	**19.3%**	**51.9**	**17.4%**	**39.8%**	**+0.8%**

+190 bps



> Organic change [2]

Net sales increased by +7.6% and **EBIT increased by +0.8%**. **EBIT margin contracted by -110 bps** (**from 17.4% to 16.3% on net sales on an organic basis**): due to A&P phasing and SG&A increase

Gross Profit

- **Gross profit increased in value by +13.1%** and **was accretive by +270 bps**, driven by the positive sales mix by brand and market, particularly by the high-margin US business as well as the partial recovery of the sugar business

A&P

- **A&P increased in value by +21.0%** and **was dilutive on EBIT margin by -210 bps**, mainly due to adverse phasing of marketing investments anticipated into H1 2017, as well as investments behind our high-margin brands, particularly in the US, as we strengthen our on-premise capabilities driving A&P and entered new distribution agreements

SG&A

- **SG&A increased in value by +17.2%,** due to the strengthening of on-premise capabilities following the Grand Marnier acquisition [3] as well as an inflation effect in emerging markets. **EBIT** margin was therefore diluted by -180 bps

> FX

- **Net sales** and **EBIT increased** by **+2.8%** and **+0.1%** respectively, mainly due to a strong USD, Canadian Dollar and Brazilian Real

> Perimeter

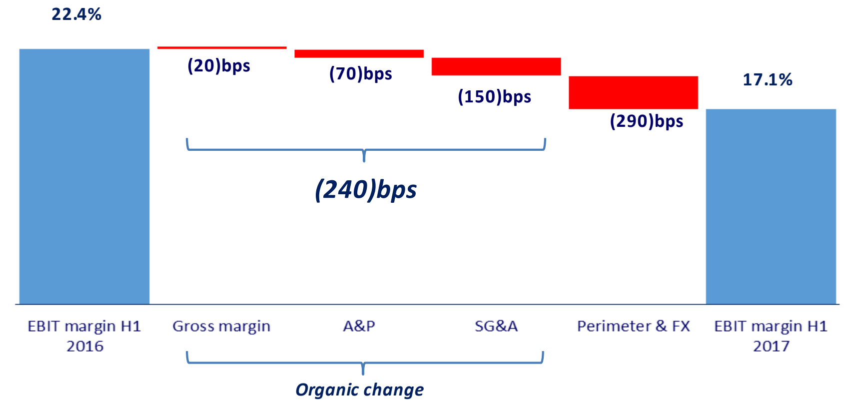
- **Net sales** and **EBIT** increased by **+15.7%** and **+38.9%** respectively driven by the combined effects of the Grand Marnier acquisition and the termination of some distribution agreements in Argentina

[1] EBIT adjusted
[2] Results at constant perimeter and FX

EBIT [1] by region – SEMEA

	H1 2017		H1 2016		Reported change	Organic change
	€ million	% of sales	€ million	% of sales		
Net sales	258.8	100.0%	258.7	100.0%	0.0%	+2.8%
Gross profit	161.4	62.4%	161.1	62.3%	+ 0.1%	+2.5%
A&P	(50.6)	-19.6%	(47.0)	-18.2%	+7.7%	+6.7%
SG&A	(66.6)	-25.7%	(56.2)	-21.7%	+ 18.5%	+9.9%
EBIT [1]	**44.1**	**17.1%**	**57.9**	**22.4%**	**-23.8%**	**-8.1%**

-530 bps



> Organic change [2]

Net sales increased and **EBIT decreased by +2.8% and -8.1% respectively**. **EBIT margin contracted by -240 bps** (**from 22.4% to 20.0% on net sales on an organic basis**):

Gross Profit

- **Gross profit increased in value by +2.5%** and **was dilutive by -20 bps**. **Aperol** performed well across all markets, including Global Travel Retail, which was mitigated by a difficult first half for the Italian aperitifs

A&P

- **A&P increased in value by +6.7%** and **was dilutive on EBIT margin by -70 bps**, due to adverse phasing of marketing initiatives, particularly for new campaigns with our Global Priorities, as well as local brands in Italy, and support for our new market in South Africa

SG&A

- **SG&A increased in value by +9.9%** and therefore was dilutive on EBIT margin by -150 bps, driven by the set up of the route-to-market in South Africa and the strengthening of our Global Travel Retail channel

> FX

- **Net sales** was **up** slightly by **+0.3%** and **EBIT decreased** by **-0.2%**

> Perimeter

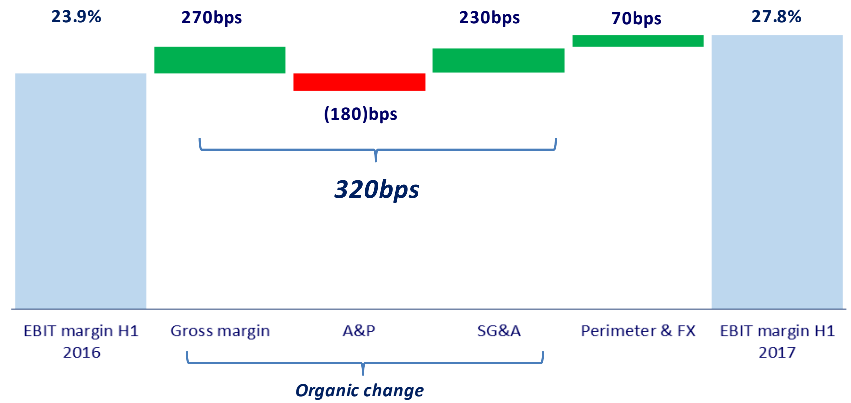
- **Net sales** and **EBIT** changed by **-3.0%** and **-15.5%** respectively driven by disposals of non-core businesses in Italy (still wines and co-packing business). The delta effect on EBIT vs. net sales was driven by the consolidation of Grand Marnier which, due to the concentration of central structures in the region, determined a disproportionate increase of SG&A overall (+18.5% on a reported basis)

[1] EBIT adjusted
[2] Results at constant perimeter and FX

EBIT (1) by region – NCEE

	H1 2017		H1 2016		Reported change	Organic change
	€ million	% of sales	€ million	% of sales		
Net sales	157.0	100.0%	139.5	100.0%	+ 12.6%	+13.8%
Gross profit	99.4	63.3%	82.4	59.0%	+ 20.7%	+19.0%
A&P	(30.6)	-19.5%	(24.0)	-17.2%	+ 27.2%	+25.5%
SG&A	(25.2)	-16.0%	(25.0)	-17.9%	+ 0.7%	-0.7%
EBIT [1]	**43.6**	**27.8%**	**33.3**	**23.9%**	**30.9%**	**+29.1%**

+390 bps



> Organic change [2]

Net sales and **EBIT increased by +13.8% and +29.1% respectively**. **EBIT margin improved by +320 bps (from 23.9% to 27.1% on net sales on an organic basis)**:

Gross Profit

- **Gross profit increased in value by +19.0%** and **was accretive by +270 bps** thanks to strong sales mix improvement by brand as well by market with **continued growth in the UK** alongside other high-margin markets

A&P

- **A&P increased in value by +25.5%** and **was dilutive on EBIT margin by -180 bps** due to adverse phasing of marketing activities, especially of Aperol in high potential markets as well as other Global and Regional priorities in key markets

SG&A

- **Decrease in SG&A by -0.7%** thanks to positive leverage of recently strengthened route-to-market as well as cost containment in the region overall. EBIT margin was therefore accretive by +230bps

> FX

- **Net sales** and **EBIT** increased by **+1.0%** and **+1.2%** respectively, mainly driven by the Russian Rouble

> Perimeter

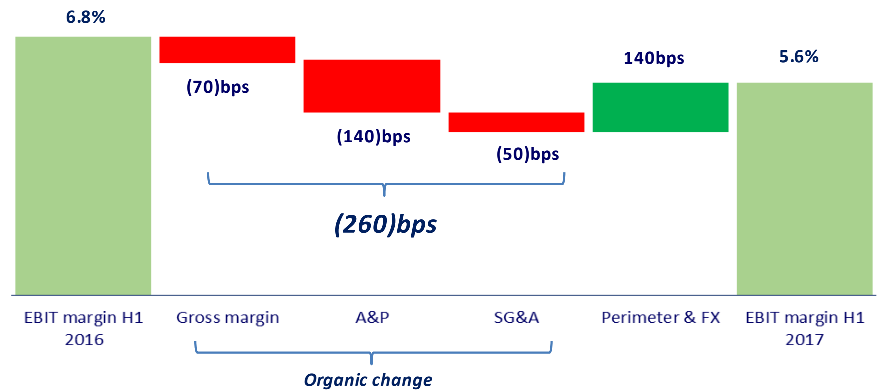
- **Net sales** and **EBIT** changed by **-2.3%** and **+0.6%** respectively, mainly driven by termination of distribution agreements, in part offset by Grand Marnier

(1) EBIT adjusted
(2) Results at constant perimeter and FX

EBIT [1] by region – Asia Pacific

	H1 2017		H1 2016		Reported change	Organic change
	€ million	% of sales	€ million	% of sales		
Net sales	53.3	100.0%	48.0	100.0%	+ 11.0%	+2.8%
Gross profit	24.2	45.5%	21.7	45.2%	+ 11.7%	+1.3%
A&P	(8.8)	-16.5%	(7.2)	-15.0%	+ 21.9%	+12.2%
SG&A	(12.5)	-23.4%	(11.2)	-23.4%	+ 10.9%	+5.2%
EBIT [1]	**3.0**	**5.6%**	**3.3**	**6.8%**	**-7.9%**	**-36.4%**

-120 bps



> Organic change [2]

Net sales increased by +2.8% while EBIT declined by -36.4%. EBIT margin decreased by -260 bps (from 6.8% to 4.2% on net sales on an organic basis):

Gross Profit

- **Gross profit increased in value by +1.3%** and **was dilutive by -70 bps,** primarily due to the slowdown of the whisky category in Australia

A&P

- **A&P increased in value by +12.2%** and **was dilutive on EBIT margin by -140 bps**, largely due to **Aperol** investments in Australia

SG&A

- **SG&A increased in value by +5.2%** and was **dilutive on margin by -50bps** due to strengthening of sales structures in Australia and selected Asian markets

> FX

- **Net sales** and **EBIT** increased by **+5.7%** and **+16.3%** respectively, in part due to the strengthening of the Australian Dollar

> Perimeter

- **Net sales** and **EBIT** changed by **+2.6%** and **+12.2%** respectively

[1] EBIT adjusted
[2] Results at constant perimeter and FX

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H1 2017 Consolidated EBIT

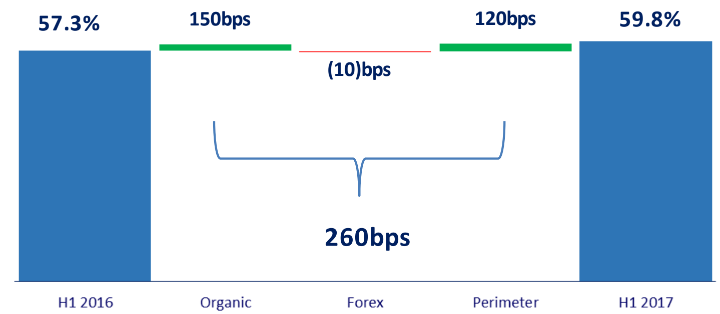
	H1 2017 € million	H1 2017 % of sales	H1 2016 € million	H1 2016 % of sales	Reported change	Organic change	Organic margin accretion/(dilution) (bps)	Forex impact	Perimeter effect
Net sales	844.7	100.0%	743.9	100.0%	+13.5%	+6.8%		+1.8%	+5.0%
COGS [1]	(339.2)	-40.2%	(317.9)	-42.7%	+6.7%	+3.0%	+150	+2.0%	+1.7%
Gross profit	505.4	59.8%	426.0	57.3%	+18.6%	+9.6%	+150	+1.6%	+7.4%
Advertising and promotion	(162.7)	-19.3%	(128.4)	-17.3%	+26.7%	+16.1%	(150)	+1.9%	+8.7%
Contribution after A&P	**342.8**	**40.6%**	**297.6**	**40.0%**	**+15.2%**	**+6.8%**	**-**	**+1.5%**	**+6.9%**
SG&A [2]	(179.4)	-21.2%	(151.2)	-20.3%	+18.7%	+10.6%	(70)	+2.4%	+5.6%
EBIT adjusted	**163.4**	**19.3%**	**146.4**	**19.7%**	**+11.6%**	**+2.9%**	**(70)**	**+0.6%**	**+8.1%**
Operating adjustments	(5.0)	-0.6%	(14.5)	-2.0%	-65.9%				
EBIT	158.4	18.8%	131.9	17.7%	+20.1%				
Other information:									
Depreciation	(28.4)	-3.4%	(25.5)	-3.4%	+11.0%	+6.6%	-	+2.0%	+2.5%
EBITDA adjusted	**191.7**	**22.7%**	**172.0**	**23.1%**	**+11.5%**	**+3.4%**	**(70)**	**+0.8%**	**+7.3%**
EBITDA	186.8	22.1%	157.4	21.2%	+18.6%				

(1) COGS = cost of materials, production and logistics expenses
(2) SG&A = selling, general and administrative expenses

H1 2017 Consolidated P&L - Gross Profit

	H1 2017 € million	H1 2017 % of sales	H1 2016 € million	H1 2016 % of sales	Reported change	Organic change	Forex impact	Perimeter effect
Net sales	844.7	100.0%	743.9	100.0%	+13.5%	+6.8%	+1.8%	+5.0%
COGS [1]	(339.2)	-40.2%	(317.9)	-42.7%	+6.7%	+3.0%	+2.0%	+1.7%
Gross profit	505.4	59.8%	426.0	57.3%	+18.6%	+9.6%	+1.6%	+7.4%

+260 bps



(1) COGS = cost of materials, production and logistics expenses

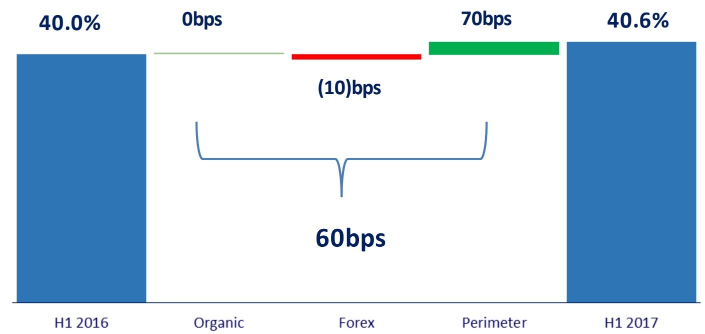
> **On a reported basis, gross profit up by +18.6%** vs. H1 2016, **increasing by +260 bps** to 59.8% on net sales in H1 2017 (vs. 57.3% in H1 2016)

- **Organic growth of +9.6%**, with an accretion of **+150 bps** (from 57.3% to 58.8%) in H1 2017, due to **continued sales mix improvements:**
  - by brand: outperformance of Global and Regional Priority brands, notably Aperol, Wild Turkey, Campari, the Jamaican rums and Espolòn
  - by region: outperformance of key developed markets, particularly the US, as well as high-margin markets in NCEE, in part mitigated by faster growth of low-margin emerging markets (mainly Brazil)
- **Forex impact of +1.6%,** driven by the **revaluation of several Group currencies** such as the Brazilian Real, US Dollar, Russian Rouble, Canadian Dollar and Australian Dollar
- **Perimeter effect of +7.4%,** driven by the Grand Marnier contribution, partly offset by the termination of some distribution agreements and the sale of non-core, low-margin businesses, leading to an overall accretion of +120 bps

H1 2017 Consolidated P&L - Contribution after A&P

	H1 2017		H1 2016					
	€ million	% of sales	€ million	% of sales	Reported change	Organic change	Forex impact	Perimeter effect
Gross profit	505.4	59.8%	426.0	57.3%	+18.6%	+9.6%	+1.6%	+7.4%
Advertising and promotion	(162.7)	-19.3%	(128.4)	-17.3%	+26.7%	+16.1%	+1.9%	+8.7%
Contribution after A&P	**342.8**	**40.6%**	**297.6**	**40.0%**	**+15.2%**	**+6.8%**	**+1.5%**	**+6.9%**

+60 bps



> **A&P at 19.3% on net sales in H1 2017, up +200 bps** (vs. 17.3% on net sales in H1 2016), with an increase of +26.7% in value:

- **organic growth of +16.1%,** with a margin dilution of **-150 bps**, due to accelerated A&P investments driven by the phasing of marketing campaigns particularly for our Global Priorities in the US, as expected
- **forex impact of +1.9%**
- **perimeter effect of +8.7%**, equating to -50 bps, mainly due to the disposals of businesses which require less A&P investments, causing a counter dilutive effect

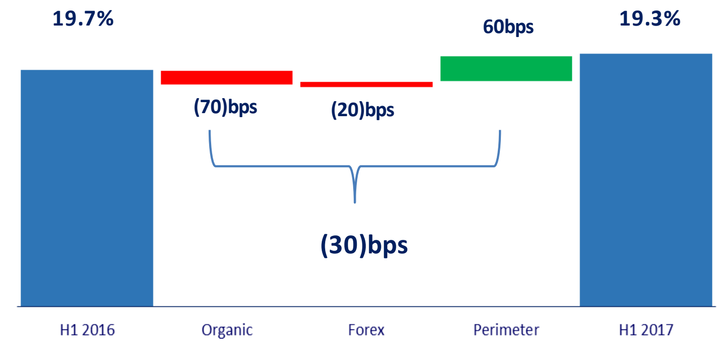
> **Contribution after A&P up by 15.2% at 40.6% on net sales in H1 2017** (vs. 40.0% on net sales in H1 2016), with an overall margin accretion of **+60 bps**:

- **organic growth of +6.8%** which is flat on margin
- **forex impact of +1.5%** and **perimeter effect of +6.9%** (equal to +70 bps)

H1 2017 Consolidated P&L - EBIT and EBITDA adjusted

	H1 2017		H1 2016					
	€ million	% of sales	€ million	% of sales	Reported change	Organic change	Forex impact	Perimeter effect
Contribution after A&P	**342.8**	**40.6%**	**297.6**	**40.0%**	**+15.2%**	**+6.8%**	**+1.5%**	**+6.9%**
SG&A [2]	(179.4)	-21.2%	(151.2)	-20.3%	+18.7%	+10.6%	+2.4%	+5.6%
EBIT adjusted	**163.4**	**19.3%**	**146.4**	**19.7%**	**+11.6%**	**+2.9%**	**+0.6%**	**+8.1%**
Operating adjustments	(5.0)	-0.6%	(14.5)	-2.0%	-65.9%			
EBIT	158.4	18.8%	131.9	17.7%	+20.1%			
Other information:								
Depreciation	(28.4)	-3.4%	(25.5)	-3.4%	+11.0%	+6.6%	+2.0%	+2.5%
EBITDA adjusted	**191.7**	**22.7%**	**172.0**	**23.1%**	**+11.5%**	**+3.4%**	**+0.8%**	**+7.3%**
EBITDA	186.8	22.1%	157.4	21.2%	+18.6%			

(1) SG&A = selling, expenses + general administrative expenses



- **SG&A increased in value by +18.7%** in H1 2017, with a margin dilution of -90 bps on net sales (from 20.3% in H1 2016 to 21.2% in H1 2017):
  - **organic increase of +10.6%**, equating to a **margin dilution of -70 bps**, due to the strengthening of the Group's commercial organisations, particularly on-premise capabilities in the US and the newly established route-to-market in South Africa and Peru, as communicated. Global Travel Retail also benefitted from an overhaul and increased focus in H1 2017
  - **forex impact of +2.4%** and **perimeter effect of +5.6%**
- **EBIT adjusted was € 163.4 million** (+11.6% vs. H1 2016) with a dilution **of -30bps on sales** (from 19.7% in H1 2016 to 19.3% in H1 2017). Key drivers:
  - **organic growth of +2.9%** (**-70 bps), forex impact of +0.6%** (**-20 bps)** and a **perimeter effect of +8.1%** (**+60 bps)** due to the combined effect of the **Grand Marnier acquisition** and the **termination of some distribution agreements** and the **sale of non-core businesses**
- **Depreciation was € 28.4 million**, increasing by € 2.9 million vs. H1 2016, mainly driven by Grand Marnier acquisition and organic change
- **EBITDA adjusted was € 191.7 million**, up +11.5%, driven by **+3.4% organic change, +0.8% forex impact** and **+7.3% perimeter effect**
- **Negative operating adjustments of € 5.0 million due** to restructuring projects

H1 2017 Consolidated P&L – Group pretax profit

	H1 2017		H1 2016		Change
	€ million	%	€ million	%	%
Operating profit = EBIT	**158.4**	**18.8%**	**131.9**	**17.7%**	**20.1%**
Net financial income (charges)	(23.0)	-2.7%	(34.0)	-4.6%	-32.3%
Adjustments to financial income (charges)	(24.4)	-2.9%	4.6	0.6%	-
Total net financial income (charges)	**(47.4)**	**-5.6%**	**(29.4)**	**-4.0%**	**61.1%**
Put option costs (1)	(2.5)	-0.3%	0.0	0.0%	0.0%
Profit before taxes and non-controlling interests	**108.5**	**12.8%**	**102.5**	**13.8%**	**5.9%**

- **Negative financial charges were € 23.0 million in H1 2017**, down by € 11.0 million vs. H1 2016, due to:
  - **Average cost of net debt of 3.0%** (2) **in H1 2017** down from 6.8% in H1 2016, thanks to the liability management transactions that took place in September 2016 and April 2017, despite a higher average net debt of € 1,219.5 million in H1 2017 vs. € 1,030.6 in H1 2016
- **Negative financial adjustments of € 24.4 million** as a result of the liability management transaction completed in April 2017 (due to the delta value between the purchase price of the bonds bought back and their nominal value)
- **Reported Group pretax profit** was **€ 108.5 million**, up by **5.9% in H1 2017. Pretax profit adjusted** (3) was € 137.8 million, **up +17.8%** on a like-for-like basis

(1) Put option costs related to commitments to purchase the remaining shares of SPML
(2) Excluding FX effects, ancillary financial expenses and financial adjustments
(3) Group pretax profit before operating and financial adjustments

H1 2017 Consolidated P&L – Group net profit

	H1 2017		H1 2016		Change
	€ million	%	€ million	%	%
Profit before taxes and non-controlling interests	**108.5**	**12.8%**	**102.5**	**13.8%**	**5.9%**
Taxes	0.2	0.0%	(35.3)	-4.7%	-100.5%
Net profit	**108.6**	**12.9%**	**67.2**	**9.0%**	**61.7%**
Group net profit	**108.6**	**12.9%**	**67.2**	**9.0%**	**61.7%**
Operating and financial adjustments (1)	29.4	3.5%	14.5	1.9%	-
Fiscal effects on operating and financial adjustments, other tax adjustments and Patent Box tax benefit (2)	(44.5)	-5.3%	(4.4)	-0.6%	-
Group net profit adjusted	**93.5**	**11.1%**	**77.3**	**10.4%**	**21.1%**
Other information:					
Depreciation & Amortisation	(28.4)	-3.4%	(25.5)	-3.4%	11.0%
EBITDA adjusted	**191.7**	**22.7%**	**172.0**	**23.1%**	**11.5%**
EBITDA	**186.8**	**22.1%**	**157.4**	**21.2%**	**18.6%**

> **Overall taxes** amounted to **€ 0.2 million in H1 2017**, of which:

- **Overall 'Patent Box' tax benefit** (FY 2015, FY 2016 and H1 2017) **of € 36.2 million**
- **Positive fiscal effects on operating and financial adjustments** and **other tax adjustments** of **€ 8.3 million**
- **Goodwill deferred tax (non cash) of € (11.9) million**
- **Underlying income tax € (32.4) million**

> **Reported Group net profit of € 108.6 million**, up +61.7%(1)

> **Group net profit adjusted** (3) **of € 93.5 million,** up +21.1% vs. H1 2016

(1) of which operating adjustments of € (5.0) million and financial adjustments of € (24.4) million

(2) of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million and Patent Box tax benefit of € 36.2 million (of which € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017). For a detailed analysis of tax, please see slide 35

(3) Group net profit before operating and financial adjustments of € (29.4) million pre-tax, and fiscal effects and tax benefits of overall € 44.5 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million, and 'Patent Box' tax benefit of € 36.2 million, consisting of € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017)

H1 2017 Consolidated P&L – Tax rate

(€ million)		H1 2017	H1 2016
Profit before taxes (before minorities)	A	**108.5**	**102.5**
Operating and financial adjustments (pre-tax) (1)	B	29.4	14.5
Pretax profit before operating and financial adjustments	C=A+B	**137.8**	**117.0**
Total tax (reported)	D	0.2	(35.3)
Goodwill deferred tax (non-cash)	E	11.9	13.9
Fiscal effects on operating financial adjust. and other tax adjustments	F	(8.3)	(4.4)
Patent Box tax benefit (FY 2015, FY 2016, H1 2017) (2)	G	(36.2)	0.0
Underlying cash income tax	**H=D+E+F+G**	**(32.4)**	**(25.8)**
Reported tax rate	**D/A**	**-**	***34.4%***
Effective tax rate	**(H-E)/C**	***32.1%***	***34.0%***
Underlying cash tax rate	**H/C**	***23.5%***	***22.1%***

(1) of which operating adjustments of € 5.0 million and financial adjustments of € 24.4 million
(2) of which FY 2015 is € (12.0) million, FY 2016 is € (15.5) million and H1 2017 is € (8.6) million

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Operating Working Capital

€ million	30 June 2017	31 December 2016 (1)	change	organic change	Forex	Perimeter
Receivables	248.7	306.3	(57.7)	(48.3)	(10.2)	0.9
Inventories	549.0	543.5	5.5	38.1	(25.7)	(6.9)
- Maturing inventory	*285.5*	293.7	*(8.2)*	9.1	(17.3)	0.0
- All others	*263.5*	249.8	*13.7*	29.0	(8.4)	(6.9)
Payables	(231.6)	(262.5)	30.8	23.6	7.2	0.0
Operating Working Capital	**566.0**	**587.4**	**(21.4)**	**13.4**	**(28.8)**	**(6.0)**
Net Sales MAT	1,827.2	1,726.5				
OWC / Net sales (%), as reported	***31.0%***	***34.0%***				

> **OWC at € 566.0 million as of June 30th, 2017** vs. € 587.4 million as of December 31st, 2016, **showing an overall decrease of € 21.4 million, of which**

- Organic change of € 13.4 million driven by:
  - decrease in receivables of € 48.3 million, driven by seasonal effects after peak at year-end
  - **increase in inventory of € 38.1 million**, driven by finished goods and others, **up by € 29.0 million**, and ageing liquid up by **€ 9.1 million. Decrease in payables of € 23.6 million** largely due to **calendar effect at year-end**
- Forex effect of € 28.8 million
- Negative perimeter effect of € (6.0) million

> **OWC was 31.0% of Net Sales as of June 30th, 2017, down 300 bps vs. December 31st, 2016**

(1) After reclassifications of € 0.8 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

Consolidated cash flow

€ million	Notes	30 June 2017	30 June 2016
EBITDA		**186.8**	**157.4**
Other non-cash items	(1)	(10.7)	10.4
Changes in other receivables and payables	(2)	(19.1)	3.5
Income taxes paid	(3)	(22.2)	(19.2)
Cash flow from operating activities before changes in OWC		**134.8**	**152.1**
Net change in OWC (at constant FX and perimeter)	(4)	**(13.4)**	**75.6**
Cash flow from operating activities		**121.4**	**227.6**
Net interest paid		(0.1)	(8.7)
Financial adjustments related to liability mangement transaction		(23.2)	0.0
Capex	(5)	(27.3)	(15.1)
Free cash flow		**70.8**	**203.8**

Notes:

1) Other adjustments, mainly attributable to provisions for restructuring projects and incentive plans, net of use of funds.
2) Changes in other non financial receivables and payables, mainly relating to indirect taxes
3) Tax paid reflects partial use of Patent Box tax benefit
4) Organic change in operating working capital. FX effect of € (28.8) million is included in 'Exchange rate differences and other movements'. Perimeter effect of € (6.0) million is included in 'acquisitions and disposals'. See page 37 for detailed analysis of OWC
5) Mostly maintenance Capex including barrels net purchase

Consolidated cash flow (cont'd)

€ million	Notes	30 June 2017	30 June 2016
Free cash flow		**70.8**	**203.8**
Acquisitions and disposals	(6)	(37.8)	(469.7)
Net financial position arising from acquisitions and disposals	(7)	23.3	36.4
Purchase and sale of trademarks and distribution rights and payment of put options		(0.2)	0.2
Dividend paid by the Parent Company		(52.1)	(52.1)
Other changes	(8)	(10.9)	(2.7)
Cash flow from investing activities		**(77.8)**	**(487.9)**
Exchange rate differences and other movements	(9)	**(24.1)**	**(22.9)**
Change in net debt as a result of operating activities		**(31.0)**	**(306.9)**
Change in payable for the exercise of put options and payment of earn out	(10)	(29.1)	0.1
Exercise of options to purchase SPML shares and other changes		6.9	(210.2)
Net cash flow of the period = change in net debt		**(53.3)**	**(517.1)**
Net financial position at start of the period	(11)	(1,199.5)	(825.8)
Re-classifications to the opening balance sheet	(12)	7.2	-
Net financial position at the start of the period (re-classified)		**(1,192.4)**	**(825.8)**
Net financial position at the end of the period		**(1,252.8)**	**(1,342.9)**

Notes:

6) In H1 2017 it includes cash-out effect of Bulldog acquisition of € (44.5) million, in part offset by cash-in effect of Chilean winery disposal of € 6.7 million. In H1 2016 it includes cash-out effect of SPML acquisition

7) In H1 2017 it includes the net debt position from the Chilean winery disposal. In H1 2016 it includes the net cash position of SPML acquisition and cash effect of the disposal of co-packing activities in Italy

8) Mainly attributable to purchases of own shares

9) In H1 2017, it includes a forex effect of € (28.8) million in OWC and other non-cash items

10) Mainly due to the estimated earn-out of € 25.0 million in connection with the Bulldog acquisition

11) Before reclassifications of € 7.2 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

12) After reclassifications of € 7.2 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

Net financial debt

€ million	30 June 2017	31 December 2016	Change
Short-term cash/(debt)	**226.4**	**241.4**	**(15.0)**
- Cash and cash equivalents	*324.8*	*354.1*	*(29.3)*
- Short-term debt	*(98.4)*	*(112.7)*	*14.3*
Medium to long-term net cash/(debt)	**(1,259.7)**	**(1,243.7)**	**(16.0)**
Debt relating to operating activities	**(1,033.3)**	**(1,002.3)**	**(31.0)**
Liabilities for put option and earn-out payments (1)	**(219.4)**	**(190.0)**	**(29.4)**
Net cash/(debt)	**(1,252.8)**	**(1,192.4)** (2)	**(60.4)**

> **Net financial debt at € 1,252.8 million** as of June 30th, 2017 vs € 1,192.4 million (2) at December 31st ,2016, after the Bulldog acquisition of € 80.1 million (including earn-out), dividend payment of € 52.1 million, the proceeds from the Chilean winery disposal (positive impact of € 30.0 million) and the liability management cash-outflow of € 23.2 million

> Key changes:

- small decrease in **Short-term cash/(debt)** of € 15.0 million
- small increase in **Medium to long-term debt**, (composed by € 994.1 million in outstanding bonds, € 301.4 million in bank debt, € 1.5 million in real estate lease debt, net of cash investments of € 37.3 million) **of € 16.0 million**
- increase in Liabilities for put option and earn-out payments of € 29.4 million mainly driven by Bulldog estimated earn-out

> **Net financial debt / EBITDA ratio of 2.9x as of June 30th, 2017,** which remains unchanged vs. December 31st, 2016

- On a proforma basis (3), i.e including the effects of the disposals after June 30th, 2017, the net financial debt / EBITDA ratio would be 2.2x

(1) Including earn-out payments for Bulldog gin
(2) After reclassifications of € 7.2 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values
(3) Proforma ratio including the effects of the disposals closed and to be closed after June 30th, 2017

Long term outstanding gross debt as of 30 June 2017

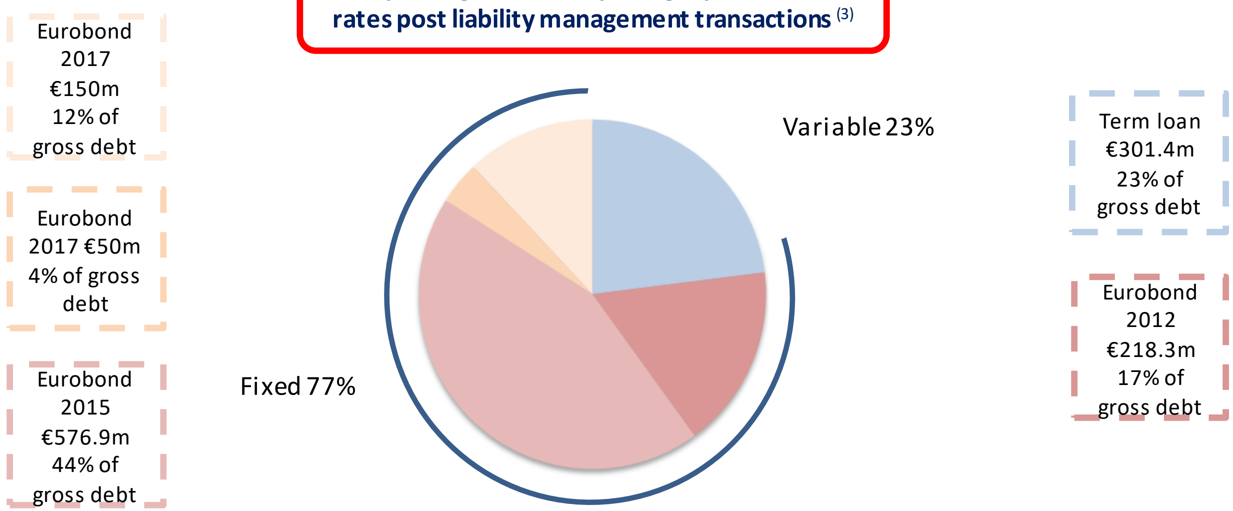
> **Long-term gross debt** in line with December 31st, 2016 at **€ 1,296.6 million as of June 30th, 2017**

> Following the liability management transaction in Q2, the overall **long term gross debt average coupon declined from 2.76%** at December 31st, 2016 **to 2.41%**

Issue date	Maturity	Type	Currency	Coupon	June 30th 2017 € million	Original tenor	As % of total
Aug 3, 2016	Aug-19	Term Loan (1)	EUR	0.75% +3m euribor	301.4	3 years	23%
Oct 25, 2012	Oct-19	Unrated Eurobond	EUR	4.5%	218.3	7 years	17%
Sep 30, 2015	Sep-20	Unrated Eurobond	EUR	2.75%	576.9	5 years	44%
Apr 5, 2017	Apr-22	Unrated Eurobond	EUR	1.768%	50	5 years	4%
Apr 5, 2017	Apr-24	Unrated Eurobond	EUR	2.165%	150.0	7 years	12%
Total medium-long term gross debt (2)				**Av. coupon 2.41%**	**1,296.6**		**100%**

1) Maturity renegotiated and extended to August 2021 on the August 3rd, 2017
2) The balance of € 36.9 million to Medium to long-term net debt of € 1,259.7 million is mainly attributable to liquidity investments

Analysis of gross debt by category and interest rates post liability management transactions (3)



3) Liability management transaction as announced on the 30th March 2017 and executed on the 5th April 2017 via the issue of two series of fixed rate notes reserved for institutional investorsin exchange for notes for an equivalent amount, bought back via tender offer

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New marketing Initiatives
Aperol

Aperol Spritz – Perfect Serve UK

An **impactful media** and **in-bar activity** took place for 10 weeks across May, June and July this year with a heavy presence in South-West London, in time for the **Wimbledon tennis Championship**. Activations included in-bar activities and sponsorship across eight bars and pubs in the Wimbledon area, **driving top-of-mind awareness for the Aperol Spritz**. Supporting activations **included digital escalator panels across the London Underground system, Waterloo Train Station billboard, Wimbledon Station billboard as well as Wimbledon high-street premium poster sites** during the championship

Global Travel Retail – Aperol Piazza

The **Aperol Spritz Piazza** is a new focus from **Global Travel Retail** which aims to **engage travelers with a refreshing Aperol Spritz** in a mock-up of the Italian piazza. **Point of sale** and **visual merchandising** help **the Aperol Spritz Piazza** be the **center-point of all attention** in the Duty Free area. The images are examples from **Sydney Airport, Dubai International, Brussels Airport** and **Milan Malpensa,** while many more airports have been "Italianized"

Belgium Music Festival

Aperol Spritz was the major sponsor of the **Extrema Outdoor Belgium XO** festival in June 2017. The techno and house music festival has over **100+ big-name lineups** and **international crowds** which help make it an inclusive, all-out weekend party. Over 45,000 people attended over three days while over **11,200+ Aperol Spritz were served**

New marketing Initiatives
Campari

CAMPARI: Negroni Week

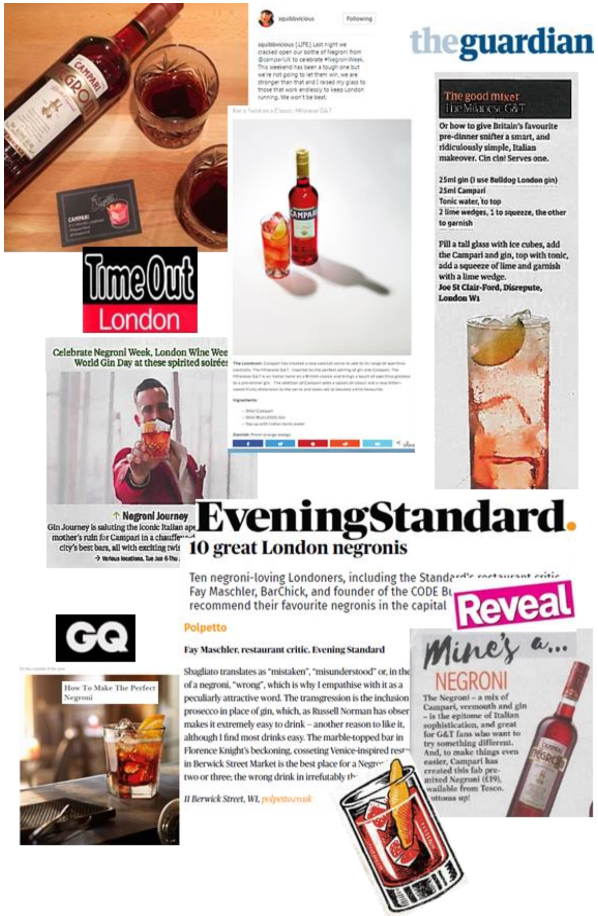
Now in its **fifth year**, the weeklong international charity initiative will once again bring bars, restaurants and vendors from around the world together over the **classic Negroni cocktail** – an iconic **mix of Campari, gin, and sweet red vermouth** – to raise money and awareness for great causes. Growing from just 100 bars in the US in 2013 to just **under 8,000 bars globally in 2017**

NEGRONI WEEK

USA	3,006
Germany	949
Argentina	595
Canada	557
Greece	418
Australia	321
U.K	272
Spain	185
and many more…	

From 100 participating bars in 2013 to **7,780 bars** in 2017…the classic Negroni is being enjoyed globally

	2013	2014	2015	2016	2017
#outlets	100	1,367	3,533	6,040	7,780
Growth %		+1267%	+158%	+71%	+29%



New marketing Initiatives

Cinzano Sparkling Wine: Pro-Spritz

As part of the **renewed packaging** and **visual identity**, in the second Quarter of 2017, **Cinzano** launched a **new expression 'Pro-Spritz':** a sparkling wine blend especially created by our enologists to **complement Aperol** in the **perfect preparation of Aperol Spritz.**
The aim is to ensure the perfect Aperol Spritz serve every time, everywhere

Espolòn Tequila

Based on **excellent sales expansion** in the **USA, Espolòn Tequila won two major growth awards** from industry publishers. **Impact Magazine** named the brand in its **Hot Brand Awards**, while it received a **Fast Track Brand Award** from **Beverage Dynamics Magazine**. The awards recognize the brand as one of the country's leading performers in terms of volume growth and velocity of sales

Sagatiba – new positioning & redesign

Sagatiba cachaça as gone through a complete redesign, enhancing its **premium credentials** and looking back to the **colourful and artisanal Brazilian roots**. Launched in Brazil earlier this year, international markets will now be receiving the updated packaging. **Sagatiba *Envelhecida*** and **Sagatiba *Cristalina*** will also be supported by another addition to the brand's portfolio: **honey, lime & lemon. Sagatiba** also won **three gold medals** in the "**blue lifestyle – seal of approval awards**" in which over 550 beverages are tasted and only the very best achieve the "seal of approval"

Gruppo Campari brands win big in spirits brands competitions – June 2017

SAN FRANCISCO WORLD SPIRITS COMPETITION

ULTIMATE SPIRITS CHALLENGE

San Francisco Wolrd Spirits Competition & Ultimate Spirits Challenge

Judges at the 2017 **San Francisco World Spirits Competition (SFWSC)** and the **Ultimate Spirits Challenge (USC)** declared Grand Marnier Cuvée du Centenaire a **Double Gold Medal winner** from SFWSC and received 99 points and a **Chairman's Trophy from USC**. Complementing that, **Grand Marnier Cordon Rouge** also received a **Double Gold Medal** and **Best in Show** recognition from SFWSC. Gruppo Campari's entire portfolio continues to shine bright at these competitions: **GlenGrant** and **Russell's Reserve** were awarded **Double Gold Medals**, while **Appleton Estate** proved itself again with **three Gold Medals** from SFWSC. **Wild Turkey Rare Breed Barrel Proof Kentucky Straight Bourbon** and the recently released **Bond & Lillard Kentucky Straight Bourbon** are strengthening the whiskey portfolio with **two Gold Medals** from SFWSC

San Francisco World Spirits Competition (SFWSC)

28 Medals Total

- ***Five Double Gold Medals:***

Grand Marnier Cuvée du Centenaire Liqueur
Grand Marnier Cuvée 1880 Liqueur
Grand Marnier Cordon Rouge (Best in Show)
GlenGrant 12 Year Old Single Malt Scotch
Russell's Reserve Single Barrel Kentucky Straight Bourbon

- ***Five Gold Medals:***

Appleton Estate 12 Year Old Rare Blend
Appleton Estate 21 Year Old
Appleton Estate JOY 25 Year Old Anniversary
Bond & Lillard Kentucky Straight Bourbon
Wild Turkey Rare Breed

- ***12 Silver Medals:***

Appleton Estate Signature Blend
Appleton Estate Reserve Blend
Braulio
BULLDOG Gin
Forty Creek Double Barrel Reserve Canadian Whisky
GlenGrant 18 Year Old Single Malt Scotch
Russell's Reserve 6 Year Old Straight Rye Whiskey
SKYY Infusions California Apricot
SKYY Infusions Bartlett Pear
Wild Turkey 81 Rye Whiskey
Wild Turkey Kentucky Spirit Single Barrel Bourbon
Wild Turkey Master's Keep Decades
Wray & Nephew Overproof Rum

Ultimate Spirits Challenge (USC)

24 spirits scored

- ***90 and above:***

Appleton Estate 21 Year Old (98; Chairman's Trophy)
BULLDOG GIN (91)
Cinzano 1757 (95; Finalist)
Forty Creek Confederation Oak Reserve Canadian Whisky (94; Finalist)
GlenGrant 12 Year Old Single Malt Scotch (95; Finalist)
GlenGrant 18 Year Old Single Malt Scotch (94)
Grand Marnier Cordon Rouge (96; Finalist)
Grand Marnier Cuvee du Centenaire (99; Chairman's Trophy)
Grand Marnier 1880 (97; Finalist)
Grand Marnier Quintessence (96; Finalist)
Russell's Reserve Rye 6 Year Old Kentucky Straight Rye Whiskey (95; Finalist)
Wild Turkey Forgiven (96; Chairman's Trophy)
Wild Turkey Kentucky Spirit Single Barrel Bourbon (93)
Wray and Nephew Rum (93; Great Value)

- ***80 and above:***

Braulio (89)
Espolón Reposado (89)
Forty Creek Barrel Select Canadian Whisky (89)
Forty Creek Copper Pot Reserve Canadian Whisky
Russell's Reserve Small Batch Single Barrel Bourbon (89)
SKYY Infusions California Apricot (84)
SKYY Infusions Bartlett Pear (84)
Wild Turkey 81 Kentucky Straight Rye Whiskey (86)

Grand Marnier update

> Grand Marnier acquisition contribution in H1 2017:
- **Net sales: € 58.9 million** (1)
- **EBIT adjusted: € 12.4 million**
- **EBITDA adjusted: € 14.2 million**

> Contribution in the first twelve months of consolidation (July 1st, 2016 – June 30th, 2017):
- **Net sales: € 140.4 million** (2)
- **EBIT adjusted: € 28.5 million**
- **EBITDA adjusted: € 32.7 million**

> Grand Marnier business performance in the first twelve months overall satisfactory, despite:
- **portfolio clean-up of low-end offerings, reversal of discounting** implemented by previous distributors **resulting in price increases**
- the effect of **higher COGS due to stock buyback**
- slight forex impact (USD)
- **seasonality effect** amplified by sales skew in US market
- slight **perimeter effect of the Chilean winery disposal**
- **Efficiencies via the integration of central administration structure to gradually be realized in the second half of the year**

> **Grand Marnier in FY 2017 on-track to deliver on expectations of EBITDA € 47 million**

> **Overall disposals of non-core businesses associated with the Grand Marnier acquisition:** Chilean and French winery as well as real-estate disposals for a total amount of **€ 85.8 million** (3), resulting in a € 564.6 million enterprise value post disposals (excluding proceeds from the eventual sale of the Villa in Saint-Jean-Cap-Ferrat up to € 80.0 million)

(1) of which Grand Marnier brand € 57.2 million and wines net € 1.7 million
(2) of which Grand Marnier brand € 131.6 million and wines net € 8.8 million
(3) of which Chilean winery € 30.0 million, French winery € 20.5 million and Grand Marnier headquarters building (pre-tax) of € 35.3 million

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Conclusion and Outlook

A positive first half 2017, **while the full year outlook remains fairly balanced** and **unchanged**

> **Macroeconomic environments** in **some emerging markets remain difficult and uncertain**, whilst political uncertainty persisting in some regions might continue to fuel **volatility of major currencies against the Euro**

> Moreover, the **progressive strengthening** of the **Euro against the US Dollar** may have a more **adverse impact on forex** in the second half of the year

> However, the Group is confident in delivering a **positive performance across all key indicators for the full year**

- Key organic growth drivers:

Top line:

- **continuing outperformance** of the high-margin **Global Priority** and **Regional Priority brands** in key developed markets, fully exploiting the Group's **strengthened distribution capabilities** and **brand building investments**

Gross profit:

- **gross margin expansion** will continue **to benefit from the favourable sales mix in key markets** despite being penalized by **inflationary effects on material costs in emerging markets** as well as **rising prices in some raw materials such as agave**
- **Benefits** also expected from the **gradual recovery of the sugar business**

A&P:

- **A&P investments in the business will gradually normalize in the second half of the year**
- **moreover, overall increase on sales to be** driven by a **technical effect** due to disposals of non core businesses which require less A&P, as well as the adverse phasing of key marketing initiatives into the first half of the year, as communicated

SG&A:

- **The acceleration** in the first half of the year, as communicated, will gradually normalise in the second half of the year, as the Group completes the **strengthening of new route-to-market capabilities** and the **efficiencies from the Grand Marnier integration will start to be realised**

- **Perimeter**, which will benefit from Grand Marnier in the first half, will reflect our exit from various **non-core, low-margin businesses** and **termination** of **agency brands,** which will enable the **Group to focus on high-margin premium brands in its core markets**

> **Bottom line: overall reduction in taxation** for the year thanks to the **'Patent Box'** tax relief regime **in Italy**

> **Financial indebtedness:** the overall reduction in net debt will benefit from the sale of non-core business and real-estate assets **alongside the continuous healthy cash-flow generated by our business**

We are off to join these familiar faces for an Aperol Spritz this summer.....

Fancy joining....?

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Net sales by region and by key market

Consolidated Net sales by region

	H1 2017		H1 2016		Change	of which:		
	€/ml	%	€/ml	%	%	organic	perimeter	forex
Americas	375.5	44.5%	297.7	40.0%	**26.1%**	**7.6%**	15.7%	2.8%
Southern Europe, Middle East & Africa	258.8	30.6%	258.7	34.8%	**0.0%**	**2.8%**	-3.0%	0.3%
North, Central & Eastern Europe	157.0	18.6%	139.5	18.7%	**12.6%**	**13.8%**	-2.3%	1.0%
Asia Pacific	53.3	6.3%	48.0	6.5%	**11.0%**	**2.8%**	2.6%	5.7%
Total	**844.7**	**100.0%**	**743.9**	**100.0%**	**13.5%**	**6.8%**	**5.0%**	**1.8%**

Region breakdown by key market

Americas by market

	H1 2017		H1 2016		Change	of which:		
	€/ml	**%**	**€/ml**	**%**	**%**	**organic**	**perimeter**	**forex**
USA	232.8	62.0%	174.7	58.7%	**33.2%**	**5.0%**	24.9%	3.2%
Jamaica	36.8	9.8%	33.7	11.3%	**9.1%**	**10.7%**	0.2%	-1.9%
Brazil	26.4	7.0%	17.0	5.7%	**55.2%**	**29.0%**	0.1%	26.1%
Argentina	18.9	5.0%	20.6	6.9%	**-8.1%**	**3.1%**	-5.5%	-5.8%
Canada	26.9	7.2%	21.5	7.2%	**24.7%**	**8.1%**	13.4%	3.1%
Other countries	33.7	9.0%	30.1	10.1%	**12.0%**	**10.0%**	4.4%	-2.4%
Americas	**375.5**	**100.0%**	**297.7**	**100.0%**	**26.1%**	**7.6%**	**15.7%**	**2.8%**

Net sales by region and by key market (cont'd)

Southern Europe, Middle East & Africa by market

	H1 2017		H1 2016		Change	of which:		
	€/ml	%	€/ml	%	%	organic	perimeter	forex
Italy	194.8	75.3%	200.6	77.5%	**-2.9%**	**1.4%**	-4.3%	0.0%
Other countries	64.0	24.7%	58.1	22.5%	**10.1%**	**7.6%**	1.2%	1.3%
Southern Europe, Middle East & Africa	**258.8**	**100.0%**	**258.7**	**100.0%**	**0.0%**	**2.8%**	**-3.0%**	**0.3%**

North, Central & Eastern Europe by market

	H1 2017		H1 2016		Change	of which		
	€/ml	%	€/ml	%	%	organic	perimeter	forex
Germany	69.7	44.4%	75.6	54.2%	**-7.8%**	**-0.3%**	-7.4%	0.0%
Russia	21.1	13.5%	7.1	5.1%	**197.0%**	**111.7%**	32.4%	52.9%
Other countries	66.2	42.2%	56.8	40.7%	**16.6%**	**20.4%**	0.2%	-4.1%
North, Central & Eastern Europe by market	**157.0**	**100.0%**	**139.5**	**100.0%**	**12.6%**	**13.8%**	**-2.3%**	**1.0%**

Asia Pacific by market

	H1 2017		H1 2016		Change	of which		
	€/ml	%	€/ml	%	%	organic	perimeter	forex
Australia	37.0	69.4%	35.7	74.3%	**3.8%**	**-2.7%**	0.5%	5.9%
Other countries	16.3	30.6%	12.3	25.7%	**32.1%**	**18.7%**	8.4%	5.0%
Asia Pacific	**53.3**	**100.0%**	**48.0**	**100.0%**	**11.0%**	**2.8%**	**2.6%**	**5.7%**

H1 2017 Consolidated income statement

CONSOLIDATED INCOME STATEMENT

H1 2017 H1 2016

	H1 2017		H1 2016		Change
	€ million	%	€ million	%	%
Net sales [1]	**844.7**	**100.0%**	**743.9**	**100.0%**	**13.5%**
COGS [2]	(339.2)	-40.2%	(317.9)	-42.7%	6.7%
Gross profit	**505.4**	**59.8%**	**426.0**	**57.3%**	**18.6%**
Advertising and promotion	(162.7)	-19.3%	(128.4)	-17.3%	26.7%
Contribution after A&P	**342.8**	**40.6%**	**297.6**	**40.0%**	**15.2%**
SG&A [3]	(179.4)	-21.2%	(151.2)	-20.3%	18.7%
EBIT adjusted	**163.4**	**19.3%**	**146.4**	**19.7%**	**11.6%**
Adjustments	(5.0)	-0.6%	(14.5)	-2.0%	-65.9%
Operating profit = EBIT	**158.4**	**18.8%**	**131.9**	**17.7%**	**20.1%**
Net financial income (charges)	(23.0)	-2.7%	(34.0)	-4.6%	-32.3%
Adjustments to financial income (charges)	(24.4)	-2.9%	4.6	0.6%	-
Total net financial income (charges)	**(47.4)**	**-5.6%**	**(29.4)**	**-4.0%**	**61.1%**
Put option costs	(2.5)	-0.3%	0.0	0.0%	0.0%
Profit before taxes and non-controlling interests	**108.5**	**12.8%**	**102.5**	**13.8%**	**5.9%**
Taxes	0.2	0.0%	(35.3)	-4.7%	-100.5%
Net profit	**108.6**	**12.9%**	**67.2**	**9.0%**	**61.7%**
Group net profit	**108.6**	**12.9%**	**67.2**	**9.0%**	**61.7%**
Group net profit adjusted	**93.5**	**11.1%**	**77.3**	**10.4%**	**21.1%**
Other information:					
Depreciation & Amortisation	(28.4)	-3.4%	(25.5)	-3.4%	11.0%
EBITDA adjusted	**191.7**	**22.7%**	**172.0**	**23.1%**	**11.5%**
EBITDA	**186.8**	**22.1%**	**157.4**	**21.2%**	**18.6%**

(1) Net of discounts and excise duties

(2) Cost of materials + production costs + logistic costs

(3) Selling, general and administrative costs

Q2 2017 Consolidated P&L

Consolidated income statement for the second quarter 2017

	Q2 2017		Q2 2016			Q2 2017 at constant perimeter and FX					
	€ million	% of sales	€ million	% of sales	Reported change	€ million	% of sales	Organic margin accretion/(dilution) (bps)	Organic change	Forex impact	Perimeter effect
Net sales	468.0	100.0%	416.5	100.0%	12.4%	448.3	100.0%		7.6%	1.1%	3.7%
COGS [1]	(180.5)	-38.6%	(169.6)	-40.7%	6.4%	(175.7)	-39.2%	+150	3.6%	1.4%	1.4%
Gross profit	287.6	61.4%	246.8	59.3%	16.5%	272.6	60.8%	+150	10.4%	0.8%	5.3%
Advertising and promotion	(96.2)	-20.6%	(76.0)	-18.2%	26.6%	(89.0)	-19.9%	-160	17.2%	1.1%	8.3%
Contribution after A&P	**191.4**	**40.9%**	**170.9**	**41.0%**	**12.0%**	**183.5**	**40.9%**	**-10**	**7.4%**	**0.7%**	**3.9%**
SG&A [2]	(92.4)	-19.7%	(78.3)	-18.8%	18.0%	(87.6)	-19.5%	-70	11.9%	1.5%	4.6%
EBIT adjusted	**99.0**	**21.1%**	**92.5**	**22.2%**	**7.0%**	**95.9**	**21.4%**	**-80**	**3.6%**	**-0.1%**	**3.4%**
Adjustments	(4.1)	-0.9%	(8.6)	-2.1%	-						
Operating profit = EBIT	94.9	20.3%	84.0	20.2%	13.0%						
Net financial income (charges)	(37.5)	-8.0%	(15.7)	-3.8%	138.3%						
Profit before taxes and non-controlling interests	54.9	11.7%	68.2	16.4%	-19.6%						
Adjustments	(4.1)	-0.9%	(8.6)	-2.1%	-						
Operating profit = EBIT	94.9	20.3%	84.0	20.2%	13.0%						
Other information:											
Depreciation & Amortisation	(14.1)	-3.0%	(12.6)	-3.0%	12.0%	(13.5)	-3.0%	0	6.6%	1.1%	4.2%
EBITDA adjusted	**113.1**	**24.2%**	**105.2**	**25.3%**	**7.6%**	**109.4**	**24.4%**	**-90**	**4.0%**	**0.1%**	**3.5%**
EBITDA	109.0	23.3%	96.6	23.2%	12.8%						

(1) Net of discounts and excise duties

(2) Cost of materials + production costs + logistic costs

(3) Selling, general and administrative costs

Consolidated balance sheet

Invested capital and financing sources

€ million	30 June 2017	31 December 2016 (1)	Change
Inventories	549.0	543.5	5.5
Trade receivables	248.7	306.3	(57.7)
Payables to suppliers	(231.6)	(262.5)	30.8
Operating working capital	**566.0**	**587.4**	**(21.4)**
Tax credits	50.5	19.7	30.8
Other receivables and current assets	27.1	19.4	7.6
Assets intended for sale	153.7	35.2	118.5
Other current assets	**231.3**	**74.3**	**157.0**
Payables for taxes	(78.2)	(86.3)	8.1
Other current liabilities	(61.8)	(66.6)	4.7
Liability intended for sale	(0.0)	(4.6)	4.6
Other current liabilities	**(140.0)**	**(157.5)**	**17.4**
Staff severance fund and other personnel-related funds	(36.2)	(36.4)	0.2
Deferred tax liabilities	(464.4)	(482.9)	18.5
Deferred tax assets	45.3	35.2	10.1
Other non-current assets	9.0	9.1	(0.1)
Other non-current liabilities	(112.9)	(101.9)	(11.0)
Other net non-current assets / liabilities	**(559.2)**	**(576.8)**	**17.7**
Net tangible fixed assets	569.7	647.7	(78.0)
Intangible assets, including goodwill & trademarks	2,408.2	2,517.2	(109.0)
Equity investments	0.0	0.0	0.0
Total fixed assets	**2,977.9**	**3,164.9**	**(187.0)**
Invested capital	**3,076.0**	**3,092.4**	**(16.3)**
Shareholders' equity	1,823.3	1,900.0	(76.7)
Minority interests	(0.0)	(0.0)	(0.0)
Net financial position	1,252.8	1,192.4	60.4
Financing sources	**3,076.0**	**3,092.4**	**(16.3)**

(1) After reclassifications to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

Consolidated balance sheet (1 of 2)

Assets

(€ million)	30 June 2017	31 December 2016 (1)	Change
ASSETS			
Non-current assets			
Net tangible fixed assets	448.7	509.6	(60.9)
Biological assets	0.3	7.8	(7.5)
Investment property	120.7	122.6	(1.9)
Goodwill and trademarks	2,378.1	2,490.9	(112.9)
Intangible assets with a finite life	30.1	26.3	3.8
Deferred tax assets	45.3	35.2	10.1
Other non-current asssets	47.4	64.3	(17.0)
Total non-current assets	**3,070.6**	**3,256.7**	**(186.1)**
Current assets			
Inventories	546.2	536.1	10.1
Current biological assets	2.9	7.5	(4.6)
Trade receivables	248.7	306.3	(57.7) -
Short-term financial receivables	11.1	7.2	3.9
Cash and cash equivalents	324.8	354.1	(29.3)
Income tax receivables			0.0
Other receivables	39.7	26.8	12.9
Total current assets	**1,211.1**	**1,250.2**	**(39.2)**
Assets held for sale	153.7	43.0	110.7
Total assets	**4,435.4**	**4,549.9**	**(114.5)**

(1) After reclassifications to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

Consolidated balance sheet (2 of 2)

Liabilities

(€ million)	30 June 2017	31 December 2016 (1)	Change
Shareholders' equity			
- Share capital	58.1	58.1	(0.0)
- Reserves	1,765.2	1,841.9	(76.7)
Group's shareholders'equity	**1,823.3**	**1,900.0**	**(76.7)**
Minority interests	(0.0)	(0.0)	0.0
Total shareholders'equity	**1,823.3**	**1,900.0**	**(76.7)**
LIABILITIES			
Non-current liabilities			
Bonds	995.2	992.4	2.8
Other non-current financial liabilities	487.2	459.5	27.7
Defined benefit obligations	36.2	36.4	(0.2)
Provisions for risks and future liabilities	98.3	93.3	5.0
Deferred tax	464.4	482.9	(18.5)
Total non-current liabilities	**2,081.4**	**2,064.6**	**16.8**
Current liabilities			
Short term debt banks	89.3	106.9	(17.6)
Other financial liabilities	69.8	58.5	11.3
Payables to suppliers	231.7	262.5	(30.7)
Income tax payables	13.3	14.0	(0.7)
Other current liabilities	126.6	138.8	(12.2)
Total current liabilities	**530.8**	**580.8**	**(50.0)**
Liabilities held for sale	0.0	4.6	(4.6)
Total liabilities	**2,612.2**	**2,649.9**	**(37.8)**
Total liabilities and stockholders'equity	**4,435.4**	**4,549.9**	**(114.5)**

(1) After reclassifications to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values

H1 2017 consolidated cash flow (1 of 2)

€ million	30 June 2017	31 Dec 2016
Cash flow generated by operating activities		
EBIT	158.4	131.9
Depreciation	28.4	25.5
Gains on sale of fixed assets	(0.7)	(0.7)
Write-off of tangible fixed assets	0.1	0.2
Funds provisions	2.6	1.8
Use of funds	(5.8)	(0.6)
Other non cash items	(6.9)	9.8
Net change in Operating Working Capital	(13.4)	75.6
Changes in tax payables and receivables and other non financial	(19.1)	3.5
Income tax paid	(22.2)	(19.2)
Net cash flow generated (used) by operating activities	**121.4**	**227.6**
Acquisition of tangible and intangible fixed assets	(31.2)	(20.1)
Income from disposals of tangible fixed assets	3.7	6.4
Payments on account for new headquarters	0.3	(1.4)
Purchase of companies or holdings in subsidiaries	(37.8)	(469.7)
Debt assumed with acquisition	0.0	46.9
Purchase of trademarks and distribution rights	(0.2)	(0.1)
Payment of put option and earn out	(2.4)	0.3
Interests received	3.8	3.5
Change in marketable securities	(1.4)	41.5
Dividends received	0.2	0.7
Other changes	0.1	1.4
Cash flow generated (used) by investing activities	**(64.9)**	**(390.7)**

H1 2017 consolidated cash flow (2 of 2)

€ million	30 June 2017	31 Dec 2016
Cash flow generated (used) by investing activities	**(64.9)**	**(390.7)**
Liability management effect	(23.2)	0.0
Repayment of private placement Campari America	(0.0)	(90.1)
Repayment of other medium-/long -term financing	(0.3)	(0.8)
Net change in short-term bank debt	(0.2)	(11.3)
Interests paid	(3.9)	(12.2)
Change in other financial payables and receivables	22.2	(2.1)
Own shares purchase and sale	(11.1)	(4.8)
Dividend paid to minority shareholders	0.0	(0.3)
Dividend paid by Group	(52.1)	(52.1)
Cash flow generated (used) by financing activities	**(68.6)**	**(173.8)**
Exchange rate effects and other equity movements	**(17.2)**	**0.2**
Net increase (decrease) in cash and banks	**(29.3)**	**(336.6)**
Net cash position at the beginning of period	354.1	844.3
Net cash position at the end of period	**324.8**	**507.7**

Exchange rates effects

	Average exchange rate		Period end exchange rate		
	1 Jan - 30 June 2017	change vs 2016	30 June 2017	change vs 30 June 2016	change vs 31 December 2016
	: 1 Euro	%	: 1 Euro	%	%
US Dollar	1,082	3.1%	1,141	-2.7%	-7.6%
Canadian Dollar	1,444	2.9%	1,479	-2.7%	-4.0%
Jamaican Dollar	139,080	-1.7%	146,466	-4.3%	-7.9%
Mexican Peso	21,018	-4.0%	20,584	0.2%	5.8%
Brazilian Real	3,439	20.2%	3,760	-4.5%	-8.8%
Argentine Peso	16,993	-5.9%	18,885	-12.2%	-11.3%
Russian Ruble	62,744	25.0%	67,545	5.9%	-4.8%
Australian Dollar	1,435	6.1%	1,485	0.5%	-1.7%
Chinese Yuan	7,440	-1.9%	7,739	-4.7%	-5.4%
British Pound Sterling	0.860	-9.4%	0.879	-6.0%	-2.6%
Swiss Franc	1,076	1.8%	1,093	-0.6%	-1.7%

Disclaimer

This document contains forward-looking statements, that relate to future events and future operating, economic and financial results of Campari Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may differ materially from those reflected in forward-looking statements due to a variety of factors, most of which are outside of the Group's control.

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