HALF-YEAR REPORT
AT 30 JUNE 2013

CONTENTS

Highlights ... 4

Corporate officers ... 5

Interim report on operations ... 6
Significant events during the period ... 6
Sales performance ... 8
Income statement ... 15
Profitability by business area ... 18
Financial situation ... 23
Transactions with related parties ... 26
Events taking place after the end of the period ... 27
Outlook ... 27
Information on the figures presented ... 28
Alternative performance indicators ... 28
Investor information ... 29

Condensed half-year financial statements ... 33
Financial statements ... 33
Notes to the financial statements ... 37

Certification of the condensed half-year financial statements ... 65

Auditors' report ... 66

Highlights

INTRODUCTION

This half-year report to 30 June 2013, comprising the interim report on operations and the condensed half-year financial statements, was prepared in accordance with article 154-*ter* of Legislative Decree 58/1998 as subsequently amended (the "TUF").
The report was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union, and with the provisions of IAS 34 – Interim Financial Reporting.

	30 June 2013 € million	30 June 2012 € million	external %	% change at constant exchange rates
Net sales	**698.6**	**618.3**	**13.0**	**14.8**
Contribution margin	258.0	259.9	-0.7	0.5
EBITDA before non-recurring items	145.6	162.9	-10.6	-9.8
EBITDA	**140.7**	**159.3**	**-11.7**	**-10.9**
Result from recurring activities	125.4	147.4	-14.9	-14.3
Operating result	**120.5**	**143.8**	**-16.2**	**-15.6**
Profit before tax	92.2	122.7	-24.9	
Group and minorities' net profit	57.9	78.2	-26.0	
Group net profit	**57.6**	**77.9**	**-26.1**	
Free cash flow	26.0	30.6		
Operating margin (operating result/net sales)	**17.3%**	**23.3%**		
ROI % (operating result/fixed assets)	**5.8%**	**7.9%**		
Basic earnings per share (€)	0.10	0.14		
Diluted earnings per share (€)	0.10	0.13		
Average number of employees	4,042	2,308		

	30 June 2013 € million	31 December 2012 € million
Net debt	944.3	869.7
Shareholders' equity - Group and minorities	1,380.4	1,433.1
Fixed assets	2,089.9	2,101.7
Working capital and other assets and liabilities	234.9	201.1

Corporate officers

Board of Directors [(1)]

Luca Garavoglia	Chairman
Robert Kunze-Concewitz	Managing Director and Chief Executive Officer
Paolo Marchesini	Managing Director and Chief Financial Officer
Stefano Saccardi	Chief Executive Officer and General Counsel and Business Development Officer
Eugenio Barcellona	Director and member of the Control and Risks Committee and the Remuneration and Appointments Committee [(4)(5)]
Camilla Cionini-Visani	Director and member of the Control and Risks Committee and the Remuneration and Appointments Committee [(4)(5)]
Karen Guerra	Director
Thomas Ingelfinger	Director and member of the Control and Risks Committee and the Remuneration and Appointments Committee [(4)(5)]
Marco P. Perelli-Cippo	Director

Board of Statutory Auditors[(2)]

Pellegrino Libroia	Chairman
Enrico Colombo	Statutory Auditor
Chiara Lazzarini	Statutory Auditor
Giovanni Bandera	Alternate Auditor
Graziano Gallo	Alternate Auditor
Piera Tula	Alternate Auditor

Independent auditors[(3)]

PricewaterhouseCoopers S.p.A.

[(1)] The nine members of the Board of Directors were appointed on 30 April 2013 by the shareholders' meeting and will remain in office for the three-year period 2013-2015. At the same shareholders' meeting, Luca Garavoglia was appointed Chairman and granted powers in accordance with the law and the Company's articles of association.
The Board of Directors, at a meeting held on the same date, gave Managing Directors Robert Kunze-Concewitz, Paolo Marchesini and Stefano Saccardi the following powers for three years until approval of the 2015 financial statements:

- individual signature: powers of ordinary representation and management, within the value or time limits established for each type of function;
- joint signature: powers of representation and management for specific types of function, within the value or time limits deemed to fall outside ordinary activities.

[(2)] The Board of Statutory Auditors was appointed on 30 April 2013 by the shareholders' meeting for the three-year period 2013-2015.

[(3)] On 30 April 2010 the shareholders' meeting appointed PricewaterhouseCoopers S.p.A. as its independent auditors for the nine-year period 2010-2018.

[(4)(5)] The Risk Control Committee and the Remuneration and Appointments Committee were appointed by the Board of Directors on 30 April 2013 for the three year period 2013-2015.

Interim report on operations

Significant events during the period

Purchase of distribution rights for Appleton brands in the US

With reference to the acquisition of Lascelles deMercado&Co. Ltd. (LdM) which was completed in 2012, the Group purchased the distribution and marketing rights of the Appleton rum portfolio in the US, via Campari America, as of 1 March 2013, for USD 20 million.

Exercise of put and call options on the minority interest in Campari Rus OOO

On 28 February 2013, the Group exercised previously agreed to options for the purchase of the 20% remaining stake in Campari Rus OOO for a sum of € 2.1 million.
This amount did not generate any additional charge over what was already recorded by 31 December 2012.

Disposal of Punch Barbieri trademark

On 1 March 2013, the Group completed the sale of the Punch Barbieri brand to Distilleria Moccia for € 4.45 million.
This operation will enable the Group to focus on the priority brands in its portfolio.

Launch of Campari Orange Passion

Campari Orange Passion is a new appetizer cocktail made with Campari, orange juice and cane sugar, launched on the Italian market in March 2013.
This ready-to-serve cocktail, which has a bottle with an original design, was born from the success of Campari Orange Passion, the “muddled” cocktail launched in 2010 as a reinterpretation of the Garibaldi (traditional Campari Orange) to celebrate Campari’s 150th Anniversary.

Launch of Bankes London Dry Gin

In April 2013, the Gruppo Campari launched Bankes, the new premium London Dry Gin, on the Italian market. This product was created in collaboration with historic UK distillery Langley.
The new product is a high-quality liquor, obtained using a traditional distilling process, and has minimal and elegant packaging.

Acquisition of Copack, the Australian bottling company

On 28 June 2013, the Gruppo Campari announced that it had signed an agreement to purchase the assets of Copack Beverage, a limited partnership ("Copack"), a leading Australian bottling company, specialising in tin and glass packaging, that supplies the Group with packaging for ready-to-drink products.
The acquisition further strengthens the Group’s international supply chain structure, improving the flexibility of the local structure, improving quality control and increasing capacity for innovation; the transaction is therefore a major opportunity to support the Group's future growth in the Asia-Pacific region.
The acquisition is expected to be completed in the third quarter of 2013; the Group will pay AUD 20 million (equal to approximately € 14.2 million at current exchange rates), with no cash or financial debt, to acquire land, buildings, production assets and working capital. The payback period is estimated at approximately six years.

Rationalisation of Group structures

The Group has launched a reorganisation process to improve the efficiency of its organisational structures and to centralise strategic positions for the development of trade with countries outside Europe at the Sesto San Giovanni headquarters.

As of 30 June 2013, the commercial operations of Campari International S.A.M., which has its registered office in Monaco, will be taken over by Campari International S.r.l., a newly-incorporated subsidiary of Davide Campari-Milano S.p.A., with registered office at Sesto San Giovanni.
The company's mission of managing the Group's operations in a number of international markets and the geographical scope of the international business unit will remain unchanged.

Again in June 2013, the Parent Company signed an agreement with the trade unions and amalgamated unions to initiate redundancy proceedings involving staff based in Italy, most of whom will receive a bridging pension.

With regard to the acquisition of LdM, the reorganisation process involved the 22 Jamaican companies included within the scope of the operation. On 2 August 2013, these were merged into the existing company, J. Wray&Nephew Ltd. The new structure, which manages the entire brand portfolio previously distributed by J. Wray&Nephew Ltd and Lascelles Ltd. strengthens the Group's route to market in Jamaica and improves customer services, with more efficient business organisation.
Rationalisation of the structure also involved the implementation of a restructuring programme for staff announced in the second quarter, which will eventually entail a headcount reduction of about 200, mainly in the sales, logistics and finance departments. J. Wray&Nephew Ltd. will ensure an appropriate outplacement service for the staff involved.

New bottling plants

During the first half, Campari America continued to invest to bring the bottling of major Group brands, including Wild Turkey and SKYY, in-house.
The investment, which began in 2012, will end in August 2013, with the launch of the last bottling line. The first line (Wild Turkey) is now complete, and the last two are in the testing and start-up phase.
The total planned investment is USD 43.2 million, including USD 22.7 million capitalised in the previous financial year, and USD 18.1 million capitalised in the first half of 2013 (equal to € 13.9 million).
The remainder of the investment will be capitalised in the second half, when the last two bottling lines are completed.
Investment to bring the GlenGrant bottling plant in Scotland in-house also continued.
GBP 5.1 million was capitalised for the new line, operational since the end of March 2013, of which GBP 1.2 million (approximately € 1.4 million) was sustained in the first half of 2013.

Ordinary shareholders' meeting of the Parent Company

On 30 April 2013, the ordinary meeting of Davide Campari-Milano S.p.A. shareholders approved the financial statements for financial year 2012 and agreed the payment of a dividend of € 0.07 per share outstanding, unchanged with respect to the dividend paid out for financial year 2011.
The total dividend paid in May, calculated on the shares outstanding and excluding own shares (11,542,776 shares) was € 39,848,006.
The shareholders' meeting also:

- appointed the new Board of Directors for the three-year period 2013-2015. The new Board comprises Eugenio Barcellona, Camilla Cionini-Visani, Luca Garavoglia, Karen Guerra, Thomas Ingelfinger, Robert Kunze-Concewitz, Paolo Marchesini, Marco P. Perelli-Cippo and Stefano Saccardi;
- renewed Luca Garavoglia's mandate as Chairman for the three-year period 2013-2015;
- appointed the Board of Statutory Auditors, also for the three-year period 2013-2015, comprising Pellegrino Libroia as Chairman, and Enrico Colombo and Chiara Lazzarini as Permanent Auditors.

Purchase of own shares

Between 1 January and 30 June 2013, the Group bought 7,845,735 own shares at an average price of € 5.95, and sold 1,415,337 shares after stock option exercises.
At 30 June 2013, the Parent Company held 10,928,516 own shares, equivalent to 1.88% of the share capital.

Sales performance

Overall performance

In the first half of 2013, the Group's net sales came in at € 698.6 million, a total increase of 13.0% on the same period of 2012.
This positive result is due to the acquisition of Lascelles deMercado&Co. Ltd. (hereinafter the "LdM acquisition"), which took place on 10 December 2012. On a same-structure basis and at constant exchange rates as in the first half of 2012, sales decreased by 3.3%.
External growth - almost all of which was due to the LdM acquisition - was 18.1%, while the exchange rate effect was negative, at -1.8%.

	€ million	% compared with first half of 2012
Net sales in the first half of 2013	698.6	
Net sales in the first half of 2012	618.3	
total change	**80.3**	**13.0%**
of which		
organic change	-20.4	-3.3%
external change	111.9	18.1%
exchange rate effect	-11.2	-1.8%
total change	**80.3**	**13.0%**

With regard to organic growth (i.e., excluding external growth and the exchange rate effect), there was a positive trend reversal in the second quarter. Although this was not enough to offset the contraction registered in the first quarter, it was nevertheless an encouraging sign in relation to sales performance in the second half of the year. Specifically, as the following table shows, the 3.3% decrease in organic growth recorded in the first half of 2013 was the combined result of a contraction of 9.0% in the first quarter and growth of 1.4% in the period from April to June.

Organic change - % change	2013/2012	2012/2011	2011/2010
first quarter	-9.0%	+2.8%	+10.5%
second quarter	+1.4%	+3.6%	+13.6%
First half	**-3.3%**	**+3.2%**	**+12.2%**
third quarter		+0.2%	+7.3%
first nine months		**+2.2%**	**+10.5%**
fourth quarter		+4.1%	+5.2%
Total for the year		**+2.8%**	**+8.8%**

Overall growth in the first half of 2013 was negatively affected by a one-off circumstance, which, although anticipated, had a major effect on the performance of the Italian market.
In Italy, in March 2013, the Group did not benefit from the usual positive effect on sales caused by promotional activities planned for the spring, which is based on significant payment deferments for clients in the traditional distribution channel (wholesalers). This activity, aimed at increasing Group product penetration in the traditional channel with enough anticipation with respect to the summer peak in consumption, is no longer viable as of 2013 due to new legislation (article 62, Law 27 of 24 March 2012), which imposes restrictions on payment terms.
This regulatory change had an estimated impact in Italy of approximately € 25 million on first-quarter sales, resulting in a contraction of 26.3%. The limited decrease in sales on the Italian market of 6.6% in the second quarter of 2013 can therefore be seen as a gradual return to relative normality, in an environment nevertheless marked by a steep and general decline in consumption.
It is also important to remember that, in Italy and in Europe as a whole, as well as the continuing effects of the economic crisis (which are undoubtedly more acute in southern Europe), the second quarter saw particularly poor weather conditions across the entire European continent, with very serious effects on beverage consumption in open-air locations in central and northern Europe, and on soft drink consumption in Italy.
This scenario, which could be described as complex, was nevertheless offset by more than satisfactory Group results in other regions, and particularly its excellent performance in Russia, very positive results in South America, a recovery on the Australian market and the solid and consistent positive performance of the Group's brands in the United States.

As expected, the change in structure in the period had a significant positive impact of 18.1%. This was almost entirely due to the acquisition of LdM, which generated sales of € 107.7 million in the first half, an increase of 17.4% on the sales generated by the Group in the first half of 2012.
As the following table shows, the final component of external growth, sales of new third-party brands distributed by the Group, was marginal, at 0.7%.

Sales in the first six months of 2013: breakdown of external change	% compared with first half of 2012	€ million
Total LdM acquisition	17.4%	107.7
New third-party brands distributed	1.0%	6.3
Discontinued third-party brands	-0.3%	-2.1
Total external change	**18.1%**	**111.9**

The following tables show a breakdown of sales generated due to the LdM acquisition by business, and, for spirits & wines, further information on sales by region and key brands.

Sales due to LdM acquisition	€ million
spirits & wines	64.3
merchandise and agri-pharma divisions	25.2
supply chain sales (sugar and bulk rum)	18.2
Total	**107.7**

In supply chain sales, sugar harvesting and sales are heavily concentrated in the first half of the year.
With regard to LdM sales by region, shown in the following table, note that US sales were influenced by the transition due to the acquisition of distribution rights to this market on 1 March 2013, a process that led to a significant slowdown in shipments to distributors in the first half.

LdM acquisition: spirits & wine sales by region	€ million
Jamaica and Caribbean (excluding local duty free)	38.3
Canada	7.9
US	3.5
other American countries	2.0
subtotal American region	**51.7**
New Zealand	4.4
other countries in Rest of World and duty free region	2.8
subtotal Rest of World and duty free region	**7.2**
United Kingdom	3.6
other countries in Rest of Europe region	1.8
subtotal Rest of Europe region	**5.4**
Total spirits & wine sales from LdM acquisition	**64.3**

LdM acquisition: spirits & wines sales by key brand	€ million
Appleton	19.3
W&N White Overproof	15.9
Coruba	4.0
subtotal international brands	**39.2**
Magnum Tonic wine	8.9
Charley's	3.0
other Group spirits & wines brands	8.7
third-party brands distributed	4.6
subtotal local brands	**25.1**
Total spirits & wine sales from LdM acquisition	**64.3**

Changes in average exchange rates had a negative impact on sales of € 11.2 million (-1.8%) during the first half of 2013.
Specifically, compared with the first half of 2012 the Brazilian real (-10.5%) and the Argentinean peso (-18.3%) both weakened against the euro, and, albeit with a lesser impact, almost all the other currencies relevant to Group sales also lost value: the US dollar (-1.3%), the Australian dollar (-3.2%) and the Swiss franc (-2.1%).
The table below compares exchange rate changes for the most significant currencies for the Group, both as an average figure for the period and as a spot rate at 30 June.

Exchange rates for the period: currency x €	**First half 2013**	**First half 2012**	**% change**
US$ x € 1 average for the period	1.313	1.297	-1.3%
US$ x € 1 exchange rate at 30 June	1.308	1.259	-3.9%
BRL x € 1 average for the period	2.669	2.414	-10.5%
BRL x € 1 exchange rate at 30 June	2.890	2.579	-12.1%
CHF x € 1 average for the period	1.230	1.205	-2.1%
CHF x € 1 exchange rate at 30 June	1.234	1.203	-2.6%
CNY x € 1 average for the period	8.129	8.192	0.8%
CNY x € exchange rate at 30 June	8.028	8.001	-0.3%
GBP x € 1 average for the period	0.851	0.823	-3.5%
GBP x € 1 exchange rate at 30 June	0.857	0.807	-6.2%
ARS x € 1 average for the period	6.732	5.693	-18.3%
ARS x € exchange rate at 30 June	7.040	5.643	-24.8%
AUD x € 1 average for the period	1.296	1.256	-3.2%
AUD x € 1 exchange rate at 30 June	1.417	1.234	-14.8%
MXN x € 1 average for the period	16.502	17.180	3.9%
MXN x € 1 at 30 June	17.041	16.876	-1.0%
RUB x € 1 average for the period	40.763	39.694	-2.7%
RUB x € 1 exchange rate at 30 June	42.845	41.370	-3.6%
JMD x € 1 average for the period	127.711	113.029	-13.0%
JMD x € exchange rate at 30 June	132.146	111.163	-18.9%

Sales by region

As already shown in the data for the first quarter of 2013, and described in the “Interim report on operations at 31 March 2013”, the LdM acquisition and the contemporaneous slowing of sales in Italy and other European markets led to significant changes in the breakdown of the Group’s business by region.
In particular, in the Americas region, where about 80% of sales relating to the LdM acquisition are generated (not only in Jamaica, but also Canada, the Caribbean, the US and Mexico), and partly due to organic growth of 7.5%, total growth was 49.2%, meaning that the region now represents 44.4% of total Group sales (compared with 33.7% in the first half of 2012).
The contribution made by Italy, with a 15.7% decrease in sales, and the Rest of Europe, where sales increased by 4.6%, fell below 50% of total Group sales in the first half of 2013 (46.3% in the first half of 2013, compared with 56.6% in the first half of 2012).
In the Rest of the World and duty free region, which also benefited from the LdM acquisition, sales increased by 7.9% in the first half, and the region accounted for 9.3% of total Group sales.

	First half 2013		First half 2012		% change
	€ million	%	€ million	%	2013/2012
Americas	310.7	44.4%	208.2	33.7%	49.2%
Italy	179.3	25.7%	212.6	34.4%	-15.7%
Rest of Europe	143.8	20.6%	137.5	22.2%	4.6%
Rest of the world and duty free	64.7	9.3%	60.0	9.7%	7.9%
Total	**698.6**	**100.0%**	**618.3**	**100.0%**	**13.0%**

In the **Americas**, total sales for the first half amounted to € 310.7 million, an increase of 49.2% on the same period in 2012. Of this growth, 46.0% was due to the positive change in structure and 7.5% to positive organic growth in the business, while the exchange rate effect was negative at 4.4%.
As mentioned above, the strong external growth component in the region was almost entirely determined by sales related to the LdM acquisition, mainly in Jamaica but also in Canada, the US, the Caribbean and other countries in the region.
The following table shows a breakdown of growth in the Americas region by the four business areas.

Americas	First half 2013 € million	First half 2012 € million	total change	organic change	external change	exchange rate effect
Spirits	241.3	195.5	23.4%	6.4%	21.0%	-4.0%
Wines	22.2	10.1	118.7%	2.2%	126.8%	-10.3%
Soft drinks	0.4	0.0	n.s.	n.s.	n.s.	n.s.
Other sales	46.8	2.5	1757.4%	116.7%	1653.0%	-12.2%
Total	**310.7**	**208.2**	**49.2%**	**7.5%**	**46.0%**	**-4.4%**

Spirits recorded overall growth of 23.4%. Apart from the unfavourable exchange rate effect, this reflected positive organic growth of 6.4% and strong external growth of 21.0%, since the LdM acquisition was strongly focused on the Appleton, Coruba and W&N White Overproof rums.
Sales of wines, the most marginal segment, which represented only about 5% of business in the region in the first half of 2012, more than doubled in the first six months of 2013, thanks to the brands from the LdM acquisition (mainly Magnum Tonic Wine and Red Label), while organic growth was 2.2% and exchange rates had a negative impact of 10.3%.
Lastly, in the "other sales" segment, sales in the first half of 2013 increased exponentially to € 46.8 million, compared with € 2.5 million in the same period of 2012, due to the LdM acquisition. In addition to the spirits and wines portfolio, the LdM acquisition also includes the sales of the merchandise and agri-pharma divisions, and sales of sugar (strongly concentrated in the first half of the year) and bulk rum.
For a more complete analysis of the sales performance in this region, the two following charts separately show the values relative to its two main markets (excluding Jamaica), that is to the United States and Brazil, as well as to the complimentary region "other countries" in the American continent.

	First half 2013 € million	%	First half 2012 € million	%	% change 2013/2012
US	148.0	47.6%	134.5	64.5%	10.1%
Brazil	33.8	10.9%	37.6	18.1%	-10.0%
Other countries	128.9	41.5%	36.2	17.4%	256.5%
Total Americas	**310.7**	**100.0%**	**208.2**	**100.0%**	**49.2%**

Breakdown of % change	Total	organic change	external change	exchange rate effect
US	10.1%	8.2%	3.2%	-1.3%
Brazil	-10.0%	-1.5%	0.9%	-9.4%
Other countries	256.5%	14.4%	252.6%	-10.4%
Total Americas	**49.2%**	**7.5%**	**46.0%**	**-4.4%**

The **United States**, which represented 47.6% of sales in the Americas region and 21.1% of total Group sales, registered organic growth of 8.2%, reflecting a robust performance by the two key brands, SKYY Vodka and Wild Turkey. The sales result was particularly positive for the Wild Turkey franchise, which saw double-digit growth for both its core brands and American Honey. Meanwhile, the positive performance of the SKYY franchise was more limited, and mainly underpinned by the infusions range.
Among the Group's other brands, the first half was also positive for Campari and for the tequilas, particularly Espolón, but also Cabo Wabo, while Carolans, Frangelico and X-Rated saw their sales decline.
The effect of external growth was fairly limited (+3.2%): in the first six months of the year, the impact of the LdM acquisition on the US market was still marginal, since it depended on the acquisition of distribution rights to the Appleton rums portfolio by Campari America, which took place on 1 March 2013.
Depreciation in the US dollar also had a negative exchange rate effect of 1.3%.

In **Brazil,** Group sales decreased by 10.0% in the first half of 2013, but this mainly reflected depreciation in the Brazilian real, which had a negative effect of 9.4%.
Also excluding minimal external growth (+0.9%), organic sales were down slightly (by 1.5%), due to a negative performance by local brands Dreher, Old Eight and Drury's, which was nevertheless offset by a positive performance from international brands Campari, SKYY Vodka and Sagatiba.

Sales in **other countries in the American continent** more than tripled compared with the first half of 2012, due to the LdM acquisition (already covered extensively), particularly in the Jamaican and Canadian markets. The results in

key markets in this sub-area also showed a positive trend in organic growth, with a more than satisfactory result of 14.4%.
Growth was very positive in Argentina in the first half, and Campari put in another excellent performance, while SKYY Vodka and Carolans drove up sales in Canada.

In **Italy**, sales came to € 179.3 million in the first half of 2013, with a sharp decrease of 15.7% compared with the previous year. As mentioned in the introduction, this performance has to be seen and assessed in light of factors that had a significant influence on it, particularly the effects that recent legislation had on sales in the first quarter of 2013.
The first quarter of 2013 was negatively affected by a technical factor, i.e. the impossibility of launching the traditional spring promotion, aimed at increasing Group product penetration in the traditional distribution channel ahead of the summer consumption peak.
Based on an analysis of historic data, we estimate that the new measures (article 62, Law 27 of 24 March 2012), which restrict terms of payment, have shifted sales forward from the first quarter to successive quarters, in the amount of approximately € 25 million, without taking other negative effects into account.
As well as this factor, sales in the first half of 2013 continued to be negatively affected by the sharp deterioration in the socio-economic environment in the country, with falling GDP, rising unemployment (particularly among the young) and a consequent generalised contraction in consumption, affecting the entire food segment, and the beverage sector in particular: Nielsen data shows a 5.6% decrease in sell-out volumes in the spirits segment for the 12 months ended in May 2013.
The table below shows sales performance for the first half by business area, as well as the breakdown of changes in organic and external growth.

Italy	First half 2013 € million	First half 2012 € million	total change	organic change	external change	exchange rate effect
Spirits	126.2	145.2	-13.1%	-13.2%	0.1%	0.0%
Wines	12.9	15.1	-14.7%	-16.5%	1.9%	0.0%
Soft drinks	39.9	52.3	-23.7%	-23.7%	0.0%	0.0%
Other sales	0.3	0.0	n.s.	n.s.	n.s.	n.s.
Total	**179.3**	**212.6**	**-15.7%**	**-16.0%**	**0.3%**	**0.0%**

Compared with the first half of 2012, organic sales decreased by 16.0% in the first six months of 2013, the combined effect of a 26.3% decrease in the first quarter and a 6.6% decrease in the second quarter.
In spirits, organic growth was down by 13.2%, and the double-digit negative trend continued across nearly all the key brands, the sole exception being Aperol, which closed the first half with a very limited contraction compared with last year.
Wines also put in a very negative performance, with a 14.7% overall decrease in sales. Excluding the positive effect of the new distribution agreements (+1.9%), organic growth contracted by 16.5%, under the influence of both still wines (particularly Sella&Mosca) and sparkling wines and vermouth, which therefore had a strong impact on the Cinzano brand.
Also in this segment, the negative trend was strongly influenced by the drop in consumption caused by the economic crisis. In the still wines market, the decline was even more intense due to the strong contraction in consumption in the restaurant channel.
The decrease in sales in the soft drink segment was even more pronounced, at 23.7%. As well as the technical and economic factors mentioned above, i.e. the end of the spring promotion and falling consumption due to the economic crisis, weather conditions were particularly unfavourable throughout the second quarter.
In Italy, overall, external growth had a marginal impact on first-half sales (+0.3%), and was due to the distribution of new wine brands.

In the **Rest of Europe**, sales in the first half of 2013 totalled € 143.8 million, an increase of 4.6% compared with the same period in 2012.
Overall growth was entirely determined by external growth (+5.2%), and slightly eroded by unfavourable exchange rate effects (-0.6%), while in organic terms, first-half sales were completely unchanged year-on-year. It is interesting to note that the performance of the two core markets of Germany and Russia are completely balanced in terms of absolute value.
In Germany, there was another decline in the first six months of the year (almost entirely due to Aperol) despite the positive results seen in the second quarter of 2013. In Russia, the solid progress in the Group’s brand sales

continued, and the market again recorded double-digit organic growth in the period. Mixed trends were also seen in the Group's key European markets: Spain registered a substantial decline, while the UK grew strongly and France, Austria, Belgium and Switzerland were largely unchanged.

Rest of Europe	First half 2013 € million	First half 2012 € million	total change	organic change	external change	exchange rate effect
Spirits	95.9	95.4	0.5%	-5.7%	6.6%	-0.3%
Wines	39.8	35.9	10.9%	11.3%	0.8%	-1.3%
Soft drinks	3.0	2.9	3.7%	4.7%	0.0%	-1.0%
Other sales	5.2	3.3	55.6%	38.8%	20.4%	-3.6%
Total	**143.8**	**137.5**	**4.6%**	**0.0%**	**5.2%**	**-0.6%**

In terms of the individual businesses, the table above shows zero organic growth in the Rest of Europe region, which breaks down into a 5.7% decrease in spirits sales and an 11.3% increase in wine sales. These mixed trends reflect the dynamics of the respective product portfolios of Germany and Russia.
In the spirits segment, Aperol's sharp drop in Germany more than offset the good performance of other spirit brands, both in this market (Campari, Ouzo 12, SKYY Vodka and GlenGrant) and in the other key European markets (particularly Aperol and Campari).
Wines generated double-digit growth, mainly in Russia, where Mondoro and Cinzano continued to make strong progress and gain market share, but wines also performed well in Germany, with good growth in Cinzano, while Odessa declined in Ukraine.
The overall external growth figure of 5.2% was mainly due to spirits (external growth of 6.6%), attributable partly to the distribution of Tullamore DEW in Germany and partly to sales of brands from the LdM acquisition, which are currently nearly all in the UK.
The soft drinks segment, marginal in this region, saw increased sales (+4.7% at constant exchange rates) thanks to positive growth of the Lemonsoda range in Switzerland. The "other sales" segment, also marginal but growing by 55.6%, reported a strong increase in distillate sales to third parties in Scotland.

In the **Rest of the World and duty free** region, sales in the first half of 2013 came in at € 64.7 million, an increase of 7.9% on the same period in 2012. This growth was mainly due to external growth (+13.4%), reflecting sales of Appleton, Coruba and other LdM acquisition brands, mainly in New Zealand, and through the duty free channel.
Organic sales in the region decreased by 3.5%, due to a weak first half for the two major markets, Australia and Japan. Sales in the duty free channel and in other high-potential markets, such as China, South Africa and New Zealand, were however extremely positive. The overall exchange rate effect was negative (-2.1%) due to the devaluation of the Australian dollar and the Japanese yen.
The table below shows the sales performance by business area in the Rest of the World and duty free region as a whole.

Rest of the world and duty free	First half 2013 € million	First half 2012 € million	total change	organic change	external change	exchange rate effect
Spirits	55.8	52.2	6.9%	-3.7%	12.7%	-2.1%
Wines	7.7	7.5	3.2%	-4.5%	9.1%	-1.4%
Soft drinks	0.1	0.1	-14.5%	-14.8%	0.3%	0.0%
Other sales	1.2	0.3	361.2%	79.8%	286.9%	-5.6%
Total	**64.7**	**60.0**	**7.9%**	**-3.5%**	**13.4%**	**-2.1%**

Spirits, which represent 86.2% of total sales in this region, registered negative organic growth of 3.7%, mainly due to a sharp drop in sales within the entire Wild Turkey franchise in Australia. This market has seen the launch of a large number of new products in 2013, particularly in the ready to drink segment, where the Group launched American Honey in September 2012, with great success. The first half was marked by further aggressive promotional campaigns by consolidated players in competition with the core Wild Turkey product.
Wines, which represent about 12% of sales in the region, showed a 4.5% contraction in sales in the first half of 2013, since the decline for Riccadonna was greater than growth for Cinzano, both in sparkling wines and vermouth.

Consolidated sales by business area and by key brand

The two tables below show changes in sales by business area and a breakdown of the overall change in each business area by organic growth, external growth and the effect of exchange rate movements.

As we previously observed with regions, the LdM acquisition also had a significant effect on the breakdown of sales by business. Specifically, as a result of the consolidation of the merchandise and agriculture and pharmaceutical product divisions, and of sugar and bulk rum sales to third parties, the "other sales" segment accounted for 7.7% of sales in the first half of 2013, compared with 1.0% in the first half of 2012.

	First half 2013		First half 2012		% change
	€ million	%	€ million	%	2013/2012
Spirits	519.1	74.3%	488.3	79.0%	6.3%
Wines	82.6	11.8%	68.6	11.1%	20.4%
Soft drinks	43.4	6.2%	55.3	8.9%	-21.6%
Other sales	53.5	7.7%	6.1	1.0%	778.4%
Total	**698.6**	**100.0%**	**618.3**	**100.0%**	**13.0%**

Breakdown of % change	Total	organic change	external change	exchange rate effect
Spirits	6.3%	-2.9%	11.1%	-1.9%
Wines	20.4%	2.1%	20.6%	-2.4%
Soft drinks	-21.6%	-22.1%	0.6%	-0.1%
Other sales	778.4%	72.8%	712.9%	-7.3%
Total	**13.0%**	**-3.3%**	**18.1%**	**-1.8%**

Spirits

The Group's sales of spirits*,* which amounted to € 519.1 million, saw an overall increase of 6.3%. The LdM acquisition, mainly with the Appleton, W&N Overproof and Coruba rums, further strengthened the Group's core business: external growth in spirits in the first half was € 54.0 million, representing 11.1% of sales compared with the first half of 2012. Stripping out this external growth and the negative exchange rate effect (-1.9%), spirits recorded negative organic growth of 2.9%.

In addition to the information provided above on the sales performance of the main brands in individual regions, a summary of the overall results of the Group's main brands is provided below.

Main spirits brands of the Group H1 sales in 2013 vs. H1 sales in 2012	Change at constant exchange rates	Change at actual exchange rates
Campari	1.5%	-1.0%
SKYY Vodka (including the infusion range)	4.8%	3.2%
Aperol	-10.0%	-10.2%
Campari Soda	-19.5%	-19.6%
Wild Turkey franchise	3.3%	1.2%
of which Wild Turkey core brand	4.2%	2.4%
of which Wild Turkey ready-to-drink	-13.8%	-16.5%
of which American Honey	10.4%	8.7%
Brazilian brands (Old Eight, Drury's and Dreher)	-9.9%	-18.5%
Former C&C brands	-6.9%	-8.1%
of which Carolans	-2.3%	-3.4%
of which Frangelico	-11.3%	-12.6%
GlenGrant	1.3%	0.9%
Old Smuggler	-1.0%	-11.5%
Ouzo12	2.9%	2.8%
Cynar	-2.7%	-5.9%
Tequila (Cabo Wabo and Espolón)	12.0%	10.8%

In the first half of 2013, third-party spirits distributed by the Group (which represent approximately 12% of sales in this segment) registered overall growth of 7.9%, but on a same-structure basis and at constant exchange rates, sales decreased by 1.2%.

Wines

Sales of wines in the first half of 2013 totalled € 82.6 million, an increase of 20.4% compared with the same period of last year. The effect of the LdM acquisition was also significant for this segment, accounting for most of external

growth, which was 20.6% (€ 14.1 million) overall. On a same-structure basis and at constant exchange rates, the segment did however achieve a positive result, with organic growth of 2.1%.
The following table summarises the consolidated sales performance of the key brands.

Group wine brands H1 sales in 2013 vs. H1 sales in 2012	Change at constant exchange rates	Change at actual exchange rates
Cinzano sparkling wines	5.0%	4.5%
Cinzano vermouth	0.9%	-4.8%
Other sparkling wines (Riccadonna, Mondoro and Odessa)	28.5%	25.0%
Sella&Mosca	-13.7%	-13.7%

In wines, agency brands accounted for a lower proportion of total sales than spirits (about 9%). Overall, excluding the strong positive influence of the new third-party wines distributed in Jamaica, agency brand sales contracted. However, in still wines, a new major distribution agreement for Volpe Pasini wines was signed in Italy in early 2013.

Soft drinks
In the first half of 2013, sales of soft drinks totalled € 43.4 million, a decrease of 21.6% compared with the first half of 2012 (-22.1% stripping out marginally positive external growth).
The performance of this segment was strongly influenced by the negative events that impacted sales in the Italian market in the first quarter, as well as very poor weather in the second quarter. The following table summarises the performance of key brands at consolidated level.

Soft drink brands of the Group H1 sales in 2013 vs. H1 sales in 2012	Change at constant exchange rates	Change at actual exchange rates
Crodino	-29.6%	-29.6%
Lemonsoda drinks range	-9.4%	-9.5%
Crodo mineral waters and other drinks	-3.7%	-3.7%

Other sales
Other sales totalled € 53.5 million and, as mentioned above, now account for a greater proportion of the Group's business following the LdM acquisition (these sales totalled only € 6.1 million in the first half of 2012).
Items in this segment now include:

- sales of finished products that do not fall into the product categories that represent the Group’s core business (spirits, wines and soft drinks), totalling € 41.6 million;
- sales to third parties of raw materials and semi-finished goods, mainly new-production and aged liquid, totalling € 10.2 million;
- revenue from bottling activities carried out on behalf of third parties, totalling € 1.7 million.

Income statement

The Group recorded total growth in sales of 13.0% in the first half of 2013, although this was offset by a contraction in the result of recurring activities, both in absolute terms (14.9%) and in terms of sales margins (23.8% to 17.9% in the two half-years under comparison).
The results shown incorporate both significant external growth arising from the LdM acquisition, and, as well as the very unfavourable macroeconomic environment throughout southern Europe, a one-off factor (article 62, Law 27 of 24 March 2012) which, in the first quarter of the year, had a very negative impact on business performance in the Italian market, as described in the previous section “Sales performance”.

	First half 2013		First half 2012		Total
	€ million	%	€ million	%	%
Net sales	698.6	100.0	618.3	100.0	13.0
Cost of goods sold after distribution costs	(325.2)	-46.6	(255.1)	-41.3	27.5
Gross profit after distribution costs	373.4	53.4	363.2	58.7	2.8
Advertising and promotional costs	(115.4)	-16.5	(103.3)	-16.7	11.7
Contribution margin	258.0	36.9	259.9	42.0	-0.7
Overheads	(132.6)	-19.0	(112.5)	-18.2	17.8
Result from recurring activities	125.4	17.9	147.4	23.8	-14.9
Non-recurring income (charges)	(4.9)	-0.7	(3.6)	-0.6	-
Operating result	120.5	17.3	143.8	23.3	-16.2
Net financial income (charges)	(28.3)	-4.0	(20.8)	-3.4	35.6
Non-recurring financial income (charges)	(0.1)	-	(0.1)	-	-
Put option income (charges)	-	-	(0.1)	-	-
Profit before tax and minority interests	92.2	13.2	122.7	19.8	24.9
Taxes	(34.3)	-4.9	(44.5)	-7.2	22.9
Net profit	57.9	8.3	78.2	12.6	26.0
Minority interests	(0.3)	-	(0.3)	-	-
Group net profit	57.6	8.2	77.9	12.6	26.1
Total depreciation and amortisation	(20.2)	-2.9	(15.6)	-2.5	30.0
EBITDA before non-recurring income and charges	145.6	20.8	162.9	26.3	-10.6
EBITDA	140.7	20.1	159.3	25.8	-11.7

Net sales for the first half totalled € 698.6 million, an increase of 13.0%, thanks to strong external growth of 18.1%; stripping out this positive component and the negative exchange rate effect of 1.8%, sales decreased by 3.3%. For more details on these effects and on sales by region and business area, please refer to the section above.
The Group's margins in the first half of 2013 were affected by the sharp increase in the cost of goods sold as a percentage of sales (+530 bps), from 41.3% in 2012 to 46.6% in 2013.
Most of this increase reflects the LdM acquisition, which alone accounted for an increase of 320 bps. The organic component alone accounted for an increase of 210 bps.
The dilutive effect on the gross profit margin from the LdM consolidation alone was less in the second quarter than in the first, when the dilutive effect was 450 bps: the seasonal nature of the acquired business meant that components with lower margins had a more pronounced effect in the first quarter of the year (particularly sugar, but also general merchandise and products from the agri-pharma division), compared with those with higher margins, i.e. spirits and wines.
The organic component also registered a significant increase in terms of the cost of goods sold as a proportion of sales (210 bps); however, in this case, there was a progressive improvement compared with the first quarter of the year, when the gross profit margin was reduced by 250 bps.
More specifically, it should be noted that, compared with the first half of 2012, 140 bps of the organic margin dilution was due to the unfavourable sales mix and 50 bps to the greater cost of goods sold in the US, relating to start-up costs for the new bottling plant in Kentucky.
Finally, the net impact on gross profit generated by price changes, i.e. by both changes in net sales prices and the increase in the unit cost of products sold (raw materials, production and transport expenditure), was negative for 20 bps.

Gross profit in the first half of 2013 was € 373.4 million, an increase of 2.8% compared with the first half of 2013, but, as a direct result of the dilutive effects described above, the margin decreased by 530 bps, from 58.7% to 53.4%.

In the first half of 2013, **advertising and promotional costs** as a proportion of sales came to 16.5%, slightly less than in the previous year (16.7%).
However, stripping out the LdM acquisition effect, the organic component alone accounted for 18.2%, an increase of 150 bps on the first half of 2012. This increase reflects a different planning schedule for advertising and promotional investments between the first and second halves of the year, compared with 2012, and will not result in an increase in the proportion of spending on an annual basis.

With regard to the LdM acquisition, note that promotional and advertising investments as a proportion of sales are more limited than the proportion registered by the Group (7.9% in the half-year under review), partly because, for a substantial portion of the business (not relating to spirits and wines), investments are extremely marginal.

The **contribution margin** for the half-year was € 258.0 million, a decrease of 0.7% compared with the previous year, as a result of external growth of 12.0%, a negative exchange rate effect of 1.3% and an 11.5% decline in organic sales.

Overheads, which include the cost of the sales structures and general and administrative costs, increased by 17.8% in total during the first half.
This marked increase was mainly due to the external growth effect of the LdM acquisition, which generated growth of 18.0%. Also stripping out the reduction in costs of 2.1% generated by exchange rates, i.e. the revaluation of the euro against the main currencies, organic growth in overheads was limited (1.9%).

The result from recurring activities was € 125.4 million, a decrease of 14.9% compared with the same period of 2012.
Stripping out the positive effects of external growth (+7.4%) and negative exchange rate effects (-0.6%), the result from recurring activities fell by 21.7%.

Non-recurring income and charges showed a net negative balance in 2013 of € 4.9 million, compared with a negative balance of € 3.6 million in 2012.
The more substantial charges in 2013 are due to provisions or costs relating to restructuring and asset write-downs. Specifically, € 4.6 million is due to restructuring costs relating to the Parent Company, the companies included in the LdM acquisition and - to a lesser extent - other Group companies. € 3.7 million is due to write-downs of assets relating to CJSC Odessa Sparkling Wine Company.
The most significant income item was the capital gain generated by the Parent Company by the sale of the Punch Barbieri trademark, which partly offset the provisions, costs and asset write-downs mentioned above.

The **operating result** was € 120.5 million in the first half of 2013, representing a total decrease of 16.2% compared with the first half of 2012. Stripping out the effects of external growth (+6.5%) and exchange rates (-0.6%), the result was an organic decline in operating profit of 22.1%.
ROS (return on sales, i.e. operating result as a percentage of net sales) was 17.3%, compared with 23.3% in the previous year.

Total **amortisation and depreciation** in the period was € 20.2 million, an increase of € 4.6 million on the first half of 2012; of this amount, € 3.6 million was attributable to the LdM acquisition.

EBITDA before non-recurring income and charges decreased by 10.6% (-18.8% on a same-structure basis and at constant exchange rates) to € 145.6 million. **EBITDA** fell by 11.7% (-19.1% on a same-structure basis and at constant exchange rates) to € 140.7 million.

Net financial charges for the first half of 2013 stood at € 28.3 million, an increase of € 7.5 million on the € 20.8 million recorded in the same period of 2012.
The increase in financial charges relates to increased average debt, due to the Eurobond issued to finance the LdM acquisition. The average cost of debt in the first half, negatively affected by a substantial negative carry on cash and cash equivalents, was 6.3%.

Profit before tax decreased by 24.9% in the first half of 2013 to € 92.2 million (-24.3% at constant exchange rates).

Income taxes came to € 34.3 million in the period, down in absolute terms compared with the first half of 2012, when they came in at € 44.5 million. The tax rate fell from 36.3% in the first half of 2012 to 37.2% in the first half of 2013.
This item also includes a component for deferred taxes (€ 10.9 million in 2013), in line with the figure for the first half of 2012, and reported for the purposes of cancelling out the effect of the tax-deductibility of amortisation on goodwill and brands permitted under local legislation. Stripping out the effect of these taxes, the recalculated tax rate fell from 27.2% in 2012 to 25.5% in 2013.

Minority interests for the period were low, at € 0.3 million, and the same as in the same period last year.

Group net profit in the first half of 2013 came in at € 57.6 million, a decrease of 26.1% compared with the first half of the previous year, representing 8.2% of sales.

Profitability by business area

Foreword

Starting with these annual financial statements to 31 December 2012, the Group has decided to change its segment reporting, as set out in IFRS 8.
Whereas previously, segment reporting showed the profitability of the four business areas, calculated according to the categories of products sold (spirits, wines, soft drinks and other sales), from the 2012 annual financial statements, the Group has presented profitability by geographical region.

The four regions identified as operating segments and for which profitability is analysed are: Italy, Rest of Europe, Americas and Rest of the world, and duty free.
This change is in line with the guidelines of IFRS 8, which establishes that segment reporting must reflect the organisational structure of the entity (company or group) which prepares the report, and must be consistent with the information used by the management to assess the entity's performance.
The Group has adopted this new segment reporting during an historic period for the Group's development, in that the organisational changes launched in 2009 with the creation of geographical business units have been completed, and the IT systems supporting the new organisation have been implemented.
The level of profitability analysed in the new segment reporting is the "result from recurring activities", which means that more complete information is provided compared with the past, when the profitability of spirits, wines, soft drinks and other sales was only shown up to "contribution margin"; the previous product categories were in fact aggregations of brands and therefore only evaluated in terms of the margin actually generated by the individual brands, that is without any allocation of overheads.
In contrast, the new segment reporting aggregates the income statements of the individual companies that make up a certain geographical region, and it is therefore possible to evaluate the regions based on their "results from recurring activities".
In addition, the profitability of each region shown in the new segment reporting methodologically reflects the profit generated by the Group in sales to third parties made in that region; this therefore neutralises any effects resulting from the relative inter-company margins in a given region.

Profitability by segment

The table below shows a breakdown by region of the Group's net sales and result from recurring activities for the first half of 2013.

Income statement First half 2013	Net sales	% of Group total	Result from recurring activities	% of Group total
	€ million	%	**€ million**	%
Americas	310.7	44.4%	55.2	44.1%
Italy	179.3	25.7%	35.7	28.5%
Rest of Europe	143.8	20.6%	22.4	17.8%
Rest of the world and duty free	64.7	9.3%	12.0	9.6%
Total	**698.6**	**100.0%**	**125.4**	**100.0%**

The Americas, which already represented the Group's main geographical region in 2012, saw its contribution to the Group's total business grow in 2013 following the LdM acquisition.
In the first half of 2013, the area accounted for 44.4% of sales (34.7% in the 12 months of 2012) and 44.1% of the result from recurring activities (33.7% in 2012).
In contrast, Italy's contribution to both total sales and the result from recurring activities has progressively decreased over the last four years, as a result of the Group's international expansion strategy and significant acquisitions made outside the domestic market: in the half year under review, Italy accounted for 25.7% of sales and 28.5% of the Group's profitability.
The Rest of Europe, which is benefiting from the development of the business in Russia, represents just over one-fifth of the Group's sales (20.6%) and 17.8% of the Group's profitability.

Lastly, the Rest of the world and duty free area is still significantly smaller than the other areas, in terms of both relative weight of sales and profitability on the Group total, at 9.3% and 9.6% respectively.
The tables below analyse the income statement for the first half of 2013 of each region, providing a comparison with the same period in 2012 and a summary of the effects that determined the profitability of the area.

Income statement - Americas

The Group's five main markets in the Americas are the US, Jamaica, Brazil, Argentina and Canada, which together represent around 94% of the region's sales.

Americas	First half 2013		First half 2012			First half of 2013 reclassified on a same-structure basis as 2012		
	€ million	% of sales	€ million	% of sales	total % change	€ million	% of sales	% organic change
Net sales	**310.7**	**100.0**	**208.2**	**100.0**	**49.2%**	**224.0**	**100.0**	**7.5%**
Cost of goods sold after distribution costs	(156.1)	(50.3)	(89.1)	(42.8)	75.2	(99.0)	(44.2)	11.1%
Gross profit after distribution costs	**154.6**	**49.7**	**119.1**	**57.2**	**29.8%**	**124.9**	**55.8**	**4.9%**
Advertising and promotional costs	(46.0)	(14.8)	(37.8)	(18.2)	21.5%	(40.2)	(18.0)	6.3%
Overheads	(53.4)	(17.2)	(34.4)	(16.5)	54.9	(36.4)	(16.3)	5.8%
Result from recurring activities	**55.2**	**17.8**	**46.8**	**22.5**	**17.9%**	**48.2**	**21.5**	**3.0%**

As shown in the table above, overall, the region achieved sales growth of 49.2% and a 17.9% increase in the result from recurring activities, owing to the positive impact of the LdM acquisition.
Analysing the organic part of the business separately - i.e. stripping out the external component and the negative exchange rate effects - sales growth was 7.5% and the increase in the result from operating activities was 3.0%. Specifically, the gross margin rose by 4.9%, but shows a dilution of 140 basis points, falling from 57.2% in the first six months of last year to 55.8% in 2013; this can be seen in the column that reports the absolute values and percentages of sales for the organic business only, in the first half of 2013. The dilution is mainly due to start-up costs for the Group's new factory in Kentucky, while the positive effects of a partial business reorganisation in Brazil in the first half of the year are not yet visible.
Also on an organic basis, and on a same-structure basis as 2012, advertising costs increased by 6.3% and represents 18.0% of sales, broadly in line with last year (18.2%). Overheads increased by 5.8%, also slightly below the figure for the first half of 2012 as a percentage of sales. A summary at organic level shows that the region's profitability fell by 100 basis points, from 22.5% to 21.5% in the first half of 2013.
The first-time consolidation of the acquisition of LdM, which is significantly less profitable than the Group's business as a whole in the Americas region, therefore reduced the margin on the region's recurring activities, which decreased from 22.5% last year to 17.8% in the first half of 2013.

The table below shows the growth in absolute terms of the region's result from recurring activities, which totalled € 8.4 million.

Breakdown of change	€ million
Result from recurring activities in the first half of 2012	**46.8**
organic change	1.4
external change	7.5
exchange rate effect	(0.5)
Result from recurring activities in the first half of 2013	**55.2**

Income statement - Italy

Italy	First half 2013		First half 2012			First half of 2013 reclassified on a same-structure basis as 2012		
	€ million	% of Sales	€ million	% of sales	total % change	€ million	% of sales	% organic change
Net sales	**179.3**	**100.0**	**212.6**	**100.0**	**-15.7%**	**178.5**	**100.0**	**-16.0%**
Cost of goods sold after distribution costs	(72.2)	(40.3)	(84.8)	(39.9)	(14.9)	(71.7)	(40.2)	-15.4%
Gross profit after distribution costs	**107.1**	**59.7**	**127.7**	**60.1**	**-16.2%**	**106.8**	**59.8**	**-16.4%**
Advertising and promotional costs	(27.5)	(15.3)	(27.8)	(13.1)	-1.4%	(27.4)	(15.4)	-1.5%
Overheads	(43.9)	(24.5)	(45.0)	(21.2)	(2.5)	(43.9)	(24.6)	-2.5%
Result from recurring activities	**35.7**	**19.9**	**54.9**	**25.8**	**-34.9%**	**35.5**	**19.9**	**-35.3%**

The decline in the socio-economic environment in Italy, as well as the effects of article 62, Law 27 of 24 March 2012 on the business in the first quarter of the year, have been addressed in detail in the sections above.
Organic sales in Italy declined by 16.0% and the result from recurring activities by 35.3%, leading to an erosion in the margin on recurring activities of 590 basis points (from 25.8% to 19.9% in the first half of the year).
While the results of the first half reflect the difficult market conditions, the income statement for the period does, however, show some encouraging signs.
Firstly, the dilution of the gross margin was limited to only 30 basis points, by virtue of the Group's capacity to increase net sales prices (reducing the impact of the increase in unit costs of production factors to a minimum) and to keep fixed production and logistics costs as low as possible. The gross margin, after distribution costs, therefore includes an organic decline of 16.4%, in absolute terms, as a result of the significantly lower sales volumes.
At 15.4% as a percentage of sales, advertising and promotional costs were higher than the previous year (13.1%), due to lower sales, while in value terms, they were only slightly lower than the previous year (-1.5%).
Overheads, which also include a variable component of sales fees to agents, decreased by 2.5% compared with the first half of 2012, but have, inevitably, increased as a percentage of sales (from 21.2% to 24.6%).

Breakdown of change	€ million
Result from recurring activities in the first half of 2012	**54.9**
organic change	(19.4)
external change	0.2
Exchange rate effect	0.0
Result from recurring activities in the first half of 2013	**35.7**

The table above shows the figures that generated the result from recurring activities for the first half of 2013, comprising negative organic growth of € 19.4 million and external growth of € 0.2 million, owing to the profit generated by the distribution of new wines.

Income statement - Rest of Europe

The Group's main markets in this region are Germany and Russia, in which it has its own sales organisations; the other significant markets are Switzerland, Austria, Belgium and Ukraine, and recently the UK, which are managed directly by the Group, as well as Spain and France, which are covered by third-party distributors.

Rest of Europe	First half 2013		First half 2012			First half of 2013 reclassified on a same-structure basis as 2012		
	€ million	% of sales	€ million	% of sales	total % change	€ million	% of sales	% organic change
Net sales	**143.8**	**100.0**	**137.5**	**100.0**	**4.6%**	**137.5**	**100.0**	**0.0%**
Cost of goods sold after distribution costs	(69.7)	(48.5)	(59.9)	(43.6)	16.3	(65.5)	(47.6)	9.2%
Gross profit after distribution costs	**74.1**	**51.5**	**77.6**	**56.4**	**-4.4%**	**72.0**	**52.4**	**-7.1%**
Advertising and promotional costs	(28.8)	(20.0)	(25.9)	(18.9)	11.0%	(28.5)	(20.7)	9.9%
Overheads	(23.0)	(16.0)	(22.6)	(16.4)	1.9	(22.2)	(16.1)	-2.0%
Result from recurring activities	**22.4**	**15.6**	**29.0**	**21.1**	**-23.0%**	**21.4**	**15.6**	**-26.3%**

Overall, the financial performance achieved in the region in the first half of 2013 was heavily affected by the country mix, i.e. the diverging trends noted in Russia and Germany.
Looking at the organic part of the business only, sales were broadly stable, due largely to the fact that the decline in the German market was completely offset by growth in the Russian market. The different margins of the various portfolios in the two markets, however, led to an organic decline of 7.1% in the gross margin and a significant dilution in the region's percentage margin (of 400 basis points), which fell to 52.4%.
Spending on advertising and promotions rose in both absolute terms (9.9% organic growth) and as a percentage of sales, as a result of greater pressure in certain Western European markets (Spain, UK and France on the Aperol brand), which was partly offset by lower costs in Germany.
Conversely, overheads were well controlled, rising by only 1.9%, including external growth relating to the first-time consolidation of the Group's new sales structure in the UK; in organic terms, therefore, these costs decreased by 2.0% compared with the first half of 2012.
To summarise, the result from recurring activities for the Rest of Europe, showed an organic decline of 26.3% and a significant dilution in final profitability, from 21.1% in the first six months of 2012 to 15.6% in 2013.

Breakdown of change	€ million
Result from recurring activities in the first half of 2012	**29.0**
organic change	(7.6)
external change	0.9
Exchange rate effect	-
Result from recurring activities in the first half of 2013	**22.4**

The table above shows how the overall decrease in the region's result, totalling € 6.6 million, was the combined effect of negative organic growth of € 7.6 million and external growth of € 0.9 million.

Income statement - Rest of the world and duty free

This is the smallest area for the Group's sales, and accounts for less than 10% of the total; the five main markets of Australia, Japan, China, New Zealand and the duty free channel represent just under 90% of total sales.

Rest of the world and duty free	First half 2013		First half 2012			First half of 2013 reclassified on a same-structure basis as 2012		
	€ million	% of sales	€ million	% of sales	total % change	€ million	% of sales	% organic change
Net sales	**64.7**	**100.0**	**60.0**	**100.0**	**7.9%**	**57.9**	**100.0**	**-3.5%**
Cost of goods sold after distribution costs	(27.1)	(41.9)	(21.2)	(35.3)	28.1	(23.1)	(39.9)	9.0%
Gross profit after distribution costs	**37.6**	**58.1**	**38.8**	**64.7**	**-3.1%**	**34.8**	**60.1**	**-10.3%**
Advertising and promotional costs	(13.2)	(20.4)	(11.7)	(19.5)	12.5%	(12.5)	(21.5)	6.3%
Overheads	(12.4)	(19.1)	(10.5)	(17.5)	18.0	(12.2)	(21.1)	16.1%
Result from recurring activities	**12.0**	**18.6**	**16.6**	**27.7**	**-27.6%**	**10.2**	**17.6**	**-38.7%**

The first half of the year was not particularly positive for sales and profitability: stripping out the significant positive impact of the LdM acquisition and the negative exchange rate effects in this case also, sales fell by 3.5% and the result from recurring activities decreased by 38.7%.
The gross margin suffered significant erosion (-10.3%); this was attributable to the geographical mix, i.e. the more marked decline of sales in Australia, where the Wild Turkey franchise is more profitable.
Advertising costs and overheads also had a negative impact on final profitability, increasing in both absolute terms, by 6.3% and 16.1% respectively, and as a percentage of sales. Spending on both items is expected to be cut in the second half of the year; this is especially the case for overheads, which increased considerably in the first half of 2013, due partly to the strengthening of the structures in the Asian and African markets, which began in the second half of 2012.
External growth in this region was also mainly generated by the LdM acquisition, and specifically by sales in New Zealand, which are very profitable.
The table below shows an overall contraction of € 4.6 million in the result from recurring activities in the region, broken down by organic growth, external growth and exchange rate effect.

Breakdown of change	€ million
Result from recurring activities in the first half of 2012	**16.6**
organic change	(6.4)
external change	2.3
exchange rate effect	(0.5)
Result from recurring activities in the first half of 2013	**12.0**

Financial situation

Statement of cash flows

The table below shows a simplified and reclassified statement of cash flows by comparison with that included in the financial statements.
The main restatement is the exclusion of cash flows relating to changes in short-term and long-term debt, and in investments in marketable securities: in this way, the total cash flow generated (or used) in the period corresponds to the change in net debt.

	30 June 2013 € million	30 June 2012 € million	change € million
Operating profit	120.5	143.8	(23.3)
Amortisation and depreciation	20.2	15.6	4.7
EBITDA	140.7	159.3	(18.6)
Other non-cash items	7.6	3.4	4.2
Changes in non-financial assets and liabilities	(8.4)	(1.8)	(6.6)
Taxes paid	(40.6)	(53.1)	12.5
Cash flow from operating activities before changes in working capital	99.3	107.8	(8.5)
Change in net operating working capital	(27.0)	(42.5)	15.5
Cash flow from operating activities	72.3	65.3	7.0
Net interest paid	(10.3)	(17.4)	7.1
Cash flow used for investment	(36.0)	(17.4)	(18.6)
Free cash flow	26.0	30.6	(4.6)
Acquisitions and disposals of trademarks and companies	(14.1)	(1.3)	(12.9)
Other changes	(42.0)	(1.7)	(40.3)
Dividend paid out by Parent Company	(39.8)	(40.5)	0.7
Total cash flow used in other activities	(96.0)	(43.5)	(52.5)
Exchange rate differences and other changes	(7.5)	(7.5)	(0.0)
Change in net debt due to operating activities	(77.5)	(20.4)	(57.1)
Change in payables for the exercise of put options and earn-out payments (*)	2.9	1.3	1.6
Change in net debt = total net cash flow for the period	**(74.6)**	**(19.1)**	**(55.5)**
Net debt at the start of the period	(869.7)	(636.6)	(233.1)
Net debt at the end of the period	(944.3)	(655.7)	(288.7)

(*) This item, which is a non-cash item, is included in order to reconcile the change in net debt due to operating activities with the overall change in the net financial position.

Free cash flow in the first half of 2013 was € 26.0 million: cash flow from operating activities was € 72.3 million, which was partly offset by the payment of net financial interest of € 10.3 million and net investment of € 36.0 million.
A comparison of free cash flow with the figure for the first half of 2012 (€ 30.6 million) shows some offsetting factors that led to cash generation of less than € 4.6 million. These negative factors were:
- the EBITDA contraction of € 18.6 million, analysed in detail in the previous section ("Income statement");
- increased investment of € 18.6 million compared with the previous year, due mainly to the completion in the current year of several bottling lines, particularly at Campari America (described under "Significant events during the period").

These effects were counterbalanced by the following positive changes:
- a € 12.5 million reduction in taxes paid, due to both lower income in the period and a different division between payment on account and payment of the balance by the Parent Company;
- negative changes in operating working capital of € 27.0 million (excluding exchange rate and external growth effects), which had less of a negative effect compared with 2012; this generated a positive effect of € 15.5 million year-on-year.

Cash flow used in other activities was € 96.0 million, compared with € 43.5 million in the first half of 2012.
In 2013 the most significant items were:

- the price paid in March 2013 as part of the LdM acquisition, to buy back distribution rights in the US to the Appleton rum portfolio, for USD 20 million (€ 15.6 million), net of the payment for the sale of the Punch Barbieri trademark by the Parent Company;
- the purchase of own shares for € 42.0 million, excluding sales for the exercise of stock options;
- € 39.8 million for the dividend paid by the Parent Company;

Exchange rate differences and other changes had a negative impact of € 7.5 million on net cash flow in the first half of 2013. The item reflects the positive effect of exchange rate differences on operating working capital of € 16.3 million, with the remainder accounted for by other exchange rate effects on currency translation of shareholders' equity.

The change in **payables for the exercise of put options and earn-out payments** in the first half of 2013 shows a net reduction of € 2.9 million, due to the earn-out payments and put options for the acquisition of the residual shares of Campari Rus OOO, already included in the net financial position at 31 December 2012.

To conclude, **net cash flow of € 74.6 million had been absorbed** at 30 June 2012, corresponding to the increase in Group financial debt compared with 31 December 2012.

Breakdown of net debt

At 30 June 2013, consolidated net debt stood at € 944.3 million, or € 74.6 million higher than the € 869.7 million registered at 31 December 2012.
The main cash inflows and outflows giving rise to the change in debt in the period are analysed in the previous section entitled "Cash flow statement".
The table below shows how the debt structure changed between the beginning and end of the period.

	30 June 2013 € million	31 December 2012 € million	change
Cash and cash equivalents	386.9	442.5	(55.6)
Payables to banks	(107.1)	(121.0)	13.8
Short-term portion of private placement	(30.6)	(0.0)	(30.6)
Other financial receivables and payables	(23.7)	15.0	(38.7)
Short-term net cash position	225.4	336.5	(111.1)
Payables to banks	(0.3)	(1.1)	0.9
Real estate lease payables	(1.4)	(1.4)	0.0
Private placement and bonds	(1,175.5)	(1,206.9)	31.4
Other financial receivables and payables	14.5	13.3	1.2
Medium-/long-term net debt	(1,162.6)	(1,196.1)	33.5
Debt relating to operating activities	(937.2)	(859.7)	(77.5)
Payables for the exercise of put options and potential earn-out payments	(7.1)	(10.0)	2.9
Net debt	(944.3)	(869.7)	(74.6)

In terms of structure, the net financial position at the end of the first half of 2013 confirms a positive division between the Group's short- and medium-/long-term debt.
The short-term net cash position was € 225.4 million at 30 June 2013, consisting of cash and cash equivalents of € 386.9 million, offset by payables to banks totalling € 107.1 million. At 30 June 2013, the first tranche of the private placement issued by Campari America was reclassified as short-term debt, maturing in 2014 (USD 40 million). The change in other short-term financial payables relates to the maturity of time deposits totalling € 35.0 million.

Medium-to-long-term debt, almost exclusively comprising existing bond loans, decreased by € 33.5 million, due mainly to the reclassification described above, with a remaining balance of € 1,162.6 million.

Overall, currency fluctuations between the two dates under comparison resulted in a consolidated net financial position of € 7.3 million at 30 June 2013.

Furthermore and separately, the Group's net financial position showed debt of € 7.1 million relating to the future earn-out payment.
At 31 December 2012, this amounted to € 10.0 million; the difference between the two values is due to the put option on Campari Rus OOO and some put option and earn-out payments.
The residual payable at 30 June 2013 was due to the earn-out payment on Cabo Wabo and Sagatiba S.A. and the payable for purchasing the minority shares of LdM.

Group statement of financial position

The Group's summary statement of financial position is shown in the table below in reclassified format, to highlight the structure of invested capital and financing sources.

	30 June 2013	31 December 2012		
		Figures published	Reclassifications	Post-reclassification figures
	€ million	€ million	€ million	€ million
Fixed assets	2,089.9	2,063.1	38.6	2,101.7
Other non-current assets and liabilities	(238.0)	(202.9)	(23.8)	(226.7)
Operating working capital	549.2	562.5	(24.0)	538.5
Other current assets and liabilities	(76.3)	(119.9)	9.2	(110.7)
Total invested capital	**2,324.8**	**2,302.8**	**0.0**	**2,302.8**
Shareholders’ equity	1,380.4	1,433.1	0.0	1,433.1
Net debt	944.3	869.7	0.0	869.7
Total financing sources	**2,324.8**	**2,302.8**	**0.0**	**2,302.8**

In the above table, the "reclassifications" refer to the updated fair value of the net assets deriving from the LdM acquisition, which took place in December 2012. Details of the effects of the allocation, which was still provisional at 30 June 2013, are provided in notes 6 and 7 of the condensed half-year financial statements.

Invested capital was € 2,324.8 million at 30 June 2013, € 22.0 million higher than at 31 December 2012.

There were no structurally significant changes in the individual components of the invested capital or the sources of financing. Please see the section below entitled “Operating working capital” for further details of changes in net working capital.
The Group’s financial shows a ratio of debt to own funds at the end of the period of 68.4%, compared with 60.7% at 31 December 2012.
For further details, please see the sections “Statement of cash flows” and “Breakdown of net debt” in this report.

Operating working capital

As already explained in the previous section, with regard to the data shown in the 2012 annual report, following the provisional allocation of values resulting from the LdM acquisition, that the Group has carried out some reclassifications, shown below.

	31 December 2012		
	Figures published	Reclassifications (*)	Post-reclassification figures
	€ million	€ million	€ million
Receivables from customers	312.4	(1.3)	311.1
Inventories	451.4	(12.8)	438.6
Trade payables	(201.4)	(9.9)	(211.2)
Operating working capital	**562.5**	**(24.0)**	**538.5**

(*) See the condensed half-year financial statements, note 6 – Reclassifications at opening book values

The following tables show working capital figures at 30 June 2013 by comparison with 31 December 2012 (post-reclassification) and 30 June 2012; for each reporting date, operating working capital as a proportion of sales is shown over the previous 12 months. The change in 2013 is analysed in both exchange rate and organic terms.

	30 June 2013	31 December 2012	total change	of which		30 June 2012	total change
				exchange rate differences	organic change		
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Receivables from customers	282.6	311.1	(28.5)	(7.7)	(20.7)	305.5	(22.8)
Inventories	465.9	438.6	27.3	(10.8)	38.1	379.6	86.3
Trade payables	(199.3)	(211.2)	11.9	2.2	9.6	(196.4)	(3.0)
Operating working capital	**549.2**	**538.5**	**10.7**	**(16.3)**	**27.0**	**488.7**	**60.5**
Sales in the previous 12 months	1.421.1	1.340.8	80.3			1.303.5	117.6
Working capital as % of sales in the previous 12 months	38.6	40.2				37.5	
% adjusted for external change and opening values	35.4	33.7				37.5	

Operating working capital at 30 June 2013 was € 549.2 million, an increase of € 10.7 million on 31 December 2012.

Stripping out the exchange rate effect, which caused a reduction of € 16.3 million, working capital increased by € 27.0 million in organic terms. This increase was almost entirely due to an increase in inventories of € 38.1 million. With regard to this increase, note that the launch of the Campari America and GlenGrant bottling lines required the creation of security stocks before the contract with external bottlers was terminated.
In addition, the Group's expansion in Russian and Jamaica and in other markets led to a proportional increase in stocks.
Seasonal effects caused a strong decrease in trade receivables. At 31 December, trade receivables are traditionally higher in absolute terms than in the remaining periods of the year.

The increase in working capital in comparison with 30 June 2012 was € 60.5 million, mainly reflecting the consolidation of the LdM acquisition, which took place in December 2012, whose effect on the change between the two figures recorded on 30 June was € 85.2 million.
The exchange rate effect reduced working capital by € 22.9 million, and organic growth had a negative effect of € 1.8 million.

At 30 June 2013, operating working capital amounted to 38.6% of net sales in the previous 12 months, down on the 40.2% registered at 31 December 2012. At 30 June 2012, the percentage was 37.5%.
Note that, since the acquisition of Lascelles deMercado & Co. Limited took place in December 2012, the statement of financial position data at 30 June 2013 and at 31 December 2012 include the working capital of the acquired companies, while the sales reported for the previous 12 months include sales from the brands acquired for the first half of 2013 only. Stripping out from total figures at 30 June 2013 and at 31 December 2012 both the sales and operating working capital of LdM, on a same-structure basis (compared with 30 June 2012), the percentages would have been 35.4% at 30 June 2013 and 33.7% at 31 December 2012.

Transactions with related parties

Note that transactions with related parties, including intragroup transactions, are not classed as atypical or unusual, as they are part of the normal business of Group companies. These transactions are carried out under market conditions, taking into account the characteristics of the goods and services provided.
Information on transactions with related parties, including that required by the Consob Communication of 27 July 2006, is presented in note 33 of the Condensed half-year financial statements to 30 June 2013.

Events taking place after the end of the period

Distribution of William Grant & Sons portfolio in Germany

As of 1 July 2013, the Group, which has been distributing Irish whisky Tullamore DEW in Germany since 2012, will distribute the entire William Grant&Sons portfolio on this market. The portfolio includes Glenfiddich, Grant's and Balvenie Scotch whiskies, Sailor Jerry rum and Hendrick's gin.

Termination of the distribution of Russian Standard in Germany

Due to a change in its distribution agreements, the Group will terminate distribution of Russian Standard in Germany from 1 September 2013.

Outlook

With regard to the first six months of 2013, we would first like to outline some general considerations that are useful to establish the framework in which our outlook for the second half of the year should be placed.
In general, as regards the markets, the return to organic growth in the second quarter of the year must be viewed in a positive light. In particular, the good results in North America, Russia and Argentina, as well as the stabilisation or improvement in the trend observed in other mature markets, are all encouraging signs.
After eight consecutive months of declining sales, Italy returned to positive growth from May, and signs of a recovery are also beginning to emerge in Australia; in contrast, there were signs of a slowdown in markets such as Brazil and China, which have experienced some deterioration in the political and economic environment.
At brand level, aperitifs, led by Campari and Aperol, registered a sound recovery on the European market, and the significant success achieved in new markets partly offset the impact on sales of the very poor weather seen in Italy and Germany in the first half. The Wild Turkey franchise is in good health, and is capitalising well on the positive trend in whiskey sales in the US, while SKYY is registering solid growth on all markets. Cinzano did very well in Germany, and of course, in Russia, where the Group's whole portfolio, particularly Mondoro, is registering a very positive performance. Finally, the Appleton rum portfolio registered good results in the US and New Zealand markets.

In terms of the organisation, the main projects launched have either been completed successfully or are proceeding as planned.
The international sales operations of Campari International S.A.M. were successfully moved to the Parent Company headquarters in Italy.
Again in Italy, redundancy proceedings were announced and initiated, mainly in connection with an early retirement plan intended to increase the efficiency and internationalisation of both the support functions and the product supply chain organisation.
The reorganisation of the Jamaican companies recently acquired was particularly challenging, but has been successfully concluded, with the merger of two sales networks and three back-office structures into one company, operational from 2 August 2013.
Finally, during the period, the Group reached an agreement to acquire Copack, an extremely efficient third-party bottling company, which currently bottles the Group's ready-to-drink products on the Australian market.

In conclusion, although the general environment remains extremely uncertain owing to the economic situation on certain key markets, business performance is expected to register further gradual improvement in the next few months, thanks to the ongoing brand-building activity in the main brand-market combinations and the further penetration of the Group's portfolio in new regions.

Information on the figures presented

For ease of reference, all figures in this interim report, in both the interim report on operations and the condensed half-year financial statements, are expressed in million euro to one decimal place, whereas the original data is recorded and consolidated by the Group in thousands of euro.
Similarly, all percentages that relate to changes between two periods, rather than figures shown as a percentage of sales or other indicators, are always calculated on the basis of the original data in thousands of euro.
The use of values expressed in millions of euro may therefore result in apparent discrepancies in both absolute values and percentage changes.

Alternative performance indicators

This half-year report presents and comments upon certain financial indicators and restated financial statements (relating to the statement of financial position and statement of cash flows) that are not defined by the IFRS.
These indicators, which are defined as they were in the 2012 annual report, are used to analyse the Group's performance in the “Highlights” and “Report on operations” sections.

Investor information

International economy

With regard to the eurozone, after a further contraction of GDP in the first quarter of the year, economic indicators registered some improvement in the second quarter of 2013, although they remained at low levels.
While investment fell further, consumer spending remained stable, putting an end to the period of decline that began at the end of 2011. Exports fell, and imports registered a slightly bigger drop, GDP contracted in all the major economies of the eurozone, with the exception of a modest rise in Germany, mainly on the back of rising household consumption.
In Italy, GDP fell further in the first quarter of 2013, and it is expected to have continued to decline in the second quarter, albeit at a slower pace. Domestic demand continues to show signs of weakness. Industrial production contracted until April, before recovering slightly in May, suggesting that activity could stabilise over the summer. The prolonged decline in households' disposable income came to an end at the beginning of the year. The economic outlook is still, however, weighed down by doubts about political stability, the timing of a possible economic recovery and labour market trends. Against this economic backdrop, the European Central Bank announced that it plans to keep official rates at current levels or lower for a long time, depending on price, economic activity and currency trends.
In other international markets, the UK returned to economic growth following the contraction at the end of 2012, chiefly owing to the positive contribution from net export demand. In the rest of the world, economic activity in the first quarter of 2013 was boosted by the strengthening of the recovery in the US, on the back of an upturn in household consumption and despite public spending cuts. In Japan, growth picked up significantly, benefiting from the sharp rise in household consumption, the expansion of public investment and the recovery in exports. In the main emerging economies, growth remained sustained overall, but lost some of its strength, particularly in China.
According to the IMF's latest projections, global growth will come in at 3.1% in 2013, unchanged from 2012. The slight downwards revision to the forecasts provided in April is mainly due to lower growth in the main emerging economies and the continued recession in the eurozone. Overall, the global economic outlook remains subject to downside revision risks. While uncertainty has eased over the development of the crisis in the eurozone and the management of public finance imbalances in the US, doubts about growth in the main emerging economies have increased.

Financial markets

After making an overall positive start to the year in the first quarter, the international financial markets have experienced renewed volatility since May, triggered by heightened fears of a possible earlier than expected reduction in monetary stimulus in the US, and an uncertain global economic outlook. The spreads of ten-year government bond yields of eurozone countries versus the German Bund narrowed in April, on the back of an improvement in financial market conditions across the board and the easing of political uncertainty in Italy. However, since mid-May, spreads have started to widen again, owing to uncertainty over monetary policy developments in the US and growing fears of an economic slowdown in China.
In Italy, the start of 2013 was marked by uncertainty, mainly owing to the result of the elections held at the end of February, which also led to a renewed widening of interest spreads between Italian government bonds and their German counterparts. Since the end of March, financial market conditions in Italy have improved slightly overall, In line with what has happened in international markets, new tensions have emerged since mid-May, relating to uncertainty over US monetary policy and concerns about trends in the Chinese economy.
In the first half of 2013, the FTSE MIB and FTSE Italia All Shares indices registered declines of 6.4% and 5.4% respectively. The MSCI Europe index closed the period up by 1.0%, while in the US, the S&P500 was up by 13.8%.
On the foreign exchange markets, after strengthening in the first few weeks of 2013, boosted by the relatively more expansive direction of monetary policy in the US and Japan, the euro weakened by 0.9% overall against the dollar in the first half of the year compared with 31 December 2012, while it strengthened by 13.9% against the yen and by 5.0% against sterling. Against a backdrop of growing international capital outflows, the main currencies of emerging countries weakened against the dollar, the Brazilian real in particular.

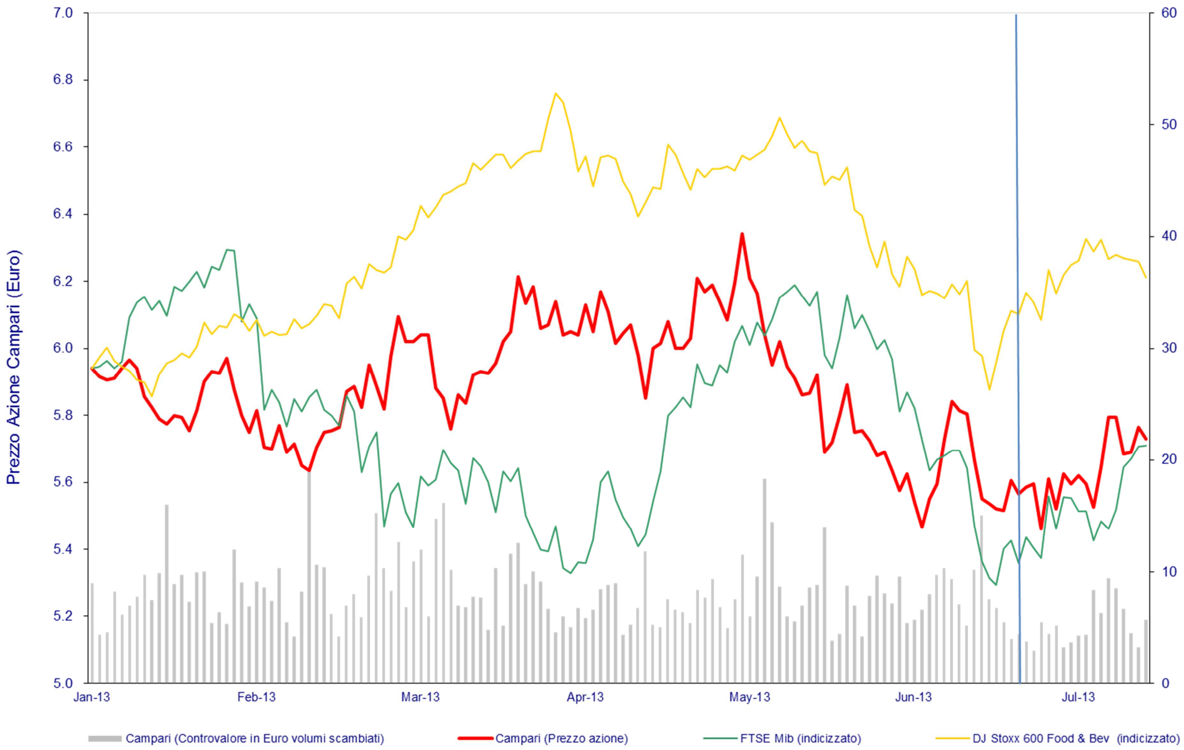
Spirits sector

In the first half of 2012, the DJ Stoxx 600 Food&Beverage index rose by 3.7%, outperforming the MSCI Europe market index by 2.7%.
The share performances of spirits companies reflected business performance in the first few months of the year, which in some cases failed to meet equity market expectations. In particular, the spirits sector registered a slowdown in some important emerging markets, and remained weak in Europe, a situation exacerbated by adverse weather conditions. The weakness seen in the first quarter of the year was in part due to one-off market situations and specific issues relating to various companies. Some of these situations should be considered temporary, while others may continue into the second half of the year. Specifically, China registered a slowdown in certain product categories of imported premium spirit products, following the government's introduction of austerity measures. In addition, Brazil registered a weak start to the year, mainly owing to a slowdown in economic growth and inflationary pressures on disposable income resulting from an increase in interest rates. However, medium- to long-term expectations regarding the performance of sector companies remain positive. Spirits stocks continue to benefit from relatively favourable growth expectations compared with other sectors. Furthermore, expectations of further consolidation in the spirits industry are having a positive impact on valuations, thanks to new growth opportunities that future M&A may create in the market.

Davide Campari-Milano S.p.A. share

Against the economic, industry and financial market backdrop described above, in the first half of 2013, the Campari share was initially boosted by the announcement of positive results for 2012, mainly thanks to the Group's sound performance in the US and its strengthened distribution capacity in new markets. Thereafter, the share was negatively affected by a weak business performance in the first quarter of 2013, owing to one-off events.
Overall, the Campari stock, which is listed on the FTSE MIB index of the Italian stock market, was down by 4.1% in absolute terms compared with the closing price at 31 December 2012.
As regards overall return, i.e., including dividends, the Campari share posted a negative performance of 3.0% for cash dividends and dividends reinvested in Campari shares, With respect to the leading Italian stock market indices, Campari shares outperformed the FTSE MIB and the FTSE Italia All-Share indices by 2.3% and 1.3% respectively. The share also underperformed the DJ Stoxx 600 Food&Beverage index by 7.7%, and underperformed the MSCI Europe sector index by 5.1%.
The minimum and maximum closing prices over the period of € 5.47 and € 6.34 were recorded on 11 June and 8 May respectively.
An average of 1.4 million Campari shares were traded daily on the market managed by Borsa Italiana S.p.A. in the first half of 2013, with an average daily value of € 8.2 million.
At 30 June 2013, Campari's market capitalisation was € 3.2 billion.

The performance of the Campari share and the main benchmark indices since 1 January 2013



Shareholder base

The table below shows the major shareholders at 30 June 2013.

Shareholder[(1)]	Number of ordinary shares	% of share capital
Alicros S.p.A.	296,208,000	51.00%
Cedar Rock Capital[(2)]	62,936,560	10.84%
Morgan Stanley Investment Management Limited	11,868,704	2.04%
Independent Franchise Partners LLP	11,754,665	2.02%

(1) Shareholders who have notified Consob and Davide Campari-Milano S.p.A. that they have shareholdings greater than 2% (pursuant to article 117 of Consob regulation 11971/99 on notification of significant holdings).

(2) Andrew Brown, Chief Investment Officer of Cedar Rock Capital Ltd., informed Consob in accordance with article 120 of Legislative Decree 58/1998 (TUF).

Dividend

On 30 April 2013, the shareholders' meeting approved the full-year results for 2012 and agreed the payment of a dividend of € 0.07 per share (unchanged from the dividend paid for 2011).

The dividend was paid (except on own shares) on 23 May 2013, with an ex-date (coupon no. 10) of 20 May 2013, in accordance with the Borsa Italiana calendar, and a record date of 22 May 2013.

Information on the Campari share

The table below shows how the Davide Campari-Milano S.p.A. stock has performed in 2013.

Stock information [1] [2]		First half 2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Reference share price												
Price at end of period	€	5.57	5.80	5.15	4.87	3.65	2.40	3.28	3.76	3.12	2.37	1.93
Maximum price	€	6.34	6.50	5.94	4.99	3.71	3.30	4.21	4.05	3.39	2.39	1.93
Minimum price	€	5.47	5.08	4.44	3.51	1.94	1.93	3.25	3.14	2.24	1.79	1.37
Average price	€	5.89	5.55	5.17	4.15	2.82	2.78	3.77	3.66	2.86	2.02	1.65
Change in Campari share	%	-4.1	+12.7	+5.6	+33.5	+52.1	-26.8	-12.8	+20.5	+32.0	+22.9	+28.2
Change in FTSE MIB	%	-6.4	+7.8	-25.2	-13.2	+19.5	-49.5	-7.0	+16.0	+15.5	+14.9	+14.4
Capitalisation and volumes												
Average daily trading volume [2]	million	1.4	1.7	2.0	1.9	1.6	1.3	1.5	1.2	1.0	0.9	0.8
Average daily trading value [2]	€ million	8.2	9.6	10.6	7.6	4.5	3.7	5.8	4.4	2.8	1.7	1.3
Stock market capitalisation at end of period	€ million	3,232	3,369	2,988	2,828	2,118	1,394	1,904	2,183	1,812	1,374	1,118
Dividend												
Dividend per share [3]	€	-	0.07	0.07	0.06	0.06	0.055	0.055	0.050	0.050	0.050	0.044
Total dividend [3] [4]	€ million	-	39.8	40.5	34.6	34.6	31.7	31.8	29.0	28.1	28.1	24.7

[1] Share information prior to the dates on which changes to the amount of share capital occurred have been adjusted to take account of the new composition of share capital as described below:
- bonus share issue via the issue of 290,400,000 new shares with a nominal value of € 0.10 each to be provided free of charge to shareholders in the ratio of one new share for each share held, which came into effect on 10 May 2010
- ten-for-one share split effective as at 9 May 2005

[2] Initial Public Offering on 6 July 2001 at a price of € 1.55 per share.
[3] Dividend relating to the year.
[4] Total dividend distributed for the year excluding own shares.

Investor relations

Campari has adopted a communications policy aimed at financial market operators intended to provide complete, accurate and timely information on its results, corporate initiatives and strategies, while complying with the relevant confidentiality requirements for certain types of information.
In the first half of 2013, the company continued to communicate information to institutional investors and financial analysts, through numerous meetings organised in Milan and at the main stock exchanges in Europe, including London, Edinburgh, Paris, Frankfurt and Copenhagen, and outside Europe, including the US and Canada.
The website dedicated to investors, a key tool for distributing information on the company, including financial results, corporate governance, stock market listing and the calendar of events, was recently redesigned and enriched with new information content and interactive tools. A new section entirely dedicated to corporate governance provides all the information relating to the company's governance system, corporate bodies and shareholders' meetings. The new website was developed to be compatible with any electronic communications device, in order to allow increasingly wider and immediate access through new technologies.
Information of interest to shareholders and investors is available on the website, and may also be requested by sending an e-mail to investor.relations@campari.com.

Condensed half-year financial statements

Financial statements

For ease of reference, all figures in these condensed half-year financial statements are expressed in millions of euro to one decimal place, whereas all the original data is recorded and consolidated by the Group in thousands of euro. In certain cases, this can result in apparent discrepancies, as there may be a difference between the sum of the individual figures and the total, amounting to no more than € 0.1 million.

Consolidated income statement

	Notes	First half 2013 € million	*of which: related parties* € million	First half 2012 € million	*of which: related parties* € million
Net sales	9	**698.6**	**-**	**618.3**	**0.2**
Cost of goods sold	10	(325.2)	-	(255.1)	-
Gross profit		**373.4**	**-**	**363.2**	**0.2**
Advertising and promotional costs		(115.4)	-	(103.3)	(0.1)
Contribution margin		**258.0**	**-**	**259.9**	**0.1**
Overheads	11	(137.5)	0.1	(116.1)	0.1
of which: non-recurring	12	(4.9)	-	(3.6)	-
Operating result		**120.5**	**0.1**	**143.8**	**0.3**
Financial income and charges	13	(28.3)	-	(21.0)	-
of which: non-recurring	12	(0.1)	-	(0.1)	-
Put option income (charges)		-	-	(0.1)	-
Profit before tax		**92.2**	**0.1**	**122.7**	**0.3**
Taxes	14	(34.3)	-	(44.5)	-
Profit for the period		**57.9**	**0.1**	**78.2**	**0.3**
Profit attributable to:					
Parent Company shareholders		57.6		77.9	
Minority interests		0.3		0.3	
Basic earnings per share (€)		0.10		0.14	
Diluted earnings per share (€)		0.10		0.13	

Consolidated statement of comprehensive income

	First half 2013 € million	First half 2012 € million
Net profit (A)	**57.9**	**78.2**
a) Components to be transferred to the income statement		
Cash flow hedge:		
- Profit (loss) for the period	1.2	(1.8)
- Less: profits (losses) reclassified to the separate income statement	0.7	(0.5)
- = Net gains (losses) from cash flow hedging	0.5	(1.3)
- Tax effect	(0.2)	0.5
Cash flow hedge	**0.3**	**(0.8)**
Conversion difference	**(33.1)**	**14.0**
Total components to be transferred to the income statement	(32.8)	13.2
b) Components not transferred to the income statement		
Total components not transferred to the income statement	-	-
Other comprehensive income (losses) (B)	(32.8)	13.2
Total comprehensive income (A+B)	**25.1**	**91.4**
Attributable to:		
Parent Company shareholders	24.8	91.1
Minority interests	0.3	0.3

Consolidated statement of financial position

	Notes	30 June 2013	*of which: related parties*	31 December 2012 (*)	*of which: related parties*
		€ million	€ million	€ million	€ million
ASSETS					
Non-current assets					
Net tangible fixed assets	15	408.0	-	403.3	-
Biological assets	16	17.3	-	17.2	-
Investment property	17	1.1	-	0.5	-
Goodwill and brands	18	1,641.8	-	1,659.1	-
Intangible assets with a finite life	19	20.5	-	20.5	-
Investments in affiliates and joint ventures		0.2	-	0.2	-
Deferred tax assets		11.2	-	11.5	-
Other non-current assets	20	51.0	2.2	52.6	2.2
Total non-current assets		**2,151.1**	**2.2**	**2,164.8**	**2.2**
Current assets					
Inventories	21	462.6	-	433.7	-
Current biological assets	21	3.3	-	4.9	-
Trade receivables		282.6	-	311.1	-
Short-term financial receivables	22	7.4	-	42.4	-
Cash and cash equivalents	23	386.9	-	442.5	-
Current tax receivables		10.8	0.8	9.5	0.7
Other receivables		34.5		33.8	
Total current assets		**1,188.1**	**0.8**	**1,277.9**	**0.7**
Non-current assets held for sale	24	1.0	-	1.0	-
Total assets		**3,340.2**	**3.1**	**3,443.7**	**3.0**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	25				
Share capital		58.1	-	58.1	-
Reserves		1,317.9	-	1,370.8	
Parent Company's portion of shareholders' equity		1,375.9	-	1,428.9	
Minorities' portion of shareholders' equity		4.5	-	4.2	-
Total shareholders' equity		**1,380.4**	**-**	**1,433.1**	**-**
Non-current liabilities					
Bonds	26	1,148.5	-	1,178.2	-
Other non-current liabilities	26	31.4	-	35.3	-
Defined benefit plans		12.7	-	13.0	-
Provision for risks and future liabilities	28	53.3	-	48.7	-
Deferred tax liabilities		219.3	-	214.4	-
Total non-current liabilities		**1,465.2**	**-**	**1,489.5**	**-**
Current liabilities					
Payables to banks	27	107.1	-	121.0	-
Other financial payables	27	66.5	-	34.9	-
Trade payables		199.3	-	211.2	-
Current payables to tax authorities	29	7.5	0.1	18.5	2.6
Other current liabilities		114.1	7.8	135.5	8.9
Total current liabilities		**494.6**	**7.9**	**521.1**	**11.5**
Total liabilities and shareholders' equity		**3,340.2**	**7.9**	**3,443.7**	**11.5**

(*) The figures at 31 December 2012 were changed by comparison with the 2012 annual report, due to the allocation of values arising from the LdM acquisition; for further details, please see note 6 - Reclassifications at opening book values.

Consolidated statement of cash flows

	30 June 2013 € million	30 June 2012 € million	change € million
Operating result	120.5	143.8	(23.3)
Adjustments to reconcile operating profit and cash flow:			
Amortisation and depreciation	20.2	15.6	4.7
Gains on sales of fixed assets	(4.9)	(0.1)	(4.7)
Write-downs of tangible fixed assets	0.6	-	0.5
Accruals of provisions	8.8	1.4	7.5
Utilisation of provisions	(0.7)	(0.8)	0.1
Other non-cash items	3.7	2.9	0.8
Change in net operating working capital	(27.0)	(42.5)	15.5
Other changes in non-financial assets and liabilities	(8.4)	(1.8)	(6.6)
Taxes paid	(40.6)	(53.1)	12.5
Cash flow from (used in) operating activities	**72.3**	**65.3**	**7.0**
Purchase of tangible and intangible fixed assets	(37.8)	(18.6)	(19.2)
Capitalised interest expenses	(1.0)		(1.0)
Proceeds from disposals of tangible fixed assets	2.9	1.7	1.2
Changes in receivables and payables from investments	(0.1)	(0.5)	0.3
Purchase and sale of trademarks, rights	1.5	(1.3)	2.7
Acquisition of companies or investments in subsidiaries	(15.6)	-	(15.6)
Interest income	3.0	2.5	0.5
Net change in securities	35.0	-	35.0
Other changes	(2.4)	-	(2.4)
Cash flow from (used in) investing activities	**(14.5)**	**(16.1)**	**1.6**
Other repayment of medium- and long-term debt	(0.3)	(3.0)	2.7
Net change in short-term payables to banks and loans	(14.4)	(20.9)	6.5
Interest expenses	(13.3)	(19.9)	6.5
Change in other financial payables and receivables	(14.1)	-	(14.1)
Purchase and sale of own shares	(42.1)	(1.7)	(40.4)
Dividends paid out by the Parent Company	(39.8)	(40.5)	0.7
Cash flow from (used in) financing activities	**(124.1)**	**(86.0)**	**(38.1)**
Effect of exchange rate differences on net operating working capital	16.3	(3.7)	20.0
Other exchange rate differences and other changes in shareholders’ equity	(5.6)	6.5	(12.2)
Exchange rate differences and other changes in shareholders’ equity	**10.7**	**2.9**	**7.8**
Net change in cash and cash equivalents: increase (decrease)	**(55.6)**	**(33.9)**	**(21.7)**
Cash and cash equivalents at start of period	442.5	414.2	28.3
Cash and cash equivalents at end of period	386.9	380.2	6.6

Statement of changes in consolidated shareholders' equity

	Notes	Attributable to Parent Company shareholders					Minority interests	Minority shareholders' equity
		Share capital € million	Legal reserve € million	Retained earnings € million	Other reserves € million	Total € million	€ million	€ million
Balance at 31 December 2012		**58.1**	**11.6**	**1,364.4**	**(5.3)**	**1,428.9**	**4.2**	**1,433.1**
Dividend payout to Parent Company shareholders	25	-	-	(39.8)	-	(39.8)	-	(39.8)
Purchase of own shares	25	-	-	(46.7)	-	(46.7)	-	(46.7)
Sale of own shares	25	-	-	4.6	-	4.6	-	4.6
Stock options	25	-	-	1.0	3.2	4.1	-	4.1
Profit for the period		-	-	57.6	-	57.6	0.3	57.9
Other comprehensive income (losses)		-	-	(0.1)	(32.6)	(32.8)	-	(32.8)
Total comprehensive income		-	-	57.4	(32.6)	24.8	0.3	25.1
Balance at 30 June 2013		**58.1**	**11.6**	**1,340.9**	**(34.8)**	**1,375.8**	**4.5**	**1,380.4**

	Attributable to Parent Company shareholders					Minority interests	Minority shareholders' equity
	Share capital € million	Legal reserve € million	Retained earnings € million	Other reserves € million	Total € million	€ million	€ million
Balance at 31 December 2011	**58.1**	**11.6**	**1,256.9**	**37.4**	**1,363.7**	**3.7**	**1,367.5**
Dividend payout to Parent Company shareholders	-	-	(40.5)	-	(40.5)	-	(40.5)
Purchase of own shares	-	-	(6.7)	-	(6.7)	-	(6.7)
Sale of own shares	-	-	5.0	-	5.0	-	5.0
Stock options	-	-	1.2	1.5	2.7	-	2.7
Profit for the period	-	-	77.9	-	77.9	0.3	78.2
Other comprehensive income (losses)	-	-	0.1	13.1	13.2	-	13.2
Total comprehensive income	-	-	78.0	13.1	91.1	0.3	91.4
Balance at 30 June 2012	**58.1**	**11.6**	**1,293.9**	**52.0**	**1,415.4**	**4.0**	**1,419.4**

Notes to the financial statements

1. General information

Davide Campari S.p.A. is a company listed on the Mercato Telematico (screen-based market) of Borsa Italiana, with its registered office at Via Franco Sacchetti 20, 20099 Sesto San Giovanni (Milan), Italy.
The publication of this report for the six months to 30 June 2013, subject to a limited audit, was authorised by the Board of Directors on 6 August 2013.
This report is presented in euro, the reference currency of the Parent Company and many of its subsidiaries.

2. Preparation criteria

These condensed half-year financial statements were prepared in consolidated format pursuant to article 154-*ter* of the Consolidated Law on Finance (TUF) as amended, and were drafted in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union.
The term IFRS also encompasses the International Accounting Standards (IAS) still in force, as well as all interpretation documents of the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor, the Standing Interpretations Committee (SIC).
The condensed half-year financial statements were drafted in accordance with IAS 34 (Interim Financial Reporting), using the same principles as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2012, except for the changes described in note 3 below, entitled "Changes in accounting standards".
The condensed half-year financial statements do not include all the information and notes required for the consolidated annual financial statements, and as such should be read in conjunction with the consolidated financial statements to 31 December 2012.
Unless otherwise indicated, the amounts shown in the following explanatory notes are expressed in millions of euro.

Form and content

In accordance with the format selected by the Gruppo Campari, the income statement is classified by function.
The management considers that this format provides a more meaningful representation of the items that have contributed to the Group's results.
In the income statement, income and charges from non-recurring transactions such as capital gains/losses on the sale of shareholdings, restructuring costs, financial charges and any other non-recurring income/expenses are shown separately; this provides a clearer picture of the company's operating performance. Non-recurring items are also discussed in detail in these notes.
The definition of "non-recurring" here conforms to that set out in Consob communication DEM/6064293 of 28 July 2006.
In the first half of 2013, the Group did not carry out any atypical and/or unusual transactions, as defined in the same communication.
The cash flow statement was prepared using the indirect method.
Taxes for the first six months of the year have been accounted for on the basis of the best estimate of the anticipated tax rate for 2013.
Lastly, with reference to the requirements of Consob resolution 15519 of 27 July 2006 in relation to financial statements, the income statement and balance sheet contain columns providing information on any significant transactions with related parties.

Use of estimates

The preparation of the condensed half-year financial statements requires the management to make estimates and assumptions that have an impact on the value of revenues, costs, assets and liabilities and on disclosures concerning contingent assets and liabilities at the reporting date.
If, in the future, these estimates and assumptions, based on the best valuation currently available, differ from the actual circumstances, they will be amended accordingly at the time the circumstances change.
In particular, estimates are used to identify provisions for risks in respect of receivables, obsolete inventory, depreciation and amortisation, asset write-downs, employee benefits, taxes, restructuring reserves and accrual of other provisions.

The estimates and assumptions are reviewed periodically and the impact of any change is reflected in the income statement.
However, also pursuant to IAS 36 – Impairment of Assets, some valuation procedures, especially those relating to the more complex valuations, such as the determination of any impairment losses on non-current assets, are generally carried out only at the time of preparing the annual financial statements, when all the required information is available, except where there are indications of impairment requiring an immediate assessment of any losses in value.
Similarly, the actuarial valuations required to determine employee benefit funds are normally obtained at the time the annual financial statements are prepared.

Basis of consolidation

As part of the ongoing rationalisation of the Group's structure, Varhol B.V., in which the Group had an 80% shareholding, was merged with its own parent company, DI.CI.E Holding B.V., after the exercise of put options on residual minority shares. The operation had no effect on the Group's basis of consolidation.

The table below lists the companies included in the basis of consolidation at 30 June 2013.

		Share capital at 30 June 2013		% owned by Parent Company		
Name, activity	Head office	Currency	Amount	Direct	Indirect	Direct shareholder
Parent Company						
Davide Campari-Milano S.p.A., holding and manufacturing company	Via Franco Sacchetti, 20 Sesto San Giovanni	€	58,080,000			
Fully consolidated companies						
Italy						
Campari International S.r.l., trading company	Via Franco Sacchetti, 20 Sesto San Giovanni	€	20,000	100.00		
Sella&Mosca S.p.A., manufacturing, trading and holding company	Località I Piani, Alghero	€	15,726,041	100.00		
Campari Wines S.r.l., trading company	Località I Piani, Alghero	€	100,000		100.00	Sella & Mosca S.p.A.
Europe						
Campari Austria GmbH, trading company	Naglergasse 1/Top 13 A, Vienna	€	500,000		100.00	DI.CI.E Holding B.V.
Campari Benelux S.A., finance and trading company	Avenue de la Métrologie, 10, Brussels	€	246,926,407	26.00	74.00	Glen Grant Ltd. (39%), DI.CI.E Holding B.V. (35%)
Campari Deutschland GmbH, trading company	Bajuwarenring 1, Oberhaching	€	5,200,000		100.00	DI.CI.E Holding B.V.
Campari España S.L., holding company	c/ Pradillo 5 Bajo exterior derecha, Madrid	€	3,272,600	100.00		
Campari International S.A.M., trading company	7 Rue du Gabian, Monaco	€	70,000,000		100.00	DI.CI.E Holding B.V.
Campari RUS OOO, trading company	2nd Yuzhnoportoviy proezd 14/22, Moscow	RUB	10,000,000		100.00	DI.CI.E Holding B.V.
Campari Schweiz A.G., trading company	Lindenstrasse 8, Baar	CHF	500,000		100.00	DI.CI.E Holding B.V.
Campari Ukraine, trading company	24, Vorovskoho STR,, Kyiv	UAH	1,045,500		100.00	DI.CI.E Holding B.V. (99%), Campari RUS LLC (1%)
CJSC Odessa Sparkling Wine Company, manufacturing and trading company	36, Frantsuzky Boulevard, Odessa	UAH	158,041,016		99.96	DI.CI.E Holding B.V.
DI.CI.E, Holding B.V., holding company	Luna Arena, Herikerbergweg 114, Zuidoost, Amsterdam	€	15,015,000	100.00		
Glen Grant Ltd., manufacturing and trading company	Glen Grant Distillery, Rothes, Morayshire	GBP	24,949,000		100.00	DI.CI.E Holding B.V.
J. Wray&Nephew (UK) Ltd. trading company	82, St. John Street, London	GBP	10,000		100.00	Wray&Nephew Group Ltd.
Kaloyiannis-Koutsikos Distilleries S.A., manufacturing and trading company	6 & E Street, A' Industrial Area, Volos	€	8,884,200		75.00	DI.CI.E Holding B.V.
Lamargue S.a.r.l., trading company	Domaine de la Margue, Saint Gilles	€	750,000		100.00	Société Civile du Domaine de Lamargue
Société Civile du Domaine de Lamargue, manufacturing and trading company	Domaine de la Margue, Saint Gilles	€	6,793,200		100.00	Sella&Mosca S.p.A.
TJ Carolan & Son Ltd., trading company	Ormond Building, Suite 1,05, 31-36 Upper Ormond Quay, Dublin	€	2,600	76.92	23.08	DI.CI.E Holding B.V.

		Share capital at 30 June 2013		% owned by Parent Company		
Name, activity	Head office	Currency	Amount	Direct	Indirect	Direct shareholder
Americas						
Appleton Estate Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	3		100.00	Wray&Nephew Group Ltd.
C,P, Stephenson Ltd., trading company	23, Dominica Drive, Kingston	JMD	30,000		100.00	Lascelles de Mercado&Co. Ltd.
Campari America (Skyy Spirits , LLC) , manufacturing and trading company	1255 Buttery, Street, Suite 500, San Francisco	US$	566,321,274	100.00		
Campari Argentina S.A., manufacturing and trading company	Av, Corrientes, 222 - 3rd floor, Buenos Aires	ARS	184,006,830		100.00	DI.CI.E, Holding B.V. (96.28%), Campari do Brasil Ltda. (3.72%)
Campari do Brasil Ltda., manufacturing and trading company	Alameda Rio Negro 585, Edificio Demini, Conjunto 62, Alphaville - Barueri - SP	BRC	239,778,071	100.00		
Campari Mexico S.A. de C.V., manufacturing and trading company	Av, Americas 1592 3er Piso ol, Country Club, Guadalajara, Jalisco	MXN	294,945,500		100.00	DI.CI.E Holding B.V.
Daniel Finzi&Co (Suc) Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	2,030,000		100.00	J. Wray&Nephew Ltd.
Dr, Ian Sangster & Co (Acquisition) Ltd., dormant company	23, Dominica Drive, Kingston	JMD	1,000		100.00	Lascelles Ltd. (50%), Wray&Nephew Group Ltd. (50%),
Edwin Charley (Ja) Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	73,902,000		100.00	Wray&Nephew Group Ltd.
Estate Industries Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	13,300,000		100.00	Wray&Nephew Group Ltd.
Grange Hill Products Company Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	200		100.00	The Rum Company (Jamaica) Ltd.
Gregson's S.A., trademark holder	Andes 1365, Piso 14, Montevideo	UYU	175,000		100.00	Campari do Brasil Ltda.
J. Wray&Nephew Ltd. manufacturing and trading company	234, Spanish Town Road, Kingston	JMD	1,200,000		100.00	Wray&Nephew Group Ltd.
J. Wray y Sobrino de Costa Rica S.A., manufacturing and trading company	Bulevard Multiplaza, Edificio KPMG, Fifth Floor, San José	CRC	1,000,000		100.00	J. Wray&Nephew Ltd.
Lascelles deMercado & Co, Ltd, holding company	23, Dominica Drive, Kingston	JMD	20,400,000		98.58	Campari Espãna S.L.
Lascelles Laboratories Ltd., dormant company	23, Dominica Drive, Kingston	JMD	200		100.00	Lascelles Ltd.
Lascelles Ltd., manufacturing and trading company	234, Spanish Town Road, Kingston	JMD	239,470		100.00	Wray& ephew Group Ltd.
Lascelles Merchandise Ltd., dormant company	23, Dominica Drive, Kingston	JMD	3,000,000		100.00	Lascelles de Mercado&Co. Ltd.
New Yarmouth Holdings Ltd., holding company	234, Spanish Town Road, Kingston	JMD	200		100.00	Wray&Nephew Group Ltd.
New Yarmouth Ltd., manufacturing company	234, Spanish Town Road, Kingston	JMD	810,000		100.00	New Yarmouth Holdings Ltd.
Newton Cane Farms Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	400		100.00	Wray&Nephew Group Ltd.
Red Fire Mexico, S. de R.L. de C.V., trading company	Camino Real Atotonilco 1081, Arandas, Jalisco	MXN	1,254,250		100.00	DI.CI.E, Holding B.V. (99.80%), Campari Mexico S.A. de C.V. (0.20%)
Sugar Mills Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	200		100.00	Wray&Nephew Group Ltd.
T,T,L, Rum Bottlers Ltd., dormant company	234, Spanish Town Road, Kingston	JMD	4,000		100.00	Wray&Nephew Group Ltd.
The Rum Company (Jamaica) Ltd., dormant company	234, Spanish Town Road in the Parish of Saint Andrew, Jamaica, West Indies	JMD	6,300,000		100.00	Wray&Nephew Group Ltd.
Tradewell Ltd., trading company	23, Dominica Drive, Kingston	JMD	2,000		100.00	Lascelles de Mercado&Co. Ltd.
West Indies Metal Products Ltd., dormant company	23, Dominica Drive, Kingston	JMD	40,000		100.00	Lascelles Ltd.
Wray&Nephew (Canada) Ltd., trading company	5770, Timberlea Blvd, Suite 103, Mississauga	CAD	100		100.00	Wray&Nephew Group Ltd.
Wray&Nephew Group Ltd., holding company	234, Spanish Town Road, Kingston	JMD	62,900,000		100.00	Lascelles de deMercado&Co. Ltd.

Name, activity	Head office	Share capital at 30 June 2013 Currency	Amount	% owned by Parent Company Direct	Indirect	Direct shareholder
Other						
Campari (Beijing) Trading Co. Ltd., trading company	Xingfu Dasha Building, block B, room 511, no, 3 Dongsanhuan BeiLu, Chaoyang District, Beijing	RMB	65,300,430		100,00	DI.CI.E Holding B.V.
Campari Australia Pty Ltd., trading company	Level 10, Tower B, 207 Pacific Highway, St Leonards, Sydney	AU$	21,500,000		100,00	DI.CI.E, Holding B.V.
Campari Japan Ltd., trading company	6-17-15, Jingumae Shibuya-ku, Tokyo	JPY	3,000,000		100,00	DI.CI.E Holding B.V.
Campari South Africa Pty Ltd., trading company	12th Floor, Cliffe Deker Hofmeyr 11 Buitengracht street, Cape Town	ZAR	5,747,750		100,00	DI.CI.E Holding B.V.
Rum Company (New Zealand) Ltd., trading company	31, Whiteacres Drive, Pakuranga, Auckland	NZD	10,000		100,00	Wray&Nephew Group Ltd.

Other investments Name, location, activity		Share capital at 30 June 2013 Currency	Amount		% owned by Parent Company Indirect	Direct shareholder	Valuation method
International Marques V.o.f., trading company	Nieuwe Gracht 11, Haarlem	€	140,000	**(1)**	33.33	DI.CI.E Holding B.V.	Equity
Jamaica Joint Venture Investment Co. Ltd., property company	234, Spanish Town Road, Kingston	JMD	450,000		33.33	J.Wray& Nephew Ltd.	Equity

(1) **company in liquidation**

Exchange rates used in conversion of financial statements in foreign currency

The exchange rates used for conversion transactions are shown below.

	30 June 2013		31 December 2012		30 June 2012	
	Average rate	End-of-period rate	Average rate	End-of-period rate	Average rate	End-of-period rate
US dollar	1.3133	1.3080	1.2856	1.3194	1.2968	1.2590
Swiss franc	1.2297	1.2338	1.2053	1.2072	1.2047	1.2030
Brazilian real	2.6686	2.8899	2.5093	2.7036	2.4140	2.5788
Uruguayan peso	25.4652	26.7878	26.0325	25.5977	25.8790	27.2536
Chinese renminbi	8.1285	8.0280	8.1096	8.2207	8.1917	8.0011
UK pound	0.8511	0.8572	0.8112	0.8161	0.8226	0.8068
Indian rupee	72.2989	77.7210	68.6152	72.5600	67.5778	70.1200
Japanese yen	125.4314	129.3900	102.6253	113.6100	103.3704	100.1300
Argentine peso	6.7318	7.0403	5.8456	6.4864	5.6927	5.6432
Mexican peso	16.5024	17.0413	16.9061	17.1845	17.1803	16.8755
Australian dollar	1.2963	1.4171	1.2413	1.2712	1.2559	1.2339
Ukrainian hryvnia	10.6164	10.5599	10.3582	10.5836	10.4060	10.1748
Russian rouble	40.7629	42.8450	39.9233	40.3295	39.6938	41.3700
South African rand	12.1224	13.0704	10.5550	11.1727	n.a	n.a
Jamaican dollar	127.7110	132.1460	118.2626	122.2780	n.a	n.a
New Zealand dollar	1.5875	1.6792	1.5869	1.6045	n.a	n.a

3. Changes in accounting standards

The accounting standards adopted by the Group are the same as those applied to the annual financial statements for the year ending 31 December 2012, with the exception of those set out below.

a. Accounting standards, amendments and interpretations applied since 1 January 2013

IAS 1 – Presentation of Items of Comprehensive Income

The amendment to IAS 1, approved on 5 June 2012 and applicable to financial years beginning after 1 July 2012, clarifies the presentation of items in the statement of comprehensive income. The main change introduced is the requirement to group items of comprehensive income according to whether they can be reclassified in the income statement, in order to make the increasing number of elements of the other components of the statement of comprehensive income clearer.
This amendment relates purely to the presentation of the financial statements and does not therefore have any effect on the Group's financial position or profitability.

IAS 12 – Income Taxes

The amendment, approved by the European Commission on 29 December 2012, is applicable for accounting periods from 1 January 2013, clarifies the criteria for calculating deferred tax assets or liabilities relating to investment property measured at fair value. It introduces the (not absolute) presumption that deferred tax assets or liabilities calculated on an investment property measured at fair value must be determined based on the recoverable amount that may be obtained through sale. As a result, the interpretation SIC 21 – Income Taxes – Recovery of Non-Depreciable Assets Measured at Fair Value no longer applies.
This amendment does not affect the Group's financial position or profitability.

IFRS 13 – Fair Value Measurement

The new standard, approved on 29 December 2012, is applicable for accounting periods from 1 January 2013, and establishes a single framework for fair value measurements required or allowed by other IFRS and the related disclosures to be made in the accounting statements. The standard relates to the fair value measurement of financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The effects of the application of the new standard are shown in note 32 – Assets and liabilities measured at fair value.

IAS 19 revised – Employee Benefits

The changes made to IAS 19, approved on 6 June 2012, led to the following improvements in the disclosures to be made in the financial statements. Specifically:

- the "corridor approach" for the recognition of actuarial gains and losses has been eliminated; actuarial gains and losses recognised in the statement of comprehensive income are not subsequently recognised in the income statement;
- the method and timing of recognising past-service costs and curtailments in the income statement have been amended and simplified;
- the presentation of cost components relating to liabilities arising from defined benefit plans, represented by the expected return of assets servicing the plan and interest costs, has been eliminated, and the presentation of a single net interest figure has been introduced. This figure is calculated by applying the discount rate used to measure the defined benefit obligation to the liability;
- the presentation of changes to assets and liabilities related to defined-benefit plans has been simplified, with remeasurements recognised in other comprehensive income, and only changes arising from operational transactions booked to the income statement;
- disclosure relating to defined benefit plans has been improved, including information on the features of the plans and the risks that the Group is exposed to by participating in them.

The adoption of these amendments did not have a significant impact on the Group's financial position or profitability.

IFRS 7 – Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendment, published on 29 December 2012, requires information to be presented that enables readers of the financial statements to assess the effects or potential effects on the group's financial position of offsetting financial assets and liabilities.

This amendment relates purely to the presentation of the financial statements and does not therefore have any effect on the Group's financial position or profitability.

IAS 1 – Presentation of Financial Statements

The amendment defines the disclosure requirements for comparative information and the information to be presented if a company is required to present an additional statement of financial position in accordance with IAS 8 or voluntarily. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

IAS 16 – Property, Plant and Equipment

The amendment clarifies the recognition of spare parts and servicing equipment. These components are booked as property, plant and equipment rather than inventory if they meet the capitalisation requirements defined by IFRS. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

IAS 34 – Interim Financial Reporting

The amendment requires that segment information relating to assets and liabilities is reported in the interim financial statements, when this information is normally used in company decision-making processes and if significant changes have occurred with respect to the last approved financial statements. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

IAS 32 – Financial Instruments: Presentation

The amendment specifies that taxes arising from the distribution of resources to holders of equity instruments and the costs incurred in relation to capital transactions must be accounted for in accordance with IAS 12 – Income taxes. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

Transition guidance for IFRS 10-11-12

The amendment clarifies the type of comparative information to be provided following the application of the new IFRS 10 standard and the consequent identification of the date on which an entity assumes control over another. Specifically, the document clarifies the type of information to be included in the financial statements in the event that the date on which a company takes control of an entity is different under IFRS 10 than under the previous IAS 27 and SIC 12 standards. The Group is still assessing the possible impact of the document on the type of information to be provided in its consolidated financial statements.

b. Accounting standards, amendments and interpretations not yet applicable to the company that have not been adopted in advance

The new standards or amendments already approved and that must be applied from 1 January 2014 are as follows:

IFRS 10 – Consolidated Financial Statements

The new standard identifies the concept of control as the determining factor for including a company in the basis of consolidation of the Parent Company. The objective of IFRS 10 is to provide a single model according to which control is the basis of consolidation for all types of entity. The provisions of IFRS 10 provide a new definition of control to be applied in a uniform manner to all companies (including SPEs). According to this new definition, a company controls an investee if it is exposed, or has rights to the returns (positive and negative) of the investee, and if it has the ability to affect these returns by exercising its power. The standard provides some indicators to be considered for the purposes of assessing the existence of control, which includes potential rights, merely protective rights and the existence of agency or franchise relationships. The new provisions also recognise the possibility of exercising control over a subsidiary even in the absence of a majority share of the voting rights, if other shareholders' interests are sufficiently dispersed or owing to their passive interest in the investee. IFRS 10 will replace SIC 12 and part of IAS 27, from which any reference to the consolidated financial statements has been removed. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

IAS 27 revised – Separate Financial Statements

The document, issued in May 2011, partially modifies the old IAS 27 - Consolidated and Separate Financial Statements, as published in 2003, following the introduction of the new IFRS 10 standard. The document incorporates the standards dealing solely with the drafting of separate financial statements.

IFRS 11 – Joint Arrangements

The new document establishes the financial reporting principles for entities that are parties to joint control agreements and replaces IAS 31 - Interests in Joint Ventures and SIC 13 - Jointly Controlled Entities – Non-monetary Contributions by Venturers. The standard provides a more realistic reflection on the definition of joint arrangements, focusing on the rights and obligations contained in the contract, rather than on its legal form. Based on the rights and obligations pertaining to the participants, the standard identifies two types of agreement, joint operations and joint ventures, and governs their consequent accounting treatment in the financial statements. The new provisions establish that joint ventures must be accounted for using the equity method, eliminating the possibility of proportional consolidation. The Group does not consider that the adoption of the new standard will have a significant impact on the consolidated financial statements.

IAS 28 revised – Investments in Associates and Joint Ventures

The document, published in May 2011, partially modifies the old IAS 28 – Investments in Associates, as published in 2003, and incorporates the new standards established for joint ventures, introducing some amendments discussed by the IASB and approved with Exposure Draft ED9. The document also defines the accounting treatment to be adopted in the event of a total or partial sale of a shareholding in a jointly controlled or affiliated company. The Group does not consider that the adoption of IAS 28 will have a significant impact on the consolidated financial statements.

IFRS 12 – Disclosure of Interests in Other Entities

The new document defines the information to be provided relating to all forms of holdings in other entities, including joint ventures, associates, SPEs and all other forms of interest, including off-balance-sheet interests. The Group is still assessing the possible impact of this standard on its consolidated financial statements.

IAS 32 – Financial Instruments: Presentation.

The amendment, published on 29 December 2012, clarifies some of the requirements (with particular emphasis on quantitative aspects) for offsetting the financial receivables and payables of the company and its affiliates in the group's financial position. Specifically, the document establishes that, in order to offset items, the offsetting right must be legally enforceable in any circumstances, both in the normal course of business or in the event of insolvency, default or bankruptcy of one of the counterparties. Under certain conditions, the gross settlement mechanisms for financial assets and liabilities, with the consequent elimination or significant reduction of credit and liquidity risks, may be considered equivalent to net settlement. The amendment is related to document IFRS 7 – Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities, which correspondingly adjusted the disclosure to be provided in the financial statements. This amendment relates purely to the presentation of the financial statements and will not therefore have any effect on the Group's financial position or profitability.

The new standards or amendments that have not yet been ratified are as follows:

IFRS 10-12 and IAS 27 – Exception from Consolidation for Investment Entities *(*applicable from 1 January 2014)

The amendment introduces an exemption to the obligation to consolidate an investment entity if the parent company is an investment fund. This standard does not apply to the Group.

IFRS 9 – Financial Instruments (applicable from 1 January 2015)

The new document represents the first part of a process intended to wholly replace IAS 39. IFRS 9 introduces new criteria for the classification and measurement of financial assets and liabilities and the derecognition of financial assets. Specifically, the recognition and measurement criteria for financial assets and their relative classification in the financial statements have been modified. The new provisions establish a classification and measurement model for financial assets based exclusively on the following categories: assets measured at amortised cost or assets measured at fair value. The new provisions also establish that investments other than those in subsidiaries, associates and joint ventures are measured at fair value and recognised in the income statement. In the event that these investments are not held for trading, changes in fair value may be booked in the statement of comprehensive income, maintaining on the income statement exclusively the effects relating to the payment of dividends. When the investment is sold, the amounts booked to the statement of comprehensive income may not be allocated to the income statement. On 28 October 2010, the IASB included in the provisions of IFRS 9 the recognition and measurement criteria for financial liabilities. Specifically, the new provisions require that, in the case that a financial liability is measured at fair value and recognised in the income statement, changes in fair value relating to changes in the issuer's own credit risk are recorded under other comprehensive income; this component is allocated directly to the income statement to ensure symmetry with other accounting items related to the liability, avoiding an accounting mismatch. The Group is still assessing the possible impact of IFRS 9 on its financial assets and liabilities.

IAS 36 – Recoverable amount disclosures for non-financial assets (applicable from 1 January 2014)
The amendment clarifies that the disclosure required on the recoverable amount of assets subject to an impairment loss only concerns the assets whose recoverable amount is based on fair value net of sales costs.

IAS 39- Novation of derivatives and continuation of hedge accounting (applicable from 1 January 2014)
The amendment clarifies that derivatives may continue to be designated as hedging instruments (hedge accounting) where the instrument is subject to novation, provided certain conditions are met This amendment will also be made in IFRS 9 – Financial instruments.

IFRIC 21- Levies (applicable from 1 January 2014)
The standard is an interpretation of IAS 37, and provides clarification on when an entity must recognise a liability for the payment of levies imposed by the government, except those already governed by other standards.
The interpretation clarifies that the obligating event for the recognition of a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation.

4. Seasonal factors

Sales of some Gruppo Campari products are more affected than others by seasonal factors, because of different consumption patterns or consumer habits.
In particular, soft drink consumption tends to be concentrated in the hottest months of the year (May-September), and summer temperature variations from one year to the next may have a substantial effect on comparative sales figures.
For other products, such as sparkling wines, sales in some countries are concentrated in certain periods of the year, largely around Christmas.
While external factors do not affect sales of these products, the commercial risk is higher, since the full-year sales result is determined in just two months.
In general, the Group's diversified product portfolio, which includes spirits, soft drinks and wines, and the geographical spread of its sales, helps to reduce substantially any risks relating to seasonal factors.

5. Default risk: negative pledges and debt covenants

The contracts relating to the bond issued by the Parent Company and the Redfire, Inc. private placement include negative pledges and covenants.
The negative pledge clauses are intended to limit the Group's ability to grant significant rights to the Group's assets to third parties, in particular by establishing specific restrictions on selling or pledging assets.
The covenants include the Group's obligation to attain particular levels for certain financial indicators, most notably the ratio of net debt to measures of Group profitability.
If the Group fails to fulfil these obligations, after an observation period in which any breach has not been rectified, it could be served with notice to repay the residual debt.
The ratios are monitored by the Group at the end of each quarter and have so far been a long way from reaching the thresholds that would constitute non-compliance.

6. Reclassifications at opening book values

In December 2012, the Group completed the acquisition of Lascelles deMercado & Co Ltd (‘LdM’).
In 2013, the Group has been defining the allocation of the acquisition values, which were published on 31 December 2012. Although the allocation was still provisional at 30 June 2013, it is related below to the updated estimate of the asset items for the financial year ended 31 December 2012.
In the notes on the asset items concerned by the changes, the provisional adjustments to fair value of assets and liabilities have been shown separately under “reclassifications".

The above-mentioned allocation did not have any effect on the income statement for 2012, as it was carried out in the last month of the year.

	31 December 2012		
	Figures published	Reclassifications	Post-reclassification figures
	€ million	€ million	€ million
ASSETS			
Non-current assets			
Net tangible fixed assets	392.6	10.7	403.3
Biological assets	17.2	-	17.2
Investment property	0.5	-	0.5
Goodwill and trademarks	1,631.2	27.9	1,659.1
Intangible assets with a finite life	20.5	0.0	20.5
Investments in affiliates and joint ventures	0.2	(0.0)	0.2
Deferred tax assets	11.5	-	11.5
Other non-current assets	52.6	-	52.6
Total non-current assets	**2,126.2**	**38.6**	**2,164.8**
Current assets			
Inventories	446.5	(12.8)	433.7
Current biological assets	4.9	-	4.9
Trade receivables	312.4	(1.3)	311.1
Short-term financial receivables	42.4	(0.0)	42.4
Cash and cash equivalents	442.5	(0.0)	442.5
Current tax receivables	9.4	0.2	9.5
Other receivables	24.2	9.6	33.8
Total current assets	**1,282.3**	**(4.4)**	**1,277.9**
Non-current assets held for sale	1.0	-	1.0
Total assets	**3,409.5**	**34.2**	**3,443.7**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	58.1	-	58.1
Reserves	1,370.8	-	1,370.8
Parent Company's portion of shareholders' equity	1,428.9	-	1,428.9
Minorities' portion of shareholders' equity	4.2	-	4.2
Total shareholders' equity	**1,433.1**	**-**	**1,433.1**
Non-current liabilities			
Bonds	1,178.2	-	1,178.2
Other non-current liabilities	36.2	(0.8)	35.3
Defined benefit plans	13.0	0.0	13.0
Provision for risks and future liabilities	39.6	9.0	48.7
Deferred tax liabilities	198.8	15.6	214.4
Total non-current liabilities	**1,465.7**	**23.8**	**1,489.5**
Current liabilities			
Payables to banks	121.0	-	121.0
Other financial payables	34.9	0.0	34.9
Trade payables	201.4	9.9	211.2
Current payables to tax authorities	17.8	0.7	18.5
Other current liabilities	135.6	(0.1)	135.5
Total current liabilities	**510.7**	**10.4**	**521.1**
Total liabilities and shareholders' equity	**3,409.5**	**34.2**	**3,443.7**

7. Acquisitions

As mentioned in the previous section, the definition of the allocation of the acquisition values for LdM, which took place in December 2012, is being carried out in 2013.
The provisional adjustments to the fair value of the net assets acquired are shown below.

	Updated figured at acquisition date (December 2012)		
	Provisional figures published at 31 December 2012	Adjustments and reclassifications	Provisional fair value at 30 June 2013
	€ million	€ million	€ million
ASSETS			
Non-current assets			
Net tangible fixed assets	67.2	10.7	77.9
Biological assets	-	-	-
Investment property	-	-	-
Trademarks	92.3	43.4	135.7
Intangible assets with a finite life	-	-	-
Investments in affiliates and joint ventures	0.2	-	0.2
Deferred tax assets	0.4	-	0.4
Other non-current assets	31.6	-	31.6
Total non-current assets	**191.7**	**54.1**	**245.8**
Current assets			
Inventories	82.2	(12.8)	69.4
Current biological assets	5.1	-	5.1
Trade receivables	24.0	(1.3)	22.7
Short-term financial receivables	-	-	-
Cash and cash equivalents	24.3	-	24.3
Current tax receivables	2.5	0.2	2.7
Other receivables	4.8	9.6	14.4
Total current assets	**143.0**	**(4.4)**	**138.5**
Total assets	**334.7**	**49.7**	**384.4**
LIABILITIES			
Non-current liabilities	-	-	-
Defined benefit plans	4.6	-	4.7
Provision for risks and future liabilities	25.1	9.0	34.2
Deferred tax liabilities	40.0	15.6	55.6
Non-current financial liabilities	1.1	(0.8)	0.3
Total non-current liabilities	**70.9**	**23.8**	**94.7**
Current liabilities			
Payables to banks	3.9	-	3.9
Other financial payables	15.1	-	15.1
Trade payables	4.0	9.9	13.8
Current payables to tax authorities	3.7	0.7	4.4
Other current liabilities	37.1	(0.1)	37.0
Total current liabilities	**63.8**	**10.4**	**74.2**
Total liabilities	**134.7**	**34.2**	**168.9**
Net assets acquired	**200.0**	**15.5**	**215.5**
Goodwill generated by acquisition	**121.6**	**(15.5)**	**106.1**
Total cost			**337.2**
of which			
Price paid in cash, excluding related costs			*317.3*
Purchase of rights from Kobrand			*15.6*
Payable for remaining shares to be acquired			*4.3*
Total value of investment, net of cash			**332.2**
Payables (cash) acquired			*5.1*
of which			
Cash acquired			*24.6*
Debt acquired			*(19.5)*

8. Operating segments

The Group's reporting is based mainly on geographical regions; the four regions identified as operating segments and for which profitability is analysed are: Italy, Rest of Europe, Americas and Rest of the world and duty free.

Profitability is analysed at the level of the result of recurring activities, equivalent to the operating result before non-recurring income and charges.
In addition, the profitability of each region shown in the new segment reporting methodology reflects the profit generated by the Group in sales to third parties made in that region, thereby neutralising the effects of inter-company margins.

2013	Americas € million	Italy € million	Rest of Europe € mililon	Rest of the world € million	Total allocated € million	Non-allocated items and adjustments € million	Consolidated € million
Net sales to third parties	310.7	179.3	143.8	64.7	698.6		698.6
Net sales between segments	21.2	82.4	17.7	0.0	121.3	(121.3)	-
Total net sales	**331.9**	**261.7**	**161.5**	**64.8**	**819.8**	**(121.3)**	**698.6**
Segment result	**55.2**	**35.7**	**22.4**	**12.0**	**125.4**		**125.4**
Other non-recurring costs: income and charges	-	-	-	-	-	(4.9)	(4.9)
Operating result							**120.5**
Net financial income (charges)	-	-	-	-	-	(28.3)	(28.3)
Affiliates' portion of profit	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	(34.3)	(34.3)
Income and charges relating to put options and earn-outs	-	-	-	-	-	-	-
Profit for the year							**57.9**

Note that the information on the first half of 2012 are presented for the purposes of comparison in line with the new management dimension of analysis.

2012	Americas € mililon	Italy € million	Rest of Europe € million	Rest of the world € million	Total allocated € million	Non-allocated items and adjustments € million	Consolidated € million
Net sales to third parties	208.2	212.6	137.5	60.0	618.3	-	618.3
Net sales between segments	12.6	72.6	15.6	-	100.8	(100.8)	-
Total net sales	**220.8**	**285.2**	**153.1**	**60.0**	**719.1**	**(100.8)**	**618.3**
Segment result	**46.8**	**54.9**	**29.0**	**16.6**	**147.4**	**-**	**147.4**
Other non-recurring costs: income and charges	-	-	-	-	-	(3.6)	(3.6)
Operating result	**-**						**143.8**
Net financial income (charges)	-	-	-	-	-	(21.0)	(21.0)
Affiliates' portion of profit	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	(44.5)	(44.5)
Income and charges relating to put options and earn-outs	-	-	-	-	-	(0.1)	(0.1)
Profit for the year							**78.2**

9. Net sales

A breakdown of net sales is shown in the table below.

	First half 2013 € million	First half 2012 € million
Sale of goods	696.9	617.0
Provision of services	1.7	1.3
Total net sales	**698.6**	**618.3**

The provision of services relates to bottling the products of third parties.
For a more in-depth analysis of net sales, see the section entitled "Sales performance" in the interim report on operations.

10. Cost of goods sold

A breakdown of the cost of goods sold is shown by function and by nature in the two tables below.

	First half 2013 € million	First half 2012 € million
Materials and manufacturing costs	287.3	223.4
Distribution costs	37.9	31.7
Total cost of goods sold	**325.2**	**255.1**

	First half 2013 € million	First half 2012 € million
Raw materials and finished goods acquired from third parties	214.5	174.2
Inventory write-downs	1.6	0.1
Personnel costs	28.5	21.8
Depreciation	14.1	11.2
of which pending on final stocks of liquids undergoing the ageing process	*(2.2)*	(3.5)
Utilities	11.1	5.4
External production and maintenance costs	10.8	7.1
Variable transport costs	27.0	23.2
Other costs	17.6	12.1
Total cost of goods sold	**325.2**	**255.1**

The trend in the cost of goods sold is commented upon in the interim report on operations, where the change in these costs as a percentage of net sales is analysed.
Depreciation pending for final stocks of liquids undergoing the ageing process refers to pending depreciation of fixed assets at Campari America, on the value of the liquid produced and sent for ageing; on average, the product is aged for a period of between five and seven years.

11. Overheads

A breakdown of overheads is shown by function and by nature in the two tables below.

	First half 2013 € million	First half 2012 € million
Sales costs	60.0	53.2
General and administrative expenses	77.5	63.0
Total overheads	**137.5**	**116.1**

	First half 2013 € million	First half 2012 € million
Agents and other variable sales costs	9.6	9.0
Depreciation	5.2	4.3
Personnel costs	72.0	58.0
Travel, transfers, training and meetings	11.3	10.3
Utilities	0.9	0.8
Services. maintenance and insurance	18.8	15.9
Operating leases and rental expenses	5.6	4.1
Other	9.2	10.1
Non-recurring (income) and charges	4.9	3.6
Total overheads	**137.5**	**116.1**

The increase in overheads largely relates to the effect of the LdM acquisition.

12. Non-recurring income and charges

A breakdown of this item is shown in the table below.

	First half 2013 € million	First half 2012 € million
Capital gains on the sale of buildings	0.1	0.1
Other capital gains on the sale of fixed assets	0.3	-
Capital gains on the sale of intangible assets	4.5	-
Other non-recurring income	0.4	0.1
Total non-recurring income	5.3	0.2
Penalties	(0.9)	(1.0)
Write-downs of Group company assets	(3.7)	-
Write-downs of tangible fixed assets	(0.5)	-
Restructuring costs	(4.5)	(2.2)
Penalty for the early termination of distribution relationships	(0.3)	-
Other non-recurring charges	(0.3)	(0.6)
Total non-recurring charges	(10.2)	(3.8)
Total (net)	**(4.9)**	**(3.6)**

Non-recurring items in the period included the capital gain on the sale of intangible assets for € 4.5 million, which relates to the sale of the Punch Barbieri trademark concluded on 1 March 2013 by the Parent Company.

Restructuring costs of € 4.5 million refer to the estimated costs for the processes currently under way within the Group, described in the “Significant events” section of the interim report on operations. These include the restructuring process launched by the Parent Company and some companies included in the LdM acquisition.

The write-down of Group company assets of € 3.7 million refers to a reserve set aside to meet the estimated expected loss on asset of CJSC Odessa Sparkling Wine Company.

The € 0.9 million in penalties mainly related to tax settlements.

13. Financial income and charges

The breakdown of net financial income and charges is as follows:

	First half 2013 € million	First half 2012 € million
Bank and term deposit interest	2.4	2.3
Other income	0.6	-
Total financial income	**3.0**	**2.3**
Net interest payable on bonds and private placements	(27.4)	(19.1)
Interest payable to banks	(0.8)	(2.5)
Total interest payable	**(28.2)**	**(21.6)**
Bank charges	(1.0)	(0.6)
Other charges and exchange rate differences	(2.2)	(0.9)
Total financial charges	**(3.1)**	**(1.5)**
Financial charges relating to tax inspections	-	(0.1)
Non-recurring financial charges	**-**	**(0.1)**
Net financial income (charges)	**(28.3)**	**(21.0)**

The increase in financial charges is due to the rise in average debt, as a result of the LdM acquisition, and the higher proportion of fixed-rate debt.

14. Taxes

A breakdown of current and deferred tax is shown in the table below.

	First half 2013 € million	First half 2012 € million
- taxes for the year	(26.2)	(34.5)
- taxes relating to previous years	(0.1)	(3.1)
Income tax – current	(26.3)	(37.5)
Income tax – deferred: newly reported and cancelled temporary differences	(8.1)	(7.0)
Income tax reported in the income statement	**(34.3)**	**(44.5)**

Deferred taxes include an amount of €10.9 million, aligned to the first half of 2012, reported for the purposes of cancelling out the effect of the tax deductibility of amortisation on goodwill and trademarks permitted under local legislation.

15. Net tangible fixed assets

Changes in this item in the reporting period are shown in the table below.

	Land and buildings € million	Plant and machinery € million	Other € million	Total € million
Carrying value at start of period	273.0	308.0	131.5	712.6
Accumulated amortisation at start of period	(66.5)	(180.5)	(73.0)	(320.0)
Balance at 31 December 2012 - published	**206.5**	**127.6**	**58.5**	**392.6**
Reclassifications (*)	10.7	-	-	10.7
Balance at 31 December 2012 - post-reclassifications	**217.2**	**127.6**	**58.5**	**403.3**
Investments	6.8	18.3	10.3	35.3
Disposals	-	-	(1.3)	(1.3)
Depreciation	(4.0)	(9.6)	(5.6)	(19.2)
Reclassifications	2.0	(1.2)	-	0.8
Write-downs	(0.2)	(0.1)	(0.2)	(0.5)
Exchange rate differences and other changes	(6.6)	(2.3)	(1.5)	(10.4)
Balance at 30 June 2013	**215.2**	**132.6**	**60.2**	**408.0**
Carrying value at end of period	282.8	319.9	133.7	736.4
Accumulated amortisation at end of period	(67.6)	(187.3)	(73.5)	(328.4)

(*) See note 6 - Reclassifications at opening book values

Investments in the period of € 35.3 million were strongly affected by the investment made by Campari America to build a bottling plant for Wild Turkey and SKYY Spirits in Lawrenceburg. To date, € 31.5 million (USD 40.8 million) has been capitalised for the new project, of which € 13.9 million (USD 18.1 million) was capitalised in the first half. The overall investment is estimated at approximately USD 43.2 million.
Also in Kentucky, Campari America began building work on a visitors' centre. Work is expected to be completed by the end of 2013. To date, € 2.3 million has been capitalised, including € 1.1 million in 2013.
Finally, € 1.4 million was capitalised at Campari America for the restructuring of the company's new premises in San Francisco.

Investment to bring GlenGrant bottling operations in Scotland in-house continued in 2013.
GBP 5.1 million was capitalised for the new line, operational since the end of March 2013, of which GBP 1.2 million (approximately € 1.4 million) was sustained in the first half of 2013.

In addition, investments in other tangible assets, totalling € 10.3 million, included the purchase of barrels to be used for ageing by Campari America for € 5.1 million, by GlenGrant Ltd. for € 0.5 million and by Sella&Mosca S.p.A. for € 0.2 million.
Disposals, amounting to € 1.3 million, mainly related to the sale of barrels by Campari America.

16. Biological assets

This item includes biological assets consisting of fruit-bearing and mature vines that provide grapes for wine production and pre-production vineyards.

Sella&Mosca S.p.A. owns vineyards covering approximately 548 hectares north of Alghero in Sardinia, approximately 100 hectares near San Gimignano in Tuscany and around 12 hectares near Alba in Piedmont.
The Group also owns around 5 hectares of vineyards in Saint Gilles in France, through Société Civile du Domaine de La Margue.

Changes in this item in the reporting period are shown in the table below.

	Assets valued at fair value	Assets valued at cost	Total
	€ million	€ million	€ million
Opening value	2.8	23.6	26.4
Accumulated depreciation at start of period	-	(9.3)	(9.3)
Balance at 31 December 2012	**2.8**	**14.3**	**17.1**
Capital expenditure	-	0.6	0.6
Disposals	-	-	-
Depreciation	-	(0.5)	(0.5)
Balance at 30 June 2013	**2.8**	**14.5**	**17.3**
Closing value	2.8	24.2	27.0
Accumulated depreciation at end of period	-	(9.7)	(9.7)

The capital expenditure of € 0.6 million for the first half of the year mainly related to vineyard equipment that came on stream during the year.

17. Investment property

At 30 June 2013, investment property of € 1.1 million related mainly to the Parent Company, and included apartments and a shop in the provinces of Milan, Bergamo and Verbania, and two buildings in rural locations in the province of Cuneo.
There were no significant increases in this asset class during the year.
These buildings are recorded in the financial statements at their approximate fair value at the reporting date.

18. Goodwill and trademarks

Changes in this item in the reporting period are shown in the table below.

	Goodwill € million	Trademarks € million	Total € million
Carrying value at start of period	1,062.0	574.0	1,636.1
Opening impairment	(4.9)	-	(4.9)
Balance at 31 December 2012 - published	**1,057.1**	**574.0**	**1,631.2**
Reclassifications (*)	(15.5)	43.4	27.9
Balance at 31 December 2012 - post-reclassifications	**1,041.6**	**617.5**	**1,659.1**
Exchange rate differences	(8.1)	(9.2)	(17.3)
Balance at 30 June 2013	**1,033.5**	**608.3**	**1,641.8**
Carrying value at end of period	1,038.4	608.3	1,646.7
Closing impairment	(4.9)		(4.9)

(*) See note 6 - Reclassifications at opening book values

Intangible assets with an indefinite life are represented by goodwill and trademarks, both deriving from acquisitions. The Group expects to obtain positive cash flow from these assets for an indefinite period of time.
Goodwill and trademarks are not amortised but are subject to impairment tests.

Negative exchange rate differences, totalling € 17.3 million, arose when the local currency values relating to the acquisitions of companies and trademarks by the Group were adjusted to the exchange rates applying at the end of the period.

19. Intangible assets with a finite life

Changes during the period are shown in the table below.

	Software € million	Other € million	Total € million
Carrying value at start of period	27.3	15.3	42.7
Accumulated amortisation at start of period	(19.5)	(2.7)	(22.1)
Balance at 31 December 2012	**7.8**	**12.7**	**20.5**
Investments	2.8	0.1	2.9
Reclassification	2.9	(2.9)	-
Amortisation for the period	(2.3)	(0.5)	(2.8)
Write-downs	(0.1)	-	(0.1)
Balance at 30 June 2013	**11.1**	**9.3**	**20.5**
Carrying value at end of period	31.2	12.4	43.6
Accumulated amortisation at end of period	(20.0)	(3.1)	(23.1)

Intangible assets with a finite life are amortised on a straight-line basis in relation to their remaining useful life.
Investment for the period, totalling € 2.9 million, mainly relates to the implementation of new SAP modules and IT upgrades.

20. Other non-current assets

This item breaks down as follows.

	30 June 2013 € million	31 December 2012 € million
Financial receivables	14.7	13.7
Non-current financial assets	**14.7**	**13.7**
Equity investments in other companies	1.3	1.7
Security deposits	0.8	0.7
Receivables from employee benefit funds	27.6	29.7
Other non-current receivables from main shareholders	2.2	2.2
Other non-current tax receivables	4.4	4.5
Other non-current assets	**36.3**	**38.8**
Other non-current assets	**51.0**	**52.6**

During the previous year, the Parent Company decided to carry over part of the medium- to long-term fixed-rate debt and therefore cancelled some hedging agreements. The asset generated, which will be collected over the remaining term of the underlying loan, was classified under financial receivables. At 30 June 2013, its short- and long-term components were € 5.0 million and € 14.7 million respectively. The short-term component of this receivable (€ 5.0 million) is included in short-term financial receivables (see note 22 - Short-term financial receivables).

Receivables from employee benefit funds represent a surplus of assets servicing the plan in respect of the present value of benefit obligations at year end.
Other non-current tax receivables mainly relate to receivables due to the Group's Italian companies from the Italian tax authorities (€ 3.0 million); the rest of the amount relates to Campari do Brasil Ltda.

21. Inventories and current biological assets

This item breaks down as follows.

	30 June 2013 € million	31 December 2012 post-reclassification € million	Reclassifications (*) € million	31 December 2012 published € million
Raw materials, supplies and consumables	52.2	50.6	-	50.6
Work in progress and liquid undergoing the ageing process	254.3	251.1	-	251.1
Finished products and goods for resale	156.0	132.1	(12.8)	144.9
Inventories	**462.6**	**433.7**	**(12.8)**	**446.5**
Current biological assets	3.3	4.9	-	4.9
Current biological assets	**3.3**	**4.9**	**-**	**4.9**
Total	**465.9**	**438.6**	**(12.8)**	**451.4**

(*) See note 6 - Reclassifications at opening book values

Inventories are reported minus the relevant provisions for write-downs. The changes are shown in the table below.

	€ million
Balance at 31 December 2012	**2.9**
Accruals	1.4
Utilisations	(0.4)
Balance at 30 June 2013	**4.0**

22. Short-term financial receivables

	30 June 2013 € million	31 December 2012 € million
Securities and term deposits	**0.3**	**35.2**
Net accrued swap interest income/expense on bonds	1.0	0.7
Valuation at fair value of forward contracts	0.5	1.2
Other financial assets and liabilities	5.0	6.0
Other short-term financial receivables	**7.2**	**7.2**
Short-term financial receivables	**7.4**	**42.4**

The change in the period mainly relates to the receipt of two term deposits totalling € 35.0 million taken out by the Parent Company, which expire in April and May 2013.

The other financial assets comprise the current portion (€ 5.0 million) of the receivable arising from the termination of a number of hedging agreements on the Parent Company's bond loan issued in 2009. The termination of these agreements led to the recording of a financial receivable, which will be collected over the remaining duration of the underlying loan, until 2016. The non-current portion of this receivable (€ 14.7 million) is included in non-current financial receivables (see note 20 – Other non-current assets).

All financial receivables are current and due within a year.

23. Cash and cash equivalents

	30 June 2013 € million	31 December 2012 € million
Bank current accounts and cash	163.9	325.6
Term deposits maturing within 3 months	223.0	116.9
Cash and cash equivalents	**386.9**	**442.5**

Bank current accounts include restricted cash and cash equivalents of € 4.3 million. These resources are kept available at any time to purchase the remaining shares currently held by minority shareholders in Lascelles deMercado&Co. Ltd. Short-term financial payables include a liability of the same amount, as shown under note 27 – Short-term financial payables.

Reconciliation with net debt

The table below shows the reconciliation between cash and net debt.

	30 June 2013 € million	31 December 2012 € million
Cash and cash equivalents	386.9	442.5
Liquidity (A)	386.9	442.5
Securities	0.3	35.2
Other short-term financial receivables	7.2	7.2
Short-term financial receivables (B)	7.4	42.4
Short-term bank debt	(107.1)	(121.0)
Current portion of private placement and bonds	(30.6)	(0.0)
Other short-term financial payables	(31.1)	(27.4)
Current portion of payables for put options and earn-outs	(4.8)	(7.5)
Short-term financial debt (C)	(173.6)	(155.9)
Short-term net cash (debt) position (A+B+C)	220.7	329.0
Non-current bank debt	(0.3)	(1.1)
Current portion of property lease payables	(1.4)	(1.4)
Non-current portion of private placement and bonds	(1,175.5)	(1,206.9)
Other non-current financial payables	(0.2)	(0.4)
Non-current portion of payables for put options and earn-outs	(2.4)	(2.5)
Non-current financial debt (D)	(1,179.7)	(1,212.3)
Net debt (A+B+C+D) (*)	(959.0)	(883.4)

	30 June 2013	31 December 2012
	€ million	€ million
Reconciliation with Group net debt, as shown in the Directors' report:		
Non-current financial receivables	14.7	13.7
Group net debt	(944.3)	(869.7)

(*) in accordance with the definition of net debt set out in Consob communication DEM 6064293 of 28 July 2006.

24. Non-current assets held for sale

This item includes surplus real estate assets with a high probability of being sold, or for which there is an irrevocable commitment to sell with a third party.
These assets, valued at the lower of net carrying value and fair value less selling costs, totalled € 1.0 million at 30 June 2013. The item included the portion of the Termoli site not yet sold but for which concrete but complex sale negotiations are under way with potential buyers, and with whom the difficult sales programme is being prepared.

25. Shareholders' equity

Share capital

At 30 June 2013, the share capital was € 58,080,000, comprising 580,800,000 ordinary shares with a nominal value of € 0.10 each, fully paid-up.

Outstanding shares and own shares

In the first six months of the year, the Group purchased 7,845,735 shares for a total price of € 46.7 million, which equates to an average price of € 5.95, and sold 1,415,337 shares for the exercise of stock options.

The table below shows a reconciliation between the number of outstanding shares at 31 December 2011, 31 December 2012 and 30 June 2013.

	No. of shares			Nominal value		
	30 June 2013	31 December 2012	31 December 2011	30 June 2013	31 December 2012	31 December 2011
				€	€	€
Outstanding shares at the beginning of the period	576,301,882	577,453,435	578,522,820	57,630,188	57,745,344	57,852,282
Purchases for the stock option plan	(7,845,735)	(4,613,817)	(9,540,000)	(784,574)	(461,382)	(954,000)
Disposals	1,415,337	3,462,264	8,470,615	141,534	346,226	847,062
Outstanding shares at the end of the period	569,871,484	576,301,882	577,453,435	56,987,148	57,630,188	57,745,344
Total own shares held	10,928,516	4,498,118	3,346,565	1,092,852	449,812	334,657
Own shares as a % of share capital	1.9%	0.8%	0.6%			

Dividends paid and proposed

Dividends to the value of € 39.8 million relating to 2012 were approved by the shareholders' meeting of the Parent Company on 30 April 2013 and paid in May 2013.

	Total amount		Dividend per share	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	€ million	€ million	€	€
Dividends approved and paid during the period on ordinary shares	39.8	40.5	0.07	0.07
Dividends proposed on ordinary shares		40.3		0.07

Other reserves

The table below shows a breakdown of, and changes to, the shareholders' equity reserves for stock options, cash flow hedging and currency translation.

	Stock options € million	Cash flow hedging € million	Translation of accounts in foreign currencies € million	Total € million
Balance at 31 December 2012	**19.6**	**(2.9)**	**(21.9)**	**(5.3)**
Cost of stock options for the period	4.1			4.1
Stock options exercised	(1.0)			(1.0)
Losses (profits) reclassified in the income statement		(0.7)		(0.7)
Cash flow hedging reserve allocated to shareholders' equity		1.2		1.2
Tax effect allocated to shareholders' equity		(0.1)		(0.1)
Translation difference			(33.1)	(33.1)
Balance at 30 June 2013	**22.8**	**(2.5)**	**(55.0)**	**(34.8)**

26. Bonds and other non-current liabilities

The table below shows a breakdown of the Group's bonds and other non-current liabilities.

Non-current liabilities	30 June 2013 € million	31 December 2012 € million
Parent Company bond (USD) issued in 2003	233.6	233.3
Parent Company bond (Eurobond) issued in 2009	362.6	364.3
Parent Company bond (Eurobond) issued in 2012	393.7	393.2
Private placement issued in 2009	158.7	187.4
Total bonds and private placements	**1,148.5**	**1,178.2**
Payables and loans due to banks	0.3	1.1
Property leases	1.4	1.4
Derivatives on Parent Company bond (USD)	27.0	28.8
Payables for put options and earn-outs	2.4	2.5
Other debt	0.2	0.4
Non-current financial liabilities	**31.2**	**34.2**
Other non-financial liabilities	**0.2**	**1.2**
Other non-current liabilities	**31.4**	**35.3**

Bonds

The bonds relate to three bond placements by the Parent Company with a nominal value of USD 300 million, € 350 million and € 400 million, issued in 2003, 2009 and 2012 respectively.

The change in the value of this liability compared with 31 December 2012 was mainly due to the effects resulting from the amortised cost of the debt and the change in the fair value of the related hedging derivatives.

There were no significant changes in hedging contracts compared with those in place at 31 December 2012.

Private placements

The item "private placement" includes a bond issue placed by Redfire, Inc. on the US market in 2009.
The change in the debt mainly relates to the classification under current financial payables of the tranche of € 30.6 million (USD 40 million) expiring in 2014.

Payables for put options and earn-outs

The payable for put options and earn-outs at 30 June 2013 related to the long-term outlay for the Sagatiba Brasil S.A. earn-out, payable in the eight years from the closing date in 2011.

Other debt

This item includes a Parent Company loan agreement with the industry ministry, to be repaid in ten annual instalments starting in February 2006.

Other non-financial liabilities

Other non-financial liabilities at 30 June 2013 include amounts due by the Parent Company for fines and interest deferred until 2014, relating to tax payables established last year through tax agreements.

27. Payables to banks and other short-term financial payables

Current financial liabilities	30 June 2013 € million	31 December 2012 € million
Payables and loans due to banks	107.1	121.0
Short-term portion of private placement (issued in 2009)	30.6	
Accrued interest on bonds	30.8	12.6
Payables for put options and earn-outs	4.8	7.5
Financial payables connected with the acquisition of Lascelles deMercado&Co. Ltd	-	14.7
Other debt	0.3	0.2
Total other financial payables	66.5	34.9

Private placement issued in 2009

The short-term portion of the payable represents the final maturing portion of the private placement issued in 2009 (USD 40 million).

Accrued interest on bonds

The change in accrued interest on bonds is due to the timing of coupon payments. Specifically, coupons are paid in the second half of the year on the two Eurobonds issued in 2009 and 2012.

Payables for put options and earn-outs

The current portion of these payables relates to the earn-out payments for Cabo Wabo, Sagatiba and the financial payable of € 4.3 million relating to the remaining shares in Lascelles deMercado&Co. Ltd that the Group plans to purchase from minority shareholders.

Financial payables connected with the LdM acquisitionThe total change in financial payables includes the elimination of the payable of € 14.7 million relating to the settlement of net debt on the Lascelles deMercado&Co. Ltd. acquisition date, repaid in the first half of 2013.

28. Reserve for risks and charges

	Tax provision € million	Restructuring provisions € million	Agent severance fund € million	Other € million	Total € million
Balance at 31 December 2012 – published	**1.7**	**4.7**	**1.3**	**31.9**	**39.6**
Reclassifications (*)	-	-	-	9.0	9.0
Balance at 31 December 2012 - post-reclassifications	**1.7**	**4.7**	**1.3**	**40.9**	**48.7**
Accruals	-	5.5	0.1	3.9	9.5
Utilisations	-	-	-	(0.6)	(0.6)
Releases	(0.2)	-	-	(0.6)	(0.8)
Exchange rate differences and other changes	-	(0.8)	-	(2.6)	(3.4)
Balance at 30 June 2013	**1.6**	**9.4**	**1.4**	**41.0**	**53.3**

(*) See note 6 - Reclassifications at opening book values

In relation to changes in the reserve for risks and charges from that shown in the 2012 annual financial statements, note that restructuring costs of € 5.5 million refer to the estimated costs for the restructuring processes currently under way within the Group, described in the Significant Events section of the Interim Report on operations. These notably include the restructuring process launched by the Parent Company and some companies included in the LdM acquisition.

Other funds mainly include the write-down of the assets of CJSC Odessa Sparkling Wine Company totalling € 3.7 million in respect of the subsidiary's negative results.

The information reported below concerns potential liabilities arising from two disputes in progress with the Brazilian tax authorities, in relation to which the Group does not however deem it necessary to make provisions as of the date of this report. There are no other significant contingent liabilities.

The first dispute related to production tax (IPI), and contested the classification of products sold by Campari do Brasil Ltda. The increase in taxes and penalties stood at BRL 117.2 million plus interest.
In March 2012, the company was officially informed of the outcome of the dispute, which is in its favour.
However, since the formulation of the ruling was not deemed sufficient to afford the company complete legal safeguards in the event of future litigation relating to the same dispute, the company lawyers proposed to appeal in order to obtain a ruling that fully protects the company in the event of future disputes.
In view of the outcome of the case and based on the advice of its lawyers, the Group continues to believe that there is still no reason to make a specific provision.
As a result, no provisions were made for this item in the accounts for the half-year ending 30.06.13.

The second dispute related to a tax inspection report relating to the payment of ICMS (tax on the consumption of goods and services) in respect of sales made by Campari do Brasil Ltda to a single customer in 2007 and 2008; the company was notified of this report on 16 February 2012.
The amount stipulated, including penalties and interest, totalled BRL 53.6 million (around € 20.1 million).
The dispute is pending before the administrative court, and is not expected to be settled in the near future.
Based on evaluations conducted by external legal consultants, which have appealed against the findings of the local tax authorities, the Group believes that the outcome of the dispute will be favourable to the company. It is therefore deemed unnecessary at present to establish a specific provision.

29. Payables to tax authorities

Payables to tax authorities decreased by € 11.0 million compared to the end of the previous year to € 7.5 million, due to the combined effect of the payment of tax balances and payments on account, and the provision for estimated taxes for the first half of the year.
Specifically, Group companies paid taxes and related payments on account of € 40.6 million in the first half.

30. Stock options

The shareholders' meeting of 30 April 2013 approved a new stock option plan. This plan granted assignees (belonging to categories other than members of the board of directors of the controlling shareholder) the right to exercise options in the two-year period following the end of the seventh year from the allocation date, with the right to bring forward the (total or partial) exercise at the end of the fifth or sixth year from allocation, with the consequent one-off application of a reduction of 20% or 10% respectively of the total number of options allocated.
The number of options granted was 443,342, for the purchase of the same number of shares, with an average allocation price of € 6.09, equivalent to the weighted average market price in the month proceeding the day on which the options were granted.
For the purpose of evaluating the plan in accordance with IFRS 2- Share-based payment, the plan was divided into three different tranches, corresponding to a number of options equal to 80%, 10% and 10% vesting in five, six and seven years respectively. All tranches carry a vesting condition that requires assignees to remain with the company for the whole vesting period. Furthermore, to exercise the second and third tranche, all options previously matured up to the end of the sixth (second tranche) and seventh (third tranche) years must be maintained. For the purposes of IFRS 2, this condition takes the form of a non-vesting condition.
This results in a different unit fair value for every individual tranche, of between € 1.40 and € 1.50.

The criterion for fair value measurement is the same as that described in the consolidated financial statements for the year ending 31 December 2012.

The following assumptions were used for the fair value measurement of options issued in 2013 and 2012.

	2013	2012
Expected dividends (€)	0.07	0.07
Expected volatility (%)	23%	26%
Historical volatility (%)	23%	26%
Market interest rate	1.21%	1.80%
Expected option life (years)	7.30	7.60
Exercise price (€)	6.09	5.25

The table below shows the changes in options during the period.

	30 June 2013		31 December 2012	
	No. of shares	Average allocation/exercise price (€)	No. of shares	Average allocation/exercise price (€)
Options outstanding at the beginning of the period	44,328,942	3.96	36,264,953	3.49
Options granted during the period	443,342	6.09	13,036,580	5.25
(Options cancelled during the period)	(557,991)	4.69	(1,510,822)	3.63
(Options exercised during the period) (*)	(1,132,612)	3.33	(3,461,769)	3.77
(Options expiring during the period)	36,886	3.84		
Options outstanding at the end of the period	43,044,795	3.99	44,328,942	3.96
of which those that can be exercised at the end of the period	13,206,581	2.90	1,382,248	3.79

(*) average market price on exercise date: € 5.88

31. Financial instruments - disclosures

The value of individual categories of financial assets and liabilities held by the Group is shown below.

30 June 2013	Loans and receivables	Financial liabilities at amortised cost	Assets and liabilities measured at fair value with changes recognised in profit and loss	Hedging transactions
	€ million	€ million	€ million	€ million
Cash and cash equivalents	386.9			
Short-term financial receivables	5.2			
Other non-current financial assets	14.7			
Trade receivables	282.6			
Payables to banks		(107.4)		
Real estate lease payables		(1.4)		
Bonds		(989.8)		
Private placements		(189.3)		
Accrued interest on bonds		(30.8)		
Other financial liabilities		(0.5)		
Put option payables		(7.1)		
Trade payables		(199.3)		
Current assets for hedge derivatives				2.2
Non-current liabilities for hedge derivatives				(27.0)
Total	689.4	(1,525.6)	-	(24.8)

31 December 2012	Loans and receivables	Financial liabilities at amortised cost	Assets and liabilities measured at fair value with changes recognised in profit and loss	Hedging transactions
	€ million	€ million	€ million	€ million
Cash and cash equivalents	442.5			
Short-term financial receivables	41.3			
Other non-current financial assets	13.7			
Trade receivables	312.4			
Payables to banks		(122.1)		
Real estate lease payables		(1.4)		
Bonds		(990.8)		
Private placements		(187.4)		
Accrued interest on bonds		(12.6)		
Other financial liabilities		(15.2)		
Put option payables		(10.0)		
Trade payables		(201.4)		
Current assets for hedge derivatives				1.1
Non-current liabilities for hedge derivatives				(28.8)
Total	809.9	(1.540.9)	-	(27.7)

32. Assets and liabilities measured at fair value

The following information is provided in accordance with the provisions of IFRS 13 - Fair Value Measurement.

Note that in light of the application of the new standard from 1 January 2013, the models currently used by the Group to measure the fair value of financial instruments were reviewed. The change made mainly concerned the inclusion of counterparty non-performance risk rating components, and had a positive effect on the result and on equity of € 1.5 million (€ 1.0 million net of the related tax effect).

The method used for determining fair value is described below. For a complete description of the measurement criteria, please see the annual financial statements for the 2012 annual financial statements.

Fair value of financial instruments:

- for financial assets and liabilities that are liquid or nearing maturity, it is assumed that the carrying value equates to fair value; this assumption also applies to term deposits, securities that can be readily converted to cash and variable-rate financial instruments;
- for the valuation of hedging instruments at fair value, the company used valuation models based on market parameters;
- the fair value of non-current financial payables was obtained by discounting all future cash flows at the rates in effect at the end of the year.

For commercial items and other receivables and payables, fair value corresponds to the carrying value.

Fair value of non-financial instruments:

- For the biological assets in Sardinia, with respect to the application of IAS 41 on the accounting treatment of biological assets (vines) and biological products (grapes), given the unique situation of Sella & Mosca S.p.A. vis-a-vis the territory in which it operates, as described below, it was decided to continue recording these assets at cost, less accumulated depreciation; valuation at fair value would require the following assumptions to be met, which do not apply in the context in which the Company operates: the existence of an active market for biological products and assets. This is not the case in Sardinia, as the market cannot absorb grapes and vines in the quantities concerned, due to a lack of buyers, and it is not possible to set potential market prices in a scenario in which all products or biological assets are made available for sale; the adoption of the alternative cash flow valuation method, which cannot be used due to both the inability to set a reliable price for the biological products concerned in the quantity concerned, and the inability to determine or measure the projected cash flows;
- For the other biological assets measured at fair value, this value is based on surveys of agricultural land and the related vineyards conducted by an expert.

Investment property is valued at cost, considered a reliable approximation of its fair value.

The table below details the hierarchy of financial and non-financial instruments measured at fair value, based on the valuation methods used:

- Level 1: the valuation methods use prices listed on an active market for the assets and liabilities subject to valuation;
- Level 2: the valuation methods take into account various inputs from previous prices, but that can be observed on the market directly or indirectly;
- Level 3: the method use inputs that are not based on observable market data.

No changes were made in the valuation methods used in the first half of 2013.

Financial instruments

Derivatives are valued using techniques based on market data, and largely consist of interest rate swaps and forward sales/purchases of foreign currencies.
The most commonly-applied valuation methods include the forward pricing and swap models, which use present value calculations.
The models incorporate various inputs, including the credit rating of the counterparty, market volatility, spot and forward exchange rates and current and forward interest rates.

The table below analyses financial instruments measured at fair value based on three different valuation levels.

30 June 2013	Level 1 € million	Level 2 € million	Level 3 € million
Assets measured at fair value			
Accrued interest on bond swaps		1.0	
Futures currency contract		1.2	
Liabilities valued at fair value			
Interest rate and cross currency swap on bond (USD)		27.0	

31 December 2012	Level 1 € million	Level 2 € million	Level 3 € million
Assets measured at fair value			
Accrued interest on bond swaps		0.7	
Futures currency contract		0.2	
Liabilities valued at fair value			
Interest rate and cross currency swap on bond (USD)		28.8	

The level 2 valuation method used for financial instruments measured at fair value is based on parameters such as exchange rates and interest rates, which are priced on active markets or are observable on official rate curves.

In the first half of 2013, no reclassifications were made above the levels indicated above in the fair value hierarchies.

Non-financial instruments

The table below analyses non-financial instruments measured at fair value, which exclusively include biological assets.

30 June 2013	Level 1 € million	Level 2 € million	Level 3 € million
Assets measured at fair value			
Biological assets		2.8	

31 December 2012	Level 1 € million	Level 2 € million	Level 3 € million
Assets measured at fair value			
Biological assets		2.8	

The level 2 valuation method used for biological assets is generally based on expected cash flows resulting from the sale of wine products. The sales prices used as a reference point relate to products that are strictly comparable with those of the Group. The parameters used are the production potential of vineyards on land with similar characteristics and the corresponding overall market value.

In the first half of 2013, no reclassifications were made above the levels indicated above in the fair value hierarchies.

33. Related parties

Davide Campari-Milano S.p.A. is controlled by Alicros S.p.A.
Davide Campari-Milano S.p.A. and its Italian subsidiaries have adopted the national tax consolidation scheme governed by articles 117 *et seq*. of the consolidated law on income tax (TUIR) for the three-year period 2013-2015.
The tax receivables and payables of the individual Italian companies are therefore recorded as payables to the Parent Company's controlling shareholder, Alicros S.p.A.
At 30 June 2013, the overall position of the Italian subsidiaries of Davide Campari-Milano S.p.A. and of the Parent Company in respect of Alicros S.p.A., following tax consolidation, is a net receivable of € 0.7 million.
The table below shows the net credit balance.

Moreover, Alicros S.p.A., Davide Campari-Milano S.p.A. and its Italian subsidiaries have joined the Group-wide VAT scheme, pursuant to article 73, paragraph 3 of Presidential Decree 633/72.
At 30 June 2013, the Parent Company and its Italian subsidiaries owed Alicros S.p.A. € 7 million.

The receivables and payables arising as a result of tax consolidation in respect of direct tax and VAT are non-interest- bearing.

Dealings with affiliated companies and joint ventures form part of ordinary operations and are carried out under market conditions (i.e. conditions that would apply between two independent parties) or using criteria that allow for the recovery of costs incurred and a return on invested capital.
All transactions with related parties were carried out in the Group's interest.

The amounts for the various categories of transaction entered into with related parties are set out below.

30 June 2013	Trade receivables	Trade payables	Receivables (payables) for tax consolidation	Receivables (payables) for Group VAT	Other non-current tax receivables	Other receivables (payables)
	€ million	€ million	€ million	€ million	€ million	€ million
Alicros S.p.A.	-	-	0.7	(7.0)	2.2	-
Payables to directors	-	-	-	-	-	(0.8)
	-	**-**	**0.7**	**(7.0)**	**2.2**	**(0.8)**
Balance sheet percentage of related item	0%	0%	0%	0%	0%	0%

31 December 2012	Trade receivables	Trade payables	Receivables (payables) for tax consolidation	Receivables (payables) for Group VAT	Other non-current tax receivables	Other receivables (payables)
	€ million	€ million	€ million	€ million	€ million	€ million
Alicros S.p.A.	-	-	(1.9)	(7.2)	2.2	-
Payables to directors	-	-	-	-	-	(1.7)
	-	**-**	**(1.9)**	**(7.2)**	**2.2**	**(1.7)**
Balance sheet percentage of related item	0%	0%	0%	0%	0%	0%

First half 2013	Sale of merchandise € million	Trade allowances € million	Other income and charges € million	Financial income € million	Profit (loss) of joint ventures € million
Alicros S.p.A..	-	-	0.1	-	-
	-	**-**	**0.1**	**-**	**-**
Balance sheet percentage of related item	0%	0%	0%	0%	0%

First half 2012	Sale of merchandise € million	Trade allowances € million	Other income and charges € million	Financial income € million	Profit (loss) of joint ventures € million
Alicros S.p.A.	-	-	0.1	-	-
International Marques V.O.F.	0.2	(0.1)	-	-	-
	0.2	**(0.1)**	**0.1**	**-**	**-**
Balance sheet percentage of related item	0%	0%	0%	0%	0%

34. Commitments and risks

For information regarding the Group's commitments and risks, please see note 47 – Commitments and risks of the consolidated financial statements for the year ending 31 December 2012.

35. Events taking place after the end of the period

For information on significant events taking place after the close of the half-year, please see the relevant section of the interim report on operations.

Sesto San Giovanni (MI), Thursday 6 August 2013

Chairman of the Board of Directors

Luca Garavoglia

Certification of the condensed half-year financial statements in accordance with article 81-*ter* of Consob Regulation 11971 of 14 May 1999 and subsequent revisions and amendments

1. We, the undersigned, Robert Kunze-Concewitz and Stefano Saccardi, as managing directors, and Paolo Marchesini, as managing director and the director responsible for preparing the accounting documents of Davide Campari-Milano S.p.A., hereby certify, taking into account the provisions of paragraphs 3 and 4, article 154-*bis*, of Legislative Decree 58 of 24 February 1998:

   - the appropriateness, in relation to the nature of the business, and
   - the actual application of the administrative and accounting procedures used to prepare the summary half-year financial statements, in the half-year period ending 30 June 2013.

2. We furthermore certify that

2.1 the condensed half-year financial statements:

a) were prepared in accordance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) correspond to the figures contained in the accounting records;

c) provide a true and fair view of the financial situation of the issuer and the group of companies included in the basis of consolidation.

2.2 the interim report on operations contains an accurate assessment of the significant events that occurred in the first six months of the year and their effects on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also contains an accurate assessment of information on significant transactions with related parties.

Sesto San Giovanni, 6 August 2013

Managing Director
Robert Kunze-Concewitz

Director responsible for preparing
the company's accounting statements
and Managing Director
Paolo Marchesini

Managing Director
Stefano Saccardi

pwc

AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013

To the Shareholders of
Davide Campari-Milano SpA

1 We have reviewed the condensed consolidated interim financial statements of Davide Campari-Milano SpA and its subsidiaries (Campari Group) as of and for the six-month period ended 30 June 2013, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in shareholders' equity and the related notes. Davide Campari-Milano SpA Directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the condensed consolidated interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the amounts contained in the above mentioned condensed interim financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express an audit opinion on the condensed consolidated interim financial statements.

The consolidated annual financial statements of the prior year and the condensed consolidated interim financial statements of the corresponding period of the prior year are presented for comparative purposes. As explained in the notes, the directors have adjusted some comparative information of the consolidated annual financial statements of the prior year, which we issued our audit report on, dated 21 March 2013. The criteria used for restating the comparative information and the related disclosure reported in the notes were subject to our review for the purpose of issuing this report. With regards to the comparative information related to the condensed consolidated interim financial statements of the corresponding period of the prior year, reference is made to our report dated 3 August 2012.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.812.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - Bologna Zola Predosa 40069 Via Tevere 18 Tel. 0516186211 - Brescia 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Firenze 50121 Viale Gramsci 15 Tel. 0552482811 - Genova 16121 Piazza Dante 7 Tel. 01029041 - Napoli 80121 Piazza dei Martiri 58 Tel. 08136181 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43100 Viale Tanara 20/A Tel. 0521275911 - Roma 00154 Largo Fochetti 29 Tel. 06570251 - Torino 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Via Grazioli 73 Tel. 0461237004 - Treviso 31100 Viale Felissent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Poscolle 43 Tel. 043225789 - Verona 37135 Via Francia 21/C Tel.0458263001

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3 Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Campari Group as of and for the six-month period ended 30 June 2013 have not been prepared, in all material respects, in accordance with IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Milan, 6 August 2013

PricewaterhouseCoopers SpA

Signed by

Fabio Facchini
(Partner)

(This report is an English translation of the original auditors' report, which was issued in Italian. This report has been prepared solely for the convenience of international readers)