Positive first half 2017 results, in line with expectations

Solid growth overall and in organic terms across all performance indicators,
thanks to continuous improvement in sales mix driven by consistent outperformance of global and regional priorities[1] in key markets

The streamlining of non-core assets continues:
Grand Marnier headquarters building in Paris sold for € 35.3 million

H1 2017 RESULTS HIGHLIGHTS

- **Sales € 844.7 million (+13.5%, organic growth +6.8%). Global priorities +9.2%, Regional Priorities +11.5%**
- **Contribution after A&P € 342.8 million (+15.2%, organic growth +6.8%, 40.6% of sales)**
- **EBITDA adjusted[2] € 191.7 million (+11.5%, organic change +3.4%, 22.7% of sales)**
- **EBIT adjusted[2] € 163.4 million (+11.6%, organic change +2.9%, 19.3% of sales)**
- **Group net profit adjusted[3] € 93.5 million (+21.1%). Reported group net profit: € 108.6 million, +61.7%**
- **Net financial debt € 1,252.8 million as of June 30th, 2017 (€ 1,192.4 million as of December 31st, 2016[4]), taking into account the Bulldog acquisition, the dividend payment, the sale of the Chilean winery and the liability management cash outflow**
- **Agreement for the sale of the Grand Marnier headquarters building in Paris for € 35.3 million**

Bob Kunze-Concewitz, Chief Executive Officer: *'We delivered **very good results in the first half of 2017**, delivering **sustained growth, both in organic and reported terms, across all performance indicators**. The solid organic growth was achieved after an acceleration in the second quarter of both sales and profitability. The **sustained gross margin expansion**, which benefitted from the **continuous improvement of our sales mix by brand and region** and also from a **gradual recovery in the sugar business**, helped contain the adverse phasing of A&P investments, skewed into the first half of this year. This effect, combined with investments in enhanced distribution capabilities, lead to the expected margin dilution in operating margin in the first half. Looking into the second half of the year, our outlook remains fairly balanced and unchanged. **Macroeconomic environments in some emerging markets remain uncertain** whilst the political uncertainty persisting in some regions might **continue fuelling the volatility of major currencies against the Euro**. Moreover, we believe that the **progressive strengthening of the Euro against the US Dollar** may have a more **adverse impact in the second half of the year**. Nevertheless, we remain confident in achieving a **positive performance across key indicators for the year**, driven by the outperformance of the high-margin global and regional priorities. We expect the **gross margin** to continue benefitting from the **favourable sales mix** despite being penalized by **inflationary effects** on material costs in emerging markets as well as rising prices in some raw materials*

---

[1] Global Priority brands include Aperol, SKYY, Campari, Wild Turkey, Grand Marnier (included in the perimeter effect until June 30th, 2017) and the Jamaican rums. The Regional Priorities include Espolòn, GlenGrant, Forty Creek, Bulldog, Averna, Braulio, Cynar, Frangelico and Cinzano.
[2] EBITDA and EBIT before operating adjustments of € (5.0) million, mainly due to restructuring costs.
[3] Group net profit before operating and financial adjustments of € (29.4) million pre-tax, and fiscal effects and tax benefits of overall € 44.5 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million, and '*Patent Box*' tax benefit of € 36.2 million, consisting of € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017).
[4] After reclassifications of € 7.2 million to the opening balance sheet as a result of the final purchase price allocation of the Grand Marnier acquisition values.

*such as agave. Meanwhile, the **Group's operating margin** will benefit in the second half of the year from the gradual **normalisation of A&P investments** and **structure costs**, the latter also benefitting from the expected **efficiencies generated** by the **Grand Marnier integration**. The perimeter effect will reflect our exit from some non-core businesses, particularly the recently announced Carolans and Irish Mist disposal, which will result in an increased **focus on the premium high-margin brands in core markets**. Such disposals which, combined with the sale of some real estate assets, amounted to a total of approx. € 228[5] million year to date, will contribute to a further acceleration in the reduction of our financial indebtedness, alongside the continuous healthy cash flow generated by our business.'*

Milan, August 3rd, 2017-The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI-Bloomberg CPR IM) approved the consolidated results for the first half year ended June 30th, 2017.

CONSOLIDATED P&L FOR THE FIRST HALF ENDED 30 JUNE 2017

	H1 2017 € million	H1 2016 € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**844.7**	**743.9**	**+13.5%**	**+6.8%**	**+1.8%**	**+5.0%**
Contribution after A&P[6]	342.8	297.6	+15.2%	+6.8%	+1.5%	+6.9%
EBITDA adjusted[2]	**191.7**	**172.0**	**+11.5%**	**+3.4%**	**+0.8%**	**+7.3%**
EBIT adjusted[2]	**163.4**	**146.4**	**+11.6%**	**+2.9%**	**+0.6%**	**+8.1%**
EBITDA	186.8	157.4	+18.6%			
EBIT	158.4	131.9	+20.1%			
Group net profit	**108.6**	**67.2**	**+61.7%**			
Group net profit adjusted[3]	**93.5**	**77.3**	**+21.1%**			

RESULTS FOR THE FIRST HALF 2017

In the first half of 2017, **Group sales** totalled **€ 844.7 million,** showing an increase of +13.5%. The **organic sales growth** was **+6.8%**, driven by the **strong organic growth of high-margin global priorities** (**+9.2%**) and **regional priorities** (**+11.5%**). We also benefited from a positive **exchange rate effect of +1.8%** as many currencies increased in valuation vs. last year such as the Brazilian Real, US Dollar, Russian Rouble and the Australian Dollar. The **perimeter effect** of **+5.0%** was driven by the combined effect of the Grand Marnier acquisition, consolidated as of July 1st, 2016, the termination of some distribution agreements and the sale of non-core businesses. The acquisition of Bulldog London Dry Gin (which closed in February 2017) did not produce any perimeter effects as the brand was already integrated into the Group's distribution network.

Advertising and Promotion spending (A&P) increased organically by **+16.1%** to **€ 162.7 million**, at 19.3% of sales, due to the adverse phasing of advertising investments, skewed into the first half of this year.

CAAP (Contribution after A&P) was up organically by +**6.8%** to **€ 342.8 million**, at 40.6% of sales.

Structure costs, i.e. selling, general and administrative costs, were **€ 179.4 million**, at 21.2% of sales, increasing by **+10.6%** organically, driven by the strengthening of the Group's distribution capabilities (the enhancement of the Group's on-premise capabilities in the US, a newly established route-to-market in South Africa and Peru).

EBITDA adjusted was up by **+11.5%** to **€ 191.7 million** (+3.4% organic growth), at 22.7% of sales.

EBIT adjusted increased by **+11.6%** to **€ 163.4 million** (+2.9% organic growth), at 19.3% of sales.

Operating adjustments were negative by **€ (5.0) million**, mainly due to restructuring projects.

EBITDA reached **€ 186.8 million**, at 22.1% of sales.

EBIT reached **€ 158.4 million**, at 18.8% of sales.

[5] Includes the sale of the wineries in Chile (€ 30.0 million) and in France (€ 20.5 million), the Carolans and Irish Mist brands (€ 141.7 million at the exchange rate as of the deal signing date) and the Grand Marnier headquarters building in Paris (€ 35.3 million pre-tax).
[6] EBIT before SG&A.

Net financial costs were € 23.0 million, down by € 11.0 million.

Negative financial adjustments amounted to **€ (24.4) million** due to the liability management transactions[7].

Group net profit adjusted[8] was **€ 93.5 million (+21.1%). Reported group net profit** was **€ 108.6 million**, an increase of **+61.7%.**

Within the perimeter effect (net sales of € 37.0 million and EBIT adjusted of € 11.9 million), **the Grand Marnier acquisition contributed € 58.9 million in net sales, € 12.4 million in EBIT adjusted** and **€ 14.2 million in EBITDA adjusted in the first half.**

Net financial debt stood at **€ 1,252.8 million as of June 30th, 2017** (€ 1,192.4 million as of December 31st, 2016[4]) taking into account the Bulldog acquisition, the dividend payment, the Chilean winery disposal and the liability management cash outflow[9].

Cash inflows of the disposals of the Sancerre winery (closed on July 1st, 2017), the Carolans and Irish Mist brands (closed on August 1st, 2017) and real estate assets (to be closed in H2 2017) for an **overall amount of € 197.5 million[10] were not included** in the net financial debt as of June 30th, 2017.

ANALYSIS OF CONSOLIDATED SALES FOR THE FIRST HALF 2017

Looking at sales by region, the **Americas** (44.5% of total Group sales in H1 2017) posted an **overall change** of **+26.1%**, with an **organic growth** of **+7.6%**, an exchange rate impact of +2.8% and a perimeter effect of +15.7%. The **US, the Group's largest market,** accounted for 27.6% of total Group sales. In that market, sales registered a **positive organic performance of +5.0%**, despite the tough comparison base (+8.6%). Growth was driven by the **Wild Turkey portfolio** (+14.6%) and the Italian specialties, particularly **Aperol** (+42.1%) and **Campari** (+15.6%). **Espolòn** continues its very strong **double-digit growth momentum**. These results were partially offset by **SKYY,** which continues to be affected by a **very competitive environment** and weakness in the flavoured vodka category. Sales in **Jamaica** (4.4% of total Group sales) **registered an organic change of +10.7%**, driven by good results in the rum portfolio, in particular Wray&Nephew Overproof, whilst Campari also performed well (up by high double-digits). Sales in **Brazil** (3.1% of total Group sales) registered an **overall organic sales increase of +29.0%**, favoured by an easy comparison base (-26.5% in H1 2016). Whilst macroeconomic conditions remain fragile, the Brazilian brands as well as **SKYY**, **Aperol** and **Campari** grew positively. Sales in **Argentina** (2.2% of total Group sales) **registered an organic increase of +3.1%,** thanks to a recovery in the second quarter, mainly driven by SKYY and Cynar which all grew in both volume and value terms, as well as Aperol growing double digit, albeit from a small base. Sales in **Canada** (3.2% of total Group sales) registered **positive organic growth of +8.1%**, driven by Forty Creek, SKYY Vodka and the aperitifs (Aperol, Campari). Sales in **Mexico** were **up double-digit** thanks to a good performance of SKYY ready-to-drink, the Jamaican rums, Aperol and Campari.

Sales in **Southern Europe, Middle East and Africa**[11] (30.6% of total Group sales in H1 2017) were flat in comparison to H1 2016. The **organic increase of +2.8%** was entirely offset by a slightly positive exchange rate impact and a perimeter effect of -3.0%. The **organic performance** in the **Italian market** (23.1% of total Group sales) **was up from last year** (**+1.4%**) thanks to a recovery in the second quarter (+3.4%), which benefitted from the Easter shift. **Aperol continues to grow by double-digit (+10.9%)**, while Campari, Braulio, Zedda Piras as well as the Freedea soft drink range, registered positive performances in the half. The **region's other markets** (7.6% of Group net sales) **showed overall a very strong performance,** driven by **Spain** (Aperol, Bulldog and Campari), **South Africa** (Aperol and Wild Turkey Bourbon) and **France** (Aperol and Campari).

[7] Financial adjustment mainly due to the delta value between the purchase price of the bonds bought back and their nominal value.

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

[9] Counter-value of the Bulldog acquisition of € 80.1 million (including the estimated earn-out), dividend payment of € 52.1 million, the value of the Chilean winery disposal of € 30.0 million and liability management cash outflow of € 23.2 million.

[10] Including Sancerre winery of € 20.5 million, Carolans and Irish Mist of € 141.7 million and Grand Marnier headquarters building in Paris (pre-tax) of € 35.3 million.

[11] Including Global Travel Retail.

These results helped compensate declines in **Nigeria**, which is impacted from sustained socio-economic instability. **Global Travel Retail** net sales were down by **-5.8%**, as one-off's in the second quarter negatively impacted the first half result, despite the strong performances of Aperol, Bulldog and GlenGrant.

Sales in **North, Central and Eastern Europe** (18.6% of total Group sales in H1 2017) **increased by +12.6%** overall, driven by an **organic change of +13.8%**, an exchange rate effect of +1.0% and a perimeter effect of -2.3%. **Germany** (8.3% of total Group sales) **was slightly down**, due to the weakness in agency brands and sparkling wines as well as the unfavourable comparable base in H1 2016 (+9.5%). Importantly, though, Germany continued to deliver a strong performance across **Aperol** (+19.9%), **Averna** (+12.8%) as well as growth in **Frangelico**, **Wild Turkey bourbon** and **Bulldog**. Sales in **Russia** (2.5% of total Group sales) registered a **positive organic performance (+111.7%)**, **with triple-digit growth** in **Mondoro** and **Cinzano sparkling wines**, and **double-digit growth** in **Cinzano vermouth**. The Group remains cautious in regards to both the competitive environment and the local macro environment in Russia. The **region's other markets** (7.8% of Group net sales) registered an **overall positive organic growth (+20.4%)**, mainly driven by **UK** (+39.5%, driven by Aperol, Campari, the Jamaican rums, Wild Turkey, Bulldog and GlenGrant), Belgium (Aperol, Bulldog and Crodino) as well as Poland and the Czech Republic.

Sales in **Asia Pacific** (6.3% of total Group sales in H1 2017) **increased by +11.0% overall**, with an **organic change of +2.8%**, an exchange rate effect of +5.7% and a perimeter effect of +2.6%. The **organic performance** in **Australia** (4.4% of total Group sales) registered **a -2.7%** decline driven by weakness in our **Wild Turkey ready-drink portfolio** and **Wild Turkey bourbon** impacted by strong competitive pressure as well as a tough comparison base (+12.6% in H1 2016). There were, however, very positive results from **Aperol, Espolòn** and **GlenGrant**. The **other Asia Pacific markets** (1.9% of Group net sales) registered an **overall positive organic change** thanks to a very good performance in both China and Japan, the latter benefitting from a recovery against the previous year's delays; in particular, sales were positive for **Wild Turkey bourbon, Campari, SKYY, Aperol** and **Cinzano sparkling wines.** In China, following the recent strengthening of our distribution with Camus, SKYY Vodka and GlenGrant continue to grow, albeit off a small base.

Global Priority sales (53.8% of total) **grew by +9.2%** in H1 2017. **Aperol** continued to outperform (**+22.0%)**, driven by the sustained growth in the **brand's core markets** (**Italy**, **Germany**) as well as robust results from our high-potential markets such as France, USA, Switzerland, the UK, Australia, Spain, Czech Republic, Chile, Brazil, Russia, and Global Travel Retail. **SKYY** sales registered an **organic change of -3.6%**. The core US market performed negatively, impacted by the very competitive environment and persisting weakness in the flavours category. This was partially compensated by very good results in **Brazil**, **Canada**, **Argentina** and **China**. **Campari** continued its positive momentum, up **+7.7% organically**, driven by the very good performance in the **USA**, **France**, **Austria**, **Brazil, Japan** and **Jamaica**, as well as strong growth in Italy. The good performance was partially offset by shipment phasing in Germany and Argentina, while Nigeria continues to remain a difficult market. **Wild Turkey,** which includes **American Honey,** registered a **positive organic change of +12.9%**, driven by strong results in the core US market, thanks to the success of the recent marketing campaign, as well as to trading in Japan. The **Jamaican rums**, including **Appleton Estate**, **J.Wray** and **Wray&Nephew Overproof**, showed a **positive organic growth of +3.4%** with a positive performance in Jamaica, the US and the UK.

Regional Priorities (15.7% of total) grew by **+11.5%** in H1 2017. **Espolòn grew by +48.7%** in the half, continuing to benefit from **solid double-digit growth in the US (+48.5%),** as well as having good results from new markets for the brand, such as **Russia, Italy, Canada** and **Australia**. **GlenGrant** registered positive growth of (+2.3%), particularly driven by **South Africa, Australia, China**, the **UK** and **Switzerland**. **Forty Creek** registered a **change of -0.3%**, with a **good performance in the core Canadian market**. The Italian bitters (**Averna, Braulio** and **Cynar**) **continued to grow, up +2.3%**, driven by good results from Braulio in Italy and Switzerland, strong double-digit growth of Averna in the USA and Germany as well as the strong growth of Cynar in the USA. **Frangelico** registered a **slight decline**, due to a temporary slow-down in the US market. **Bulldog,** entering the Regional brand portfolio in the first half of 2017, grew **double-digit** on the back of a good performance in Spain, Belgium, the US, the UK and Global Travel Retail. The **Cinzano franchise** showed an **overall good organic result (+5.9%)**, mainly driven by Cinzano sparkling wines in the Russian market, more than compensating the negative performance of Cinzano vermouth in Argentina, also due to a particularly unfavourable comparison base in the first half of 2016, as well as the Cinzano sparkling wines decline in Germany. **Other sparkling wines** (**Riccadonna** and **Mondoro**) increased organically by **+25.4%**, thanks to the positive performance of **Mondoro** (Russia) and **Riccadonna** (France and Chile)

Local Priorities (12.8% of total) grew by +0.3% in the first half. **Campari Soda** declined, despite a good performance in the second quarter driven by the Easter shift. **Crodino** stabilised in the core Italian market and shows signs of improvement with a positive trend on the back of recent marketing campaigns and product innovation, Crodino Red Orange. The **Wild Turkey ready-to-drink** range declined in Australia, driven by competitive pricing pressure as well as poor weather at the start of the year. The **Brazilian brands** registered a recovery (+22.3%) against a favourable comparison base in a market that continues to be impacted by macroeconomic challenges.

OTHER SIGNIFICANT EVENTS

Sale of the Grand Marnier headquarters building in Paris for € 35.3 million

In July 2017 Gruppo Campari signed an agreement for the sale of the Grand Marnier headquarters building in Paris for € 35.3 million. The asset had entered the perimeter of Gruppo Campari via the acquisition of Société des Produits Marnier Lapostolle S.A. in 2016. The transaction is in line with the Group's strategy to streamline the non-core businesses.

The agreement follows the disposals of the wineries in Chile and France, which also entered the Gruppo Campari perimeter via the Grand Marnier acquisition. The overall value of the sale of acquisition related non-core assets is approximately € 85.8 million[12].

FILING OF DOCUMENTATION

The half-year report at 30 June 2017 has been made available to the general public at the Company's head office and on the 1INFO circuit for the storage of Regulated Information, operated by Computershare (www.1Info.it). The documentation is also available in the 'Investor' section of the website www.camparigroup.com/en and by all other means allowed by applicable regulations.

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

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

[12] Including the Chilean winery of € 30.0 million, the French winery of € 20.5 million and the Grand Marnier headquarters building (pre-tax) of €35.3 million.

GRUPPO CAMPARI

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, August 3rd, 2017**, Campari's management will hold a conference call to present the Group's first half 2017 results. To participate, please dial one of the following numbers:

- **from Italy: 02 8058811**
- **from abroad: +44 1 212818003**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Gruppo Campari's website, at http://www.camparigroup.com/en/investors.

A **recording of the conference call** will be available from today, August 3rd, until Thursday, August 10th, 2017. To listen to it, please call the following numbers:

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

(Access code: **968#**).

FOR FURTHER INFORMATION

Investor Relations		
Chiara Garavini	Tel. +39 02 6225 330	Email: chiara.garavini@campari.com
Francesco Davico Bonino	Tel. +39 02 6225 689	Email: francesco.davicobonino@campari.com
Elena Tiozzo	Tel. +39 02 6225 290	Email: elena.tiozzo@campari.com
Thomas Fahey	Tel. +44 (0)20 31009618	Email: thomas.fahey@campari.com
Corporate Communications		
Enrico Bocedi	Tel.: +39 02 6225 680	Email: enrico.bocedi@campari.com

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

Visit *Our Story*

ABOUT GRUPPO CAMPARI

Gruppo Campari is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include Aperol, Appleton Estate, Campari, SKYY, Wild Turkey and **Grand Marnier**. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. The Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.

Headquartered in Milan, Italy, Campari owns 18 plants and 1 winery worldwide and has its own distribution network in 20 countries. The Group employs approximately 4,000 people. The shares of the parent company Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: www.camparigroup.com/en

Please enjoy our brands responsibly

- Appendix -

GRUPPO CAMPARI

Consolidated net sales breakdown by brand for the first half 2017

	% on Group sales	% change, of which:			
		total	organic	Exchange rate effect	external growth
Global Priorities[1]	53.8%	26.4%	9.2%	1.5%	15.7%
Regional Priorities	15.7%	15.1%	11.5%	3.7%	0.0%
Local Priorities	12.8%	3.5%	0.3%	3.2%	0.0%
Rest of portfolio	17.7%	-9.2%	2.5%	0.1%	-11.8%
Total	**100.0%**	**13.5%**	**6.8%**	**1.8%**	**5.0%**

(1) Including Grand Marnier

Consolidated net sales by geographic area for the first half 2017

	1 January-30 June 2017		1 January-30 June 2016		%
	€ million	%	€ million	%	Change
Americas	375.5	44.5%	297.7	40.0%	**26.1%**
SEMEA (Southern Europe, Middle East and Africa)	258.8	30.6%	258.7	34.8%	**0.0%**
North, Central & Eastern Europe	157.0	18.6%	139.5	18.7%	**12.6%**
Asia Pacific	53.3	6.3%	48.0	6.5%	**11.0%**
Total	**844.7**	**100.0%**	**743.9**	**100.0%**	**13.5%**

Breakdown of % change	**Total % Change**	**Organic growth**	**Exchange rate effect**	**External growth**
Americas	**26.1%**	7.6%	2.8%	15.7%
SEMEA (Southern Europe, Middle East and Africa)	**0.0%**	2.8%	0.3%	-3.0%
North, Central & Eastern Europe	**12.6%**	13.8%	1.0%	-2.3%
Asia Pacific	**11.0%**	2.8%	5.7%	2.6%
Total	**13.5%**	**6.8%**	**1.8%**	**5.0%**

Consolidated EBIT adjusted by geographic area for the first half 2017

	1 January-30 June 2017		1 January-30 June 2016		%
	€ million	%	€ million	%	Change
Americas	72.6	44.5%	51.9	35.5%	**39.8%**
SEMEA (Southern Europe, Middle East and Africa)	44.1	27.0%	22.4	15.3%	**-23.8%**
North, Central & Eastern Europe	43.6	26.7%	33.3	22.8%	**30.9%**
Asia Pacific	3.0	1.8%	3.3	2.2%	**-7.9%**
Total	**163.4**	**100.0%**	**146.4**	**100.0%**	**11.6%**

Breakdown of % change	**Total % Change**	**Organic growth**	**Exchange rate effect**	**External growth**
Americas	**39.8%**	0.8%	0.1%	38.9%
SEMEA (Southern Europe, Middle East and Africa)	**-23.8%**	-8.1%	-0.2%	-15.5%
North, Central & Eastern Europe	**30.9%**	29.1%	1.2%	0.6%
Asia Pacific	**-7.9%**	-36.4%	16.3%	12.2%
Total	**11.6%**	**2.9%**	**0.6%**	**8.1%**

GRUPPO CAMPARI

Consolidated income statement for the first half 2017

	1 January-30 June 2017		1 January-30 June 2016		
	€ million	%	€ million	%	Change
Net sales(1)	**844.7**	**100.0**	**743.9**	**100.0**	**13.5%**
Total cost of goods sold(2)	(339.2)	(40.2)	(317.9)	(42.7)	6.7%
Gross profit	**505.4**	**59.8**	**426.0**	**57.3**	**18.6%**
Advertising and promotion	(162.7)	(19.3)	(128.4)	(17.3)	26.7%
Contribution after A&P	**342.8**	**40.6**	**297.6**	**40.0**	**15.2%**
SG&A(3)	(179.4)	(21.2)	(151.2)	(20.3)	18.7%
EBIT adjusted(4)	**163.4**	**19.3**	**146.4**	**19.7**	**11.6%**
Adjustments to operating income (charges)	(5.0)	(0.6)	(14.5)	(2.0)	-65.9%
Operating profit=EBIT	**158.4**	**18.8**	**131.9**	**17.7**	**20.1%**
Financial income (expenses)	(23.0)	(2.7)	(34.0)	(4.6)	-32.3%
Adjustments to financial income (expenses)	(24.4)	(2.9)	4.6	0.6	-
Put option income (charges)	(2.5)	(0.3)	-	-	-
Profit before taxes and non-controlling interests	**108.5**	**12.8**	**102.5**	**13.8**	**5.9%**
Income Tax expense	0.2	0.0	(35.3)	(4.7)	-100.5%
Net Profit	**108.6**	**12.9**	**67.2**	**9.0**	**61.7%**
Minority interests	-	-	(0.0)	(0.0)	-100.0%
Group net profit	108.6	12.9	67.2	9.0	**61.7%**
Group net profit adjusted(5)	**93.5**	**11.1**	**77.3**	**10.4**	**21.1%**
Depreciation and amortisation	(28.4)	(3.4)	(25.5)	(3.4)	11.0%
EBITDA adjusted(4)	**191.7**	**22.7**	**172.0**	**23.1**	**11.5%**
EBITDA	**186.8**	**22.1**	**157.4**	**21.2**	**18.6%**

(1) Net of discounts and excise duties.
(2) Includes cost of material, production and logistics costs.
(3) Includes selling, general and administrative costs.
(4) EBITDA and EBIT before operating adjustments of € (5.0) million, mainly due to restructuring projects.
(5) Group net profit before operating and financial adjustments of € (29.4) million pre-tax, and fiscal effects and tax benefits of overall € 44.5 million (of which fiscal effects on operating and financial adjustments and other tax adjustments of € 8.3 million, and '*Patent Box*' tax benefit of € 36.2 million, consisting of € 12.0 million for the fiscal year 2015, € 15.5 million for the fiscal year 2016 and € 8.6 million for the first half 2017).

Consolidated balance sheet as of 30 June 2017

	30 June 2017 € million	31 December 2016[1] € million
ASSETS		
Non-current assets		
Net tangible fixed assets	448.7	509.6
Biological assets	0.3	7.8
Investment property	120.7	122.6
Goodwill and trademarks	2,378.1	2,490.9
Intangible assets with a finite life	30.1	26.3
Deferred tax assets	45.3	35.2
Other non-current assets	47.4	64.3
Total non-current assets	**3,070.6**	**3,256.7**
Current assets		
Inventories	546.2	536.1
Current biological assets	2.9	7.5
Trade receivables	248.7	306.3
Short-term financial receivables	11.1	7.2
Cash and cash equivalents	324.8	354.1
Income tax receivables	37.9	12.3
Other receivables	39.7	26.8
Total current assets	**1,211.1**	**1,250.2**
Assets held for sale	153.7	43.0
Total assets	**4,435.4**	**4,549.9**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	1,765.2	1,841.9
Parent company's portion of shareholders' equity	1,823.3	1,900.0
Non-controlling interests' portion of shareholders' equity	-	-
Total shareholders' equity	**1,823.3**	**1,900.0**
Non-current liabilities		
Bonds	995.2	992.4
Other non-current liabilities	487.2	459.5
Defined benefit obligations	36.2	36.4
Provisions for risks and charges	98.3	93.3
Deferred tax liabilities	464.4	482.9
Total non-current liabilities	**2,081.4**	**2,064.6**
Current liabilities		
Payables to banks	89.3	106.9
Other financial liabilities	69.8	58.5
Payables to suppliers	231.7	262.5
Income tax payables	13.3	14.0
Other current liabilities	126.6	138.8
Total current liabilities	**530.8**	**580.8**
Liabilities held for sale	-	4.6
Total liabilities	**2,612.2**	**2,649.9**
Total liabilities and shareholders' equity	**4,435.4**	**4,549.9**

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

Consolidated cash flow statement as of 30 June 2017

	30 June 2017 € million	30 June 2016 € million
EBITDA	**186.8**	**157.4**
Other adjustment to operating profit	(10.7)	10.4
Changes in tax payables and receivables and other non financial receivables and payables	(19.1)	3.5
Taxes paid	(22.2)	(19.2)
Cash flow from operating activities before changes in working capital	**134.8**	**152.1**
Changes in net operating working capital	(13.4)	75.6
Cash flow from operating activities	**121.4**	**227.6**
Net interests paid	(0.1)	(8.7)
Net payments from liability management	(23.2)	-
Cash flow used for investment	(27.3)	(15.1)
Free cash flow	**70.8**	**203.8**
(Acquisition) and sale of companies or business division	(37.8)	(469.7)
Financial position of acquired and sold companies	23.3	36.4
Sale and purchase of brands and rights	(0.2)	0.2
Dividend paid out by the Parent Company	(52.1)	(52.1)
Other changes	(10.9)	(2.7)
Total cash flow used in other activities	**(77.8)**	**(487.9)**
Exchange rate differences and other changes	**(24.1)**	**(22.9)**
Change in net financial position due to operating activities	**(31.0)**	**(306.9)**
Payable for the exercise of put options and earn out payments	(29.1)	0.1
Payable generated in the period for deferred purchases of SPML shares	6.9	(210.2)
Net cash flow of the period = change in net financial position	**(53.3)**	**(517.1)**
Net financial position at the beginning of the period	(1,199.5)	(825.8)
Net financial position at the end of the period	**(1,252.8)**	**(1,342.9)**