CAMPARI GROUP

2018 First Half Results

Investor Presentation

1 August 2018

TOASTING LIFE TOGETHER

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Results for half year ended 30 June 2018

Solid organic growth across topline and all profit indicators, partly offsetting the FX and disposal effects

Key figures	H1 2018 € million	H1 2018 % on sales	Change vs. H1 2017 (1) Reported	Change vs. H1 2017 (1) *Organic* (2)	Change vs. H1 2017 (1) *FX*	Change vs. H1 2017 (1) *Perimeter* (3)	Q2 2018 Organic change
Net sales	778.2	*100.0%*	-4.7%	*+5.4%*	*-6.4%*	*-3.7%*	*+8.0%*
of which: Global priorities				*+8.7%*			*+12.5%*
Regional priorities				*+4.7%*			*+10.6%*
Gross profit	471.9	*60.6%*	-1.1%	+7.5%	-6.6%	-2.0%	*+8.1%*
margin accretion (bps) (4)			+220bps	*+110bps*	*-10bps*	*+110bps*	
EBIT adjusted (5)	160.5	*20.6%*	-1.7%	*+9.5%*	*-5.4%*	*-5.8%*	*+9.8%*
margin accretion (bps) (4)			+60bps	*+80bps*	*+20bps*	*-40bps*	
EBITDA adjusted (5)	187.9	*24.2%*	-2.0%	*+9.3%*	*-5.8%*	*-5.5%*	*+9.6%*
margin accretion (bps) (4)			+70bps	*+90bps*	*+20bps*	*-40bps*	
Group net profit adjusted (6)	104.4	*13.4%*	+11.6%				
Recurring free cash flow	138.5						
Net Debt at period end	946.8						

(1) H1 2017 figures restated according to IFRS15 implementation as of 1 January 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
(2) Results at constant perimeter and FX
(3) Mainly including the disposal effects of Carolans (July 2017) and Lemonsoda (January 2018) and agency brands distribution termination (April 2018)
(4) Basis points rounded to the nearest ten
(5) Before positive operating adjustments of €19.6 million in H1 2018 (gain from Lemonsoda disposal in January 2018, net of provisions for restructuring initiatives) and €(5.0) million in H1 2017
(6) 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, and 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)

Key highlights

Solid organic growth in H1, reflecting accelerated topline growth in Q2 and normalising trends across profit indicators

> **Net Sales**

- **Solid organic growth in H1 (+5.4%) thanks to acceleration in Q2 (+8.0%),** as Q1 phasing issues were broadly recovered
  - **Continuous improvement in sales mix** thanks to the **consistent outperformance of key high-margin brands** in **core developed markets**
    - **By brand: Global Priorities** continuing to **outperform (+8.7% in H1)** with **accelerated growth in Q2 (+12.5%)**, driven by **Aperol, Campari** as well as **brown spirits. Regional priorities up +4.7% in H1,** improving in Q2 (+10.6%), driven by **Espolòn**, while **Local Priorities were down -4.2%,** mostly due to a double-digit decline in Brazilian brands
    - **By geography: solid growth in high-margin developed markets,** driven by the US, Western Europe and Australia, whilst softness in emerging markets continued due to macro-volatility and tough comparison bases
- **Reported change of -4.7%,** reflecting **negative perimeter effect of -3.7% or €(30.4) million** and **FX effect of -6.4% or €(52.1) million,** as expected

> **EBIT**

- **EBIT adjusted**
  - **Organic growth of +9.5%, ahead of organic sales growth (+80 bps margin accretion), driven by strong organic gross margin expansion of +110 bps** in H1 2018, thanks to positive sales mix by brand and market, only partly offset by phasing of A&P (-40 bps dilution)
  - **On a reported basis change of -1.7%, taking into account the negative effects of disposals of -5.8% or €(9.5) million** and **FX of -5.4% or €(8.9) million**
- **EBIT growth of +13.7% to €180.1 million after positive operating adjustments of €19.6 million,** driven by the gain on business disposal, net of provisions for restructuring costs

> **Net profit**

- **Group net profit adjusted** (1) to €104.4 million, up **+11.6%**
- **Group net profit** to €147.2 million, up **+35.5%**

> **Net debt**

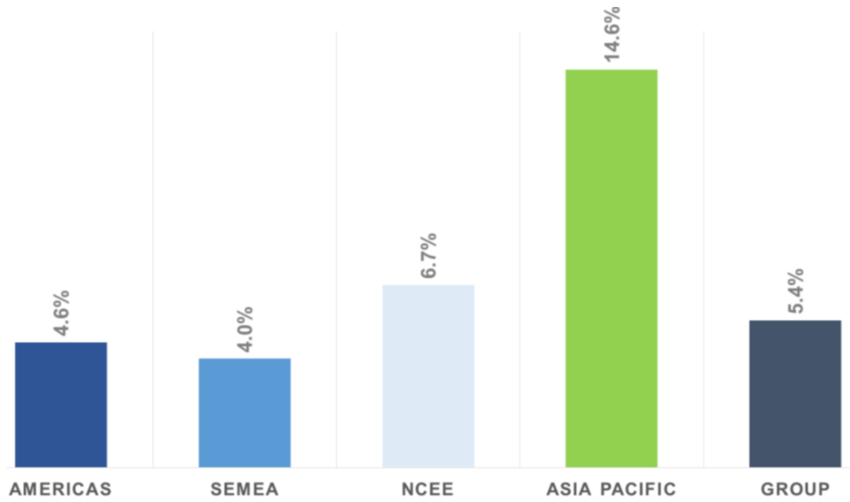
- **Net financial debt at €946.8 million** as of 30 June 2018 vs. €981.5 million as of 31 December 2017, **down €34.7 million**, thanks to the positive free cash flow generation and after the proceeds of the Lemonsoda business disposal, net of the Bisquit Cognac acquisition, the dividend payment and the purchase of own shares (2)
- **Net debt to EBITDA pro-forma ratio down to 1.9 times** as of 30 June 2018

(1) 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, and fiscal effects and tax benefits of €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

(2) Please refer to slide 35 for details

Overall positive organic sales growth

Continuous sales mix improvement driven by key high-margin Global and Regional Priorities in core developed markets



- **Americas:** solid growth driven by North America, particularly the core US market, up +5.9%, Jamaica and Mexico
- **SEMEA:** Italy up +3.1%, with good growth across the rest of the region, including GTR
- **NCEE:** solid growth driven by both Germany (+7.4%) and the UK (+17.0%), with positive results across the region apart from Russia, mainly due to a tough comparison base
- **Asia Pacific:** strong performance in Australia (+10.7%), Japan, as well as other markets in the region

- **Global Priorities:** solid H1 performance (+8.7%), accelerating in Q2, driven by Aperol (+24.7%), Campari (+8.0%), Wild Turkey (+6.8%), the Jamaica rums (+4.2%). Grand Marnier grew positively (+13.2%) with shipments more robust than underlying trends due to a favourable comparison base in its core US market, whilst SKYY's shipments still underperformed the sell-out trends
- **Regional Priorities:** very positive performance from Espolòn (+34.3%) as well as a good growth from Bulldog, Riccadonna and Braulio
- **Local Priorities:** double-digit decline in Brazilian brands and some softness in local Italian portfolio

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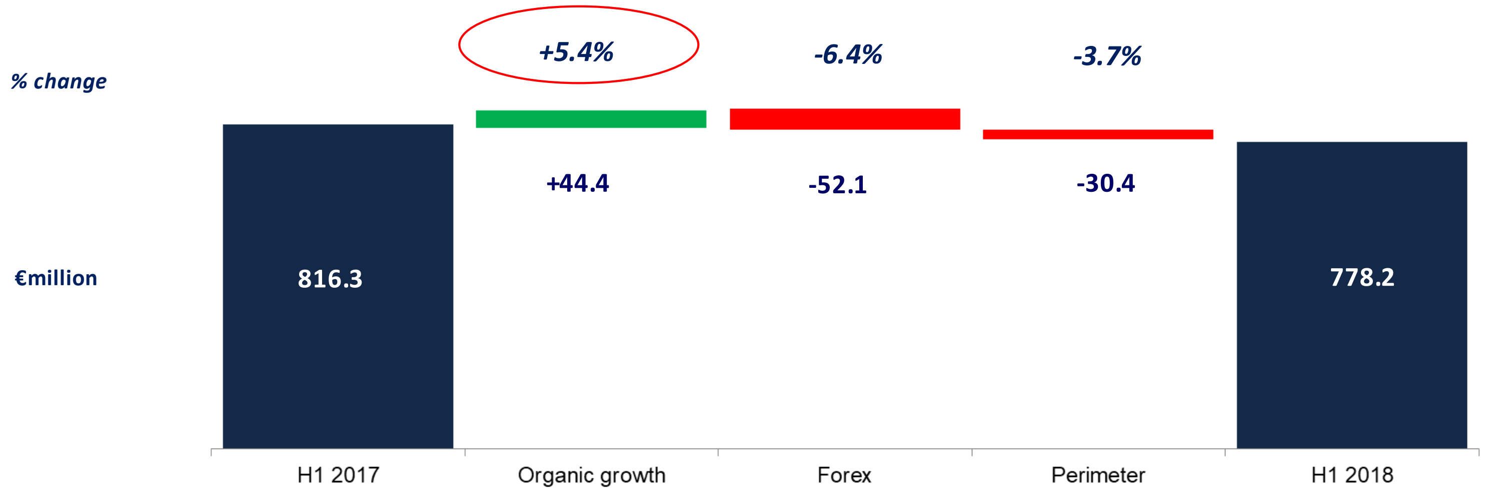
Net sales results for first half 2018

Growth drivers



- **Organic change of +5.4%** or €44.4 million (+8.0% or €36.2 million in Q2), largely driven by high-margin Global Priorities (+8.7% in H1, +12.5% in Q2), despite a strong comparison base (H1 2017 [(1)] +6.8%, Q2 2017 +7.6%)
- **Forex effect of -6.4%** (or €(52.1) million), **due to a strengthened Euro against the US Dollar,** Brazilian Real, Jamaican Dollar, Argentinean Pesos and British Pound vs. H1 2017
- **Perimeter impact of -3.7%** or €(30.4) million) mainly due to the sale of non-core businesses (in particular Carolans and Lemonsoda businesses) and agency brands distribution termination, partially offset by the Bisquit acquisition

[(1)] H1 2017 figures restated according to IFRS15 implementation as of 1 January 2018. Under IFRS15 certain A&P expenses are reclassified in deduction of sales. 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

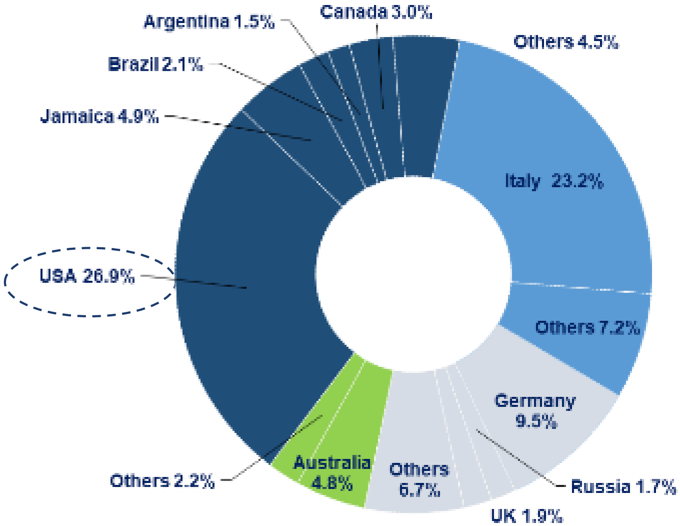
Net sales by regions & key markets in H1 2018

US remains the largest market with 26.9% of Group Net Sales

H1 2018 Group Net Sales €778.2 million
Organic growth +5.4%

Americas: 42.8% of total
Organic growth: +4.6%

SEMEA: 30.3% of total
Organic growth: +4.0%



Asia Pac: 7.0% of total
Organic growth: +14.6%

NCEE: 19.8% of total
Organic growth: +6.7%

Developed vs. emerging markets(1): 83% vs. 17%

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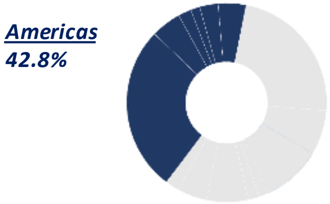
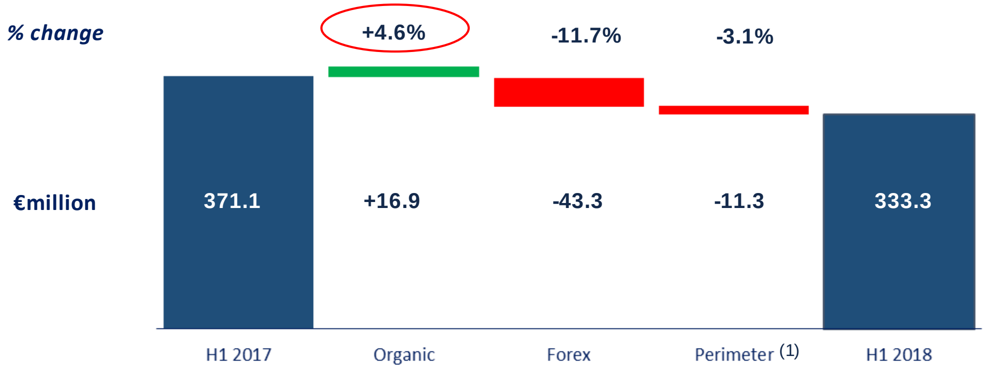
(1) Key emerging markets include Jamaica, Russia, Brazil, Argentina, Mexico, South Africa, Peru and Nigeria

Americas: +4.6% organic





Regional net sales organic growth by quarter

	Q1	Q2
2017	8.0%	7.4%
2018	2.9%	6.0%

Organic growth by key market

> **US** +5.9%

- **Strong first half performance** with an **acceleration in Q2 (+8.2%)**. The performance in the first half was driven by the continued outperformance of **Espolòn, Aperol** and **Campari**, **growing at strong double-digit rates**, as well as a **sustained growth of Wild Turkey** and the **Jamaican rums**. **Grand Marnier** registered **strong growth** with shipments more **robust than underlying trends**, due to a favourable comparison base, and helped offset the decline in **SKYY**, whose shipments are still performing behind sell-out trends

> **Jamaica** +14.8%

- **Continued very positive performance**, mainly driven by **double-digit growth** of **Campari, Wray&Nephew Overproof** and **Appleton Estate**

> **Brazil** -27.2%

- **Political instability** and **macroeconomic weakness continued** to **impact the market performance**, which suffered also from **a tough comparable base** (+29.0% in H1 2017). The decline was mainly driven by **local brands, Campari** and **SKYY**, in part mitigated by **double-digit growth** of **Aperol**

> **Argentina** -5.8%

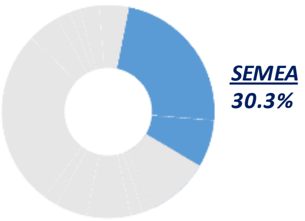
- **Negative performance** was largely driven by **macroeconomic weakness** and **tightened company credit policies**. The decline in Campari as well as local and agency brands was mitigated by very favourable trends in the **SKYY**, **Cinzano, Cynar** and **Aperol** brands

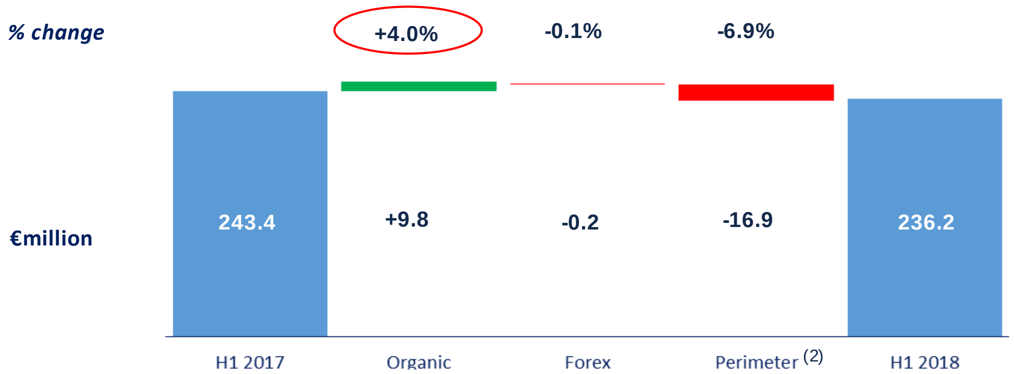
> **Others** +10.3%

- **Strong performance** in **Mexico (+16.1%)** thanks to **SKYY ready-to-drink**, **SKYY, Aperol** and **Espolòn**, while **Canada** was broadly flat due to shipment phasing

(1) Perimeter effect mainly driven by Carolans disposal

SEMEA[1]: +4.0% organic





Regional net sales organic growth by quarter

	Q1	Q2
2017	1.4%	3.8%
2018	1.1%	6.3%

Organic growth by key market

> **Italy** **+3.1%**
- **Continued positive trend driven by sustained growth of Aperol** (+7.1%) and **Campari** (+12.1%) as well as **positive growth** of **Cynar** and **Braulio**, partly offsetting the softness in **Crodino, Campari Soda** and **Cinzano portfolio**

> **Others** **+7.6%**
- **Solid growth** in the area was mainly driven by **France** (**Aperol, Riccadonna, GlenGrant** and **Campari**), **Spain** (**Aperol** and **Campari**) and **Nigeria** (**Campari** and **SKYY**). **South Africa** declined in H1, despite a strong growth in Q2, due to the unfavorable comparison base vs H1 2017 which was positively influenced by the start of the new distribution organization
- **Global Travel Retail** grew **+15.3%** in H1 thanks to **Aperol, Wild Turkey, Bulldog, Campari, Frangelico** and **Ouzo 12**

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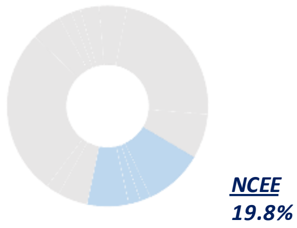
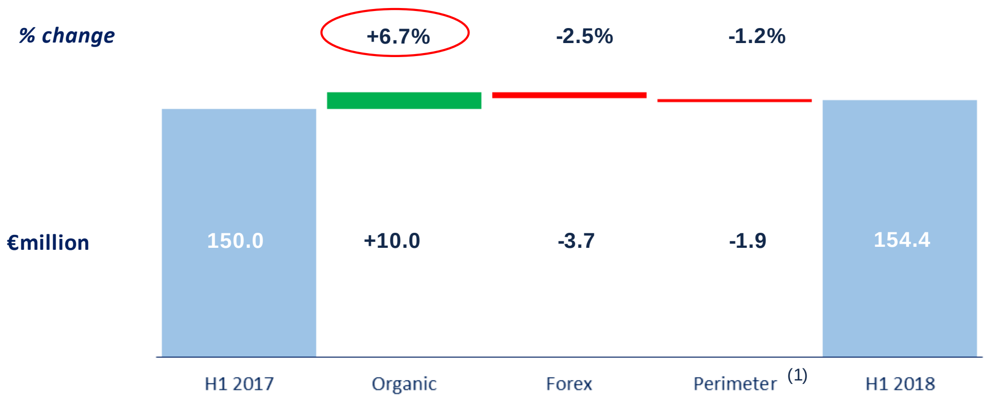
(1) Incl. Global Travel Retail
(2) Perimeter effect in Italy driven by disposals of non-core Lemonsoda businesses and agency brand distribution termination

NCEE: +6.7% organic





Regional net sales organic growth by quarter

	Q1	Q2
2017	11.5%	15.5%
2018	-3.8%	14.4%

Organic growth by key market

> **Germany** **+7.4%**
- **Solid growth** in H1, thanks to a strong second quarter **(+14.9%)**, which fully recovered the weak start of the year. The performance was mainly driven by **Aperol (+26.1%), Cinzano, Bulldog, Campari** and **Ouzo 12**

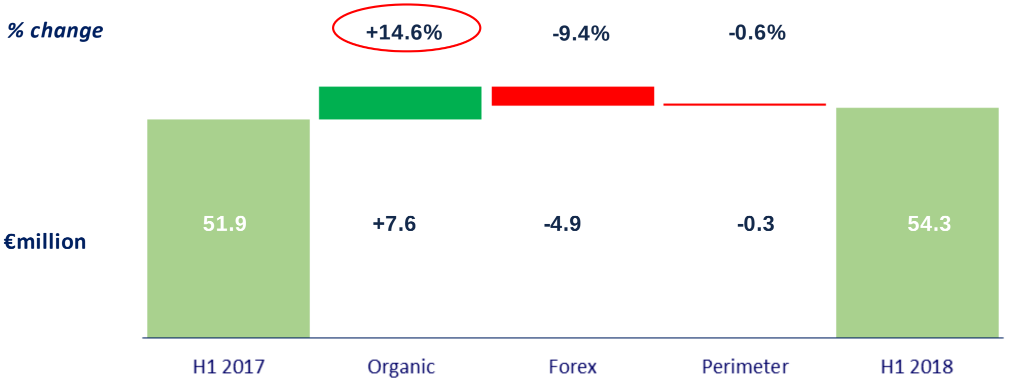
> **UK** **+17.0%**
- **Sustained positive performance** driven by **Aperol, the Jamaican rums** (in particular **Wray&Nephew Overproof**), **Campari, Bulldog** and **Cynar**

> **Russia** **-25.2%**
- The **negative performance** was impacted by a very **unfavourable comparison base** (H1 2017 +111.7%) 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 core Cinzano** and **Mondoro brands**

> **Others** **+16.8%**
- **Overall positive performance** across the rest of the region, in particular **Austria** (+6.9%), **Belgium** (+6.1%) and **Eastern Europe**, mainly driven by **Aperol**

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

Asia Pacific: +14.6% organic



Regional net sales organic growth by quarter

	Q1	Q2
2017	-1.1%	6.4%
2018	17.8%	11.7%

Organic growth by key market

> **Australia** **+10.7%**

- **Solid growth** continued in the second quarter (+12.1%) as brands **consistently outperformed the spirits market** in all key categories
- **Double-digit growth** in **Wild Turkey RTD, Wild Turkey bourbon, Aperol, SKYY, Frangelico, Campari** and **GlenGrant**

> **Others** **+24.1%**

- **Positive performance** in **Japan** driven by **Wild Turkey bourbon, SKYY ready-to-drink, SKYY, Grand Marnier** and **Cinzano. Double-digit growth in New Zealand** thanks to **Coruba** and **Wild Turkey bourbon**, while China was broadly flat

Net sales by key brand

Global Priorities

57% of Total
Organic change: +8.7%

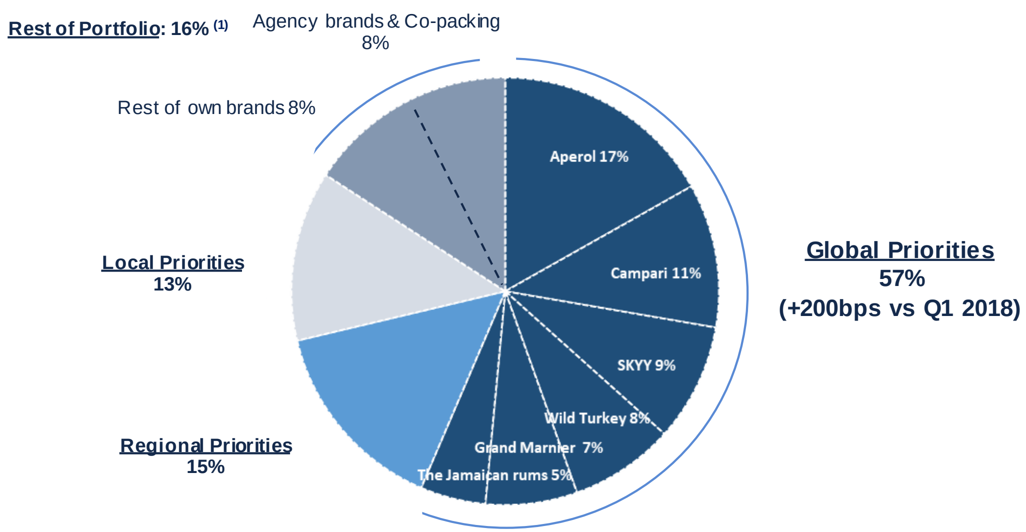
Regional Priorities

15% of Total
Organic change: +4.7%

Local Priorities

13% of Total
Organic change: -4.2%

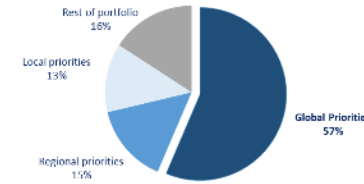
H1 2018 Group Net Sales €778.2 million
Organic growth +5.4%



(1) Rest of Portfolio: 16% of total (-100bps vs. H1 2017) and +3.6% organic sales growth in H1 2018

Brand sales review

Global priorities

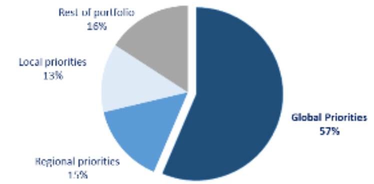


Global priorities	Brand sales as % of Group's sales in H1 2018	Organic change in H1 2018	Organic change in Q2 2018	
APEROL	17%	+24.7%	+25.7%	> **Continued positive performance in core markets** (**Italy, Germany, Austria** and **Switzerland**) > **Very strong double-digit growth in high-potential** and **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	11%	+8.0%	+9.0%	> **Sustained positive results** with a **very favourable mix** driven by continued **double-digit growth** in **the US** (now **the brand's 2nd largest market** in value) and the core market of **Italy** and a **positive performance** in **Jamaica**, **Nigeria, the UK, Russia, Spain** and **Germany** > Overall solid brand performance despite the weaker results in low-margin **Brazil** and **Argentina**
SKYY VODKA	9% (1)	-11.1%	-7.7%	> The core **US market remains weak,** driven by the persistent competitive environment within the category as well as the **weakness of the flavoured segment**. Shipments are still performing behind the sell-out trend, which was negative by 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**

(1) including SKYY Infusions

Brand sales review

Global priorities



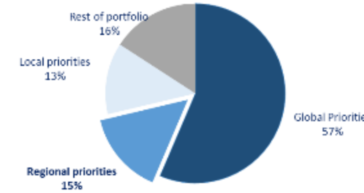
Global priorities	Brand sales as % of Group's sales in H1 2018	Organic change in H1 2018	Organic change in Q2 2018	
Grand Marnier	7%	+13.2%	+24.0%	> **Positive organic growth of +13.2%, with shipments more robust than underlying trends due to** a **favourable comparison base** in its **core US market**. Other **European** and **Asian markets** also **registered good growth**, albeit off a small base
Wild Turkey Bourbon, Russell's Reserve, Wild Turkey American Honey	8% [(1)(2)]	+6.8%	+7.3%	> **Positive first half** for Wild Turkey bourbon portfolio, up **+9.9%**, thanks to the continued growth in **core US** and **Australia** as well as very strong results in high-potential markets (**Canada**, **GTR**, **Japan**, **Germany** and **Italy**). High-margin **Russell's Reserve** expression continued to register **double-digit gains in the core US market** as well as **Canada** and **Australia** > **American Honey** was broadly flat with a slight decline in the core **US** market on a shipment basis
Appleton Estate Jamaica Rum, Wray & Nephew White Overproof Rum	5% [(1)]	+4.2%	+13.9%	> **Wray&Nephew Overproof grew by +9.7%** with the core markets of **Jamaica**, **the US** and **the UK** all registering solid growth > **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 such as **Canada** and **Mexico**, due to shipment phasing

(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 and W&N Overproof

Brand sales review

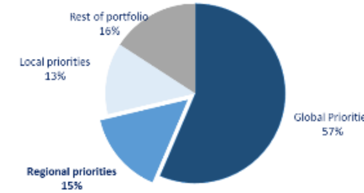
Regional priorities



	Regional priorities	Brand sales as % of Group's sales in H1 2018	Organic change in H1 2018	Organic change in Q2 2018	
Tequila	ESPOLÒN	3%	+34.3%	+38.6%	> **Sustained strong double-digit growth** in the **core US** market **(+38.2%)** and continued positive trends in new markets such as **Australia, Italy, Mexico, Spain, GTR** and **Canada**
Gin	BULLDOG LONDON DRY GIN	1%	+6.4%	+1.4%	> **Strong performance in the half year**, despite a weaker Q2 driven by softness in Spain and Belgium. Solid growth in the **UK**, **Germany, Brazil**, **Italy** as well as **GTR** (up double-digit)
Whiskies	GLENGRANT SINGLE MALT	1%	-0.8%	+21.5%	> **Flattish performance overall** with solid growth in core markets of **France** compensating weaker results in **Italy, GTR** and **Germany** due to continued shift of focus to higher-margin and longer-aged propositions**. Solid Q2 growth (+21.5%)** driven by **France, the US** and **Australia**
	FORTY CREEK	1%	-1.6%	+3.1%	> **Positive performance** in the core market of **Canada (+5.1%)**, hampered by a **decline in the US despite a positive Q2 in that market (+27.8%)**

Brand sales review

Regional priorities

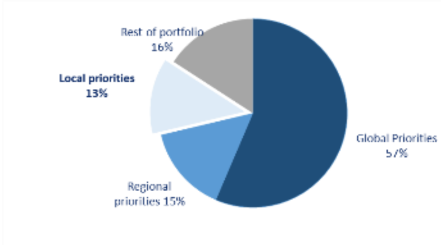


	Regional priorities	Brand sales as % of Group's sales in H1 2018	Organic change in H1 2018	Organic change in Q2 2018	
Italian bitters and liqueurs	Braulio, Cynar, Averna, Frangelico	4%	-1.6%	+0.3%	> **Very positive performance** of **Braulio,** driven by the **core markets of Italy, GTR** and **the US** > **Cynar grew** thanks to **positive results in the core Italian market**, helping compensate a **decline in Brazil** > **Averna** remained **penalized** by a significant **price repositioning** in **Germany** > **Frangelico** declined, largely driven by **temporary weakness** and **phasing effects** in **Spain** and **Germany**, in part offset by the **US, GTR, Canada** and **Australia**
Sparkling wine & vermouth	Cinzano	3% [1]	-5.8%	+12.2%	> **Vermouth up +1.4%, driven by shipments recovery in the** core markets of **Argentina, Germany, Russia** and **Italy** > **Sparkling wines down -11.4%, despite a positive Q2 (+9.8%)**, mainly due to phasing in core market of Russia linked to price increase negotiations during Q1 and continued weakness in **Italy**, whilst **Japan**, **China**, **the UK** and **Spain delivered positive results**
	Mondoro, Riccadonna	1%	+6.0%	-17.6%	> **Overall solid performance** driven by core **France** and newer markets such as **Jamaica, Chile, Mexico** and **Ukraine** > **Mondoro down by -9.5%** due to a price increase in core market Russia impacting shipments > **Riccadonna** registered **high double-digit growth**, with strong performances in **France, Peru** 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 2018	Organic change in H1 2018	Organic change in Q2 2018	
Camparisoda	4%	-1.9%	-5.0%	> Weakness in core Italian market
Crodino	4%	-1.5%	-5.1%	> **Overall soft performance due to core Italy**, impacted by previous year's innovation pipeline comparison base, partially offset by **good growth in seeding international markets** (**Belgium** and **Switzerland)**
	2%	+11.3%	+14.7%	> **Solid performance in core Australia** against a relatively easy comparison base
Dreher Sagatiba	1%	-33.0%	-29.4%	> **Negative performance due to weakness in Brazil**, as well as a difficult comparison base (H1 2017 +22.3%)
12 Ouzo	1%	+0.8%	+3.8%	> **Overall flat** performance with growth in **Germany, Spain** and **GTR** slightly offset by shipment phasing in Greece
Cabo Wabo	1%	-8.6%	-22.7%	> **Weak performance** largely due to a tough comparison base (+24.9% in H1 2017). Underlying consumption remains solid

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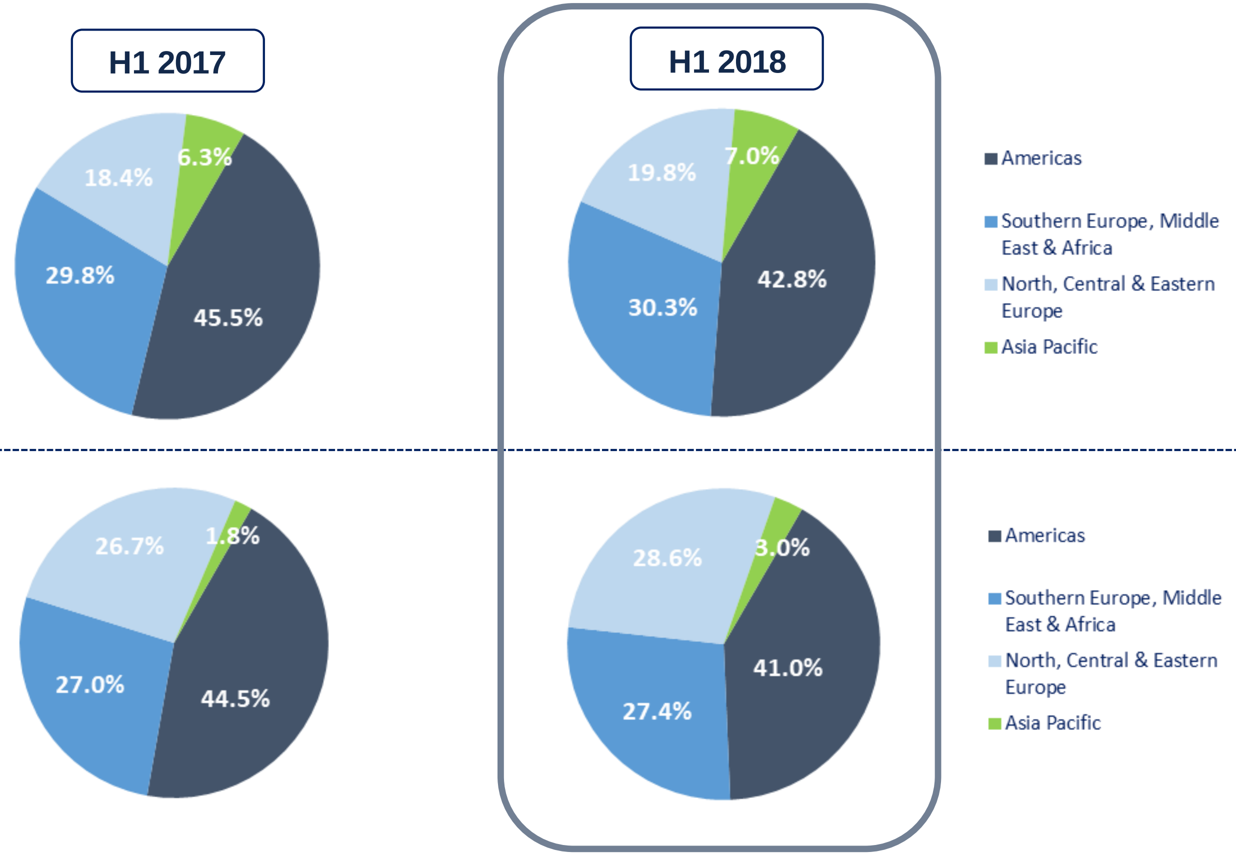
Net sales & EBIT by region

Net Sales breakdown by region

EBIT [1] breakdown by region



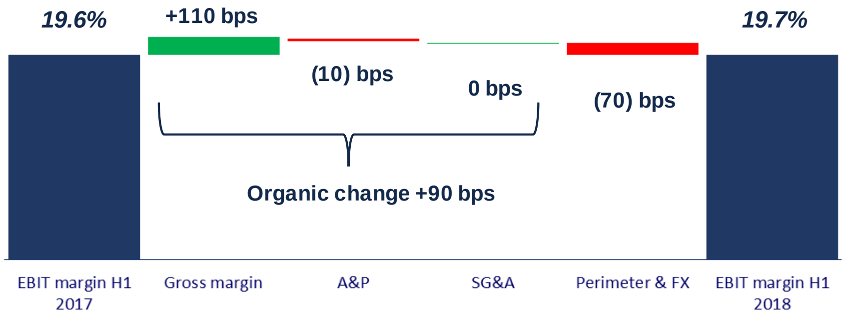
The Americas remain the Group's largest region (42.8% of Group's net sales and 41.0% of Group's EBIT [1] in H1 2018). Decrease in the America's weight on sales (-270 bps) and EBIT adjusted (-350 bps) driven by a decline in South American markets, the negative FX effect and the **outperformance of the high-margin NCEE region**

(1) EBIT adjusted

EBIT by region - Americas

	H1 2018		H1 2017		Reported	
	€ million	% of sales	€ million	% of sales	change	Organic change
Net sales	333.3	100.0%	371.1	100.0%	-10.2%	+4.6%
Gross profit	196.8	59.1%	215.9	58.2%	-8.8%	+6.5%
A&P	(63.2)	-19.0%	(68.2)	-18.4%	-7.4%	+5.3%
SG&A	(67.9)	-20.4%	(75.1)	-20.2%	-9.6%	+4.6%
EBIT (1)	**65.8**	**19.7%**	**72.6**	**19.6%**	**-9.4%**	**+9.6%**

+ 20 bps



> Organic change
> Sustained sales performance (+4.6%), thanks to **positive growth** across the **North American** region, **more than offsetting weakness in low-margin South American markets**

Gross Profit
- **Increase in gross profit ahead of topline growth,** driving **+110 bps accretion,** thanks to **the continued positive sales mix by brand** and **market,** particularly in the high-margin North America, overcoming the **adverse agave price** impact, becoming progressively more impactful throughout the year

A&P
- A&P increase to **support brand building investments in Global and Regional Priorities,** particularly in the US market

SG&A
- SG&A increase in line with sales

> FX & Perimeter
> **Negative FX effect largely driven by strenghening of the Euro vs USD** and **Southern American currencies,** while the perimeter effect on EBIT reflected the **disposal of Carolans**

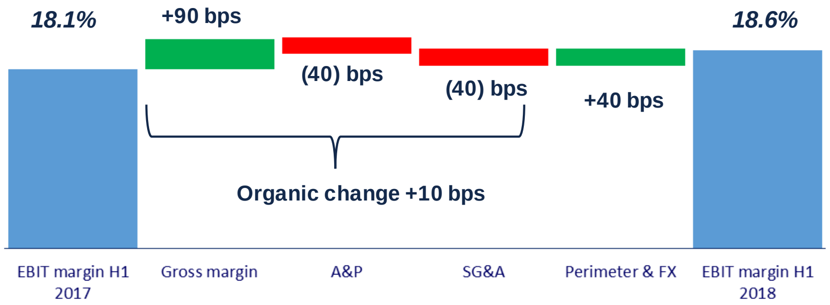
> EBIT margin
> **Americas EBIT margin up to 19.7%** in H1 2018 from 19.6% in H1 2017 **(+20 bps)** as organic accretion of +90 bps more than offset the combined dilutive impact of perimeter and FX of -70 bps

(1) EBIT adjusted

EBIT by region - SEMEA

	H1 2018		H1 2017		Reported	Organic change
	€ million	% of sales	€ million	% of sales	change	
Net sales	236.2	100.0%	243.4	100.0%	-3.0%	+4.0%
Gross profit	152.5	64.6%	146.0	60.0%	+4.5%	+5.6%
A&P	(37.7)	-16.0%	(35.2)	-14.5%	+7.0%	+7.0%
SG&A	(70.8)	-30.0%	(66.6)	-27.4%	+6.2%	+5.5%
EBIT (1)	**44.0**	**18.6%**	**44.1**	**18.1%**	**-0.3%**	**+4.7%**

+ 50 bps



> Organic change > **Positive sales performance in high-margin Italian market** and **sustained growth in the rest of the region**

Gross Profit

- **Gross margin enhancement of +90 bps** driven by **solid performance** of high-margin **aperitifs portfolio** across the region

A&P

- A&P increase above topline driven by phasing of **brand building investments, particularly behind aperitifs across Southern Europe,** as well as other initiatives in the **Global Travel Retail channel**

SG&A

- SG&A increase **driven by the strengthening** of on-premise capabilities in selected markets and in Global Travel Retail, more than offsetting the efficiencies from the Grand Marnier integration

> FX & Perimeter > **Negative FX and perimeter effect almost entirely attributable** to the disposal of low-margin, non-core business and termination of agency brand distribution, particularly in Italy

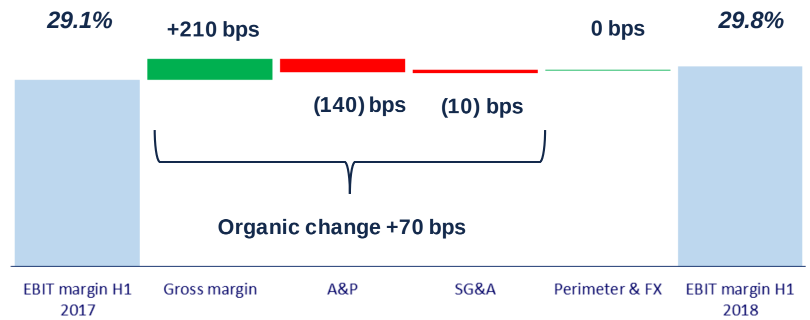
> EBIT margin > **EBIT margin up to 18.6%** in H1 2018 from 18.1% in H1 2017 **(+50 bps)** driven by the accretive effects of organic growth coupled with perimeter and FX

(1) EBIT adjusted

EBIT by region - NCEE

	H1 2018		H1 2017		Reported	
	€ million	% of sales	€ million	% of sales	change	Organic change
Net sales	154.4	100.0%	150.0	100.0%	+3.0%	+6.7%
Gross profit	98.4	63.7%	92.3	61.5%	+6.6%	+10.3%
A&P	(26.5)	-17.2%	(23.5)	-15.7%	+12.8%	+15.9%
SG&A	(25.9)	-16.8%	(25.2)	-16.8%	+2.9%	+7.2%
EBIT (1)	**46.0**	**29.8%**	**43.6**	**29.1%**	**+5.4%**	**+9.1%**

+ 70 bps



> Organic change > **Solid organic sales growth** mainly driven by **Aperol, up strong double-digit across the region**

Gross Profit

- **Gross profit increase ahead of sales (+210 bps margin expansion),** consistently driven by the **strong sales mix improvement** thanks to the **positive performance** of the **high-margin aperitif portfolio**

A&P

- Significant increase in A&P **to support high-margin Global Priorities, in particular Aperol, in high-potential markets,** ahead of the key summer season

SG&A

- SG&A increase ahead of sales reflecting the **enhancement of distribution capabilities** in selected seeding markets

> FX & Perimeter > **Negative FX,** mainly driven by the devaluation of the Russian Ruble and **negative perimeter,** driven by the termination of some agency brands

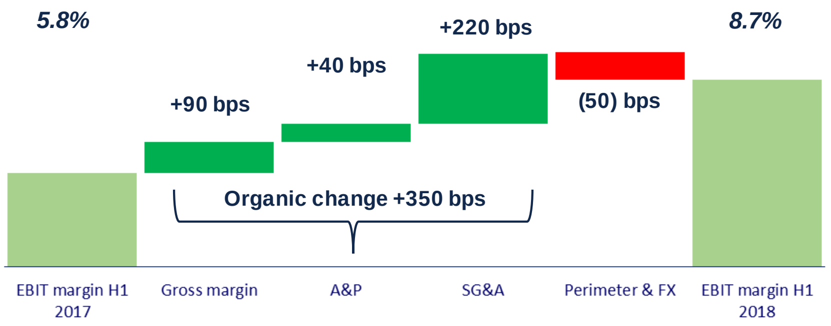
> EBIT margin > **EBIT margin up to 29.8%** in H1 2018 from 29.1% in H1 2017 **(+70 bps)** entirely driven by the accretive effects of organic growth

(1) EBIT adjusted

EBIT by region - Asia Pacific

	H1 2018		H1 2017		Reported	
	€ million	% of sales	€ million	% of sales	change	Organic change
Net sales	54.3	100.0%	51.9	100.0%	+4.6%	+14.6%
Gross profit	24.2	44.5%	22.8	44.0%	+5.8%	+16.9%
A&P	(7.5)	-13.8%	(7.4)	-14.2%	+1.9%	+11.2%
SG&A	(11.9)	-21.9%	(12.5)	-24.0%	-4.4%	+4.2%
EBIT [1]	**4.7**	**8.7%**	**3.0**	**5.8%**	**+58.0%**	**+83.6%**

+ 300 bps



> Organic change > **Solid double-digit organic performance** in sales across the portfolio

Gross Profit

- **Gross profit growth above sales** and **accretive (+90 bps)**, reflecting the favourable sales mix in the region, particularly in Australia

A&P

- **Sustained A&P investments fueling topline outperformance**

SG&A

- **Moderate increase in SG&A**, well below the strong topline organic growth, generating +220 bps margin accretion

> FX & Perimeter > **Negative change** largely driven by weakeness in the Australian Dollar vs. Euro

> EBIT margin > **EBIT margin up to 8.7%** in H1 2018 from 5.8% in H1 2017 **(+300bps)** driven by the strong accretive effect of organic growth

(1) EBIT adjusted

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H1 2018 consolidated P&L

	H1 2018		H1 2017							
	€ million	% of sales	€ million	% of sales	Reported change	Organic margin accretion/(dilution) (bps) [3]	Organic change	Forex impact	Perimeter effect	Q2 2018 Organic change
Net sales	778.2	100.0%	816.3	100.0%	-4.7%		5.4%	-6.4%	-3.7%	8.0%
COGS [1]	(306.3)	-39.4%	(339.2)	-41.6%	-9.7%		2.6%	-6.1%	-6.2%	8.0%
Gross profit	471.9	60.6%	477.1	58.4%	-1.1%	110	7.5%	-6.6%	-2.0%	8.1%
Advertising and promotion	(134.9)	-17.3%	(134.3)	-16.5%	0.4%	-40	7.9%	-7.3%	-0.3%	9.7%
Contribution after A&P	**337.0**	**43.3%**	**342.8**	**42.0%**	**-1.7%**	**70**	**7.3%**	**-6.3%**	**-2.6%**	**7.4%**
SG&A [2]	(176.5)	-22.7%	(179.4)	-22.0%	-1.6%	0	5.3%	-7.2%	0.3%	4.7%
EBIT adjusted	**160.5**	**20.6%**	**163.4**	**20.0%**	**-1.7%**	**80**	**9.5%**	**-5.4%**	**-5.8%**	**9.8%**
Operating 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%					
Financial adjustments	1.6	0.2%	(24.4)	-3.0%	-106.6%					
Put option 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%**					
Taxes	(18.8)	-2.4%	0.2	0.0%	-					
Group net profit	**147.2**	**18.9%**	**108.6**	**13.3%**	**35.5%**					
Group net profit adjusted	**104.4**	**13.4%**	**93.5**	**11.5%**	**11.6%**					
Other information:										
Depreciation & Amortisation	(27.4)	-3.5%	(28.4)	-3.5%	-3.3%	-10	8.2%	-8.0%	-3.5%	8.1%
EBITDA adjusted	**187.9**	**24.2%**	**191.7**	**23.5%**	**-2.0%**	**90**	**9.3%**	**-5.8%**	**-5.5%**	**9.6%**
EBITDA	207.5	26.7%	186.8	22.9%	11.1%					

(1) COGS = cost of materials, production and logistics expenses
(2) SG&A = Selling, General and Administrative expenses
(3) Bps rounded to the nearest ten

EBIT adjusted - Key highlights

> **Gross profit**: on a **reported** basis down **-1.1% in value**, up to 60.6% on sales (+220 bps accretion):

- **Organic** growth of **+7.5% in value**, **+110 bps** margin expansion (0 bps in Q2 2018). Organic growth ahead of topline thanks to **favourable sales mix by brand and market**: outperformance of key Global and Regional Priorities in core developed markets (such as Italy, US and Germany), offsetting the dilutive effect of the **adverse agave price**, which became progressively more impactful in Q2
- **Forex and perimeter** combined effect of -8.6% in value, +110 bps margin expansion, driven by disposals of low-margin businesses and agency brands distribution termination

> **A&P**: on a **reported basis up +0.4% in value** to 17.3% on net sales (-90 bps dilution)

- **Organic** growth of **+7.9% in value**, **-40 bps** margin dilution, reflecting major investments in global brands (such as Campari, Aperol and Grand Marnier)
- **Forex and perimeter** combined effect of **-7.5% in value**, **-50 bps** margin dilution, driven by disposals of low A&P-intensity businesses such as Carolans, Lemonsoda and agency brands distribution termination

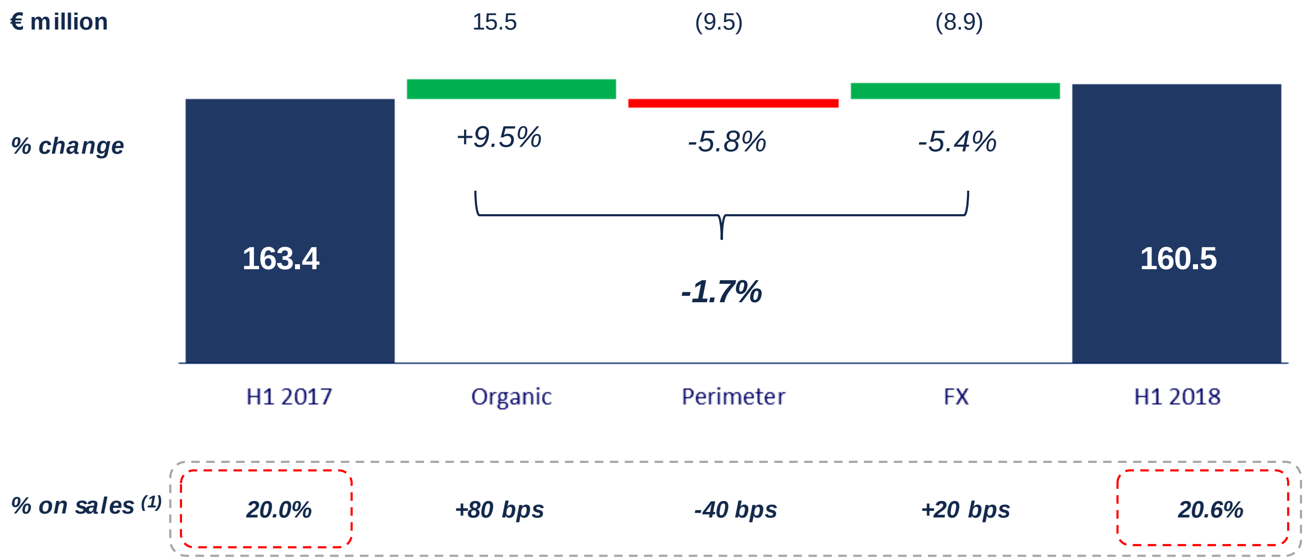
> **SG&A**: on a **reported** basis down **-1.6% in value**, to 22.7% on net sales (-70 bps dilution)

- **Organic** growth of **+5.3% in value**, slightly lower than topline growth and neutral on margin
- **Forex and perimeter** combined effect of **-6.9% in value**, **-70 bps** margin dilution, primarily driven by the deconsolidation of disposed businesses carrying no structure costs

> **EBIT adjusted**: on a **reported** basis down **-1.7% in value**, to 20.6% on net sales (+60 bps margin accretion)

- **Organic growth** of **+9.5% in value**, +**80 bps** margin accretion
- **Forex and perimeter** combined effect of **-11.2% in value**, **-20 bps** margin dilution

EBIT adjusted – summary effects



> **EBIT adjusted** of €160.5 million, down **-1.7%** on a reported basis, **20.6%** margin on sales (**+60 bps accretion**). Key drivers:

- **Organic growth of +9.5%**, ahead of topline growth (**+80 bps accretion**), as solid gross margin expansion (+110 bps) more than offset higher investments in A&P (-40 bps)
- **Perimeter effect of -5.8%** or €(9.5) million (**-40 bps** dilution), largely due to disposals of non-core businesses
- **FX effect of -5.4%** or €(8.9) million (**+20 bps** accretion) driven by favourable sales mix, mainly due to a strengthened Euro against the US Dollar vs. H1 2017

> **EBIT** of €180.1 million, up **+13.7%** after positive **operating adjustments of €19.6 million** driven by the gain from the Lemonsoda disposal, net of provisions for restructuring costs in H1 2018 (2)

> **EBITDA adjusted** of €187.9 million, down **-2.0%** on a reported basis, **24.2%** margin on sales

CAMPARI GROUP

(1) Bps rounded to the nearest ten
(2) In H1 2017 operating adjustments were negative at €(5.0) million

Financial charges

	H1 2018	H1 2017	Change
Net financial income (charges)	**(14.8)**	**(23.0)**	**8.2**
Adjustments to financial income (expenses)	1.6	(24.4)	26.0
Put option income (charges) (1)	(0.9)	(2.5)	1.7
Average net debt	**955.7**	**1,214.8**	
Average cost of net debt (2)	**3.0%**	**3.0%**	

(1) Non cash P&L effects largely related to future commitments to purchase minority interests
(2) Excludes FX gains/losses, financial adjustments and put options costs

> **Reduction in net financial charges,** thanks to a lower average net debt in H1 2018 (€955.7 million in H1 2018, down from €1,214.8 million in H1 2017) and the positive effects of liability management transactions

> **Average cost of net debt** of **3.0%** in H1 2018 (in line with H1 2017)

> **Positive financial adjustments of €1.6 million** in H1 2018 related to some minor financial assets sale (vs. €(24.4) million in H1 2017 attributable to one-off liability management transaction completed in April 2017)

Tax rate analysis

€ million	H1 2018		H1 2017	
	Reported	Adjusted	Reported	Adjusted
Pretax profit	**166.0**	**144.8**	**108.5**	**137.8**
- Recurring cash tax	(32.3)	(32.3)	(32.4)	(32.4)
- Goodwill deferred tax	(8.0)	(8.0)	(11.9)	(11.9)
Total recurring taxes	**(40.4)**	**(40.4)**	**(44.3)**	**(44.3)**
Tax adjustments:				
- Fiscal effects on operating & financial adj. and other tax adj.	6.8		8.3	
- Patent box	14.8		36.2	
Total tax adjustments	**21.6**		**44.5**	
Total tax	**(18.8)**	**(40.4)**	**0.2**	**(44.3)**
Net income	**147.2**	**104.4**	**108.6**	**93.5**

		H1 2018		H1 2017	
Recurring cash tax rate	***= 32.3/144.8***		***22.3%***		***23.5%***
Recurring effective tax rate	***= 40.4/144.8***		***27.9%***		***32.1%***
Reported tax rate	***= 18.8/166.0***	***11.3%***		**-**	

> **Recurring effective tax rate down to 27.9%** in H1 2018 (vs. 32.1% in H1 2017), thanks to a more favourable geographic mix, also driven by the reduced US corporate tax, following the recent fiscal reform:

- **Recurring cash tax rate down to 22.3%** in H1 2018 (vs. 23.5% in H1 2017)
- **Goodwill deferred non-cash taxes down to €8.0 million** (vs. €11.9 million in H1 2017) driven by the lower US corporate tax as well as FX

> **'Patent box' tax benefit:**

- €14.8 million in H1 2018, thanks to better than expected 'patent box' benefit on the back of a strong income generated by the Italian brands (€36.2 million in H1 2017 relating to 2015, 2016 and H1 2017)
- To remain in place until 2019

Non-recurring adjustments

€ million	**Actual H1 2018**	**Actual H1 2017**
Operating adjustments, of which:		
Gains from asset disposals [(1)]	38.5	
Transactions fees, restructuring costs [(2)]	(18.9)	
Total operating adjustments	**19.6**	**(5.0)**
Financial adjustments	**1.6**	**(24.4)**
Tax adjustments, of which:		
- Fiscal effects on operating & financial adj. and other tax adj.	*6.8*	*8.3*
- Patent box	*14.8*	*36.2*
Total tax adjustments	**21.6**	**44.5**
Total adjustments, net	**42.8**	**15.1**

Notes

(1) Gain for Lemonsoda business disposal (closed in January 2018)

(2) Restructuring costs for US head-office relocation, production optimisation in Brazil and other restructuring initiatives

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Free cash flow

	H1 2018		H1 2017	
	Total € m	***Recurring* € m**	**Total € m**	***Recurring* € m**
EBITDA adjusted	**187.9**	***187.9***	**191.7**	***191.7***
Other changes [1]	(13.4)	*2.6*	(34.7)	*(33.7)*
Taxes paid	(24.2)	*(12.4)*	(22.2)	*(32.4)*
Change in OWC (at constant FX and perimeter)	(21.1)	*(21.1)*	(13.4)	*(13.4)*
Net interests paid	(1.1)	*(1.1)*	(0.1)	(0.1)
Adjustments to financial income (charges)	1.6	-	(23.2)	-
Capex [2]	(18.8)	*(17.3)*	(27.3)	*(20.8)*
Free Cash Flow (FCF)	**110.9**	**138.5**	**70.8**	**91.4**

[1] Including provisions and other non-cash changes

[2] Recurring capex refers to maintenance capex

> **Free cash flow at €110.9 million,** up €40.1 million vs. H1 2017. **Recurring free cash flow at €138.5 million, up €47.1 million** vs. H1 2017. Key drivers:

- Slight decrease of EBITDA adjusted of €(3.9) million
- Other changes mainly related to provisions and other non-cash items: negative impact of € (13.4) million (or € 2.6 million on recurring basis) in H1 2018
- Taxes paid of € (24.2) million in H1 2018, of which €(12.4) million recurring (i.e. excluding 'patent box' and taxes paid on the gain from real estate sale). The delta value vs. H1 2017 is attributable to the phasing of tax payments as well as the related use of 'patent box' benefit into H2 2018 vs. H1 2017
- Change in OWC of €(21.1) million
- Interest paid of €(1.1) million
- Positive non-recurring financial income of €1.6 million in H1 2018 (vs. €(23.2) million non-recurring financial charges in H1 2017 due to one-off liability management transactions)
- Capex spend of €18.8 million in H1 2018, of which maintenance capex of €17.3 million

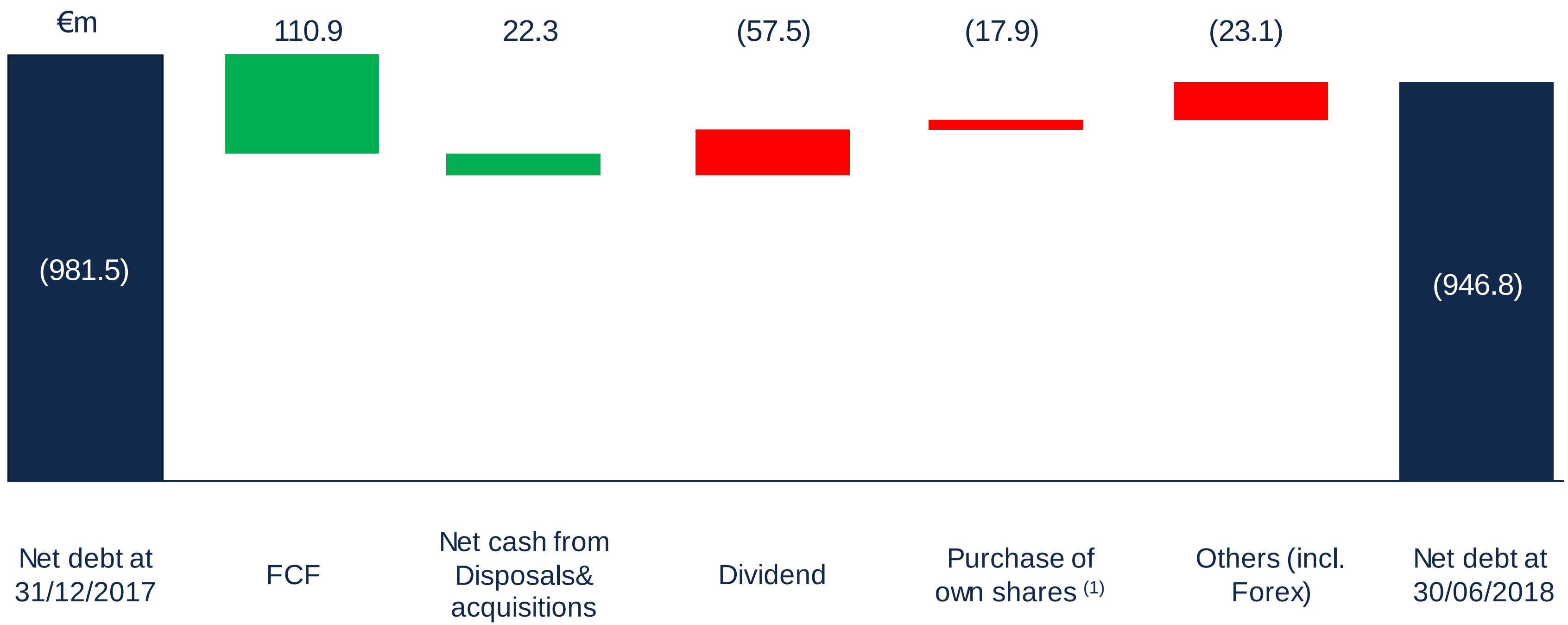
Operating working capital

> **OWC as % of net sales at 37.2%** as of **30 June 2018** or **34.7%** when **excluding perimeter effect**

- **Organic increase of €21.1 million**, mainly due to: i) decrease in receivables of €(71.7) million after the seasonal peak at full year end; ii) decrease in payables of €36.4 million; iii) increase in inventory of €56.5 million due to the combined effect of an increase in finished goods of €45.0 million, ahead of the summer peak season, and an increase of €11.4 million in ageing liquid
- **Forex impact of €(9.0) million**, driven by the weaker South American currencies
- **Perimeter effect of €42.4 million**, reflecting the acquisition of significant stock of ageing liquid related to Bisquit Cognac

(1) Based on last 12 months sales

Net financial debt decreased by €34.7 million



- **Net financial debt** stood at **€946.8 million** as of 30 June 2018, down from **€981.5 million** as of 31 December 2017, thanks to **the positive free cash flow generation of €110.9 million** and after the proceeds from the **sale of Lemonsoda, net of the acquisition of Bisquit [(2)], the dividend payment** and **the purchase of own shares**
- **Net debt to EBITDA pro-forma ratio at 1.9x as of 30 June 2018,** down from 2.0x as of 31 December 2017

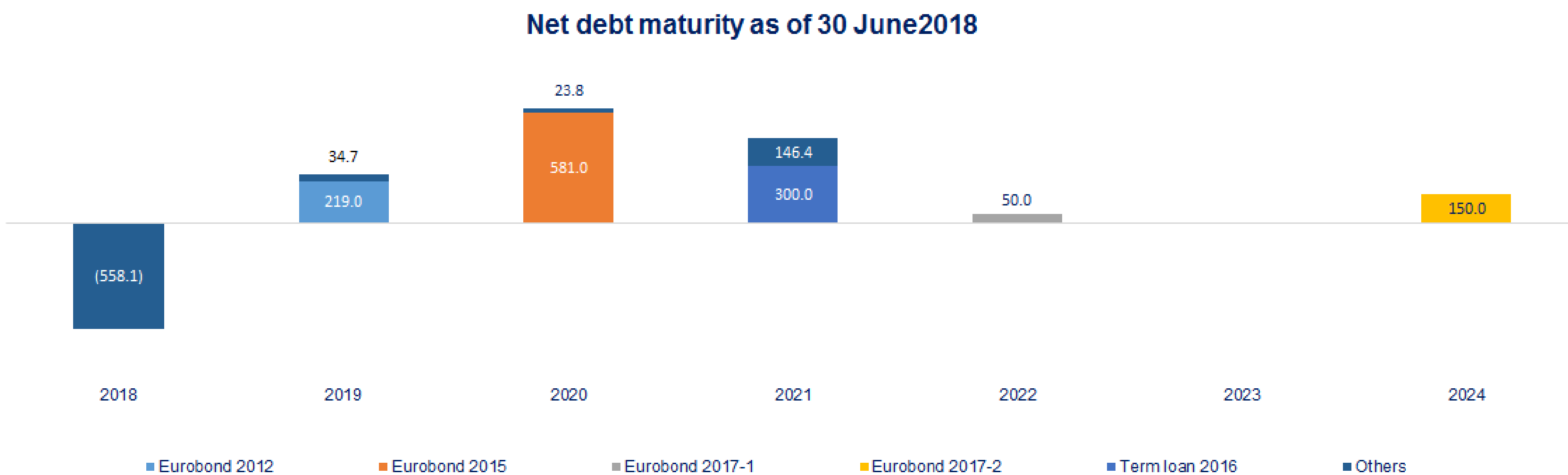
(1) Purchase of own shares net of sale of shares for stock option exercises
(2) Lemonsoda business disposal of €80.2 million, inclusive of price adjustments (closed on 2 January 2018). Bisquit Cognac acquisition for €52.7 million, inclusive of price adjustments (closed on 31 January 2018)

Debt maturity

> **Net debt** of **€946.8 million** as of **30 June 2018**

> **Long-term gross debt at €1.3 billion**

- Overall **long-term gross debt average coupon at 2.41%**
- **Fixed interest rate** debt accounts for **c. 77% of the overall gross debt**



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Aperol – spreading the orange wave

‘Terrazza Aperol Spritz’ - Barcelona

The ‘**Terrazza Aperol Spritz’**, located near **Port Vell, a top location in Barcelona,** and has all the elements to become the place to be for sharing great **moments with friends** accompanied by the **quintessential social drink, Aperol Spritz**

'Aperol Big Spritz Social' - London

Shoreditch in East London was **awash with Orange** in May:

A **sensorial environment** was **custom built** to **encourage spontaneous spritz sociability** - with **interactive seating areas**, an **Aperol canal** to sip a **Spritz with friends**, and the **biggest Aperol Bar the UK has ever seen**

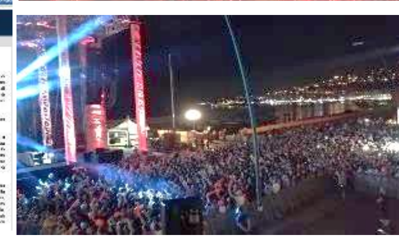
The event was **completely sold out weeks in advance**, with **133 pieces of media coverage**, just under **5000 attendees** and over **16,000 Aperol Spritz served**. **Influencer outputs** via **Instagram reached well over 7 million** people, with **56 social media influencers** attending

‘Aperol Happy Together Live’ - Naples

In June this year, **Aperol** brought ‘**Happy Together Live**’ to Naples, Italy: a message that builds on **cohesion** and **openness** together with the **unique aperitif**

Aperol conquered the **waterfront of Naples** with pop-up bars, **supporting digital** and **social media engagement** and **consumption activations prior to the big event**: over **70,000 people** descended onto the waterfront to watch **three different styles of music** over the evening – culminating in a joint performance

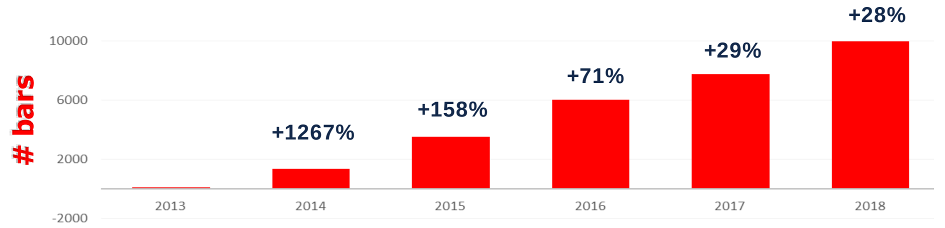
Over 12,000 Aperol Spritz were consumed during the big event while **social media interactions** reached just under **8 million** with **over 100 press pieces**



Campari – Negroni week

Campari - Negroni Week: nearly 10,000 bars in 69 countries!

Following the success of Negroni week from its inception in 2013 (100 bars), some of the **world's best bartenders**, including **Campari's 'Red Hand' bartenders**, showcased their talents in **making classic Negronis** as well as **creative variations** – all with **Campari** at front and center, as the **defining ingredient of the cocktail**



THERE'S NO NEGRONI WITHOUT CAMPARI

Negroni Week is a charitable programme that puts the **power of fundraising** into the **hands of the participating bartenders**, **their bars** and **Negroni drinkers** all **over the world**

Participating venues donated a portion of the sales of **Negroni cocktails** and related items to over 40 charities. **Just under 1 million social media impressions** were made with **charitable donations reaching $600,000**

USA	3,118
Germany	1,098
Argentina	863
Greece	707
Canada	616
UK	608
and many more…	

imbibe & CAMPARI NEGRONI WEEK JUNE 4-10 a drink for your cause NEGRONIWEEK.COM

SKYY Vodka – back to the roots

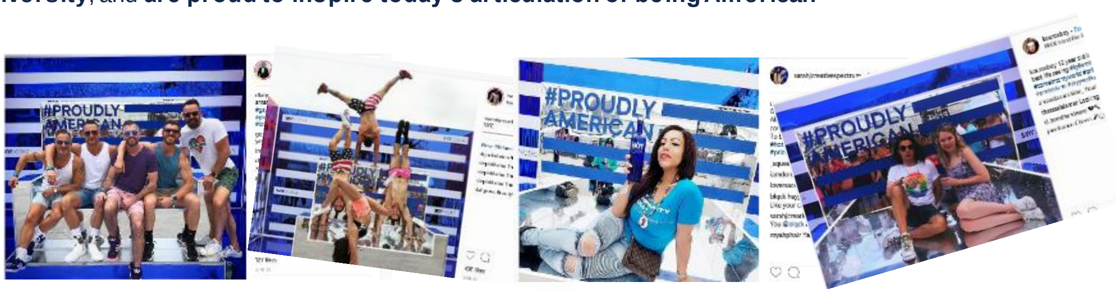
SKYY Vodka: Proudly American

SKYY Vodka launches '**Proudly American**,' its new integrated marketing campaign that **celebrates the spirit of today's bold**, **optimistic Americans**

Proudly American recognizes the **evolution of American values** and **champions a generation** whose **voice has helped reshape the USA to what it is today**. The campaign captures **SKYY's progressive** and **innovative origins** kicked off with out-and-proud **Olympian Gus Kenworthy** and '**RuPaul's Drag Race**' favorites **Trixie Mattel** and **Dusty Ray Bottoms – Home of the Brave: Getting Ready Clip:**

https://www.youtube.com/watch?v=T1IK9QJe_PI

The campaign **juxtaposes famous phrases from American history**, such as '**Home of the Brave**', with **powerful, vivid imagery featuring people who shine brightly in the face of adversity**, **celebrate diversity**, and **are proud to inspire today's articulation of being American**



SKYY Watermelon: Americana

The new SKYY Infusions Sun-Ripened Watermelon offers a mouth-watering and slightly sweet spirit, where the **real-fruit flavor** bursts forward to **stand out with most any mixer**

SKYY Infusions Sun-Ripened Watermelon is the **perfect complement for outdoor cocktails** with its **bright fruitiness**

Whether its **amping up your summer style** with a twist on a rosé spritzer or delighting in a new-found summer romance over a Watermelon Shandy

Within the first few weeks, **over 150 million social media impressions were made**

Other brand building initiatives

Premium product launches, expressions and capacity upgrades

Wild Turkey: Russell's Reserve 2002

Following closely on the heels of **Wild Turkey Master's Keep Revival** comes another gem from high above the Kentucky River – **Russell's Reserve 2002**

The first barrel proof offering from the brand, **Russell's Reserve 2002** is a **non-chill filtered bourbon** that serves as the sequel to the highly acclaimed **Russell's Reserve 1998**

Only 25 hand-selected barrels were used to create 2002, making it one of the rarest whiskies the distillery has ever created

Braulio – expanded ageing cellar capacity

In order meet the **continuous global demand** of **Braulio while staying true** to its **origins** and **maintaining its authenticity, new cellars have been built in Bormio,** the home of **Braulio** in **northern Italy**

Over 1.650 mq of additional space – of which **1.200 mq are cellars for aging,** will allow for **166 new casks** over **3 years** to be **produced,** more than **doubling production capacity**

Averna Riserva Don Salvatore – permanent release upgrade

Averna Riserva Don Salvatore was launched as a **premium craft expression of the classic Amaro Averna**

Produced and **aged for 18 months** in small oak barrique in Caltanissetta, **Averna Riserva Don Salvatore** provides a **stronger** and **more intense taste experience**

Gin O'ndina

Small Batch gin, crafted in Italy **using fresh basil** and other **Mediterranean selected botanicals**, which embodies the spirit of '**La Dolce Vita**'

The launch started in both **Italy** and the **UK**, while **Spain** will receive the gin later this summer

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Conclusion & outlook

> **Solid organic growth achieved in H1 2018**, reflecting an **accelerated topline growth in Q2**, broadly recovering Q1 phasing issues, as well as the **normalization of trends across profit indicators**. Sales mix continued to be favourable thanks to the **consistent outperformance of key high-margin brands** in core **developed markets**

> On a reported basis, in H1 2018 the positive underlying trends were impacted by the expected negative FX & perimeter effects

> **Looking at the remainder of the year, the outlook remains broadly balanced in terms of risks and opportunities**

- **Organic sales growth**
  - Sales organic growth to be driven by **continued outperformance of 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

- **Organic trend in gross margin**
  - Gross margin organic expansion to be driven by a **favourable sales mix**, expected to overcome 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**

- **EBIT adj. (1)**

  - Potential upside from a less adverse FX impact (USD vs. EUR) to be reinvested in **accelerated 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**

(1) Guidance provided to the market on Q1 2018 results announcement on 8 May 2018:
FX: negative impact of €(90) million in sales and €(24) million in EBIT adj., based on average EUR/USD rate = 1.25 in FY2018
Perimeter: negative impact of €(70) million in sales and €(16) million in EBIT adj.

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Net sales by region & key market

	H1 2018		H1 2017		Change	of which:			Q2 2018	
	€ m	%	€ m	%	%	organic	perimeter	forex	total	organic
Americas	333.3	42.8%	371.1	45.5%	-10.2%	4.6%	-3.1%	-11.7%	-7.0%	6.0%
Southern Europe, Middle East & Africa	236.2	30.3%	243.4	29.8%	-3.0%	4.0%	-6.9%	-0.1%	-3.3%	6.3%
North, Central & Eastern Europe	154.4	19.8%	150.0	18.4%	3.0%	6.7%	-1.2%	-2.5%	10.8%	14.4%
Asia Pacific	54.3	7.0%	51.9	6.4%	4.6%	14.6%	-0.6%	-9.4%	4.5%	11.7%
Total	**778.2**	**100.0%**	**816.3**	**100.0%**	**-4.7%**	**5.4%**	**-3.7%**	**-6.4%**	**-1.8%**	**8.0%**

Region breakdown by key market

Americas by market

	H1 2018		H1 2017		Change	of which:			Q2 2018	
	€ m	%	€ m	%	**%**	organic	perimeter	forex	total	organic
USA	209.3	62.8%	229.6	61.9%	-8.9%	5.9%	-4.0%	-10.8%	-4.1%	8.2%
Jamaica	38.4	11.5%	36.8	9.9%	4.5%	14.8%	0.0%	-10.3%	8.8%	15.8%
Canada	23.1	6.9%	26.9	7.2%	-14.0%	0.6%	-8.5%	-6.1%	-11.0%	1.0%
Brazil	16.0	4.8%	26.4	7.1%	-39.6%	-27.2%	0.0%	-12.3%	-37.3%	-24.1%
Argentina	11.4	3.4%	18.6	5.0%	-38.5%	-5.8%	0.0%	-32.7%	-40.9%	-6.1%
Other countries	35.2	10.5%	32.8	8.8%	7.2%	18.2%	0.1%	-11.1%	9.4%	20.8%
Americas	**333.3**	**100.0%**	**371.1**	**100.0%**	**-10.2%**	**4.6%**	**-3.1%**	**-11.7%**	**-7.0%**	**6.0%**

Net sales by region & key market

Southern Europe, Middle East & Africa by market

	H1 2018		H1 2017		Change	of which:			Q2 2018	
	€ m	%	€ m	%	%	organic	perimeter	forex	total	organic
Italy	180.5	76.4%	190.8	78.4%	-5.4%	3.1%	-8.5%	0.0%	-8.2%	2.4%
Other countries	55.6	23.6%	52.6	21.6%	5.8%	7.6%	-1.4%	-0.3%	16.4%	21.8%
Southern Europe, Middle East & Africa	**236.2**	**100.0%**	**243.4**	**100.0%**	**-3.0%**	**4.0%**	**-6.9%**	**-0.1%**	**-3.3%**	**6.3%**

North, Central & Eastern Europe by market

	H1 2018		H1 2017		Change	of which			Q2 2018	
	€ m	%	€ m	%	%	organic	perimeter	forex	total	organic
Germany	74.1	48.0%	69.7	46.5%	6.3%	7.4%	-1.1%	0.0%	14.5%	14.9%
Russia	13.4	8.7%	20.6	13.7%	-35.0%	-25.2%	-0.3%	-9.6%	-31.8%	-19.5%
UK	14.8	9.6%	12.9	8.6%	14.4%	17.0%	0.0%	-2.6%	16.9%	19.3%
Other countries	52.2	33.8%	46.8	31.2%	11.6%	16.8%	-2.2%	-3.0%	18.8%	24.3%
North, Central & Eastern Europe	**154.4**	**100.0%**	**150.0**	**100.0%**	**3.0%**	**6.7%**	**-1.2%**	**-2.5%**	**10.8%**	**14.4%**

Asia Pacific by market

	H1 2018		H1 2017		Change	of which			Q2 2018	
	€ m	%	€ m	%	%	organic	perimeter	forex	total	organic
Australia	37.1	68.3%	36.6	70.6%	1.2%	10.7%	0.0%	-9.5%	4.4%	12.1%
Other countries	17.2	31.7%	15.2	29.4%	12.8%	24.1%	-2.0%	-9.4%	4.6%	11.0%
Asia Pacific	**54.3**	**100.0%**	**51.9**	**100.0%**	**4.6%**	**14.6%**	**-0.6%**	**-9.4%**	**4.5%**	**11.7%**

Q2 2018 Consolidated P&L

	Q2 2018		Q2 2017		Reported change	Organic change	Forex impact	Perimeter effect
	€ million	% of sales	€ million	% of sales	%	%	%	%
Net Sales	**442.2**	**100.0%**	**450.2**	**100.0%**	**-1.8%**	**8.0%**	**-5.4%**	**-4.4%**
COGS [1]	(170.3)	-38.5%	(180.5)	-40.1%	-5.7%	8.0%	-6.0%	-7.7%
Gross Profit	**271.9**	**61.5%**	**269.7**	**59.9%**	**0.8%**	**8.1%**	**-5.1%**	**-2.2%**
A&P	(80.8)	-18.3%	(78.3)	-17.4%	3.1%	9.7%	-6.3%	-0.3%
Contribution after A&P	**191.2**	**43.2%**	**191.4**	**42.5%**	**-0.1%**	**7.4%**	**-4.6%**	**-2.9%**
SG&A [2]	(91.8)	-20.8%	(92.4)	-20.5%	-0.7%	4.7%	-5.9%	0.5%
EBIT adjusted	**99.4**	**22.5%**	**99.0**	**22.0%**	**0.4%**	**9.8%**	**-3.4%**	**-6.1%**
Operating adjustments	(2.0)	-0.5%	(4.1)	-0.9%	-51.3%			
Operating profit = EBIT	**97.4**	**22.0%**	**94.9**	**21.1%**	**2.7%**			
Net financial income (charges)	(9.1)	-2.0%	(13.0)	-2.9%	-30.3%			
Financial adjustments	1.6	0.4%	(24.5)	-5.4%	-106.5%			
Put option costs	(0.4)	-0.1%	(2.5)	-0.6%	-85.3%			
Profit before taxes and non-controlling interests	**89.5**	**20.2%**	**54.9**	**12.2%**	**63.0%**			
Depreciation	(13.9)	-3.1%	(14.1)	-3.1%	-1.9%	8.1%	-6.5%	-3.5%
EBITDA adjusted	**113.3**	**25.6%**	**113.1**	**25.1%**	**0.1%**	**9.6%**	**-3.8%**	**-5.7%**
EBITDA	**111.3**	**25.2%**	**109.0**	**24.2%**	**2.1%**			

(1) COGS = cost of materials, production and logistics expenses
(2) SG&A = Selling, General and Administrative expenses

Consolidated balance sheet

Invested capital and resources

	30 June 2018	31 December 2017	Change
Total fixed assets	2,901.7	2,888.4	13.3
Other net non-current assets / liabilities	(476.2)	(492.3)	16.1
Operating working capital	638.1	583.6	54.5
Other assests / liabilities	(100.5)	(55.5)	(44.9)
Invested capital	**2,963.1**	**2,924.1**	**38.9**
Shareholders' equity	2,016.3	1,942.6	73.7
Net financial position	946.8	981.5	(34.7)
Financing sources	**2,963.1**	**2,924.1**	**38.9**
% NFP on equity	**47.0%**	**50.5%**	

Consolidated balance sheet (1 of 2)

Assets

	30 June 2018	31 December 2017
	€ million	€ 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	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**

Consolidated balance sheet (2 of 2)

Liabilities

	30 June 2018	31 December 2017
	€ million	€ million
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
Payables to suppliers	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**

H1 2018 Consolidated cash flow

	30 June 2018 € million	31 December 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 option 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

Financial debt as of 30 June 2018

Gross debt composition as of 30 June, 2018

Issue date	Maturity	Type	Currency	Coupon	30 June, 2018 € million	Original tenor	As % of total
Aug 3, 2016	Aug-21	Term Loan	EUR	0.85% +3m euribor	300	3 years	23%
Oct 25, 2012	Oct-19	Unrated Eurobond	EUR	4.5%	219.1	7 years	17%
Sep 30, 2015	Sep-20	Unrated Eurobond	EUR	2.75%	580.9	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				**Av. coupon 2.41%**	**1,300.0**		**100%**

Net financial debt composition

€ million	30 June 2018	31 December 2017	Change
Short-term cash/(debt)	**558.1**	**496.9**	**61.2**
- Cash and cash equivalents	558.2	*514.5*	43.7
- Short-term debt	*(0.1)*	*(17.5)*	*17.5*
Medium to long-term cash/(debt)	**(1,294.3)**	**(1,260.3)**	**(34.0)**
Debt relating to operating activities	**(736.2)**	**(763.4)**	**27.1**
Liabilities for put option and earn-out payments	(210.6)	(218.2)	7.6
Net cash/(debt)	**(946.8)**	**(981.5)**	**34.7**

Operating working capital

€ million	30-Jun-18		31-Dec-17					
	€ million	**% sales**	**€ million**	**% sales**	**Reported Change**	**Organic Change**	**Forex Impact**	**Permimeter Effect**
Receivables	**233.6**	**13.6%**	**317.5**	**18.1%**	**(83.9)**	**(71.7)**	**(12.8)**	**0.7**
Inventories	592.0	**34.5%**	491.7	**28.0%**	100.3	56.5	1.0	42.8
- Maturing inventory	335.8	**19.6%**	282.9	**16.1%**	52.9	11.4	3.2	38.3
- All others	256.2	**14.9%**	208.9	**11.9%**	47.3	45.0	(2.2)	4.4
Payables	(187.5)	**-10.9%**	(225.6)	**-12.9%**	38.1	36.4	2.8	(1.1)
Operating Working Capital	**638.1**	**37.2%**	**583.6**	**33.3%**	**54.5**	**21.1**	**(9.0)**	**42.4**

Exchange rates effects

	Average exchange rate		Period end exchange rate	
	H1 2018	H1 2017	30 June 2018	change vs 31 December 2017
	: 1 Euro	%	: 1 Euro	%
US Dollar	1.211	-10.6%	1.166	2.9%
Canadian Dollar	1.546	-6.6%	1.544	-2.6%
Jamaican Dollar	152.834	-9.0%	151.224	-1.2%
Mexican Peso	23.074	-8.9%	22.882	3.4%
Brazilian Real	4.141	-16.9%	4.488	-11.5%
Argentine Peso	26.026	-34.7%	32.705	-29.9%
Russian Ruble	71.975	-12.8%	73.158	-5.1%
Australian Dollar	1.569	-8.6%	1.579	-2.8%
Chinese Yuan	7.710	-3.5%	7.717	1.1%
British Pound Sterling	0.880	-2.2%	0.886	0.1%
Swiss Franc	1.170	-8.0%	1.157	1.1%

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.

TOASTING LIFE TOGETHER