CAMPARI GROUP

Solid organic growth across net sales and all profit indicators in first half 2018, partly offsetting adverse forex effect and non-core disposals

Continuous sales mix improvement driven by the outperformance of key high-margin Global and Regional brands in core developed markets

H1 2018 Results Highlights

- **Reported sales of €778.2 million**. **Solid organic growth** of **+5.4%**. On a **reported** basis, change of **-4.7%** after the exchange rate and perimeter effects.
- **Very favourable sales mix** driven by **Aperol**, **Campari**, **Wild Turkey**, **Grand Marnier** as well as **Espolòn**. **All regions contributed to organic growth**, with **US**, **Western Europe** and **Australian** markets **outperforming**.
- **EBIT adjusted**[1] of **€160.5 million**. **Organic growth of +9.5%**, ahead of organic sales growth, showing an organic **margin accretion of +80 basis points**, as higher advertising&promotion investments were more than offset by the solid gross margin expansion. On a **reported basis, change** of **-1.7%** after the exchange rate and perimeter effects.
- **Group net profit** of **€147.2 million**, **+35.5%**. **Group net profit adjusted**[2] of **€104.4 million**, **+11.6%**.
- **Net financial debt** of **€946.8 million** as of June 30th, 2018 (€981.5 million as of December 31st, 2017), thanks to the positive free cash flow generation and after the proceeds from the sale of the Lemonsoda business, net of the acquisition of Bisquit, the dividend payment and the purchase of own shares.

Milan, August 1st, 2018-The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI-Bloomberg CPR IM) approved the consolidated results for the first half year ended June 30, 2018.

Bob Kunze-Concewitz, **Chief Executive Officer**: *'In the **first half 2018 we achieved a solid organic growth**, reflecting an **accelerated topline growth** in the **second quarter**, broadly recovering the first quarter phasing issues, as well as a **normalisation of trends across profit indicators**. The **favourable sales mix** continued to benefit from the **outperformance of the key high-margin combinations of global and regional brands**, driving **organic growth** across **profit indicators** and **margin expansion**. Concomitantly, on a reported basis, the **overall growth rates** were impacted by the **adverse forex effect** as well as the **divestments of non-core businesses**. Looking into the second half of the year, **our outlook remains broadly balanced in terms of risks and opportunities**. **We remain confident** in achieving a **positive performance across key underlying business indicators**, driven by the **continued positive development** of **the key high-margin combinations by brand and market**.*'.

[1] Before positive operating adjustments of €19.6 million in H1 2018, mainly attributable to the gain on the Lemonsoda business disposal, net of provisions for restructuring costs, and negative operating adjustment of €(5.0) in H1 2017.
[2] Group net profit before overall positive adjustments of €42.8 million in H1 2018, of which: operating and financial adjustments of €21.2 million pre-tax, fiscal effects and tax benefits of overall €21.6 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of €6.8 million and 'patent box' tax benefit of €14.8 million). In H1 2017 overall positive adjustments of €15.1 million.

SUMMARY FINANCIAL INFORMATION FOR THE FIRST HALF ENDED 30 JUNE 2018

	H1 2018 € million	H1 2017[3] € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**778.2**	**816.3**	**-4.7%**	**5.4%**	**-6.4%**	**-3.7%**
Gross profit	**471.9**	**477.1**	**-1.1%**	**7.5%**	**-6.6%**	**-2.0%**
% on sales	*60.6%*	*58.4%*				
EBIT adjusted[1]	**160.5**	**163.4**	**-1.7%**	**9.5%**	**-5.4%**	**-5.8%**
% on sales	*20.6%*	*20.0%*				
EBIT	180.1	158.4	13.7%			
Group net profit adjusted[2]	**104.4**	**93.5**	**11.6%**			
Group net profit	**147.2**	**108.6**	**35.5%**			
EBITDA adjusted[1]	**187.9**	**191.7**	**-2.0%**	**9.3%**	**-5.8%**	**-5.5%**
% on sales	*24.2%*	*23.5%*				
EBITDA	207.5	186.8	11.1%			
Net financial debt	**946.8**	**981.5**[4]				

GUIDANCE FOR 2018

Looking at the remainder of the year, the **net sales organic growth** is expected to be driven by the continued outperformance of the key high-margin global and regional Priorities in core developed markets, with the exception of SKYY, which will continue to be negatively impacted by further destocking in the US. Geographically, the core developed markets are expected to drive the growth, whilst lower-margin emerging markets will continue to suffer from macroeconomic weakness and political instability.

Gross margin organic expansion is expected to be driven by a favourable sales mix, overcoming the adverse agave price impact. In particular, the gradual increase of the average purchase price of agave is expected to accelerate in the remainder of the year, generating in the second half a greater dilutive effect than in the first half.

With respect to the **EBIT adjusted**[5], a potential upside from a less adverse Forex impact (USD vs. EUR) is expected to be reinvested in accelerated investments into brand building initiatives behind key Global brands, as well as into selective strengthening of the Group's on-premise capabilities and for brand houses development.

With regards to the **key underlying business indicators**, the Group remains confident in delivering a positive performance in 2018.

REVIEW OF FIRST HALF 2018 RESULTS

In the first half of 2018 the Group achieved **positive organic sales growth**, with **profit indicators growing ahead of sales** on the back of a **favourable sales mix**. Concomitantly, **on a reported basis** the **robust organic performance in the business** was more than offset by the combined effect of **forex**, driven by the strengthened Euro against US Dollar, and **perimeter**, driven by the sale of non-core businesses (in particular Carolans and Lemonsoda) and agency brands distribution termination, partially offset by the Bisquit acquisition.

Group sales totalled **€778.2 million**, down by **-4.7%** in value **on a reported basis**. The positive **organic sales performance** of **+5.4%** was more than offset by a **negative FX effect of -6.4%** or €(52.1) million, and a **negative perimeter of -3.7%** or €(30.4) million.

Gross profit was **€471.9 million**, down by **-1.1%** in value **on a reported basis** and up **+220 basis points** to 60.6% of net sales. It **grew organically** by +**7.5%,** ahead of sales. It generated an organic margin expansion of **+110 basis points**, driven by the favourable sales mix by brand and market, more than offsetting the adverse agave price, which became progressively more impactful in the second quarter of 2018.

[3] H1 2017 results restated according to IFRS15 implementation as of January 1st, 2018. Under IFRS15 certain A&P expenses are reclassified in deduction of sales. In first half 2017 restated, the reclassification under IFRS 15 implies a reduction of €28.3 million in sales (-3.4%) and, by the same amount, in A&P expenses.
[4] As of December 31st, 2017.
[5] Guidance provided to the market on Q1 2018 results announcement on 8 May 2018:
- Forex: negative impact on net sales by € (90) million and EBIT adjusted by €(24) million on a full year basis, based on EUR/US Dollar exchange rate at 1.25 projected for the full year 2018
- Perimeter: negative impact on net sales by €(70) million and EBIT adjusted by €(16) million on a full year basis.

Advertising and Promotion spending (A&P) was **€134.9 million**, up by **+0.4%** in value **on a reported basis**, corresponding to 17.3% of net sales. It **grew organically** by **+7.9%** driven by the phasing of major investments in global brands into the first half 2018.

CAAP (Contribution after A&P) was **€337.0 million**, down by **-1.7%** in value **on a reported basis** (up **organically** by **+7.3%**), corresponding to 43.3% of net sales.

Structure costs, i.e. selling, general and administrative costs, totalled **€176.5** million, down by **-1.6%** in value **on a reported basis** (up **organically** by **+5.3%**), to 22.7% of net sales.

EBITDA adjusted was **€187.9 million**, down by **-2.0%** in value **on a reported basis** (up **organically +9.3%**), corresponding to 24.2% of net sales.

EBIT adjusted was **€160.5 million**, down by **-1.7%** in value **on a reported basis** and up +60 basis points to 20.6% of net sales. It **grew organically by +9.5%**, ahead of sales growth, leading to a margin accretion of **+80 basis points**, as the solid gross margin expansion more than offset higher marketing investments in the first half. The **positive organic performance of EBIT adjusted** was more than offset by the **negative effects of forex**, **-5.4%** or €(8.9) million, and **perimeter**, **-5.8%** or €(9.5) million.

Operating adjustments were positive by **€19.6 million**, mainly attributable to the gain on the Lemonsoda business disposal, net of provisions for restructuring costs[6].

EBITDA reached **€207.5 million**, at 26.7% of sales.

EBIT reached **€180.1 million**, at 23.1% of sales.

Net financial costs were €14.8 million, down by €8.2 million, thanks to a reduction in the average indebtedness in the first half of 2018 (€955.7 million in the first half 2018 down from €1,214.8 million in the first half 2017) and the positive effects of liability management transactions.

Positive financial adjustments of **€1.6 million** related to some minor financial assets sale (€(24.4) million in the first half 2017 attributable to a one-off liability management transaction completed in April 2017).

Group pre-tax profit adjusted was **€144.8 million** (**+5.0%**)**. Group pre-tax profit** was **€166.0 million, +53.0%.**

Tax charges were **€(18.8) million** and included a 'patent box' one-off tax benefit of €14.8 million in the first half of 2018.

Group net profit adjusted[1] was **€104.4 million** (**+11.6%**). **Group net profit** was **€147.2 million**, an increase of **+35.5%**, mainly attributable to the gain on the Lemonsoda business disposals net of provisions for restructuring costs, other financial adjustments, as well as fiscal effects on adjustments and the 'patent box' one-off tax benefits.

Net financial debt stood at **€946.8 million** as of June 30th, 2018, down from €981.5 million as of December 31st, 2017, thanks to the positive free cash flow generation of €110.9 million and after the proceeds from the sale of the Lemonsoda business, net of the acquisition of Bisquit, the dividend payment and the purchase of own shares[7].

Net debt to EBITDA pro-forma ratio was **1.9 times as of June 30th, 2018**, down from 2.0 times as of December 31st, 2017.

REVIEW OF CONSOLIDATED SALES FOR FIRST HALF 2018

Looking at sales by region, the **Americas** (42.8% of total Group sales) posted an **overall change** of **-10.2**%, with an **organic growth** of **+4.6%**, an exchange rate impact of -11.7% and a perimeter effect of -3.1%. The **US, the Group's largest market** (26.9% of total Group sales) registered a **positive organic performance of +5.9**%, driven by the **strong double-digit growth** of **Espolòn**, **Aperol** and **Campari**, as well as the **sustained growth** of **Wild Turkey** and the **Jamaican rums**. **Grand Marnier** registered a **strong growth** with shipments more robust than underlying trends, due to a favourable comparison base. This result helped offset the **decline** in **SKYY**, whose shipment are still performing behind sell-out trends. Sales in **Jamaica** (4.9% of total Group sales) **registered an organic change of +14.8%**, mainly driven by the **double-digit growth** of **Campari**, **Wray&Nephew Overproof** and **Appleton Estate**. Sales in **Brazil** (2.1% of total Group sales) registered an **organic change of -27.2%**, impacted by **political instability** and **macroeconomic weakness** as well as a tough comparable base (+29.0%

[6] In H1 2017 negative operating adjustments of €(5.0) million.
[7] Lemonsoda business disposal of €80.2 million, inclusive of price adjustments (closed on 2 January 2018). Bisquit Cognac acquisition for €52.7 million, inclusive of price adjustments (closed on 31 January 2018). Dividend payment of €57.5 million. Purchase of own shares of €17.9 million.

in the first half 2017[8]). The decline was mainly driven by the **local brands**, **Campari** and **SKYY**, in part mitigated by the **double-digit growth of Aperol**. Sales in **Argentina** (1.5% of total Group sales) **registered an organic change of -5.8%**, due to **macroeconomic weakness** and **tightened company credit policies**. The decline in Campari as well as local and agency brands was mitigated by the very favourable trends in **SKYY**, **Cinzano**, **Cynar** and **Aperol**. The **region's other markets** (7.5% of Group sales) were positive by +10.3%, driven by **Mexico** (**+16.1%**) thanks to **SKYY ready-to-drink**, **SKYY**, **Aperol** and **Espolòn**, while **Canada** was broadly flat due to shipment phasing.

Sales in **Southern Europe, Middle East and Africa**[9] (30.3% of total Group sales) posted an **overall change** of **-3.0%**, with an **organic growth** of **+4.0%**, an exchange rate impact of -0.1% and a perimeter effect of -6.9%. The **organic performance** in the **Italian market** (23.2% of total Group sales) **showed a continued positive trend** (**+3.1%**), driven by **Aperol** (+7.1%) and **Campari** (+12.1%), as well as the **positive growth** of **Cynar** and **Braulio**, which partly offset the softness in **Crodino**, **Campari Soda** and the **Cinzano portfolio**. The **region's other markets** (7.2% of Group net sales) **showed a solid growth (+7.6%)**, mainly driven by **France** (**Aperol, Riccadonna, GlenGrant** and **Campari**), **Spain** (**Aperol** and **Campari**) and **Nigeria** (**Campari** and **SKYY**). South Africa declined due to the unfavourable comparison base which was positively influenced by the start of the new distribution organisation. **Global Travel Retail** grew by **+15.3%** driven by **Aperol**, **Wild Turkey**, **Bulldog**, **Campari**, **Frangelico** and **Ouzo 12**.

Sales in **North, Central and Eastern Europe** (19.8% of total Group sales) **increased overall** by **+3.0%**, with an **organic change** of **+6.7%**, an exchange rate impact of -2.5% and a perimeter effect of -1.2%. **Germany** (9.5% of total Group sales) registered a **solid growth (+7.4%)**, mainly driven by **Aperol (+26.1%), Cinzano, Bulldog, Campari** and **Ouzo 12**. Sales in the **United Kingdom** (1.9% of total Group sales) registered an **organic growth of +17.0%**, driven by **Aperol**, the **Jamaican rums** (in particular Wray&Nephew Overproof), **Campari**, **Bulldog** and **Cynar**. Sales in **Russia** (1.7% of total Group sales) registered an **organic change of -25.2%**, impacted by the **very unfavourable comparison base** (**+111.7%** in the first half 2017), as well as the **impact of price increase negotiations which occurred in the first quarter** and the **persisting market volatility**. **Aperol** and **Campari continue** to **perform very well**, although unable to offset declines in the core Cinzano and Mondoro brands. The **region's other markets** (6.7% of Group net sales) registered an **overall positive organic growth (+16.8%)**, thanks to **Austria** (+6.9%), **Belgium** (+6.1%) and **Eastern Europe**, mainly driven by **Aperol**.

Sales in **Asia Pacific** (7.0% of total Group sales) **increased overall** by **+4.6%**, with an **organic change** of **+14.6%**, an exchange rate impact of -9.4% and a perimeter effect of -0.6%. **Australia** (4.8% of total Group sales) **grew organically by +10.7%**, as the brands consistently outperformed the spirit market in all key categories. In particular, **Wild Turkey ready-to-drink**, **Wild Turkey bourbon**, **Aperol**, **SKYY**, **Frangelico**, **Campari** and **GlenGrant** showed a double-digit growth. The **region's other markets** (2.2% of total Group sales) **were up organically by +24.1%**, driven by the positive performance of **Japan**, thanks to **Wild Turkey bourbon**, **SKYY ready-to-drink**, **SKYY**, **Grand Marnier** and **Cinzano**. **New Zealand** showed a **double-digit growth**, while China was broadly flat.

Global Priority brands' sales (56.7% of total) **grew organically by +8.7%**. **Aperol, the Group's largest brand,** continued to outperform (**+24.7%**), driven by the continued sustained growth in the **brand's core markets** (**Italy**, **Germany, Austria** and **Switzerland**), and the **very strong growth** of **high potential** and **seeding markets** such as the **US** (now **the brand's 3rd largest market in value**), **France**, **Brazil**, **Russia**, the **UK**, **Australia**, **Spain** and **GTR**. **Campari** continued its positive momentum, up **+8.0% organically**, with a very favourable mix driven by the **double-digit growth** in **the US** (now **the brand's 2nd largest market** in value) and the **core Italian market**, as well as a **good performance** in **Jamaica**, **Nigeria**, the **UK**, **Russia**, **Spain** and **Germany**. **SKYY** sales registered an **organic change of -11.1%**, with **weakness** in **US market**, due to the persistent competitive environment within the category as well as the weakness of the flavoured segment. Nevertheless, the shipments are still performing behind the sell-out trend, which was negative at a stable mid-single-digit rate. In the international markets, the **very positive results** achieved in **Argentina**, **Japan**, **Mexico** and **Jamaica** were more than offset by declines in **South Africa**, **Brazil**, **Canada** and **China**, **largely due to order phasing** and **comparison base effects**. **Grand Marnier** grew by **+13.2%**, **with shipments more robust than underlying trends** due to **a favourable comparison base in its core US market**. **Wild Turkey** and **American Honey** registered a **positive organic change of +6.8%,** driven by the continued growth in **Wild Turkey bourbon portfolio (+9.9%)** in its key **US and Australian markets**. **Russell's Reserve continues to grow by double-digit in the core US market** whilst American Honey was flat overall. The **Jamaican rums**, including **Appleton Estate** and **Wray&Nephew Overproof**, showed an **organic growth of +4.2%**. **Wray&Nephew**

---

[8] Regarding the financial years prior to 2017, values were not reclassified according to the new accounting principle IFRS15 implemented as of January 1st, 2018. Therefore, when referring to the comparison bases, although the sales organic percentage changes in H1 2017 vs. H1 2016 were calculated on a non-reclassified basis, they are assumed to be consistent to the organic percentage changes in H1 2018 vs. H1 2017. This assumption applies throughout the document.

[9] Including Global Travel Retail.

Overproof grew by **+9.7%**, driven by the core markets of **Jamaica**, the **US** and the **UK**. **Appleton Estate** was slightly negative (**-2.1%**) as a very **good performance** in the **core markets** of the **US** and **Jamaica** was unable to offset **declines** in the other markets of **Canada** and **Mexico** due to shipment phasing.

Regional Priorities (14.6% of total) increased by **+4.7% organically**. **Espolòn grew by +34.3%**, **benefitting from the strong double-digit growth in the core US market (+38.2%)**. **Bulldog** was up by **+6.4%,** driven by **UK**, **Germany**, **Brazil**, **Italy** and **GTR**. **GlenGrant** was **broadly flat** (**-0.8%**) with solid growth in the core market of **France** compensating weaker results in **Italy**, **GTR** and **Germany**, due to the continued shift of focus to higher-margin and longer-aged propositions. **Forty Creek** registered a **change of -1.6%**, with **positive** growth in the **core market** of **Canada** hampered by the **decline** in the **US**. The **Italian bitters and liqueurs** showed an **organic change** of **-1.6%**, with very positive results of **Braulio** and **Cynar** in **core market** of **Italy**. The overall performance was offset by **Averna**, penalized by a **significant price repositioning** in **Germany**, and **Frangelico**, due to temporary weakness and phasing effects in Spain and Germany. **Cinzano** showed an **overall weakness** (**-5.8%**), penalized by decrease of **Cinzano sparkling wine** due to phasing in the core market of Russia linked to price increase negotiations during the first quarter 2018. **Other sparkling wines** (**Riccadonna** and **Mondoro**) increased organically by **+6.0%**, driven by the core market of **France**.

Local Priorities (12.6% of total) **showed an organic change of -4.2%**. **Campari Soda** decreased by **-1.9%**, due to the weakness in the core Italian market. **Crodino** registered a soft performance (**-1.5%**). Particularly, the comparison base was impacted by the previous year's innovation pipeline in core market of Italy. The **Wild Turkey ready-to-drink**, up by **+11.3%,** driven by the core Australian market. The **Brazilian brands** were negative (**-33.0%**), impacted by weakness in Brazil.

FILING OF DOCUMENTATION

The half-year report at 30 June 2018 has been made available to the general public at the Company's head office and on the 1INFO circuit for the storage of Regulated Information, operated by Computershare (www.1Info.it). The documentation is also available in the 'Investor' section of the website www.camparigroup.com/en and by all other means allowed by applicable regulations.

The Executive responsible for preparing Davide Campari-Milano S.p.A.'s financial reports, Paolo Marchesini, certifies-pursuant to article 154-bis, paragraph 2 of the Legislative Decree 58/1998-that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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.

CAMPARI GROUP

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, August 1st, 2018**, Campari's management will hold a conference call to present the Group's results for the first half 2018. To participate, please dial one of the following numbers:

- **from Italy: 02 805 88 11**
- **from abroad: + 44 121 281 8003**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Campari Group's website, at http://www.camparigroup.com/en/investors.
A **recording of the conference call** will be available from today, August 1st, until Wednesday, August 8th, 2018.

To listen to it, please call the following numbers:

- **from Italy: 02 72495**
- **from abroad: +44 1212 818005**

(Access code: **931#**).

FOR FURTHER INFORMATION

Investor Relations		
Chiara Garavini	Tel. +39 02 6225 330	Email: chiara.garavini@campari.com
Jing He	Tel. +39 02 6225 832	Email: jing.he@campari.com
Thomas Fahey	Tel. +44 (0)20 31009618	Email: thomas.fahey@campari.com
Elena Tiozzo	Tel. +39 02 6225 290	Email: elena.tiozzo@campari.com
Corporate Communications		
Enrico Bocedi	Tel.: +39 02 6225 680	Email: enrico.bocedi@campari.com

http://www.camparigroup.com/en/investor
http://www.camparigroup.com/en
http://www.youtube.com/campariofficial
https://twitter.com/GruppoCampari

Visit *Our Story*

ABOUT CAMPARI GROUP

Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include **Aperol, Appleton Estate, Campari, SKYY**, **Wild Turkey** and **Grand Marnier**. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.
Headquartered in Milan, Italy, Campari Group owns 18 plants worldwide and has its own distribution network in 20 countries. Campari Group employs approximately 4,000 people. The shares of the parent company Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: http://www.camparigroup.com/en
Please enjoy our brands responsibly

- Appendix to follow -

CAMPARI GROUP

CAMPARI GROUP

Consolidated net sales breakdown by brand for the first half 2018

	% on Group sales	% change, of which:			
		total	organic	exchange rate effect	external growth
Global Priorities	56.7%	1.4%	8.7%	-7.2%	-
Regional Priorities	14.6%	-0.9%	4.7%	-6.9%	1.3%
Local Priorities	12.6%	-7.8%	-4.2%	-3.5%	-
Rest of portfolio	16.1%	-21.9%	3.6%	-5.6%	-20.0%
Total	**100.0%**	**-4.7%**	**5.4%**	**-6.4%**	**-3.7%**

Consolidated net sales by geographic area for the first half 2018

	1 January-30 June 2018		1 January-30 June 2017[1]		%
	€ million	%	€ million	%	Change
Americas	333.3	42.8%	371.1	45.5%	**-10.2%**
SEMEA (Southern Europe, Middle East and Africa)	236.2	30.3%	243.4	29.8%	**-3.0%**
North, Central & Eastern Europe	154.4	19.8%	150.0	18.4%	**3.0%**
Asia Pacific	54.3	7.0%	51.9	6.4%	**4.6%**
Total	**778.2**	**100.0%**	**816.3**	**100.0%**	**-4.7%**

Breakdown of % change	total % change	organic growth	exchange rate effect	external growth
Americas	**-10.2%**	4.6%	-11.7%	-3.1%
SEMEA (Southern Europe, Middle East and Africa)	**-3.0%**	4.0%	-0.1%	-6.9%
North, Central & Eastern Europe	**3.0%**	6.7%	-2.5%	-1.2%
Asia Pacific	**4.6%**	14.6%	-9.4%	-0.6%
Total	**-4.7%**	**5.4%**	**-6.4%**	**-3.7%**

Consolidated EBIT adjusted by geographic area for the first half 2018

	1 January-30 June 2018		1 January-30 June 2017		change	change
	€ million	%	€ million	%	% total	% organic
Americas	65.8	41.0%	72.6	44.5%	**-9.4%**	9.6%
SEMEA (Southern Europe, Middle East and Africa)	44.0	27.4%	44.1	27.0%	**-0.3%**	4.7%
North, Central & Eastern Europe	46.0	28.6%	43.6	26.7%	**5.4%**	9.1%
Asia Pacific	4.7	3.0%	3.0	1.8%	**58.0%**	83.6%
Total	**160.5**	**100.0%**	**163.4**	**100.0%**	**-1.7%**	**9.5%**

CAMPARI GROUP

CAMPARI GROUP

Consolidated income statement for the first half 2018

	1 January-30 June 2018		1 January-30 June 2017[1]		
	€ million	%	€ million	%	change
Net sales	**778.2**	**100.0**	**816.3**	**100.0**	**-4.7%**
Total cost of goods sold[2]	(306.3)	(39.4)	(339.2)	(41.6)	-9.7%
Gross profit	**471.9**	**60.6**	**477.1**	**58.4**	**-1.1%**
Advertising and promotion	(134.9)	(17.3)	(134.3)	(16.5)	0.4%
Contribution after A&P	**337.0**	**43.3**	**342.8**	**42.0**	**-1.7%**
SG&A[3]	(176.5)	(22.7)	(179.4)	(22.0)	-1.6%
EBIT adjusted[4]	**160.5**	**20.6**	**163.4**	**20.0**	**-1.7%**
Adjustments	19.6	2.5	(5.0)	(0.6)	-
Operating profit=EBIT	**180.1**	**23.1**	**158.4**	**19.4**	**13.7%**
Financial income (expenses)	(14.8)	(1.9)	(23.0)	(2.8)	-35.7%
Adjustments to financial income (expenses)	1.6	0.2	(24.4)	(3.0)	-106.6%
Share of net profit (loss) of associates and joint ventures	(0.1)	-	-	-	-
Put options income (charges)	(0.9)	(0.1)	(2.5)	(0.3)	-65.9%
Profit before taxes and non-controlling interests	**166.0**	**21.3**	**108.5**	**13.3**	**53.0%**
Group profit before taxes adjusted	**144.8**	**18.6**	**137.8**	**16.9**	**5.0%**
Income tax expense	(18.8)	(2.4)	0.2	-	-
Net Profit	**147.2**	**18.9**	**108.6**	**13.3**	**35.5%**
Minority interests	-	-	-	-	-
Group net profit	**147.2**	**18.9**	**108.6**	**13.3**	**35.5%**
Group net profit adjusted[5]	**104.4**	**13.4**	**93.5**	**11.5**	**11.6%**
Depreciation and amortisation	(27.4)	(3.5)	(28.4)	(3.5)	-3.3%
EBITDA adjusted[4]	**187.9**	**24.2**	**191.7**	**23.5**	**-2.0%**
EBITDA	**207.5**	**26.7**	**186.8**	**22.9**	**11.1%**

(1) H1 2017 results restated according to IFRS15 implementation as of January 1st, 2018. Under IFRS15 certain A&P expenses are reclassified in deduction of sales. The reclassification is neutral on EBIT value but has an impact on margin ratios on sales post reclassification. In first half 2017 restated, the reclassification under IFRS 15 implies a reduction of €28.3 million in sales (-3.4%) and, by the same amount, in A&P expenses.
(2) Includes cost of material, production and logistics expenses.
(3) Includes selling, general and administrative costs.
(4) EBITDA and EBIT before positive operating adjustments of €19.6 million in H1 2018, mainly attributable to the gain on the Lemonsoda business disposal, net of provisions for restructuring costs, and negative operating adjustment of €(5.0) in H1 2017.
(5) Group net profit before overall positive adjustments of €42.8 million in H1 2018, of which: operating and financial adjustments of €21.2 million pre-tax, fiscal effects and tax benefits of overall €21.6 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of €6.8 million and 'patent box' tax benefit of €14.8 million). In H1 2017 overall positive adjustments of €15.1 million.

CAMPARI GROUP

Consolidated balance sheet as of 30 June 2018

	30 June 2018 € million	31 December 2017 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	424.5	430.9
Biological assets	0.9	1.0
Investment property	122.4	120.9
Goodwill and trademarks	2,316.4	2,302.7
Intangible assets with a finite life	37.0	32.8
Investments in associates and joint ventures	0.5	-
Deferred tax assets	48.5	43.1
Other non-current assets	18.5	46.5
Total non-current assets	**2,968.6**	**2,978.0**
Current assets		
Inventories	592.0	491.4
Current biological assets	-	0.4
Trade receivables	233.6	317.5
Short-term financial receivables	31.8	9.3
Cash and cash equivalents	558.2	514.5
Income tax receivables	22.8	28.6
Other receivables	40.2	31.8
Total current assets	**1,478.6**	**1,393.4**
Assets held for sale	6.6	47.7
Total assets	**4,453.8**	**4,419.1**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	1,958.2	1,884.5
Capital and reserves attributable to Parent Company	2,016.3	1,942.6
Non-controlling interests	-	-
Total shareholders' equity	**2,016.3**	**1,942.6**
Non-current liabilities		
Bonds	996.5	995.6
Other non-current liabilities	484.9	493.6
Post-employment benefit obligations	32.6	34.4
Provisions for risks and charges	127.2	123.7
Deferred tax liabilities	362.6	364.0
Total non-current liabilities	**2,003.8**	**2,011.3**
Current liabilities		
Payables to banks	7.1	13.8
Other financial liabilities	69.0	62.1
Trade payables	187.5	225.6
Income tax payables	13.3	21.8
Other current liabilities	156.8	141.7
Total current liabilities	**433.7**	**465.1**
Liabilities held for sale	-	0.1
Total liabilities	**2,437.5**	**2,476.5**
Total liabilities and shareholders' equity	**4,453.8**	**4,419.1**

Consolidated cash flow statement as of 30 June 2018

	30 June 2018 € million	30 June 2017 € million
EBITDA Adjusted	**187.9**	**191.7**
Changes from operating activities	(13.4)	(34.7)
Taxes paid	(24.2)	(22.2)
Cash flow from operating activities before changes in working capital	**150.3**	**134.8**
Changes in net operating working capital	(21.1)	(13.4)
Cash flow from operating activities	**129.2**	**121.4**
Net interests paid	(1.1)	(0.1)
Adjustments to financial income (charges)	1.6	(23.2)
Net capital expenditure	(18.8)	(27.3)
Free cash flow	**110.9**	**70.8**
(Acquisition) and sale of companies or business division	22.3	(14.5)
Dividend paid out by the Parent Company	(57.5)	(52.1)
Other changes	(21.4)	(10.9)
Total cash flow used in other activities	**(56.6)**	**(77.6)**
Exchange rate differences and other changes	**(27.1)**	**(24.1)**
Change in net financial position due to operating activities	**27.2**	**(30.8)**
Put options and earn out changes	7.6	(22.4)
Opening restatements	-	(7.2)
Net cash flow of the period = change in net financial position	**34.7**	**(60.4)**
Net financial position at the beginning of the period published	(981.5)	(1,199.5)
Net financial position at the beginning of the period reclassified[1]	**(981.5)**	**(1,192.4)**
Net financial position at the end of the period	**(946.8)**	**(1,252.8)**

[1] After reclassifications of €7.2 million to the opening balance sheet of 2017 as a result of the final purchase price allocation of the Grand Marnier acquisition values.