



Transition to IAS/IFRS

26 September 2005

Transition to IAS/IFRS

Index

- > Impacts of IAS/IFRS on Shareholders equity (1-Jan-2004, 30-Jun-2004, 31-Dec-2004)
- > Impacts of IAS/IFRS on Shareholders equity (introduction of IAS 32 and IAS 39 at 1-Jan-2005)
- > Financial debt transition Italian GAAP to IAS/IFRS
- > Group net income transition Italian GAAP to IAS/IFRS
- > Impacts of IAS/IFRS on 1/1/2004 Consolidated Balance Sheet
- > Impacts of IAS/IFRS on 31/12/2004 Consolidated Balance Sheet
- > Impacts of IAS/IFRS on 1/1/2005 Consolidated Balance Sheet
- > Impacts on 2004 First Half Income Statement
- > Impacts on 2004 Full Year Income Statement
- > Disclaimer

Impacts of IAS/IFRS on Shareholders' equity



(€ million)	Notes	1-Jan-2004	30-Jun-2004	31-Dec-2004
Group's shareholders' equity - Italian GAAP		548.2	550.3	596.0
Start-up and development costs	A	(3.1)	(2.8)	(2.5)
Goodwill and trademarks	B	-	17.5	35.1
Land	C	-	0.0	0.1
Employee benefits (including stock options)	D	2.0	1.7	1.3
Agents leaving indemnities	E	1.2	1.2	1.1
Risks fund	F	1.3	1.2	0.8
Net deferred tax on above adjustments	G	(0.7)	(4.0)	(6.9)
Total adjustments		0.8	14.9	28.9
Less adjustments relating to third parties		-	(0.1)	(0.1)
IAS/IFRS Group's shareholders' equity		549.0	565.1	624.8
Minority interests		4.7	3.1	4.4
Total IAS/IFRS Shareholders' equity		553.7	568.2	629.2

Audited

Notes:

- A. IAS 38: costs which are not eligible for accounting as fixed assets.
- B. IAS 36: goodwill and trademarks are not amortised.
- C. IAS 16: land is not depreciated.
- D. IAS 19: employee benefit programs require actuarial value of estimated obligation upon retirement to be recognized in balance sheet. All cumulative actuarial gains and losses that existed at 1 Jan 2004 are recognised against equity.
- E. IAS 19: Agents benefit programs require actuarial value of estimated obligation upon retirement to be recognized in balance sheet. All cumulative actuarial gains and losses that existed at 1 Jan 2004 are recognised against equity.
- F. IAS 37: risks fund which are not recognised according to IAS/IFRS are eliminated.
- G. IAS 12: net deferred taxes calculated on the above adjustments.

Impacts of IAS/IFRS on Shareholders' equity

Introduction of IAS 32 and IAS 39 at 1/1/2005

(€ million)	Notes	
IAS/IFRS Group's shareholders' equity before IAS 32 and IAS 39 at 31/12/2004		624.8
Own shares	A	(29.8)
Hedging instruments net of deferred taxes	B	(2.4)
Total adjustments		(32.2)
IAS/IFRS Group's shareholders' equity post application IAS 32 and IAS 39 at 01/01/2005		592.5
Minority interests		4.4
IAS/IFRS shareholders' equity post application IAS 32 and IAS 39 at 01/01/2005		596.9

Audited

Notes:

A. IAS 32: Shareholders' equity must be reduced by own shares

B. IAS 39: hedging instruments must be recognised in balance sheet at fair value

Financial debt transition Italian GAAP to IAS/IFRS



(€ million)	1-Jan-2004	31-Dec-2004
Net cash/(debt) - Italian GAAP	(297.1)	(228.7)
Fees on private placement and bond issues	2.3	2.0
Net cash/(debt) - IAS/IFRS	(294.8)	(226.7)

(€ million)	
Net cash/(debt) at 31-Dec-2004 - IAS/IFRS	(226.7)
Impacts of IAS 32 and IAS 39	(3.3)
Net cash/(debt) at 1-Jan-2005 - IAS/IFRS post introduction of IAS 32 and IAS 39	(230.0)

Audited

Group net income transition Italian GAAP to IAS/IFRS



(€ million)	First half 2004	Full year 2004
Group net income - Italian GAAP	31.0	69.3
Start-up and development costs	0.3	0.6
Goodwill and trademarks	17.5	35.1
Land	0.0	0.0
Employee benefits	(0.4)	(0.8)
Agents leaving indemnity	-	(0.1)
Risks fund	(0.1)	(0.5)
Stock option	-	(0.4)
Net deferred tax on the above adjustments	(3.3)	(6.2)
Total adjustments	14.2	27.7
Less adjustments relating to third parties	(0.1)	(0.1)
IAS/IFRS Group net income	45.1	96.9
Minority interests	6.3	17.1
IAS/IFRS net income	51.4	114.0

Audited

Impacts of IAS/IFRS on 1/1/2004 Consolidated Balance Sheet



(Assets)

(€ million)	1 Jan 2004		IAS / IFRS		1 Jan 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
ASSETS					ASSETS
Non-current assets					Non-current assets
Net tangible fixed assets	152.4	-	(12.1)	-	140.3 Net tangible fixed assets
	-	-	8.3	-	8.3 Biological assets
	-	-	4.1	-	4.1 Property
Goodwill, net of amortisation	552.2	11.2	-	-	563.4 Goodwill and trademarks
Other intangible fixed assets, net of amortisation	19.4	(11.2)	(2.2)	(3.1)	2.9 Intangible assets with finite useful life
Equity investments	7.8	(7.2)	-	-	0.6 Interests in associates
Own shares	31.0	-	-	-	31.0 Own shares
	-	15.8	-	0.4	16.2 Pre-paid tax
Other assets	5.8	7.2	(0.6)	0.2	12.6 Other non-current assets
Total non-current assets	768.6	15.8	(2.5)	(2.5)	779.4 Total non-current assets
Current assets					Current assets
Inventories	106.4	-	-	-	106.4 Inventories
Receivables from customers, net of provisions for bad debts and year-end bonuses	174.2	4.6	-	-	178.9 Trade receivables
Receivables in respect of contributions to promotional costs	4.6	(4.6)	-	-	-
Short-term financial receivables	0.8	-	4.5	-	5.3 Short-term financial receivables
Cash and bank	133.6	1.9	-	-	135.5 Cash, bank and securities
Marketable securities	1.9	(1.9)	-	-	-
Tax credits	9.9	(9.9)	-	-	-
Pre-paid tax	15.8	(15.8)	-	-	-
Other current assets	24.3	9.9	(8.4)	-	25.8 Other receivables
Total current assets	471.5	(15.8)	(3.9)	-	451.8 Total current assets
	-	-	0.2	-	0.2 Non-current assets held for sale
Total assets	1,240.1	-	(6.3)	(2.5)	1,231.3 Total assets

Audited

Impacts of IAS/IFRS on 1/1/2004 Consolidated Balance Sheet

(Liabilities and Shareholders' equity)



(€ million)	1 Jan 2004		IAS / IFRS		1 Jan 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
LIABILITIES AND SHAREHOLDERS' EQUITY					LIABILITIES AND SHAREHOLDERS' EQUITY
Shareholders' equity					Shareholders' equity
Share capital	29.0	-	-	-	29.0 Share capital
Reserves	519.2	-	-	0.8	519.9 Reserves
Group's shareholders' equity	548.2	-	-	0.8	549.0 Group's shareholders' equity
	-	4.7	-	-	4.7 Minority interests
Total shareholders' equity	548.2	4.7	-	0.8	553.7 Total shareholders' equity
Non-current liabilities					Non-current liabilities
Bank loans	3.9	(3.9)	-	-	-
Payables to bondholders	258.0	134.6	(2.3)	-	390.3 Bonds
Private placement	134.6	(134.6)	-	-	-
Payables to other financial organisations (non-current)	1.6	(1.6)	-	-	-
Non-current financial payables	-	5.5	-	-	5.5 Other non-current financial payables
Staff severance fund	15.6	-	(0.8)	(1.8)	13.0 Staff severance fund
	-	21.8	-	(2.5)	19.2 Risks fund
Non-current payables to tax authorities	2.0	(2.0)	-	-	-
Deferred tax	16.0	-	-	1.1	17.1 Deferred tax
Other non-current liabilities	19.8	(19.8)	-	-	- Other non-current liabilities
Minority interests	4.7	(4.7)	-	-	-
Total non-current liabilities	456.1	(4.7)	(3.0)	(3.3)	445.1 Total non-current liabilities
Current liabilities					Current liabilities
Bank loans	30.1	-	-	-	30.1 Bank loans
Other financial payables	-	-	-	-	-
	-	-	8.9	-	8.9 Other financial payables
Trade payables	127.6	-	0.1	-	127.7 Trade payables
Corporate income tax	14.2	(14.2)	-	-	-
Payables to tax authorities	18.7	14.2	-	-	32.9 Payables to tax authorities
Other current liabilities	45.2	-	(12.3)	-	32.9 Other current liabilities
Total current liabilities	235.8	-	(3.2)	-	232.6 Total current liabilities
Total liabilities and shareholders' equity	1,240.1	-	(6.3)	(2.5)	1,231.3 Total liabilities and shareholders' equity

Audited

Impacts of IAS/IFRS on 31/12/2004 Consolidated Balance Sheet

(Assets)

(€ million)	31 Dec 2004		IAS / IFRS		31 Dec 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
ASSETS					ASSETS
Non-current assets					Non-current assets
Net tangible fixed assets	156.9	-	(12.7)	0.0	144.2 Net tangible fixed assets
	-	-	9.5	-	9.5 Biological assets
	-	-	4.1	-	4.1 Property
Goodwill, net of amortisation	519.7	20.9	-	35.1	575.6 Goodwill and trademarks
Other intangible fixed assets, net of amortisation	29.4	(20.9)	(2.6)	(2.5)	3.4 Intangible assets with finite useful life
Equity investments	0.6	(0.3)	-	-	0.4 Interests in associates
Own shares	29.8	-	-	-	29.8 Own shares
	-	15.2	-	0.3	15.5 Pre-paid tax
Other assets	5.0	0.3	(0.4)	0.2	5.1 Other non-current assets
Total non-current assets	741.5	15.2	(2.1)	33.1	787.7 Total non-current assets
Current assets					Current assets
Inventories	114.4	-	-	-	114.4 Inventories
Receivables from customers, net of provisions for bad debts and year-end bonuses	173.1	7.6	-	-	180.7 Trade receivables
Receivables in respect of contributions to promotional costs	7.6	(7.6)	-	-	-
Short-term financial receivables	0.5	-	3.4	-	3.9 Short-term financial receivables
Cash and bank	239.5	6.5	-	-	246.0 Cash, bank and securities
Marketable securities	6.5	(6.5)	-	-	-
Tax credits	10.4	(10.4)	-	-	-
Pre-paid tax	15.2	(15.2)	-	-	-
Other current assets	19.8	10.4	(7.3)	-	22.9 Other receivables
Total current assets	587.0	(15.2)	(3.9)	-	567.9 Total current assets
	-	-	0.1	-	0.1 Non-current assets held for sale
Total assets	1.328.4	-	(5.9)	33.1	1.355.6 Total assets

Audited

Impacts of IAS/IFRS on 31/12/2004 Consolidated Balance Sheet

(Liabilities and Shareholders' equity)

(€ million)	31 Dec. 2004		IAS / IFRS		31 Dec. 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
LIABILITIES AND SHAREHOLDERS' EQUITY					LIABILITIES AND SHAREHOLDERS' EQUITY
Shareholders' equity					Shareholders' equity
Share capital	29.0	-	-	-	29.0 Share capital
Reserves	566.9	-	-	28.8	595.8 Reserves
Group's shareholders' equity	596.0	-	-	28.8	624.8 Group's shareholders' equity
	-	4.3	-	0.1	4.4 Minority interests
Total shareholders' equity	596.0	4.3	-	28.9	629.2 Total shareholders' equity
Non-current liabilities					Non-current liabilities
Bank loans	3.6	(3.6)	-	-	-
Property leases less current portion	22.0	(22.0)	-	-	-
Payables to bondholders	258.0	122.0	(2.0)	-	378.0 Bonds
Private placement	122.0	(122.0)	-	-	-
Payables to other financial organisations (non-current)	1.6	(1.6)	-	-	-
Non-current financial payables	-	27.2	-	-	27.2 Other non-current financial payables
Staff severance fund	15.2	-	(0.5)	(1.1)	13.6 Staff severance fund
	-	17.8	-	(1.9)	15.9 Risks fund
Non-current payables to tax authorities	1.8	(1.8)	-	-	-
Deferred tax	17.9	-	-	7.2	25.1 Deferred tax
Other non-current liabilities	16.0	(16.0)	-	-	- Other non-current liabilities
Minority interests	4.3	(4.3)	-	-	-
Total non-current liabilities	462.3	(4.3)	(2.5)	4.2	459.7 Total non-current liabilities
Current liabilities					Current liabilities
Bank loans	56.7	-	-	-	56.7 Bank loans
Property leases, current portion	2.9	(2.9)	-	-	-
Private placement	2.9	(2.9)	-	-	-
Other financial payables	-	-	-	-	-
	-	5.9	8.3	-	14.2 Other financial payables
Trade payables	142.1	-	0.0	-	142.1 Trade payables
Corporate income tax	1.1	(1.1)	-	-	-
Payables to tax authorities	19.4	1.1	-	-	20.5 Payables to tax authorities
Other current liabilities	45.0	-	(11.7)	-	33.3 Other current liabilities
Total current liabilities	270.1	-	(3.4)	-	266.8 Total current liabilities
Total liabilities and shareholders' equity	1,328.4	-	(5.9)	33.1	1,355.6 Total liabilities and shareholders' equity

Audited

Impacts of IAS/IFRS on 1/1/2005 Consolidated Balance Sheet



(Assets)

(€ million)	31 Dec 2004	IAS 32 and IAS 39		1 Jan 2005
	IAS/IFRS before IAS 32 and IAS 39	Reclassifications	Adjustments	IAS/IFRS post IAS 32 and IAS 39
ASSETS				
Non-current assets				
Net tangible fixed assets	144.2	-	-	144.2
Biological assets	9.5	-	-	9.5
Property	4.1	-	-	4.1
Goodwill and trademarks	575.6	-	-	575.6
Intangible assets with finite useful life	3.4	-	-	3.4
Interests in associates	0.4	-	-	0.4
Own shares	29.8	(29.8)	-	-
Pre-paid tax	15.5	-	1.4	16.9
Other non-current assets	5.1	-	9.6	14.7
Total non-current assets	787.7	(29.8)	11.0	768.9
Current assets				
Inventories	114.4	-	-	114.4
Trade receivables	180.7	-	-	180.7
Short-term financial receivables	3.9	-	0.7	4.6
Cash, bank and securities	246.0	-	-	246.0
Other receivables	22.9	-	(1.0)	21.8
Total current assets	567.9	-	(0.4)	567.5
Non-current assets held for sale	0.1	-	-	0.1
Total assets	1,355.6	(29.8)	10.6	1,336.5

Audited

Impacts of IAS/IFRS on 1/1/2005 Consolidated Balance Sheet

(Liabilities and Shareholders' equity)



(€ million)	31 Dec 2004	IAS 32 and IAS 39		1 Jan 2005
	IAS/IFRS before IAS 32 and IAS 39	Reclassifications	Adjustments	IAS/IFRS post IAS 32 and IAS 39
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital	29.0	-	-	29.0
Reserves	595.8	(29.8)	(2.5)	563.5
Group's shareholders' equity	624.8	(29.8)	(2.5)	592.5
Minority interests	4.4	-	-	4.4
Total shareholders' equity	629.2	(29.8)	(2.5)	596.9
Non-current liabilities				
Bonds	378.0	-	(45.8)	332.2
Other non-current financial payables	27.2	-	59.4	86.6
Staff severance fund	13.6	-	-	13.6
Risks fund	15.9	-	-	15.9
Deferred tax	25.1	-	0.0	25.1
Other non-current liabilities	-	-	-	-
Total non-current liabilities	459.7	-	13.6	473.3
Current liabilities	-	-	-	-
Bank loan	56.7	-	-	56.7
Other financial payables	14.2	-	-	14.2
Trade payables	142.1	-	-	142.1
Payables to tax authorities	20.5	-	-	20.5
Other current liabilities	33.3	-	(0.5)	32.8
Total current liabilities	266.8	-	(0.5)	266.3
Total liabilities and shareholders' equity	1,355.6	(29.8)	10.6	1,336.5

Audited

Impacts on 2004 First Half Income Statement



(€ million)	30 June 2004		IAS / IFRS		30 June 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
Net sales	367.4	-	(12.8)	-	354.6 Net sales
Cost of materials	(122.4)	-	-	-	-
Production costs	(26.5)	-	-	-	-
Total cost of goods sold	(148.9)	-	-	0.05	(148.9) Total cost of goods sold
Gross margin	218.4	-	(12.8)	0.0	205.7 Gross margin
Advertising and promotional costs	(71.5)	-	12.8	0.1	(58.7) Advertising and promotional costs
Sales and distribution costs	(42.9)	-	-	-	(42.9) Sales and distribution costs
Trading profit	104.1	-	-	0.1	104.2 Trading profit
General and administrative expenses	(26.4)	(1.8)	0.1	0.1	(28.0) General and administrative expenses and other operating costs
Other operating income	0.3	(0.3)	-	-	-
Goodwill and trademark amortisation	(17.6)	0.1	-	17.5	-
	-	-	1.3	-	1.3 Capital gains, losses and write-downs of non-current assets
Operating result = EBIT before non-recurring costs	60.4	(2.1)	1.4	17.7	77.5
Non-recussing costs	(2.1)	2.1	-	-	-
Operating result = EBIT	58.3	-	1.4	17.7	77.5 Operating result
Net financial income (charges)	(3.9)	-	(0.1)	(0.3)	(4.3) Net financial income (charges)
	-	-	(0.7)	-	(0.7) Income from associates, net
Other non-operating income (charges)	0.6	-	(0.6)	-	-
Profit before minority interests and tax	55.0	-	-	17.5	72.4 Profit before tax
Minority interests	(6.3)	6.3	-	-	-
Profit before tax	48.7	6.3	-	17.5	72.4
Tax	(17.8)	-	-	(3.3)	(21.0) Tax
Group net profit	31.0	6.3	-	14.2	51.4 Net profit before minority interests
		(6.3)	-	(0.1)	(6.3) Minority interests
		-	-	14.1	45.1 Group net profit

Audited

Impacts on 2004 Full Year Income Statement



(€ million)	31 Dec 2004		IAS / IFRS		31 Dec 2004
	Italian GAAP	Format changes	Reclassifications	Adjustments	IAS / IFRS
Net sales	779.2	-	(28.1)	-	751.1 Net sales
Cost of materials	(264.2)				
Production costs	(52.5)				
Total cost of goods sold	(316.6)	-	-	0.1	(316.6) Total cost of goods sold
Gross margin	462.6	-	(28.1)	0.1	434.6 Gross margin
Advertising and promotional costs	(159.5)	-	28.1	0.1	(131.3) Advertising and promotional costs
Sales and distribution costs	(83.9)	-	-	(0.1)	(84.1) Sales and distribution costs
Trading profit	219.1	-	-	0.1	219.2 Trading profit
General and administrative expenses	(53.3)	(1.0)	0.2	(0.7)	(54.7) General and administrative expenses and other operating costs
Other operating income	1.8	(1.8)	-	-	-
Goodwill and trademark amortisation	(35.1)	0.1	-	35.1	-
			2.2	0.01	2.2 Capital gains, losses and write-downs of non-current assets
Operating result = EBIT before non-recurring costs	132.5	(2.8)	2.4	34.5	166.7
Non-recussing costs	(2.8)	2.8	-	-	-
Operating result = EBIT	129.8	-	2.4	34.5	166.7 Operating result
Net financial income (charges)	(8.8)	-	(0.2)	(0.6)	(9.6) Net financial income (charges)
			0.02	-	0.02 Income from associates, net
Other non-operating income (charges)	2.2	-	(2.2)	-	-
Profit before minority interests and tax	123.2	-	-	33.9	157.1 Profit before tax
Minority interests	(17.0)	17.0	-	-	-
Profit before tax	106.2	17.0	-	33.9	157.1
Tax	(36.9)	-	-	(6.2)	(43.1) Tax
Group net profit	69.3	17.0	-	27.7	114.0 Net profit before minority interests
		(17.0)	-	(0.1)	(17.1) Minority interests
			-	27.6	96.9 Group net profit

Audited

Disclaimer



- > This document was prepared to provide a general overview of the impacts of IAS/IFRS on the accounts of the Campari Group during the transition from Italian GAAP to IAS/IFRS.
- > From 1 January 2005 Campari is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards.
- > The IFRS in force at 31 December 2005 may differ from those used for the preparation of this document owing to future positions that may be taken by the European Commission on endorsement as well as to interpretation, guidance and future standards issued by the International Financial Reporting Interpretation Committee (IFRIC).



For additional information:

Investor Relations - Gruppo Campari

Phone: +39 02 6225 414; Fax: +39 02 6225 479

E-mail: investor.relations@campari.com; Website: www.campari.com/investors