HALF-YEAR REPORT AT 30 JUNE 2015

BUILDING LIFESTYLE BRANDS AND PEOPLE WITH PASSION

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Disclaimer

This document contains forward-looking statements relating to future events and the operating, economic and financial results of Gruppo Campari. These statements contain an element of risk and uncertainty since, by their very nature, they depend on future events and developments. Actual results may vary significantly from those forecast for a number of reasons, most of which are beyond the Group's control.

The official text is the Italian version of the document. Any discrepancies or differences arisen in the translation are not binding and have no legal effect. In case of any dispute on the content of the document, the Italian original shall always prevail.

Highlights

INTRODUCTION

This half-year report to 30 June 2015, 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 2015	30 June 2014	change	
			total	at constant exchange rates
	€ million	€ million	%	%
Net sales	**757.9**	**686.1**	**10.5%**	**3.8%**
Contribution margin	287.3	253.8	13.2%	6.1%
EBITDA before non-recurring items	161.7	143.2	13.0%	4.5%
EBITDA	**164.6**	**140.0**	**17.6%**	**8.4%**
Result from recurring activities	138.7	124.4	11.5%	3.2%
Operating result	**141.6**	**121.2**	**16.8%**	**7.7%**
Profit before tax	113.3	91.3	24.0%	
Net profit - Group and non-controlling interests	78.3	57.6	35.9%	
Group net profit	**77.9**	**57.3**	**36.0%**	
Free cash flow	67.2	52.9		
Operating margin (operating result/net sales)	**18.7%**	**17.7%**		
ROI % (operating result/fixed assets)	**5.9%**	**5.4%**		
Diluted earnings per share (€)	0.13	0.10		
Average number of employees	4,201	4,019		
	30 June 2015	31 December 2014		
	€ million	€ million		
Net debt	1,010.2	978.5		
Shareholders' equity - Group and non-controlling interests	1,663.6	1,579.9		
Fixed assets	2,414.2	2,326.1		
Working capital and other assets and liabilities	259.6	232.2		

Information on the figures presented

For ease of reference, all figures in this half-year report, in both the report on operations and the consolidated financial statements, are expressed in millions of 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.

For information on the definition of alternative performance indicators, see the next section of this interim half-year report.

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	Managing Director and General Counsel & 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][6]
Karen Guerra	Director [6]
Thomas Ingelfinger	Director and member of the Control and Risks Committee and the Remuneration and Appointments Committee[4][5][6]
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.
At a meeting held on the same date, the Board of Directors 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 Control and Risks 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.

[6] Independent director.

Interim report on operations

Significant events during the period

Acquisitions and sales of companies, brands and distribution rights

Sale of non-core businesses in Jamaica and Italy
In the first half of the year, the Group closed the transactions listed below. These confirm the strategy aims to further strengthen its focus on the strategically important and high-margin spirits portfolio, including through the sale of non-core businesses.

- On 30 January 2015, the Group completed the closing of the sale of the non-core business, Limoncetta di Sorrento, to Lucano 1894 S.r.l, for which a sales agreement had been signed on 22 December 2014. The business sold includes the brand and 100% of Alimenta S.r.l., which was purchased as part of Gruppo Averna and owns the factory that produces the lemon concentrate. Payment for the transaction was € 7.0 million on a cash and debt-free basis, and the transaction did not have any impact on the Group's result. In accordance with the sale agreement, Gruppo Campari will continue to manage the Limoncetta di Sorrento bottling business on behalf of Lucano 1894 S.r.l. from its own factory in Finale Emilia until December 2015.
- On 31 March 2015, the Group completed the closing of the sale of the Jamaican division Federated Pharmaceutical to Kirk Distributors Limited, for which a sales agreement had been signed on 22 December 2014. The price of the transaction was € 13.0 million, which included a total price of USD 14.4 million agreed at closing (€ 13.4 million at the exchange rate on the closing date) and post-closing contractual price adjustments of USD 0.4 million (€ 0.4 million). The sale of the business, whose assets had already been classified as assets available for sale at 31 December 2014, generated a capital gain of € 5.0 million, which was classified as non-recurring income in the first half of 2015.
- On 30 June 2015, the Group completed the closing of the sale of the entire share capital of Enrico Serafino S.r.l. to Krause Holdings, Inc., for which a sales agreement had been signed on 11 June 2015. Payment for the transaction was € 6.1 million on a cash and debt-free basis, and the transaction did not have any significant impact on the Group's result. The business sold includes the Enrico Serafino brand, as well as vineyards, wine-making and production equipment, the storeroom and real estate. With effect from the closing date, Gruppo Campari and Krause Holdings, Inc. entered into an exclusive distribution agreement. Under this agreement Gruppo Campari will continue to distribute the Enrico Serafino wines portfolio through a dedicated Group structure for managing the wine-making business in the Italian and export markets.
- In the first half of the year the stake of 33.33% in Jamaica Joint Venture Investment Co. Ltd was sold for USD 0.9 million. The sale did not have any impact on the Group's result for the period ending 30 June 2015.
- During the first half of the year the Group closed its exit from the non-core activity of general merchandise distribution in Jamaica.

It should also be noted that, after the date of this report, on 10 July 2015, Gruppo Campari completed the sale of the Agri-Checmicals division of J. Wray & Nephew Limited in Jamaica to Caribbean Chemicals and Agencies Limited. This is described in the section 'Events taking place after the end of the period'.

Innovation and new product launches

New flavours of SKYY and SKYY Infusions
In the first half of 2015, two new flavours of SKYY Infusions, Pacific Blueberry and Texas Grapefruit, were launched in the US, along with flavoured editions of SKYY Barcraft, a new 60-proof line of vodkas inspired by a selection of classic cocktails and available in Fresh Watermelon, White Sangria and Margarita Lime flavours.

Jamaican rums
In April 2015, a new range of premium rums was launched under the Appleton Estate brand, in fresh new packaging and named according to the various product flavours. The Appleton Estate V/X, Appleton Estate Reserve and Appleton Estate Extra 12 Year Old rums have been renamed Appleton Estate Signature Blend, Appleton Estate Reserve Blend and Appleton Estate Rare Blend 12 Year Old respectively. Canada and Australia were the first markets to be involved in this initiative. Other markets will follow.

The new J. Wray Gold and Silver Jamaica products were also launched in Italy in the same month as replacements for the Appleton Special and White range, with the aim of concentrating the Appleton Estate brand exclusively in the premium segment.

Launch of Ouzo 12 Hierbos
In April 2015, Ouzo 12 Hierbos, a liqueur containing 12 herbs, was launched in the German market, with the aim of expanding the Group's portfolio of flavoured liqueurs.

Launch of the new Cinzano 1757 vermouth bianco and dry
In April 2015, two new flavours of Cinzano 1757, a vermouth bianco and a dry, were launched in the premium vermouth segment in Italy.

Other significant events

Introduction of shares with increased voting rights (loyalty shares)
On 28 January 2015, the extraordinary shareholders' meeting of Davide Campari-Milano S.p.A. voted by a large majority to adopt the resolution proposing changes to the articles of association in order to introduce loyalty shares.
The proposal was approved with a vote in favour of 76.1% of the share capital represented at the shareholders' meeting, corresponding to 61.8% of the share capital of Davide Campari-Milano S.p.A. It is hoped that loyalty shares will create a more stable and loyal shareholder structure in view of changes introduced by Article 20 of Legislative Decree 91 of 24 June 2014.

For more detailed information on this subject, see the report prepared by the Board of Directors, and the Regulation on the special list for double voting rights, which is available on the Company's website (www.camparigroup.com/it/governance/loyalty-shares).

Revolving credit facility
On 27 February 2015, the Parent Company took advantage of favourable conditions in the financial markets to agree a five-year, € 450 million committed revolving credit facility with a pool of six leading banks. The Company may draw down on the credit line as required in order to fulfil any financial obligation that may arise. At 30 June 2015, € 40 million of the line had been used.

Ordinary shareholders' meeting of the Parent Company
On 30 April 2015, the ordinary shareholders' meeting of Davide Campari-Milano S.p.A. approved the 2014 financial statements and agreed the distribution of a dividend of € 0.08 per share outstanding (unchanged from the dividend paid for 2013).

The total dividend, calculated on the shares outstanding and excluding own shares (9,550,001 shares), was € 45.7 million.

Purchase of own shares
Between 1 January and 30 June 2015, the Group bought 10,418,418 own shares at an average price of € 6.73, and sold 6,553,136 shares after the exercise of stock options.

At 30 June 2015, the Parent Company held 7,766,565 own shares, equivalent to 1.34% of the share capital.

Sales performance

Foreword

At 1 January 2015, the Group considered it appropriate to change its segment reporting, based on IFRS 8 guidelines. The changes, which were previously explained in the interim financial statements to 31 March 2015, are as follows:
Since 2012, the Group's segment reporting has shown profitability by geographical regions, identified as operating segments. The previous breakdown (Italy, Rest of Europe, the Americas, and Rest of the World) was changed on the basis of the reorganisation of the business units and the Group's operating model.
The 2014 comparison figures were appropriately reclassified both at sales level and operating profitability.

The four operating segments identified are:

- the **Americas**, which includes both direct markets, where the Group operates through its own direct sales organisations (the US, Canada, Mexico, Jamaica, Brazil and Argentina) and markets where the Group operates through independent third-party distributors;
- **Southern Europe, Middle East and Africa**, which includes both direct markets (Italy and Spain) and markets where the Group operates through independent third-party distributors (such as France and other countries in southern Europe, the Middle East and Africa); this area also includes still wines and global travel retail (duty free) sales;
- **Northern, central and eastern Europe**, which includes both direct markets (Germany, Austria, Switzerland, Benelux, the UK, Russia and Ukraine) and markets where the Group operates through independent third-party distributors (such as Ireland, Poland, Hungary, Czech Republic, Slovakia, Scandinavia, the Baltic countries and the Commonwealth of Independent States, or CIS);
- **Asia-Pacific**, which includes both direct markets (Australia, New Zealand and China) and markets where the Group operates through independent third-party distributors (other countries in the region, *in primis*, Japan).

The product categories were also revised, making them more uniform in terms of strategic importance for the Group. The following categories were identified:

- global priority brands, which include Campari, SKYY, Aperol, the Wild Turkey franchise (comprising Wild Turkey and American Honey) and the Jamaican rum portfolio (Appleton, J.Wray and Wray & Nephew Overproof);
- regional priority brands, which include Cinzano sparkling wines and vermouths, Frangelico, Averna, Forty Creek, Espolón, Carolans, GlenGrant, Cynar, Braulio, and Riccadonna and Mondoro;
- local priority brands, which include Campari Soda, Crodino, Wild Turkey ready-to-drink, Ouzo 12, Cabo Wabo and Brazilian brands Dreher and Sagatiba;
- the rest of the portfolio, which includes all the other brands, as well as sales relating to non-strategic assets.

Overall performance

In the first half of 2015, the Group's net sales totalled € 757.9 million, an overall 10.5% increase on the same period last year. The performance of the individual business segments, broken down into organic, external and exchange rate components, is shown below.

	2015		2014		total change		organic change		perimeter effect		exchange rate effect	
Americas	323.6	42.7%	279.6	40.7%	44.0	15.7%	9.5	3.4%	-7.7	-2.8%	42.2	15.1%
Southern Europe, Middle East and Africa	257.2	33.9%	232.8	33.9%	24.4	10.5%	11.0	4.7%	12.6	5.4%	0.8	0.3%
Northern, central and eastern Europe	127.8	16.9%	129.6	18.9%	-1.8	-1.4%	-3.9	-3.0%	2.3	1.7%	-0.2	-0.2%
Asia-Pacific	49.3	6.5%	44.1	6.4%	5.2	11.8%	2.1	4.8%	0.0	0.0%	3.1	7.0%
Total	**757.9**	**100.0%**	**686.1**	**100.0%**	**71.7**	**10.5%**	**18.7**	**2.7%**	**7.1**	**1.0%**	**45.9**	**6.7%**

Organic change

The first six months of the year generated organic growth of 2.7%. This result included growth of 1.7% in the second quarter, which absorbed some of the seasonal factors highlighted in the first quarter, in which growth was 4.2%. This second-quarter growth should be assessed positively, partly in light of the following two effects: an unfavourable comparison with the same period in the previous year, when organic growth was 9.4%, and the negative impact of the contraction in non-core sales of sugar in Jamaica, which weighed down total organic growth by 1.2% in the quarter (-0.7% in the first six months of the year). Stripping out the negative effect of sugar, organic growth would have been 2.9% in the second quarter and 3.4% in the first half.

The portfolio of global priority brands enjoyed an excellent second quarter, and recorded an overall upturn in organic growth of 6.2%, compared with the first quarter (5.3%). All brands showed growth: Aperol and SKYY, in particular, improved on the first quarter. Regional priority brands also improved sharply in the second quarter (+4.5%) compared with the first quarter (-2.6%), mainly due to Frangelico and Espolón. In the first six months of the year, sales of global priority brands increased by 5.8% and regional priority brands by 1.3%.
Overall, local priority brands recorded a positive performance in the first six months of the year (1.9%), while in the second quarter sales decreased by 1.7% (compared with an increase of 7.3% in the first quarter), mainly due to Crodino. The performance of this brand was affected by the highly unfavourable comparison with the second quarter of the previous year (+36.6%), when sales had benefited from the launch of new line extensions.
Trends by individual geographical regions are as follows:

- The **Americas**, due to second-quarter growth of 2.3%, closed the first six months of the year with satisfactory organic growth of 3.4%, thereby confirming the good results already highlighted in the first quarter (+4.8%).
  Specifically, sales of the global and regional priority brands increased by 9.0% and 18.8% respectively in the first six months, but these positive effects were partially offset by the performance of non-core activities.
  Sales growth in the United States followed a similar trend to that seen in the first quarter, closing the first six months of the year with growth of 3.0% (+2.8% in the second quarter) with good performances by all the main brands.
  Of the other countries in the region, Argentina continued to post double-digit growth. In Jamaica, performance of the global brands was positive (+3.8%) but suffered from lower sugar sales during the period. In Canada, adjustments continued to be made due to the change in the Group's route-to-market.
- The **Southern Europe, Middle East and Africa region** closed the second quarter with highly satisfactory growth of 3.9%, which, after a positive first quarter (+6.0%), enabled it to close the first six months of the year with organic growth of 4.7%.
  In Italy, the second quarter was in line with the previous year, especially due to the unfavourable basis of comparison (in which it showed double-digit growth). Growth for the first six months of the year, therefore, came to 0.7%, just below the first-quarter figure (+2.0%).
  In the other countries in the region, the recovery continued in the Spanish market, in which the Group had launched direct distribution in 2014, while France and the duty free market put in good performances.
- The **Northern, central and eastern Europe region** continued the negative trend seen in the first quarter (-1.5%), closing the second quarter with sales down by 4.0%, leading to a result of -3.0% for the first six months of the year.
  Russia was the most severely affected market and, despite signs that the currency was recovering, closed the first six months of the year with sales down by 37.7%. In Germany, the positive trend shown in the first quarter continued for the first six months of the year (+3.0%).
- The **Asia-Pacific region**, after a positive first quarter (+7.2%), recorded growth of 2.8% in the second quarter. It closed the first six months of the year with 4.8% growth due to a partial recovery in the Australian market and other markets in the area, which were positive overall.

Perimeter effect
The perimeter effect of 1.0% was attributable to the net effect of acquisitions and disposals of businesses and brands, and the launch or discontinuation of distribution agreements.

As regards business acquisitions and sales, the first half of 2015 included the perimeter effect relating to Forty Creek Distillery Ltd and Gruppo Averna, for which the transactions were completed by the Group in June 2014, and the sale of a non-core business in Jamaica (Federated Pharmaceutical), completed in March 2015.

The main changes to distribution contracts were:
- the distribution of other third-party brands, including Molinari Sambuca from 1 April 2014 in Germany and other selected markets;
- the termination of several distribution agreements, including Flor de Caña and Suntory brand products in the US, Russian Standard vodka in Germany, Lavazza in Russia and Kimberley Clark in Jamaica.

The impact of these factors on sales in the period is analysed in the table below:

Breakdown of perimeter effect	€ million	% change on 2014
acquisitions and sales of companies		
Gruppo Averna	16.8	2.5%
Forty Creek Distillery Ltd	9.5	1.4%
Other	-1.3	-0.2%
total acquisitions	25.0	3.6%
distribution contracts		
third-party brands distributed	1.7	0.2%
discontinued third-party brands	-19.5	-2.8%
total distribution contracts	-17.9	-2.6%
Total perimeter effect	7.1	1.0%

Exchange rate effects

The positive exchange rate impact of € 45.9 million in the first six months of the year, equal to 6.7% of sales, is mainly associated with the revaluation of the US Dollar (+22.8%) and the Jamaican Dollar (+16.1%) compared with the average exchange rates in the first half of 2014. More generally, all the Group's main currencies appreciated with respect to Euro, except for the Russian Rouble, and to a lesser extent the Brazilian Real, which depreciated by 25.7% and 4.7% respectively compared with the first half of 2014.

The table below shows the average exchange rates for the first half of 2015 and spot rates at 30 June 2015 for the Group's most important currencies, together with the percentage change against the Euro, compared with the corresponding average exchange rates and spot rates in 2014 and the spot rates at 31 December 2014.

	average exchange rates		spot exchange rates		
	2015	change compared with 2014	30 June 2015	change compared with 30 June 2014	change compared with 31 December 2014
	: 1 Euro	%	: 1 Euro	%	%
US Dollar (USD)	1.116	22.8%	1.119	22.1%	8.5%
Canadian Dollar (CAD)	1.377	9.2%	1.384	5.4%	1.6%
Jamaican Dollar (JMD)	128.749	16.1%	130.511	17.0%	6.4%
Mexican Peso (MXN)	16.883	6.5%	17.533	1.0%	1.9%
Brazilian Real (BRL)	3.307	-4.7%	3.470	-13.5%	-7.2%
Argentine Peso (ARS)	9.839	9.2%	10.165	9.3%	1.1%
Russian Rouble (RUB)	64.625	-25.7%	62.355	-25.6%	16.0%
Australian Dollar (AUD)	1.426	5.1%	1.455	-0.1%	1.9%
Chinese Yuan (CNY)	6.941	21.8%	6.937	22.1%	8.6%
UK Pound (GBP)	0.732	12.2%	0.711	12.7%	9.5%
Swiss Franc (CHF)	1.056	15.7%	1.041	16.7%	15.5%

Sales by region

Sales for the first six months of the year are analysed by region and key market below. The comments mainly relate to the organic component of the change in each market.

- **Americas**

The table below shows the main markets of the Americas region, broken down into organic, perimeter and exchange rate components. The area reported overall organic growth of 3.4%, which is commented on by key market below.

	% of Group total	2015		2014		total change		organic change		perimeter effect		exchange rate effect	
the US	21.3%	161.1	49.8%	136.0	48.6%	25.1	18.5%	4.0	3.0%	-8.3	-6.1%	29.4	21.6%
Jamaica	7.5%	56.6	17.5%	59.1	21.1%	-2.5	-4.2%	-4.3	-7.2%	-6.0	-10.2%	7.8	13.3%
Brazil	4.0%	30.5	9.4%	32.9	11.8%	-2.4	-7.3%	-0.6	-1.9%	-0.4	-1.3%	-1.3	-4.1%
Argentina	2.9%	22.2	6.9%	16.7	6.0%	5.5	32.7%	3.6	21.5%	0.0	0.0%	1.9	11.2%
Canada	2.8%	21.2	6.6%	11.4	4.1%	9.8	85.9%	1.6	14.4%	7.0	61.0%	1.2	10.6%
Other countries	4.2%	32.0	9.9%	23.5	8.4%	8.5	36.1%	5.1	21.8%	0.1	0.3%	3.3	14.0%
Americas	**42.7%**	**323.6**	**100.0%**	**279.6**	**100.0%**	**44.0**	**15.7%**	**9.5**	**3.4%**	**-7.7**	**-2.8%**	**42.2**	**15.1%**

The **United States,** the Group's second-largest market after Italy, contributed organic growth of 3.0% in the first half. This was the result of a positive second quarter (+2.8%) with excellent performances by the Group's strategic brands, although slightly offset by a reduction in the non-core business.
The global priority brands generated organic growth of 7.5% in the first half of the year, as a result of the good performance of nearly all brands. The SKYY franchise recorded growth, due to the good performance of its core brand, SKYY Vodka. In the second quarter, SKYY Infusions made up some of the ground lost in previous months. In addition, the franchise's performance benefited from the launch of the SKYY Barcraft line extension launched in April. Wild Turkey continued the year with a good second quarter for both Wild Turkey and American Honey. The positive performance in the first half was also confirmed by Jamaican rums (especially Appleton Estate and Wray&Nephew Overproof) and by the aperitifs segment (Campari and Aperol), which were driven by the continuous growth in consumption.
The regional priority brands also reported good organic growth in the first six months of the year (+14.7%) with positive results from Frangelico and Espolón.

Jamaica, the second-largest market in the region, closed the first half of the year with a decline of 7.2%, due to the fall in sugar sales, which are classified under the Group's non-strategic assets in the rest of the portfolio. Stripping out the negative effect of the sugar, Jamaica would have reported organic growth of 0.6%.
Conversely, the global priority brands in this market closed the period with growth of 3.8%. This was due to the combined effect of the positive results from the price strategies implemented in the Jamaican rum portfolio, and the improved portfolio mix, driven by the increased focus on core brands at local level and the good performance of Campari in the second quarter.
It should be noted that, in this market, the Group has launched a local business rationalisation programme with the objective of selling off non-core assets and increasing the focus on the spirits and wines portfolio, which is considered strategic for the Group. The program was launched in 2014 with the termination of consumer product distribution agreements and continued in 2015 with the sale of two non-core businesses, Federated Pharmaceutical and Agri-Chemicals. The first sale was completed on 31 March 2015, while the second was closed after the date of this report, on 10 July 2015.

In **Brazil**, a market which is experiencing a persistent and general slowdown, after the decline in sales in the first quarter (-4.6%), performance in the second quarter was broadly in line with 2014 (-0.5%). Consequently, sales were down by a more modest 1.9% at the end of the first half.
The brands that were most severely affected were the admix whiskies, but sales of Campari and Sagatiba also decreased, while SKYY and Dreher closed the second half in positive territory, and the first half of the year in line with 2014. Aperol also reported a highly positive sales performance.

Argentina continued to report double-digit growth of 21.5%, due to the performance of the Group's premium brands, such as Campari and SKYY Vodka, as well as Aperol and Cynar.

Canada closed the first half with a positive performance of +14.4%, despite the temporary effects of the change in the route-to-market (the Group's sales activities were taken in-house from a local distributor on 1 January 2015).

- **Southern Europe, Middle East and Africa**

The region, which is broken down between Italy and other markets in the table below, saw organic growth of 4.7%.

	% of Group total	2015		2014		total change		organic change		perimeter effect		exchange rate effect	
Italy	26.9%	203.7	79.2%	193.9	83.3%	9.8	5.1%	1.4	0.7%	8.4	4.3%	-	0.0%
Other countries in the region (*)	7.1%	53.5	20.8%	38.9	16.7%	14.6	37.5%	9.6	24.6%	4.2	10.8%	0.8	2.0%
Southern Europe, Middle East and Africa	**33.9%**	**257.2**	**100.0%**	**232.8**	**100.0%**	**24.4**	**10.5%**	**11.0**	**4.7%**	**12.6**	**5.4%**	**0.8**	**0.3%**

(*) includes the duty free channel.

In **Italy**, the Group's largest market, organic growth was 0.7%, led by global and local priority brands, which increased by 2.6% and 1.2% respectively.
Noteworthy among the global brands were Campari, which recorded good growth and Aperol, which remained stable.
Of the local brands, Campari Soda and Crodino recorded growth. Crodino slowed in the second quarter, mainly due to the unfavourable comparison with the previous year, which had benefited from the launch of the Crodino Twist line extension.
Regional priority brands, however, fell in the first six months of the year (-4.9%), especially Cinzano and Riccadonna.
Of the other brands in the portfolio, the Lemonsoda range declined in a period that traditionally shows modest trading.

The **other countries** in the region reported double-digit growth of 24.6%, due to the excellent performance of sales in Spain, where the Group launched direct distribution in 2014, as well as in France and the duty free channel.

The recovery in Spain was led by global priority brands, Campari and Aperol, and regional priority brands, Frangelico, Cinzano and Carolans, and, in the rest of the portfolio, by the healthy performance of Bulldog gin.
In France, growth was led by Aperol in the global priority brands and Riccadonna and Cynar in the regional priority brands.
In the Africa region, the good performance of South Africa should be noted, where sales increased by 8.1%, led by the extremely positive growth of SKYY. The duty free channel recorded growth of 6.0% in the first six months of the year.

- **Northern, central and eastern Europe**

The region showed a total organic decline of 3.0%, spread across its main markets as follows:

	% of Group total	2015		2014		total change		organic change		perimeter effect		exchange rate effect	
Germany	9.2%	69.9	54.7%	66.2	51.1%	3.7	5.6%	2.0	3.0%	1.7	2.6%	-	-
Russia	1.0%	7.4	5.8%	16.1	12.4%	-8.6	-53.8%	-6.0	-37.7%	-	-0.2%	-2.6	-16.0%
Other countries in the region	6.7%	50.5	39.5%	47.3	36.5%	3.1	6.6%	0.2	0.5%	0.5	1.1%	2.4	5.0%
Northern, central and eastern Europe	**16.9%**	**127.8**	**100.0%**	**129.6**	**100.0%**	**-1.8**	**-1.4%**	**-3.9**	**-3.0%**	**2.3**	**1.7%**	**-0.2**	**-0.2%**

Germany closed the second quarter slightly above the same quarter in 2014 (+0.9%), and the first half with growth of 3.0%. In this market, where competitive pressure remained fierce, the global brands Campari and Aperol declined, while growth was mainly concentrated among the regional priority brands, especially Cinzano vermouth and Frangelico, the local priority brand Ouzo 12 and agency brands.
In **Russia**, although there were encouraging signs that the Rouble was strengthening against the Dollar, the economy is still in a difficult situation. This is mainly due to the ongoing credit squeeze brought about by the recent financial crisis in the country, and also to the continuation of sanctions imposed by the European Union. We should therefore remain cautiously optimistic about the prospects for this market. With regard to the Group's performance, the competitive context is leading to severe price pressures dictated by competition from local products and aggressive promotional policies launched by major competitors. The second quarter therefore closed with a very sharp contraction of 50.6%, which resulted in sales falling by 37.7% in the first six months of the year. It should be noted that, in this market, the portfolio is mainly composed of regional priority brands which include, apart from Cinzano vermouth, the sparkling wines Cinzano, Riccadonna and Mondoro, whose sales are highly seasonal and mainly concentrated in the last quarter of the year.

- **Asia-Pacific**

The region breaks down into Australia and the other countries in the region.

	% of Group total	2015		2014		total change		organic change		perimeter effect		exchange rate effect	
Australia	4.5%	33.9	68.8%	30.9	70.2%	3.0	9.6%	1.3	4.3%	-	-	1.6	5.3%
Other countries in the region	2.0%	15.4	31.2%	13.1	29.8%	2.2	17.0%	0.8	6.1%	-	-	1.4	10.9%
Total Asia-Pacific	**6.5%**	**49.3**	**100.0%**	**44.1**	**100.0%**	**5.2**	**11.8%**	**2.1**	**4.8%**	**-**	**-**	**3.1**	**7.0%**

In the Asia-Pacific region, the positive trend of the first quarter (7.2%) continued with a satisfactory second-quarter result (+2.8%), resulting in growth of 4.8% for the first six months of the year.

Australia, the region's main market, recorded growth of 4.3%, led by Campari, Aperol, Wild Turkey ready-to-drink and non-core local activities (co-packing).
However, consumer confidence in the country is still very low, which calls for caution in our expectations for the rest of the year.

The **other countries in the region** (2.0% of the total and 31.2% of the region) recorded positive organic growth of 6.1%, driven mainly by New Zealand (Appleton, Coruba) and China (Campari, GlenGrant, Wild Turkey and SKYY ready-to-drink); this more than offset the weak performance of Japan, which underwent certain distribution changes.

Sales by major brands at consolidated level

Below is a summary of the total change in the first half, and a breakdown by organic growth, perimeter effect and the exchange rate effect.
The main brands are grouped into categories identified by the Group based on the priority (global, regional and local) assigned to them and the 'rest of the portfolio'.

	Percentage of Group sales	Change, of which			
		total	organic	perimeter	exchange rate
Campari	10.0%	6.1%	2.5%	-	3.6%
SKYY [(1)]	11.6%	24.1%	4.8%	-	19.3%
Aperol	11.1%	7.1%	5.7%	-	1.4%
Wild Turkey portfolio [(1)(2)]	7.0%	27.0%	7.8%	-	19.1%
Jamaican rum portfolio [(3)]	5.2%	29.4%	13.3%	-	16.1%
global priority brands	**44.9%**	**16.1%**	**5.8%**	**-**	**10.3%**
Cinzano	4.0%	-8.5%	-8.0%	-	-0.5%
Frangelico	1.5%	28.3%	15.7%	-	12.6%
Averna	1.2%	-	-	-	-
Forty Creek	1.2%	-	-	-	-
Espolón	1.2%	45.3%	24.9%	-	20.3%
Other	4.9%	2.4%	-7.8%	4.7%	5.5%
regional priority brands	**13.9%**	**24.7%**	**1.3%**	**18.2%**	**5.3%**
Campari Soda	4.5%	1.4%	1.3%	-	0.1%
Crodino	4.4%	2.3%	2.0%	-	0.3%
Wild Turkey ready-to-drink	2.1%	7.7%	2.5%	-	5.2%
Brazilian brands Dreher and Sagatiba	1.9%	-5.1%	-0.9%	-	-4.2%
Other	1.9%	15.4%	6.5%	-	9.0%
local priority brands	**14.8%**	**3.2%**	**1.9%**	**-**	**1.3%**
rest of the portfolio	**26.4%**	**0.1%**	**-0.7%**	**-4.1%**	**4.9%**
Total	**100.0%**	**10.5%**	**2.7%**	**1.0%**	**6.7%**

[(1)] excludes ready-to-drink
[(2)] includes American Honey
[(3)] includes Appleton, J.Wray and Wray & Nephew Overproof rum.

The **global priority brands**, which represent, in total, around 45% of the Group's sales, reported organic growth of 5.8%; exchange rate variations during the quarter, especially for the US Dollar, made a significant, positive contribution to the result, enabling the region to generate a total increase of 16.1% in this category of sales.

Campari generated organic growth of 2.5% in the period, due to double-digit growth in Argentina, the US, the UK, Australia, Canada, Jamaica and China, as well as Italy's recovery in the second quarter and the upturn in the Spanish market after the change in the route-to-market in 2014. These positive phenomena enabled the brand to make up the falls recorded in Germany and Brazil.

SKYY closed the first half with organic growth of 4.8%, due to a good recovery by the US in the second quarter (which closed the six months with a performance of 4.6%).
Within the franchise, SKYY Vodka performed well in nearly all markets and SKYY Infusions in certain markets (especially South Africa), which enabled the category to offset the decline in the American market. In addition, the franchise benefited from the launch of the SKYY Barcraft line extension in the US in April.

Aperol recorded organic growth of 5.7%, due to the solid progress of sales in many markets in which growth was significant, including France and Spain, and in high-potential markets such as the US, the UK, Russia, Canada, Australia and Brazil. The latter, however, still have a limited impact, starting from a very low base.
This enabled the brand to make up the decline in Germany (-8.5%), where the decrease was lower than in the first quarter. In Italy, the brand's performance was stable in the first half of the year.

The **Wild Turkey** portfolio, which includes American Honey, increased by 7.8% in the period, due to a satisfactory result in the US (+8.2%). In Australia, the franchise's second-largest market, and in Japan, sales recovered slightly. Wild Turkey also put in a positive performance in other markets of increasing importance for the brand, such as Canada, the UK and Russia, although these markets still have a limited impact, starting from a very low base.
It should be noted that the performance described does not include the ready-to-drink portfolio of Wild Turkey, which, given that it is an exclusively domestic business in the Australian market, was classified under local priority brands.
With regard to the brands that make up the franchise, sales of Wild Turkey and American Honey increased in the period (the former primarily in the US but the latter also in Australia).

The **Jamaican rum portfolio** (Appleton Estate, J.Wray and Wray & Nephew Overproof) reported organic growth of 13.3% overall, due to the positive performances of the US and Jamaica, its two main markets. In the other core markets, Canada and the UK, the changes in distribution in the first quarter of 2015 caused sales to slow.

The **regional priority brands**, which represent around 14% of the Group’s sales, increased by 1.3% during the first half. Overall, they increased by 24.7% due to the perimeter effect arising from the acquisitions of Averna and Forty Creek.
This result was achieved due to the positive performance of the various brands that make up the category: Espolón in the US; Frangelico in the US but also in Spain, Germany and Australia; Carolans in the US and Spain; Cinzano vermouth in Argentina and Germany.
The sparkling wines Cinzano, Riccadonna and Mondoro, however, recorded a negative performance overall, mainly as a result of the contraction in the Russian market.

The **local priority brands**, which represent around 15% of the Group’s portfolio, recorded organic growth of 1.9% in the first half.
The category's main brands, Campari Soda, Crodino and Wild Turkey ready-to-drink achieved good results in their main markets, Italy and Australia, despite a slowdown in Crodino sales in Italy in the second quarter due to an unfavourable basis of comparison with 2014.
The Brazilian brands Dreher and Sagatiba closed the first six months of the year with a modest contraction of 0.9%, as a result of Dreher's recovery in the second quarter in Brazil.

The **rest of the portfolio**, which represents about one-third of the Group’s sales (including agency brands, which account for around 10% of the Group’s sales), was stable compared with the previous year (-0.7%).
In this category, we highlight the good performances of SKYY ready-to-drink in Mexico and China and, in general, the agency brands in Italy, Germany, and Spain, and the duty free channel. These were, however, offset by negative performances in the period by the Lemonsoda range in Italy and non-core activities in Jamaica (sugar sales) and the US.

Income statement

The income statement for the first half of 2015 showed sustained sales growth of 10.5% compared with 2014, which is reflected at all levels of profitability.
In absolute terms, the gross margin increased by 12.8%, the result from recurring activities by 11.5% and the Group's net profit by 36.0%.
All profitability levels also improved on 2014 as a percentage of sales. Specifically, the result from recurring activities was 18.3% of sales (18.1% in 2014).

Analysing the effects that made up the total change, as shown in the table below, the half year's figures reflect a very positive exchange rate impact and, albeit to a lesser extent, a positive perimeter effect. The exchange rate effect on sales was +6.7% and the perimeter effect was +1.0%, while the impact on the result from recurring activities was +8.3% and +0.6% respectively.
The first half of the year produced an extremely positive result, due to organic growth of 2.7% in sales and a 2.5% increase in the result from recurring activities.
Specifically, in the second quarter sales accelerated in the more profitable global priority brand portfolio (+6.2% in the second quarter compared with +5.3% in the first quarter) and the regional priority brands (+4.5% in the second quarter compared with -2.6% in the first quarter).
This effect, combined with a favourable geographical mix, as a result of positive growth in the major developed markets, which have profit levels that are higher than the Group average, allowed the Group to improve gross profit, at organic level, by 30 basis points.
This improvement was achieved despite the dilution in profit margins (of 30 basis points) caused by the losses reported by the Jamaican sugar business.

	30 June 2015		30 June 2014		change, of which							
					total		organic		perimeter		exchange rate	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales	**757.9**	**100.0**	**686.1**	**100.0**	**71.8**	**10.5%**	**18.7**	**2.7%**	**7.1**	**1.0%**	**45.9**	**6.7%**
Cost of goods sold	(345.7)	-45.6	(320.6)	-46.7	(25.1)	7.8%	(6.5)	2.0%	1.6	-0.5%	(20.2)	6.3%
Gross profit	**412.2**	**54.4**	**365.5**	**53.3**	**46.7**	**12.8%**	**12.4**	**3.4%**	**8.7**	**2.4%**	**25.6**	**7.0%**
Advertising and promotional costs	(124.9)	-16.5	(111.7)	-16.3	(13.2)	11.9%	(2.6)	2.3%	(3.0)	2.6%	(7.7)	6.9%
Contribution margin	**287.3**	**37.9**	**253.8**	**37.0**	**33.5**	**13.2%**	**9.8**	**3.9%**	**5.8**	**2.3%**	**17.9**	**7.0%**
Overheads	(148.6)	-19.6	(129.4)	-18.9	(19.2)	14.8%	(6.7)	5.2%	(5.0)	3.8%	(7.5)	5.8%
Result from recurring activities	**138.7**	**18.3**	**124.4**	**18.1**	**14.3**	**11.5%**	**3.2**	**2.5%**	**0.8**	**0.6%**	**10.3**	**8.3%**
Non-recurring income (charges)	2.9	0.4	(3.2)	-0.5	6.0							
Operating result	**141.6**	**18.7**	**121.2**	**17.7**	**20.3**	**16.8%**						
Net financial income (charges)	(28.2)	-3.7	(29.9)	-4.3	1.7	-5.6%	-	-	-	-	-	-
Profit before tax and non-controlling interests	**113.3**	**14.9**	**91.3**	**13.3**	**21.9**	**24.0%**	**-**	**-**	**-**	**-**	**-**	**-**
Taxes	(35.0)	-4.6	(33.7)	-4.9	(1.3)	3.8%	-	-	-	-	-	-
Net profit	**78.3**	**10.3**	**57.6**	**8.4**	**20.7**	**35.9%**	**-**	**-**	**-**	**-**	**-**	**-**
Non-controlling interests	(0.3)	-	(0.3)	-	-	16.6%	-	-	-	-	-	-
Group net profit	**77.9**	**10.3**	**57.3**	**8.4**	**20.6**	**36.0%**	**-**	**-**	**-**	**-**	**-**	**-**
Total depreciation and amortisation	(23.1)	-3.0	(18.8)	-2.7	(4.2)	22.6%	(1.6)	8.4%	(0.8)	4.3%	(1.8)	9.8%
EBITDA before other non-recurring income and charges	**161.7**	**21.3**	**143.2**	**20.9**	**18.5**	**13.0%**	**4.8**	**3.3%**	**1.6**	**1.1%**	**12.2**	**8.5%**
EBITDA	**164.6**	**21.7**	**140.0**	**20.4**	**24.5**	**17.6%**						

The resulting changes in the Group's total and organic profitability, calculated in basis points, are as follows:

dilution in basis points (*)	total	organic
Cost of goods sold after distribution costs	110	30
Gross profit	**110**	**30**
Advertising and promotional costs	(20)	10
Contribution margin	**90**	**40**
Overheads	(70)	(40)
Result from recurring activities	**20**	**-**

(*) It should be noted that there could be rounding effects given that the basis points from the dilution have been rounded to one decimal place.

Net sales in the first half of the year totalled € 757.9 million, an increase of 10.5% compared with the first half of 2014. Organic growth had a positive impact of 2.7%, the perimeter effect was positive at 1.0%, and the exchange rate added 6.7%. For more details on these effects and on sales by region and brand, please refer to the section above.
Stripping out the unfavourable effect on sales from the negative performance of the sugar business in Jamaica, organic growth for the six months was 2.7%.

Gross margin was € 412.2 million and, in absolute terms, increased by 12.8% compared with the first half of 2014.
As a percentage of sales, it increased from 53.3% in 2014 to 54.4% in 2015, with an increase of 110 basis points in profitability, due to organic growth, the perimeter effect, and exchange rate effects.
Organic growth led to an increase in profitability of 30 basis points, attributable to various contrasting factors. Positive factors include a favourable geographical mix of sales by product and market, and the absence, from the second half of 2014, of costs related to the start-up of the new plant in Kentucky.
With reference to the first point, global priority brands saw good organic growth in the first half, especially in the US and Italy, which more than offset the dilution from growth in countries with lower profitability than the Group average, such as Argentina.
As a percentage of sales in the first half, the gross margin also benefited from the negative performance of countries with lower profitability than the Group average, such as Brazil and Russia.
These positive effects were partly offset by the significantly squeezed margins of the sugar business in Jamaica, which had a dilutive effect of 30 basis points. This business had contracted sharply in the first half of the year, due to a reduction in both sales prices and expected production yields.

Advertising and promotional costs were 16.5% of sales in the first half of 2015, broadly in line with the previous year's figure of 16.3%.

The **contribution margin** for the six months was € 287.3 million, an increase of 13.2% compared with the previous year, resulting from a combination of positive effects mainly due to organic growth of 3.9% and an exchange rate effect of 7.0%. Consequently, profitability as a percentage of sales increased by 90 basis points in total and 40 basis points at organic level.

Overheads increased overall by 14.8% in the quarter, due to a positive exchange rate effect of 3.8%, which was partly offset by an unfavourable exchange rate effect of 5.8% and organic growth of 5.2%. The latter was mainly due to costs incurred by the Group for new sales structures, particularly in the UK, Canada and Spain. In the two periods under comparison, overheads as a percentage of sales increased from 18.9% in 2014 to 19.6% in 2015, with a total dilutive effect of 70 basis points, of which 40 related to organic growth.

The **result from recurring activities** was € 138.7 million, an increase of 11.5% compared with the same period of last year. This measure as a percentage of sales was 18.3%, compared with 18.1% the previous year, leading to an improvement of 20 basis points.
At organic level, however, profitability was in line with the previous year, as shown by three contrasting factors that offset one other:

- an improvement in the gross margin, which led to an increase of 30 basis points in profitability at organic level;
- an increase in advertising and promotional costs, which are rising more slowly than organic sales, as a result of which profitability decreased by 10 basis points as a percentage of sales;
- an increase in overheads, which are rising more quickly than organic sales, as a result of which profitability was diluted by 40 basis points at organic level.

Of the 0.6% perimeter effect on the result from recurring activities, the change attributable to the acquisitions of Forty Creek Distillery Ltd and Gruppo Averna was 2.9%, or € 3.6 million. This increase was almost entirely offset by the negative effect attributable to the termination of the distribution of some third-party brands.

Non-recurring income and charges showed a net positive balance of € 2.9 million, compared with a net negative balance of € 3.2 million, arising mainly from restructuring costs, in 2014. The sale of the Federated Pharmaceutical division in Jamaica, which was completed on 31 March 2015, had a positive impact of € 5.0 million on the first-half results (for more details, see 'Significant events during the period'). This was partly offset by charges relating to the restructuring processes in various Group companies, and other charges of € 2.1 million.
The **operating result** for the first half of 2015 was € 141.6 million, representing an overall increase of 16.8% compared with the first half of last year.

The return on sales, i.e. the operating result expressed as a percentage of net sales, was 18.7% (17.7% in 2014), an increase on the same period of the previous year.

Depreciation and amortisation for the period totalled € 23.1 million, up by € 4.2 million from the first half of 2014. This was mainly due to exchange rate effects and organic growth for the period.
EBITDA before non-recurring income and charges increased by 13.0% (+3.3% on a same-structure basis and at constant exchange rates) to € 161.7 million.
EBITDA came in at € 164.6 million, up 17.6%.

In the first half of 2015, **net financial charges** totalled € 28.2 million, a decrease of € 1.7 million over the corresponding period in 2014, when this figure was € 29.9 million. This reduction was mainly attributable to positive exchange rate differences due to the performance of certain currencies.
Average net debt in the first half of 2015 (€ 1,006.1 million) was higher than the average for the first half of 2014 (€ 927.8 million), as last year's average included the effect of the cost of the acquisitions of Forty Creek Distillery Ltd and Gruppo Averna for one month only, as both deals had been closed in June 2014.
Average borrowing costs, excluding the effects of exchange rate differences, totalled 6.0%, in line with the first half of 2014. The total average cost of the Group's debt includes the effects of a significant negative carry on interest generated by cash and cash equivalents compared with interest paid on medium- and long-term debt.

Group profit before tax and non-controlling interests was € 113.3 million in the first half of 2015, up 24.0% on 2014.

Income taxes for the period were € 35.0 million, an increase in absolute terms on the figure of € 33.7 million for the first half of 2014. This item also included deferred taxes of € 14.0 million in 2015 (€ 11.0 million in the first half of 2014), and reported for the purposes of cancelling out the effect of the tax-deductibility of amortisation on goodwill and brands, permitted under local legislation. The total tax rate, i.e. including deferred taxes, fell from 36.9% in the first half of 2014 to 30.9% in the first half of 2015. Excluding the effect of the above-mentioned deferred taxes and of all the extraordinary components in the year, the normalised tax rate was 23.1% (24.9% in 2014).

Non-controlling interests for the period were low, at € 0.3 million, and the same as for the previous year.

Group net profit was € 77.9 million in the first half of 2015, an increase of 36.0% on the first half of the previous year. Net profit as a percentage of sales was 10.3%, an increase on the 8.4% recorded in 2014. Net profit, adjusted to take into account all the non-recurring components for the period (€ 2.9 million) and the related tax effects as well as non-recurring tax effects (€ 4.4 million) came to € 70.6 million, up 18.4% on the first half of 2014, which had also been adjusted for extraordinary components.

Profitability by business area

As emphasised in the introduction to the 'Sales performance' section, the Group changed its segment reporting in 2015 to adapt it to the reorganisation of the business units and its operating model.
Information on the operating profitability of the new segments is therefore shown below, and compared with the appropriately reclassified 2014 figures.
In 2015, the four geographical regions, 'Americas', 'Southern Europe, Middle East and Africa', 'Northern, central and eastern Europe' and 'Asia-Pacific' made a contribution to the Group's operating result before non-recurring items of 39.2%, 39.9%, 17.8% and 3.2% respectively. The contribution of the Americas increased compared with 2014, while that of the Northern, central and eastern Europe region decreased.

The percentage of sales and the operating result of each segment in the two periods under comparison is shown below:

	2015				2014			
	Net sales	% of total	Operating result	% of total	Net sales	% of total	Operating result	% of total
	€ million	%	€ million	%	€ million	%	€ million	%
Americas	323.6	42.7%	54.3	39.2%	279.6	40.7%	45.8	36.8%
Southern Europe, Middle East and Africa	257.2	33.9%	55.3	39.9%	232.8	33.9%	48.5	39.0%
Northern, central and eastern Europe	127.8	16.9%	24.7	17.8%	129.6	18.9%	26.9	21.6%
Asia-Pacific	49.3	6.5%	4.4	3.2%	44.1	6.4%	3.2	2.6%
Total	**757.9**	**100.0%**	**138.7**	**100.0%**	**686.1**	**100.0%**	**124.4**	**100.0%**

The change in profitability, at organic level, calculated in basis points, which is analysed in the following paragraphs, is summarised in the table below.

organic change in profitability (*) (basis points)	Group total	Americas	Southern Europe, Middle East and Africa	Northern, central and eastern Europe	Asia-Pacific
Gross profit	**30**	**30**	**30**	**50**	**40**
Advertising and promotional costs	10	(110)	180	(80)	110
Overheads	(40)	(10)	20	(250)	70
Result from recurring activities	**-**	**(100)**	**230**	**(290)**	**210**

(*) It should be noted that there could be rounding effects given that the basis points from the dilution have been rounded to one decimal place.

At organic level, the Group's **result from recurring activities** as a percentage of sales is in line with the figure for 2014. This is the result of contrasting factors which offset each other, as analysed in detail in the following paragraphs.
The most significant effects overall were the following:

- The **gross margin** increased gradually across all the regions analysed below, as a result of an extremely favourable market and product mix recorded in the second quarter of the year. The overall increase came to 30 basis points. However, these positive effects were partly offset by the squeezed business margins in Jamaica for sugar, which fell in the first half, due to a reduction in both sales prices and expected production yields. Stripping out the negative effect of this business, the improvement in the Group's gross margin would have been 60 basis points.
- **Advertising and promotional costs** as a percentage of sales were broadly in line with the first half of the previous year. A detailed analysis by segment in the Americas reveals that the increase in these costs was more than proportional to sales, while in the Southern Europe, Middle East and Africa region and Asia-Pacific, the rise was less than proportional. These effects, which are analysed in detail in the following paragraphs, were mainly due to the phasing of promotional activities during the year.
- Group **overheads** increased by 40 basis points at organic level; the main contributors to dilution being the Northern, central and eastern Europe region, which includes the UK, where the Group has launched direct distribution.

The income statements for each geographical region are shown in the following paragraphs, with a breakdown of the organic change and the relevant dilution of profitability.

- **Americas**

The Americas region comprises the direct markets of the US, Jamaica, Brazil, Argentina, Mexico and Canada, which together represent around 90% of the region's sales. This area makes the largest contribution to the Group's sales (42.7%) and the second-largest contribution to its operating result (39.2%).
The results for the first half were as follows:

	2015		2014		total change		organic change		organic dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**323.6**	**100.0**	**279.6**	**100.0**	**44.0**	**15.7%**	**9.5**	**3.4%**	
Gross profit	**164.3**	**50.8**	**132.6**	**47.4**	**31.7**	**23.9%**	**5.2**	**3.9%**	**30**
Advertising and promotional costs	(51.9)	-16.0	(39.8)	-14.2	(12.1)	30.4%	(4.6)	11.6%	(110)
Overheads	(58.1)	-18.0	(47.1)	-16.8	(11.0)	23.4%	(2.0)	4.3%	(10)
Result from recurring activities	**54.3**	**16.8**	**45.8**	**16.4**	**8.5**	**18.6%**	**(1.4)**	**-3.1%**	**(100)**

Overall, the region experienced a sharp increase in both sales (15.7%) and result from recurring activities (18.6%).
As already shown in the section on sales, the result benefited from a strong exchange rate effect, which generated an increase of 15.1% in sales and 21.6% in the result from recurring activities.

Excluding both the exchange rate and perimeter effects (the latter were insignificant), organic sales growth in the region was 3.4%, while the result from recurring activities decreased by 3.1%, generating profitability dilution of 100 basis points. This was due to various contrasting factors, which are analysed below.

In terms of **gross profit**, results showed an organic increase of 3.9%, which resulted in an increase of 30 basis points in profitability. This was due, on the one hand, to a favourable product and market mix, with good growth in the US, a highly profitable market, in the second quarter.
This favourable mix more than offset the dilution from growth in countries with lower profitability than the Group average, such as Argentina.
As a percentage of sales in the first half, the gross margin also benefited from the negative performance of countries with lower profitability than the Group average, such as Brazil.
In addition, there were no start-up costs relating to the new plant in Kentucky from the second half of 2014.
In this region, these positive effects were partly offset by the squeezed business margins in Jamaica of sugar, which fell in the first half, due to a reduction in sales prices and expected production yields due to unfavourable climatic conditions.

Advertising and promotional costs as a percentage of sales were higher in this period than in the first half of 2014.
This increase was mainly due to the timing of various investments during the year, which can generate distortive effects in individual quarters. These are subsequently reabsorbed at the end of the year.
In addition to this phasing effect, the US also made larger investments in Jamaican rums, which generated higher costs in the half.

Overheads increased by 4.3% at organic level, generating dilution of 10 basis points; the main contributor to this dilution was Canada, where the Group has launched direct distribution.

- **Southern Europe, Middle East and Africa**

The Southern Europe, Middle East and Africa region, which includes the direct markets Italy and Spain, as well as markets served by third-party distributors, is the second-largest region in terms of sales, contributing 33.9% to the Group's sales, and the largest in terms of profitability, contributing 39.9% to the Group's operating result.
The results of the first half were as follows:

	2015		2014		total change		organic change		organic dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**257.2**	**100.0**	**232.8**	**100.0**	**24.4**	**10.5%**	**11.0**	**4.7%**	
Gross profit	**153.5**	**59.7**	**141.9**	**61.0**	**11.6**	**8.2%**	**7.5**	**5.3%**	**30**
Advertising and promotional costs	(42.5)	-16.5	(42.6)	-18.3	0.1	-0.3%	2.3	-5.4%	180
Overheads	(55.8)	-21.7	(50.8)	-21.8	(5.0)	9.8%	(1.9)	3.8%	20
Result from recurring activities	**55.3**	**21.5**	**48.5**	**20.8**	**6.8**	**14.0%**	**7.8**	**16.1%**	**230**

In the first half sales rose overall by 10.5% and the result from recurring activities by 14.0%.
In this region, while the exchange rate effect was not significant, a large part of growth was attributable to the perimeter effect of the Averna acquisition.
Stripping out the exchange rate and the perimeter effect, the region recorded organic growth of 4.7% in sales and 16.1% in the result from recurring activities, which created an increase of 230 basis points in the latter.
This is due to various contrasting factors, which are analysed below.

In terms of **gross profit**, results showed an organic increase of 5.3%, which resulted in an increase of 30 basis points in profitability. This was due, on the one hand, to a favourable product and market mix, with healthy growth in the second quarter from Italy, a highly profitable market, but also from France, Spain, South Africa and the duty free channel, where global and regional priority brands reported highly satisfactory results.

Advertising and promotional costs fell by 5.4% at organic level, leading to an increase of 180 basis points in organic profitability.
These effects mainly reflect the timing of various investments during the year, which can generate distortive effects in individual quarters that are subsequently reabsorbed at the end of the year.
In addition to the phasing effects, part of the decrease was due to a high comparison basis in 2014. In Spain, where the Group has launched its own distribution network, promotional costs as a percentage of sales were high in 2014.

Overheads rose by 3.8% in absolute terms, partly due to the adjustment to new distribution structures, such as in Spain, but the increase in these costs, since it was lower than sales growth, led to a rise in profitability of 20 basis points.

- **Northern, central and eastern Europe**

The Northern, central and eastern Europe region, which includes the direct markets of Germany, Austria, Switzerland, Benelux, the UK, Russia and Ukraine, as well as areas served by third-party distributors, made a contribution of 16.9% to the Group's sales and 17.8% to the operating result.
The results of the first half were as follows:

	2015		2014		total change		organic change		organic dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**127.8**	**100.0**	**129.6**	**100.0**	**(1.8)**	**-1.4%**	**(3.9)**	**-3.0%**	
Gross profit	**71.3**	**55.8**	**70.2**	**54.1**	**1.1**	**1.6%**	**(1.5)**	**-2.1%**	**50**
Advertising and promotional costs	(22.4)	-17.5	(21.5)	-16.6	(0.8)	3.9%	(0.4)	1.7%	(80)
Overheads	(24.2)	-19.0	(21.8)	-16.8	(2.5)	11.3%	(2.6)	11.7%	(250)
Result from recurring activities	**24.7**	**19.3**	**26.9**	**20.7**	**(2.2)**	**-8.2%**	**(4.4)**	**-16.4%**	**(290)**

Overall, sales in the region decreased by 1.4%, while the result from recurring activities fell by 8.2%.

Stripping out the positive perimeter effects arising from the Averna acquisition and the insignificant exchange rate effects, sales decreased by 3.0% at organic level, and the result from recurring activities by 16.4%, creating dilution of 290 basis points. This dilution was due to the following factors:

At **gross margin** level, profitability increased by 50 basis points, due to the effects of the favourable geographical and product mix. As a percentage of sales, the gross margin benefited from the negative performance of Russia, a country with lower profitability than the Group average.
Overheads were higher than the previous year, generating dilution of 250 basis points, mainly due to the UK, where the Group has launched direct distribution.

- **Asia-Pacific**

The Asia-Pacific region, which includes the direct markets of Australia, New Zealand and China, as well as areas served by third-party distributors, made a contribution of 6.5% to the Group's sales and 3.2% to the result from recurring activities.
The results of the first half were as follows:

	2015		2014		total change		organic change		organic dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**49.3**	**100.0**	**44.1**	**100.0**	**5.2**	**11.8%**	**2.1**	**4.8%**	
Gross profit	**23.1**	**46.8**	**20.8**	**47.1**	**2.3**	**11.1%**	**1.2**	**5.7%**	**40**
Advertising and promotional costs	(8.2)	-16.6	(7.8)	-17.6	(0.4)	5.5%	0.1	-1.6%	110
Overheads	(10.5)	-21.3	(9.8)	-22.2	(0.7)	7.2%	(0.2)	1.7%	70
Result from recurring activities	**4.4**	**8.9**	**3.2**	**7.3**	**1.2**	**36.6%**	**1.1**	**35.7%**	**210**

The region recorded an increase in both sales (11.8%) and result from recurring activities (36.6%).

Stripping out the exchange rate and perimeter effects, the organic changes were 4.8% and 35.7% respectively. The most significant effects overall were the following:

The **gross margin** rose by 5.7%, which generated an increase in profitability of 40 basis points. This was due to a favourable market and product mix, especially in Australia, New Zealand and China, with positive results from the global priority brands.

Advertising and promotional costs were higher than in 2014, generating dilution of 110 basis points; this was due to the phasing of promotional costs during the year.

Financial position

Statement of cash flows

The table below shows a simplified and restated version of the statement of cash flows 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 2015	30 June 2014	change
	€ million	€ million	€ million
EBITDA	**164.6**	**140.0**	**24.6**
Other non-cash items	(10.4)	3.6	(14.0)
Changes in non-financial assets and liabilities	(8.0)	4.1	(12.1)
Taxes paid	(23.6)	(21.6)	(2.0)
Cash flow from operating activities before changes in working capital	**122.6**	**126.1**	**(3.5)**
Change in net operating working capital	(24.6)	(48.8)	24.3
Cash flow from operating activities	**98.0**	**77.3**	**20.7**
Net interest paid	(10.5)	(10.7)	0.2
Cash flow used for investment	(20.3)	(13.7)	(6.5)
Free cash flow	**67.2**	**52.9**	**14.4**
Acquisitions and sales of companies or business divisions	26.1	(217.9)	244.0
Payables arising from company acquisitions	-	(19.4)	19.4
Acquisitions and sales of brands and payment rights and earn-outs	(0.3)	(4.3)	4.0
Dividend paid out by the Parent Company	(45.7)	(46.1)	0.4
Other changes	(48.4)	1.5	(49.9)
Total cash flow used in other activities	**(68.3)**	**(286.1)**	**217.9**
Exchange rate differences and other changes	(30.8)	(13.0)	(17.8)
Change in net debt due to operating activities	**(31.9)**	**(246.3)**	**214.4**
Payables for put options and earn-outs (*)	0.1	(0.1)	0.2
Total net cash flow for the period = change in net debt	**(31.7)**	**(246.4)**	**214.6**
Net debt at the start of the period	(978.5)	(852.8)	(125.7)
Net debt at the end of the period	(1,010.2)	(1,099.1)	89.0

(*) 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.

In the first half of 2015, **net cash flow** reflected the use of cash of € 31.7 million, compared with negative cash flow of € 246.4 million in the previous year. The change was due to the outlay incurred for the acquisitions of Forty Creek Distillery Ltd and gruppo Averna.

More specifically, **free cash flow** of € 67.2 million was generated in 2015; cash flow from operating activities was € 98.0 million, which was partly absorbed by the payment of net financial interest of € 10.5 million and net investment of € 20.3 million.

A comparison of free cash flow with the figure for the first half of 2014 (€ 52.9 million) shows some contrasting factors that led to greater cash generation, totalling €14.4 million:

- EBITDA increased significantly by € 24.6 million compared with 2014;
- Conversely, other non-cash items, which mainly related to uses of provisions for risk and charges, generated a negative effect of € 14.0 million;
- Changes in non-financial assets and liabilities, which absorbed cash of € 12.1 million, related to the settlement of non-financial and non-trade payables and receivables;
- income taxes paid in the first half of the year increased by € 2.0 million, generating a negative effect on free cash flow;
- Working capital showed an organic decrease in the first half of the year of € 24.6 million, which, compared with the decrease of € 48.8 million in 2014, improved free cash flow by € 24.3 million. Please see the 'Operating working capital' section below for more details on this item.
- Net interest paid was in line with that for the first half of 2014;
- Investment spending was € 6.5 million higher than in the same period of the previous year but still related mainly to the maintenance of existing fixed assets and environmental recovery.

Cash flow used in other activities was € 68.3 million, compared with € 286.1 million in the first half of 2014. This generated a lower cash requirement of € 217.9 million.
The largest item in the first half of 2015 related to the proceeds from the sales of the non-core business Limoncetta di Sorrento for € 7.0 million, the Federated Pharmaceutical for € 13.0 million, and Enrico Serafino S.r.l. for € 6.1 million. In the first half of 2014, the largest item related to the cost of the acquisitions of Forty Creek Distillery Ltd and Gruppo Averna.
The other businesses also generated a cash requirement due to the dividend of € 45.7 million paid by the Parent Company.
The 'other changes' item mainly includes payments for the purchase of own shares, net of sales for the exercise of stock options. In 2015, this net amount was substantial and involved a net cash outlay of € 48.6 million.

Exchange rate differences and **other changes** had a negative impact of € 30.8 million on the net flow in the first half of 2015. Part of this change was due to exchange rate effects on operating working capital (€ -27.6 million) and on shareholders' equity in other currencies (€ +13.4 million).
The remaining part of the change, amounting to € 16.6 million, was due to the recording of certain non-cash items under that item, which were included for the purpose of reconciling the change in cash flows to the change in net financial position, such as accrued interest on medium-/long-term loans that had not yet been paid.

The change in **financial payables relating to the exercise of put options and earn-outs**, shown here purely for the purposes of reconciling the financial position for the period with the total net financial position, had not changed significantly from 2014; the decrease due to payments made in the period, of € 0.3 million, was offset by an increase of € 0.2 million in debt, due to exchange rate differences in the period.

To conclude, **a net cash flow of € 31.7 million** had been absorbed at 30 June 2015, corresponding to the increase in Group financial debt compared with 31 December 2014.

Breakdown of net debt

At 30 June 2015, consolidated net debt stood at € 1,010.2 million, an increase of € 31.7 million on the figure of € 978.5 million reported at 31 December 2014.
The main cash inflows and outflows giving rise to the change in debt in the period have been analysed in the previous section 'Cash flow statement'.
The table below shows how the debt structure changed between the beginning and the end of the period:

	30 June 2015	31 December 2014	change
	€ million	€ million	€ million
Cash and cash equivalents	270.1	230.9	39.2
Payables to banks	(80.2)	(36.7)	(43.5)
Real estate lease payables	(0.1)	(0.1)	-
Private placement and bond	(175.0)	(86.0)	(89.0)
Other financial receivables and payables	(23.8)	(5.2)	(18.6)
Short-term net cash position	**(9.0)**	**103.0**	**(112.0)**
Payables to banks	(5.7)	(9.0)	3.3
Real estate lease payables	(1.2)	(1.3)	-
Private placement and bond (*)	(1,021.6)	(1,097.1)	75.5
Other financial receivables and payables	31.8	30.5	1.3
Medium-/long-term net financial position	**(996.8)**	**(1,076.9)**	**80.1**
Debt relating to operating activities	**(1,005.8)**	**(973.9)**	**(31.9)**
Payables for put options and earn-outs	(4.4)	(4.6)	0.1
Net financial position	**(1,010.2)**	**(978.5)**	**(31.7)**

(*) including the relevant derivatives.

In terms of structure, the net financial position at 30 June 2015 continued to be marked by a dominant medium-/long-term debt component compared with the short-term portion.

Short-term net debt of € 9.0 million at 30 June 2015 was significantly down on the position at 31 December 2014, which showed net cash of € 103.0 million. The increase in net debt was mainly due to the reclassification as short-term liabilities of the second tranche (USD 100 million) of the private placement issued by Campari America in 2009, due to mature in June 2016. The remaining portion of bond loans expiring by the end of the financial year (€ 86,0 million) relates to the first tranche of the bond loan issued by the Parent Company in 2003 and repaid in July 2015.
Short-term bank payables, totalling € 80.2 million, included € 40 million from the first use of the revolving credit facility line (€ 450 million available for the Parent Company's use) taken out in February 2015.
Lastly, the short-term component included an increase in other financial payables and receivables associated with the recording of accrued interest on bonds, in relation to the timeline for payment of the coupon.

Medium-to-long-term debt, totalling € 1,005.8 million, mainly comprised existing bonds of the Parent Company and Campari America that mature more than 12 months after the date of this report.

Currency fluctuations between 31 December 2014 and 30 June 2015, particularly the strengthening of the US Dollar, caused debt to increase by € 9.7 million.

Furthermore, the Group's net financial position showed a financial payable of € 4.4 million that includes the residual payable for the Sagatiba earn-out and the purchase of non-controlling interests in relation to the Jamaican acquisition. No significant changes took place over the period.

Lastly, the agreements relating to the bonds and the revolving credit facility of the Parent Company, and the Campari America private placement, include negative pledges and covenants (for more details, see Note 5 – 'Default risk: negative pledges and covenants on debt' of the condensed half-year report). The covenants include the Group's obligation to maintain particular levels for certain financial indicators, most notably the ratio of net debt to EBITDA. At 30 June 2015, this multiple was 2.9 (unchanged from 31 December 2014).

Group statement of financial position

The table below is the consolidated Group balance sheet, reclassified and summarised to highlight the structure of invested capital and financing sources:

	30 June 2015	31 December 2014 [(*)]	change
	€ million	€ million	€ million
Fixed assets	2,414.2	2,326.2	88.1
Other non-current assets and liabilities	(279.8)	(266.5)	(13.3)
Operating working capital	621.2	571.5	49.7
Other current assets and liabilities	(81.9)	(72.9)	(9.0)
Total invested capital	**2,673.8**	**2,558.4**	**115.4**
Shareholders' equity	1,663.6	1,579.9	83.47
Net financial position	1,010.2	978.5	31.7
Total financing sources	**2,673.8**	**2,558.4**	**115.4**

(*) For information on reclassifications at opening book values, see Note 6 - Reclassifications at comparison values at 30 June 2014 and 31 December 2014.

Invested capital at 30 June 2015 was € 2,673.8 million, € 116.4 million higher than at 31 December 2014.

There were no structurally significant changes in the individual components of the invested capital or the sources of financing. Please see the section below 'Operating working capital' for further details of changes in net working capital.
The Group’s financial structure showed a ratio of debt to own funds at the end of the period of 60.7%, compared with 61.9% at 31 December 2014 (reclassified figure).

Operating working capital

The breakdown of the total change in operating working capital compared with 31 December 2014 and 30 June 2014 is as follows:

	30 June 2015	31 December 2014	change	of which organic	30 June 2014 [(1)]	change
	€ million	€ million	€ million	€ million	€ million	€ million
Receivables from customers	271.5	313.6	(42.1)	(49.1)	309.7	(38.1)
Inventories, of which:						
- maturing inventory	*267.6*	*243.5*	*24.1*	*3.9*	212.1	55.5
- other inventory	*271.8*	*237.7*	*34.1*	*31.1*	287.0	(15.2)
Total inventories	539.4	481.2	58.2	35.1	499.1	40.3
Payables to suppliers	(189.7)	(223.2)	33.5	38.6	(192.7)	3.0
Operating working capital	**621.2**	**571.5**	**49.7**	**24.6**	**616.1**	**5.2**
Sales in the previous 12 months	1,631.7	1,560.0	71.8		1,511.7	120.1
Working capital as % of sales in the previous 12 months	38.1	36.6			40.8	
Pro forma operating working capital [(2)] as % of sales in the previous 12 months, adjusted for the perimeter effect	37.0	35.7			39.2	

(1) Working capital in currencies other than the Euro has been converted into Euro based on the weighted average of the exchange rates recorded in the last four consecutive quarters.
(2) For information on reclassifications at opening book values, see Note 6 - Reclassifications at comparison values at 30 June 2014 and 31 December 2014.

Operating working capital at 30 June 2015 was € 621.2 million, an increase of € 49.7 million compared with 31 December 2014.
Net of the exchange rate effect, resulting in an increase of € 27.6 million in working capital, this item showed an organic rise of € 24.6 million in the first six months of the year.
Compared with 31 December, seasonal effects in the first half caused a sharp decrease in the value of trade receivables, which at 31 December traditionally show higher absolute values than during the rest of the year. This reduction was partly offset by an increase in inventories of finished goods in light of the seasonal peak in the second half of the year, and by a reduction in the value of trade payables.
Organic growth in inventories was attributable to a rise in finished product stocks and other merchandise of the Group, in the amount of € 34.1 million, while stocks of maturing inventory increased by € 24.1 million. For stocks of maturing liquids, located in the Americas and Scotland, the exchange rate effect was significant, (€ 20.2 million) while organic growth was only € 3.9 million.

Operating working capital at 30 June 2015 increased by € 5.2 million compared with the same period of the previous year. This was mainly due to the exchange rate effect.

Operating working capital as a percentage of net sales in the last 12 months was 38.1% at 30 June 2015. However, if the statement of financial position and income statement figures are adjusted to take account of the deconsolidation of the sold companies, and net working capital is valued at the average exchange rate of the previous 12 months, the figure as a percentage of net sales falls to 37.0%, compared with 35.7% at 31 December 2014, and 39.2% in the same period of the previous year.

Transactions with related parties

It should be noted 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 34 of the condensed half-year financial statements at 30 June 2015.

Events taking place after the end of the period

Sale of non-core businesses in Jamaica
On 10 July 2015, the Group completed the closing of the sale of the Agri-Chemicals division to Caribbean Chemicals and Agencies Limited, for which a sales agreement had been signed on 23 December 2014. The price of the transaction was € 7.3 million at the date of this report, unchanged from the price set at the closing, of USD 8.2 million (€ 6.7 million at the exchange rate on the signing date). The sale of the business, whose net assets were already classified under available-for-sale assets at 31 December 2014, had no significant financial impact on the Group's financial results.

Launch of the new Wild Turkey Master’s Keep limited edition 17-year-old bourbon
In July 2015, Wild Turkey Master’s Keep, a limited edition of Wild Turkey bourbon, was launched on the US and Australian markets.

Outlook

The Group recorded positive growth rates according to all performance indicators in the first half of 2015. Specifically, organic growth in sales and operating profitability was driven positively by the sustained performance of the five global priority brands, which reported an acceleration in performance compared with the first quarter, and by the main developed markets. It should also be highlighted that the profit margins of sales were impacted by the negative effect generated by the sugar business in Jamaica. Stripping out this negative effect, the increase in profitability continued to show the expected signs of improvement on the previous year.

Looking at the year in progress, the Group is confident that it can achieve the expected positive business development. In particular, the Group believes that it can deliver a steady improvement in operating profitability throughout the year.

The environment in which the Group operates is likely to be balanced overall in terms of risks and opportunities for the rest of the year.

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 the statement of cash flows) that are not defined by the IFRS.
These indicators, which are defined as they were in the 2014 annual report, are used to analyse the Group’s performance in the ‘Highlights’ and ‘Interim report on operations’ sections.

Investor information

Global economy

Since the start of the year, on the one hand, economic activities in the main developed markets have continued to consolidate, albeit accompanied by signs of a slowdown due to temporary factors, while on the other, signs of weakness have appeared in some emerging economies.
With regard to economic performance in the key areas for Gruppo Campari's activities, Italian economic activity has picked up since the start of the year, and strengthened during the first six months of the year. Specifically, business confidence indices have improved significantly in the first few months of the year. This improvement has been accompanied by initial signs of an upturn in investment, especially in the transport sector, but also in the building sector, which showed the first signs of growth since its virtually uninterrupted fall, which started before the financial crisis. Despite the slight decrease in consumption at the start of the year, household confidence remains high. Overall, domestic demand has shown signs of recovering and has again started to contribute to growth. These trends have been accompanied by an improvement in employment prospects since unemployment stabilised. Moreover, employment resumed moderate growth – especially in April and May – boosted partly by the recent measures introduced by the government. Monetary expansion is gradually having a positive impact on corporate lending conditions. Obstacles to the provision of loans to companies are easing, although the sheer volume of impaired loans is acting against this. Foreign trade has increased, mainly due to the support of domestic demand, while exports have remained at a standstill. However, the qualitative indicators forecast a rosy outlook for foreign orders (source: Bank of Italy). In the first quarter of 2015, GDP grew by 0.3% on the previous quarter (source: ISTAT).
Overall, the cyclical recovery is expected to strengthen gradually, based substantially on monetary expansion, credit normalisation and the government's determination to press on with reforms. Risks to growth are mainly expected to come from the global and European economic situation and, in particular, any slowdown in the emerging economies (source: Bank of Italy).

The Eurozone recovery has continued, although it has been accompanied by weak inflation, which has been affected by falling energy prices. In order to adjust inflation to the monetary policy objectives consistent with price stability, the Governing Council of the ECB has continued with its programme of unconventional measures, expanding the securities purchase program, which was initially limited to covered bonds and asset-backed securities, to include public sector securities from March 2015. In the first quarter of 2015, Eurozone GDP increased at the same rate as in the previous quarter (+0.4%), supported by household and corporate spending. Economic activity in Germany continued to increase although at a slower pace; consumer spending grew but was partly offset by import growth. In France, GDP continued to expand, reaping the benefits of more sustained consumer spending by households and the easing of the fall in investment. On the basis of the information available, economic growth in the Eurozone picked up pace in the second quarter, with relatively uniform performances between countries. With regard to the rest of Europe, economic activity in the UK slowed to 1.5% in the first quarter of 2015, suffering from weak exports and stronger imports (source: Bank of Italy).
Turning to other international markets, in the US, following on from the decrease in growth in the fourth quarter of 2014, GDP recorded a fall in the first quarter of 2015 (-0.2%), under the impact of temporary factors that curbed investment and exports. Employment resumed growth at a sustained pace and, in June, unemployment fell to 5.3%, the same rate as before the crisis (source: *Bureau of Labor Statistics*). Economic activity is expected to have strengthened during the second quarter.
With regard to the main emerging economies, in Russia GDP continued to slow in the first quarter (-1.9% in the same period last year), despite the partial recovery in oil prices. GDP trends are also slowing in other important emerging economies, including Brazil, where monetary conditions continue to be tightened, and confidence has deteriorated further. Chinese GDP fell back to 7.0% in the first quarter, suffering from the slowdown in foreign demand and the weakness in construction investment. For the time being, the real economy has not been affected by the large fluctuations in the equities market, given the secondary role it plays in the economy's funding.
Overall, the prospects are for a slight slowdown in global growth in 2015 (source: International Monetary Fund), accompanied by less uncertainty on the Eurozone recovery and a number of risk factors such as oil price trends, the pace of official rate hikes in the US and uncertainty surrounding some emerging economies.

Financial markets

After an improvement in the market conditions of the advanced economies at the start of the year, marked by a reduction in volatility and a strengthening of stock prices, especially in Europe and Japan following the announcement of more expansionary monetary policies, the trend reversed in mid-April. Specifically, long-term interest rates started to rise again, as a result of improved inflation and growth prospects. While remaining high, stock prices experienced an increase in volatility and a partial correction, suffering temporarily from the uncertainty surrounding the Greece situation.
In the bond segment, corporate risk premiums rose for both Euro-denominated and USD-denominated bonds.
Although conditions had improved by the start of the year, the financial markets suffered capital outflows and a reduction in stock prices during the six months.
After experiencing a significant improvement in the first few months of the year, marked by a sharp increase in stock prices and reduced volatility, the Italian financial markets underwent a partial correction in the second quarter. Following the substantial fall recorded at the start of the year, yields on Italian government bonds started to head higher from April onwards, showing the influence of the rise in German yields. Stock prices recorded significant losses, affected first by the fall in government bond yields and then by the greece situation.
In the first half of 2015, the FTSE MIB and FTSE Italia All Shares indices rose by 18.1% and 19.1% respectively. The MSCI Europe index closed with a gain of 9.9%, while in the US the S&P 500 index increased by 0.2%.

On the exchange rate front, in the first few months of the year, the Euro continued on its path of depreciation, embarked on in May 2014, reflecting the loosening of monetary policy. In the second quarter, the currency recovered slightly, recording a gain. During the first half of 2015, all the major currencies used by Gruppo Campari, except for the Brazilian Real, rose against the Euro. Compared with 31 December 2014, the following currencies rose: US Dollar (8.5%), Jamaican Dollar (6.4%), Russian Rouble (16.0%), Swiss Franc (15.5%) and UK Pound (9.5%). However, of the currencies that depreciated against the Euro, the Brazilian Real fell by 7.2%.

Spirits sector

In 2015, the Stoxx Europe 600 Food&Beverage index increased by 9.3%, underperforming the MSCI Europe market index by 0.6%.
In the first half of 2015, the performances of the companies in the spirits sector showed varying patterns.
Overall, the spirits sector continued to show positive growth in demand, driven by the ongoing rise in the demand for premium products, which bear the hallmarks of authenticity, origin and craftsmanship.
In the US, the most important market in the world in terms of size of profits, brown spirits continued to drive increases in volume and price. Specifically, the categories showing the strongest growth included American whiskey, due to the rediscovery of Canadian and Scotch whiskies. Strong growth is also being enjoyed by flavoured whiskies. Initially launched on the market in a limited number of versions, these whiskies are now available in a significantly expanded range of flavours. The other categories showing growth are tequilas and aged rum, in response to the trend for premium products, driven by the increasing demand for such products. Bitter aperitifs are also showing growth, driven by a return of interest in traditional cocktails. Furthermore, with regard to the US market, it should be noted that the important category of vodka, although continuing to show positive growth, is still under significant price pressure due to fierce competition. The flavoured vodka category continues to show a decline in growth rates. In other developed markets, such as the UK and continental Europe, consumption of brown spirits has continued to grow, albeit in a more mature environment than in North America. Moreover, emerging markets such as China, India, Africa and Latin America, are witnessing growing demand for premium products, which has been generated by ongoing improvements in socio-economic conditions at local level. In the Chinese market, it should be noted that, even though the sector's performance benefited from the later Chinese New Year, the market continues to suffer from the introduction of austerity measures that have significantly reduced consumption of imported premium spirits products (mainly cognac and Scotch whisky).
Recent trends include the development of craft spirits – products distilled and bottled locally by independent distilleries. This phenomenon originated in the US, resulting in the expansion of the other mature markets and emerging markets for the whisky, vodka and gin categories. The major sector players have reacted to this trend by stepping up the creation of limited editions, especially in the American whiskey category, fuelling the trend for premium products.
Medium- to long-term expectations regarding the performance of sector companies remain positive. Spirits stocks continue to benefit from better growth expectations than other consumer goods sectors; this is also reflected in valuations, which are at a premium to market indices. In addition, expectations regarding future M&As in the spirits industry remain upbeat, and continue to positively impact stock prices.

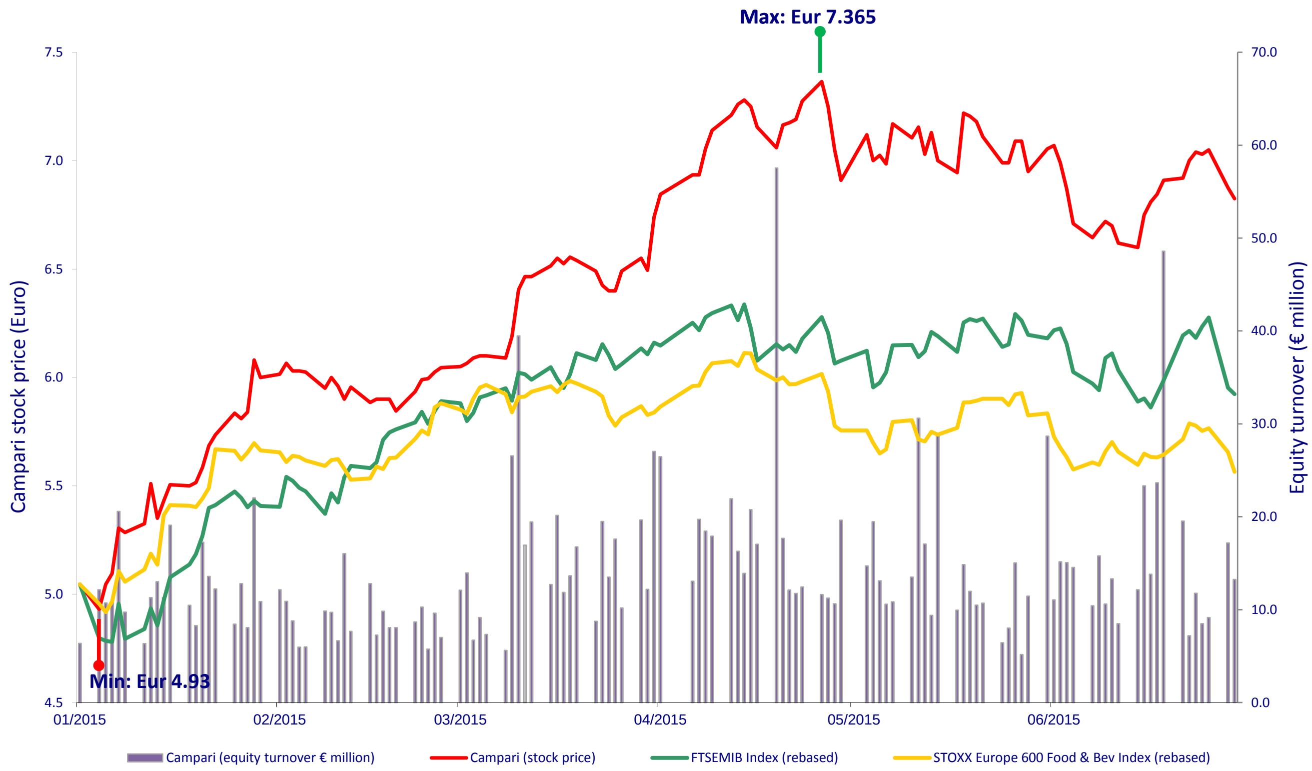
Davide Campari-Milano S.p.A. stock

In the economic, industry and financial market context described above, in 2015, the Campari stock price benefited from the announcement of 2014 financial results in line with expectations: added to this were the positive results obtained in the first quarter of 2015, due to a favourable mix of sales, driven by the five global priority brands and by the main developed markets. Moreover, the stock price was positively impacted by a rosy forecast for future business growth, supported by, among other things, a favourable environment for raw materials costs and exchange rates for the Group's main currencies. Some of the other factors that influenced the Campari stock price are the successful closing of the sales of the Limoncetta di Sorrento brand in Italy and the Federated Pharmaceutical in Jamaica, and the sale of the Enrico Serafino winery in June. These transactions, even if not material for the Group, confirm the strategy aims to further strengthen its focus on the strategically important and high-margin spirits portfolio, including through the rationalisation of non-core activities. Towards the end of the first half, the stock price was slightly affected by the volatility and fall in stock prices, mainly caused by the uncertainties surrounding the Greece situation.

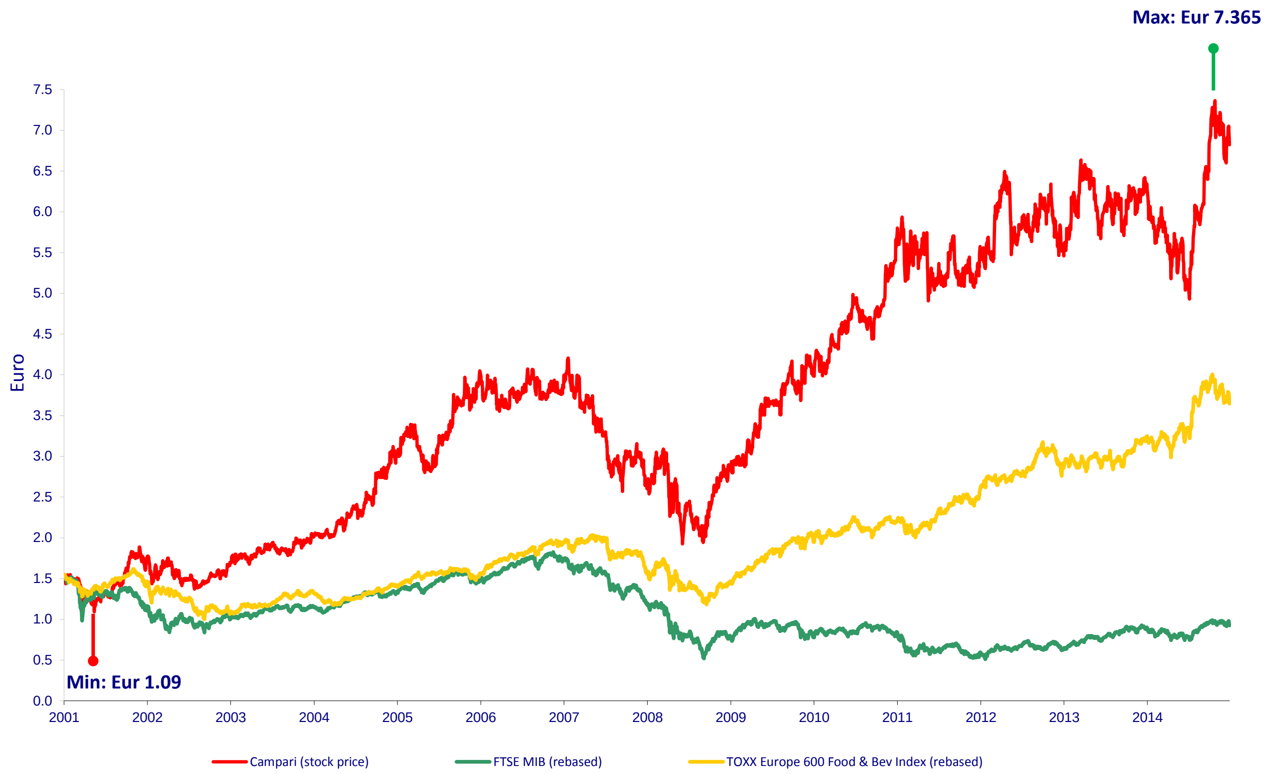
In the first half of 2015, the Campari stock price increased 32.3% in absolute terms, with total shareholder return (TSR) up 33.8%. The Campari stock price outperformed the FTSE MIB by 14.1%. The stock outperformed the STOXX Europe 600 Food&Beverage index by 22.9% in the period from 1 January to 30 June 2015, and outperformed the MSCI Europe sector index by 22.3%.
For 2015, the minimum and maximum closing prices of € 4.93 and € 7.365 were recorded on 5 January 2015 and 27 April 2015 respectively. An average of 2.2 million Campari shares were traded daily on the market managed by Borsa Italiana S.p.A. in 2015, with an average daily value of € 14.1 million. At 30 June 2015, Campari's market capitalisation was € 4.0 billion.

From the date of the initial public offering (IPO) to 30 June 2015, the Campari stock price increased in absolute terms by 340.3% (an average of 11.2% per year), with total shareholder return (TSR) up 403.4% (an average of 12.2% per year). The Campari stock price increased 380.6% against the FTSE MIB. The stock outperformed the STOXX Europe 600 Food&Beverage index by 205.1% in the period from listing to 30 June 2015, and outperformed the MSCI Europe sector index by 336.0%.

The performance of the Campari stock and the main benchmark indices from 1 January 2015 to 30 June 2015



The performance of the Campari stock and the main benchmark indices from listing (2001) to 30 June 2015



Notes:
Figures up to 2009 have been adjusted to reflect the changes in share capital between 2005 and 2009.
The STOXX Europe 600 Food &Beverage Price Index is a capitalisation-weighted index which includes European companies operating in the food and beverage industry.

Shareholder base

The table below shows the major shareholders at 30 June 2015.

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%

(1) Shareholders who have notified Consob and Davide Campari-Milano S.p.A. that they have interests of over 2% (pursuant to article 117 of Consob Regulation 11971/99 on notification of significant investments).
(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 2015, the shareholders' meeting approved the full-year results for 2014 and agreed the payment of a dividend of € 0.08 per share (unchanged from the dividend paid for 2013).
In compliance with the Italian Stock Exchange calendar, the dividend payment date was 20 May 2015 (payment date), with an ex-date (coupon no. 12) of 18 May 2015, in accordance with the Italian Stock Exchange calendar, and a record date of 19 May 2015.

Loyalty shares

After the closing of the year to 31 December 2014, it should be noted that on 28 January 2015, as mentioned in the paragraph relating to events taking place after the end of the year, the extraordinary shareholders' meeting of Davide Campari-Milano S.p.A. approved by a large majority a proposal to amend the articles of association to introduce loyalty shares. The proposal was approved with a vote in favour of 76.1% of the share capital represented at the shareholders' meeting, corresponding to 61.8% of the share capital of Davide Campari-Milano S.p.A.

On 9 April 2015, 368,251,204 shares (63.4% of the share capital of Davide Campari-Milano S.p.A) were registered on the special list for entitlement to increased voting rights (loyalty share). These shares belong to a total of 72 shareholders. Pursuant to article 143-*quater*, paragraph 5, of Consob Regulation 11971/99, the following list of shareholders with an interest of over 2% in the share capital of Davide Campari-Milano S.p.A. were entered in the special register on 9 April 2015 for entitlement to increased voting rights (loyalty share):

Declarant	Date of registration to the list of shares with double voting rights	Shares for which double voting rights have been requested	Total shares owned
Alicros S.p.A.	09 April 2015	296,208,000 shares (51.000% of share capital)	296,208,000 shares (51.000% of share capital)
Cedar Rock Capital	09 April 2015	54,315,737 shares (9.352% of share capital)	62,936,560 shares (10.836% of share capital)

The new Article 6 of the articles of association and the related Regulation on the special list for double voting rights, approved by the Board of Directors, define the terms and conditions for registration on the list and for requesting removal from it.
For more detailed information on this subject, see the report prepared by the Board of Directors, and the Regulation on the special list for double voting rights, which is published on the Company's website (www.camparigroup.com/it/governance/loyalty-shares).

Information on the Campari stock and valuation indicators

The table below shows the performance of the Campari stock and the main valuation indicators used by Gruppo Campari since the IPO.

Year		Minimum price	Maximum price	Average price	Price at 31 December	Change in the Campari stock	Change in FTSE MIB	Average daily trading volume	Average daily trading value	Stock market capitalisation at 31 December
		€	€	€	€	%	%	millions of shares	€ million	€ million
2015	(2)	4.93	7.37	6.47	6.83	+32.3%	+18.1%	2.2	14.1	3.964
2014		5.04	6.42	5.89	5.16	-15.1%	+0.2%	1.4	8.0	2.997
2013		5.46	6.64	6.00	6.08	+4.8%	+16.6%	1.3	7.9	3,531
2012		5.08	6.50	5.55	5.80	+12.7%	+7.8%	1.7	9.6	3,369
2011		4.44	5.94	5.17	5.15	+5.6%	-25.2%	2.0	10.6	2,988
2010		3.51	4.99	4.15	4.87	+33.5%	-13.2%	1.9	7.6	2,828
2009		1.94	3.71	2.82	3.65	+52.1%	+19.5%	1.6	4.5	2,118
2008		1.93	3.30	2.78	2.40	-26.8%	-49.5%	1.3	3.7	1,394
2007		3.25	4.21	3.77	3.28	-12.8%	-7.0%	1.5	5.8	1,904
2006		3.14	4.05	3.66	3.76	+20.5%	+16.0%	1.2	4.4	2,183
2005		2.24	3.39	2.86	3.12	+32.0%	+15.5%	1.0	2.8	1,812
2004		1.79	2.39	2.02	2.37	+22.9%	+14.9%	0.9	1.7	1,374
2003		1.37	1.93	1.65	1.93	+28.2%	+14.4%	0.8	1.3	1,118
2002		1.27	1.89	1.58	1.50	+13.8%	-27.3%	1.1	1.7	871
2001	(1)	1.09	1.55	1.36	1.32	-14.9%	-14.1%	1.4	2.1	767

(1) Listing on the Italian Stock exchange (MTA) took place on 6 July 2001. Average daily volume and average daily trading value excluding first week of trading.
(2) Figures as at 30 June 2015.

The table below shows information on dividends paid on the Campari stock since the IPO.

Year	Number of shares authorised and issued at 31 December	Number of adjusted shares at 31 December (1)	Number of shares with dividend rights (2)	Gross dividend per share (€) (3)	Total dividend (€ million) (4)
2014	580,800,000	580,800,000	571,250,000	0.080	45.7
2013	580,800,000	580,800,000	576,009,862	0.080	46.1
2012	580,800,000	580,800,000	569,257,224	0.070	39.8
2011	580,800,000	580,800,000	578,636,980	0.070	40.5
2010	580,800,000	580,800,000	576,672,284	0.060	34.6
2009	290,400,000	580,800,000	576,380,506	0.060	34.6
2008	290,400,000	580,800,000	576,380,506	0.055	31.7
2007	290,400,000	580,800,000	578,711,092	0.055	31.8
2006	290,400,000	580,800,000	580,798,906	0.050	29.0
2005	290,400,000	580,800,000	562,712,026	0.050	28.1
2003	29,040,000	580,800,000	560,800,000	0.044	24.7
2002	29,040,000	580,800,000	560,800,000	0.044	24.7
2001	29,040,000	580,800,000	560,800,000	0.044	24.7

(1) Stock information prior to the dates on which changes were made to the amount of share capital has been adjusted to take into account the new composition of share capital as described below:

- Ten-for-one share split effective as at 9 May 2005;
- 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.

(2) Excluding own shares held by Davide Campari-Milano S.p.A. (at ex-date).

(3) For 2014, the dividend approved by the shareholders' meeting on 30 April 2015.

(4) Total dividend distributed for the year excluding own shares (at the ex-date).

The table below shows information on the main valuation indicators for the Campari stock since the IPO.

Year	earnings per share(1)	price/ shareholders' equity	price/ net profit	dividend/net profit (2)	pividend/ price per share (2)
2014	0.22	1.90	23.1	35.3%	1.6%
2013	0.26	2.53	23.6	30.8%	1.3%
2012	0.27	2.35	21.4	25.4%	1.2%
2011	0.27	2.19	18.7	25.4%	1.4%
2010	0.27	2.26	18.0	22.1%	1.2%
2009	0.24	2.02	15.3	25.2%	1.6%
2008	0.22	1.46	11.0	25.1%	2.3%
2007	0.22	2.17	15.2	25.4%	1.7%
2006	0.21	2.74	18.3	24.8%	1.3%
2005	0.21	2.61	14.9	23.8%	1.6%
2004	0.17	2.20	13.7	29.0%	2.1%
2003	0.14	2.04	14.0	35.6%	2.3%
2002	0.15	1.82	10.1	30.9%	2.9%
2001	0.11	1.78	12.1	38.9%	3.3%

(1) Up to 2004, Italian Accounting Standards; from 2005 IAS/IFRS.

(2) For 2014, the dividend approved by the shareholders' meeting on 30 April 2015.

Investor relations

Campari has adopted a communications policy aimed at financial market operators which is intended to provide complete, accurate and timely information on the Company's results, corporate initiatives and strategies, while complying with the relevant confidentiality requirements for certain types of information.

During the first half of 2015, 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 and outside Europe, including in 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, can also be viewed using new interactive tools. A new Governance section provides all the information relating to the Company's corporate governance system, corporate bodies and shareholders' meetings. Specifically, following approval of the proposed changes to the articles of association in order to introduce loyalty share, a dedicated section on loyalty share was created, containing all documentation relating to this topic. 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 email to investor.relations@campari.com.

Condensed half-year report

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, while 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 2015 € million	*of which: related parties € million*	First half 2014 € million	*of which: related parties € million*
Net sales	9	**757.9**		**686.1**	
Cost of goods sold	10	(345.7)		(320.6)	
Gross profit		**412.2**		**365.5**	
Advertising and promotional costs		(124.9)		(111.7)	
Contribution margin		**287.3**		**253.8**	
Overheads	11	(145.7)	*0.1*	(132.6)	
of which: non-recurring	*13*	*2.9*		*(3.2)*	
Operating result		**141.6**	***0.1***	**121.2**	
Financial income (charges)	14	(28.2)		(29.9)	
of which: non-recurring		*(0.2)*		*(0.7)*	
Profit before tax		**113.3**	**-**	**91.3**	
Taxes	15	(35.0)		(33.7)	
Profit for the period		**78.3**	**-**	**57.6**	
Profit for the period attributable to:					
Parent Company shareholders		77.9		57.3	
Non-controlling interests		0.3		0.3	
Basic earnings per share (€)		0.13		0.10	
Diluted earnings per share (€)		0.13		0.10	

Consolidated statement of comprehensive income

	Notes	First half 2015 € million	First half 2014 € million
Profit for the period (A)		**78.3**	**57.6**
B1) Items that may be subsequently reclassified to profit or loss			
Cash flow hedge:			
Profit (loss) for the period		4.1	(1.1)
Less: profits (losses) reclassified to the separate income statement		0.2	0.6
Net gains (losses) from cash flow hedge		3.9	(1.7)
Tax effect		(1.1)	0.4
Cash flow hedge	26	2.8	(1.3)
Conversion difference	26	90.9	3.3
Total: items that may be subsequently reclassified to profit or loss (B1)		**93.8**	**2.0**
B2) Items that may not be subsequently reclassified to profit or loss			-
Remeasurement reserve for defined benefit plans		-	-
Profit (loss) for the period		1.0	(1.1)
Tax effect			-
Remeasurement reserve for defined benefit plans	26	1.0	(1.1)
Total: items that may not be subsequently reclassified to profit or loss (B2)		**1.0**	**(1.1)**
Other comprehensive income (expense) (B=B1+B2)		94.8	0.9
Total comprehensive income (A+B)		**173.1**	**58.5**
Attributable to:			
Parent Company shareholders		172.8	58.2
Non-controlling interests		0.3	0.3

Consolidated statement of financial position

	Notes	30 June 2015 € million	*of which: related parties* € million	31 December 2014 (*) € million	*of which: related parties* € million
ASSETS					
Non-current assets					
Net tangible fixed assets	16	444.1		435.2	
Biological assets	17	16.7		17.5	
Investment property	18	0.8		0.8	
Goodwill and brands	19	1,922.3		1,842.2	
Intangible assets with a finite life	20	30.3		29.8	
Investments in affiliates and joint ventures		-		0.7	
Deferred tax assets	15	23.9		21.9	
Other non-current assets	21	67.5	*2.2*	56.7	*2.2*
Total non-current assets		**2,505.7**	***2.2***	**2,404.7**	***2.2***
Current assets					
Inventories	22	538.2		477.0	
Current biological assets	22	1.2		4.1	
Trade receivables		271.5		313.6	
Short-term financial receivables	23	25.6		22.8	
Cash and cash equivalents	24	270.1		230.9	
Current tax receivables	30	7.8	*0.9*	13.0	*0.2*
Other receivables		36.1		26.7	*0.0*
Total current assets		**1,150.5**	***0.9***	**1,088.2**	***0.2***
Assets held for sale	25	7.9		21.9	
Total assets		**3,664.0**	***3.1***	**3,514.8**	***2.5***
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	26	58.1		58.1	
Reserves		1,600.1		1,516.8	
Parent Company's portion of shareholders' equity		1,658.2		1,574.8	
Non-controlling interests: shareholders' equity		5.4		5.1	
Total shareholders' equity		**1,663.6**		**1,579.9**	
Non-current liabilities					
Bonds	27	1,027.5		1,086.9	
Other non-current liabilities	27	11.5		25.8	
Defined benefit plans		8.6		9.4	
Provision for risks and charges	29	30.2		36.4	
Deferred tax liabilities	15	291.1		264.8	
Total non-current liabilities		**1,368.9**		**1,423.2**	
Current liabilities					
Payables to banks	28	80.2		36.7	
Other financial payables	28	228.0		117.4	
Payables to suppliers		189.7		223.2	
Current payables to tax authorities	30	6.1	*4.6*	4.9	*1.0*
Other current liabilities		127.6	*8.4*	127.8	*3.8*
Total current liabilities		**631.5**	***13.1***	**509.9**	***4.7***
Liabilities held for sale	25	-		1.7	
Total liabilities		**2,000.4**	***13.1***	**1,934.8**	***4.7***
Total liabilities and shareholders' equity		**3,664.0**	***13.1***	**3,514.8**	***4.7***

(*) The figures at 31 December 2014 are different from those shown in the 2014 Annual Report due to the changes described in note 6-Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014.

Consolidated statement of cash flows

	Notes	30 June 2015 € million	30 June 2014 € million
Operating result		**141.6**	**121.2**
Adjustments to reconcile operating profit and cash flow:			
Depreciation/amortisation	16	23.1	18.8
Gains on sales of fixed assets	16	(5.2)	(0.5)
Write-downs of tangible fixed assets	16	0.2	0.4
Accruals of provisions		0.4	0.4
Utilisation of provisions		(10.4)	(1.2)
Other non-cash items		4.6	4.5
Change in net operating working capital		(24.6)	(48.8)
Other changes in non-financial assets and liabilities		(8.0)	4.1
Income taxes paid		(23.6)	(21.6)
Cash flow from (used in) operating activities		**98.0**	**77.3**
Purchase of tangible and intangible fixed assets	16-17-20	(22.0)	(18.4)
Capital grants received		0.2	0.2
Proceeds from disposals of tangible fixed assets		1.7	4.1
Changes in receivables and payables from investments		(0.2)	0.4
Acquisitions and sales of companies or business divisions	7	26.1	(217.9)
Cash and cash equivalents at acquired companies	7	-	32.2
Purchase and sale of brands and rights		-	(4.0)
Put option and earn-out payments		(0.3)	(0.2)
Interest income		2.6	2.5
Net change in securities	23	1.8	20.0
Dividends received		0.3	0.2
Other changes		(0.1)	0.3
Cash flow from (used in) investing activities		**10.2**	**(180.6)**
Use of revolving loan facility	28	40.0	-
Repayment of Campari America private placements	28	-	(29.3)
Other repayment of medium- and long-term debt		(12.4)	(0.2)
Net change in short-term payables and loans to banks		12.5	30.0
Interest expenses		(13.2)	(13.2)
Change in other financial payables and receivables		2.7	(10.5)
Purchase and sale of own shares	26	(48.6)	1.3
Dividends paid to minority shareholders		-	(0.3)
Dividends paid out by the Parent Company	26	(45.7)	(46.1)
Cash flow from (used in) financing activities		**(64.7)**	**(68.3)**
Effect of exchange rate differences on net operating working capital		(27.6)	(0.9)
Other exchange rate differences and other changes in shareholders' equity		23.3	1.0
Exchange rate differences and other changes in shareholders' equity		**(4.3)**	**0.1**
Net change in cash and cash equivalents: increase (decrease)		**39.2**	**(171.4)**
Cash and cash equivalents at start of period	24	230.9	444.2
Cash and cash equivalents at end of period	24	270.1	272.8

Statement of changes in consolidated shareholders' equity

		Attributable to Parent Company shareholders					Total net attributable to minorities: net amount	Total net Net total
		Share capital	Legal reserve	Retained earnings	Other reserves	Total		
	Notes	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Balance at 31 December 2014		**58.1**	**11.6**	**1,532.5**	**(27.3)**	**1,574.8**	**5.1**	**1,579.9**
Reimbursement of share capital to minorities		-	-	-	-	-	-	-
Dividend payout to Parent Company shareholders	26	-	-	(45.7)	-	(45.7)	-	(45.7)
Own shares acquired	26	-	-	(70.1)	-	(70.1)	-	(70.1)
Own shares sold	26	-	-	21.5	-	21.5	-	21.5
Stock options	31	-	-	5.8	(1.0)	4.7	-	4.7
Other changes		-	-	0.5	(0.3)	0.2	-	0.2
Profit for the period		-	-	77.9	-	77.9	0.3	78.3
Other comprehensive income (expense)		-	-	-	94.8	94.8	-	94.8
Total comprehensive income		-	-	77.9	94.8	172.8	0.3	173.1
Balance at 30 June 2015		**58.1**	**11.6**	**1,522.3**	**66.2**	**1,658.2**	**5.4**	**1,663.6**

	Attributable to Parent Company shareholders					Total net attributable to minorities: net amount	Total net Net total
	Share capital	Legal reserve	Retained earnings	Other reserves	Total		
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Balance at 31 December 2013	**58.1**	**11.6**	**1,453.8**	**(131.9)**	**1,391.6**	**4.5**	**1,396.1**
Dividend payout to Parent Company shareholders	-	-	(46.1)	-	(46.1)	-	(46.1)
Own shares acquired	-	-	(5.3)	-	(5.3)	-	(5.3)
Own shares sold	-	-	6.6	-	6.6	-	6.6
Stock options	-	-	1.2	2.2	3.5	-	3.5
Change in basis of consolidation			-	-	-	0.3	0.3
Profit for the period	-	-	57.3	-	57.3	0.3	57.6
Other comprehensive income (expense)	-	-	-	0.9	0.9	-	0.9
Total comprehensive income	-	-	57.3	0.9	58.2	0.3	58.5
Balance at 30 June 2014	**58.1**	**11.6**	**1,467.6**	**(128.8)**	**1,408.5**	**5.1**	**1,413.5**

Notes to the financial statements

1. General information

Davide Campari-Milano S.p.A. is a company listed on the Mercato Telematico (screen-based market) of Borsa Italiana, with registered office at Via Franco Sacchetti 20, 20099, Sesto San Giovanni (Milan), Italy.
The publication of this half-year report at 30 June 2015, which was subject to a limited audit, was authorised by the Board of Directors on 4 August 2015.
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).
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 at 31 December 2014, except for the changes described in Note 3 ‘Changes in accounting standards’ below.
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 at 31 December 2014.
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 Gruppo Campari, the income statement is classified by function, and the statement of financial position shows current and non-current assets and liabilities separately.
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 2015, 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 2015.
Lastly, with reference to the requirements of Consob Resolution 15519 of 27 July 2006 in relation to financial statements, the income statement and statement of financial position contain columns providing information on any 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 of 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.

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

The following changes in the basis of consolidation, resulting from corporate acquisitions and the creation of new companies, took place:

- As part of the ongoing rationalisation of the Group's structure, Enrico Serafino S.r.l. was sold on 30 June 2015. The operation had no significant impact on the Group's consolidated income statement.
- In the first half of 2015, the commercial operations of J. Wray & Nephew (UK) Ltd were taken over by Glen Grant Ltd. J. Wray & Nephew (UK) Ltd was placed in liquidation during the same period.
- The merger of Wray & Nephew (Canada) Ltd and Forty Creek Distillery Ltd was completed in the first half of 2015.
- On 27 March 2015, the process to liquidate the subsidiary J. Wray y Sobrino de Costa Rica S.A. was completed.

The table below lists the companies included in the basis of consolidation at 30 June 2015.

Name, activity	Head office	Share capital at 30 June 2015		% owned by Parent Company		
		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	€	700,000	100.00		
Campari Services S.r.l., services company	Via Franco Sacchetti, 20 Sesto San Giovanni	€	160,000	100.00		
Sella & Mosca S.p.A., manufacturing, trading and holding company	Località I Piani, Alghero	€	6,180,000	100.00		
Campari Wines S.r.l., trading company	Località I Piani, Alghero	€	100,000	100.00		
Zedda Piras S.r.l., manufacturing company	Località I Piani, Alghero	€	90,440	100.00		
Teruzzi & Puthod S.r.l., manufacturing company	Località Casale 19, San Gimignano	€	90,440	100.00		
Fratelli Averna S.p.A., manufacturing and trading company	Via Xiboli, 345, Caltanisetta	€	3,900,000	100.00		
Casoni Fabbricazione Liquori S.p.A., manufacturing and trading company	Via Venezia, 5/A, Finale Emilia	€	929,594		100.00	Fratelli Averna 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 Méterologie, 10, Brussels	€	246,926,407	61.00	39.00	Glen Grant Ltd
Campari Deutschland GmbH, trading company	Bajuwarenring 1, Oberhaching	€	5,200,000		100.00	DI.CI.E. Holding B.V.
Campari España S.L., holding and manufacturing company	Calle de la Marina 16-18, planta 28, Barcelona	€	3,272,600	100.00		
Campari International S.A.M., trading company	14 Boulevard des Moulins, Monaco	€	70,000,000 [1]		100.00	DI.CI.E. Holding B.V.
Campari RUS OOO, trading company	2nd Yuzhnoportoviy proezd 14/22, Moscow	RUB	2,010,000,000		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 LLC, trading company	8, Illinska Street, 5th Floor, Block 8 and 9, Kiev	UAH	58,496,209		100.00	DI.CI.E Holding B.V. (99%), Campari RUS OOO (1%)
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 [1]		100.00	Glen Grant Ltd
Kaloyiannis - Koutsikos Distilleries S.A., manufacturing and trading company	6 & E Street, A' Industrial Area, Volos	€	6,811,220		75.00	DI.CI.E. Holding B.V.
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.
Stepanow S.R.O., manufacturing and trading company	07651 Pribenìk 111, Slovakia	€	1,334,605		100.00	Casoni Fabbricazione Liquori S.p.A. (83.28%), non-controlling interests (16.72%)

Name, activity	Head office	Share capital at 30 June 2015		% owned by Parent Company		
		Currency	Amount	Direct	Indirect	Direct shareholder
Americas						
Campari America LLC, manufacturing and trading company	1255 Battery Street, Suite 500, San Francisco	USD	566,321,274	100.00		
Campari Argentina S.A., manufacturing and trading company	Avenida Corrientes, 222 - 3rd Floor, Buenos Aires	ARS	301,485,930		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	BRL	239,778,071	100.00		
Campari Mexico S.A. de C.V., manufacturing and trading company	Avenida Americas 1592 3er Piso ol. Country Club, Guadalajara, Jalisco	MXN	818,932,900		100.00	DI.CI.E. Holding B.V.
Campari Peru SAC, trading company	Avenida Santo Toribio 115, Edificio Tempus, Piso 5, San Isidro, Lima	PEN	2,905,752		100.00	Campari Espãna S.L. (99,00%), Campari do Brasil Ltda. (1.00%)
Gregson's S.A., brand holder	Andes 1365, Piso 14, Montevideo	UYU	175,000 [(1)]		100.00	Campari do Brasil Ltda.
J. Wray & Nephew Ltd, manufacturing and trading company	234, Spanish Town Road, Kingston	JMD	600,000		100.00	Campari Espãna S.L.
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%)
Forty Creek Distillery Ltd, manufacturing and trading company	297 South Service Road West, Grimsby	CAD	100		100.00	DI.CI.E. Holding B.V.
Other						
Campari (Beijing) Trading Co. Ltd, trading company	Xingfu Dasha Building, Block B, Room 511, 3 Dongsanhuan BeiLu, Chaoyang District, Beijing	RMB	65,300,430		100.00	DI.CI.E. Holding B.V.
Campari Australia Pty Ltd, manufacturing and trading company	Level 10, Tower B, 207 Pacific Highway, St Leonards, Sydney	AUD	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.
Campari New Zealand Ltd, trading company	C/o KPMG 18, Viaduct Harbour Av., Maritime Suar	NZD	10,000		100.00	Campari Australia Pty Ltd
Campari Singapore Pte Ltd, trading company	16 Raffles Quay # 10-00, Hong Leong Building, Singapore	SGD	100,000		100.00	Campari Australia Pty Ltd

[(1)] Company in liquidation.

Exchange rates used in translation of financial statements in foreign currency

The exchange rates used for conversion transactions are shown below.

	30 June 2015		31 December 2014		30 June 2014	
	average rate	end-of-period rate	average rate	end-of-period rate	average rate	end-of-period rate
US Dollar	1.116	1.119	1.329	1.214	1.370	1.366
Canadian Dollar	1.377	1.384	1.467	1.406	1.503	1.459
Swiss Franc	1.056	1.041	1.215	1.202	1.221	1.216
Brazilian Real	3.307	3.470	3.123	3.221	3.150	3.000
Uruguayan Peso	28.635	30.229	30.840	29.586	30.931	31.254
Chinese Renminbi	6.941	6.937	8.188	7.536	8.451	8.472
UK Pound	0.732	0.711	0.806	0.779	0.821	0.802
Japanese Yen	134.139	137.010	140.369	145.230	140.392	138.440
Argentine Peso	9.839	10.165	10.778	10.276	10.747	11.107
Mexican Peso	16.883	17.533	17.664	17.868	17.978	17.712
Australian Dollar	1.426	1.455	1.472	1.483	1.499	1.454
Ukrainian Hryvnia	23.902	23.541	15.864	19.206	14.361	16.047
Russian Rouble	64.625	62.355	51.031	72.337	48.020	46.378
South African Rand	13.297	13.642	14.408	14.035	14.677	14.460
Jamaican dollar	128.749	130.511	147.294	138.802	149.454	152.755
New Zealand Dollar	1.506	1.655	1.600	1.553	1.615	1.563

3. Changes in accounting standards

The accounting standards adopted by the Group are the same as those applied to the annual financial statements at 31 December 2014, with the exception of those set out below.

Accounting standards, amendments and interpretations not yet ratified that have not been adopted in advance

IFRS 9-Financial Instruments (applicable from 1 January 2018)
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 for 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. Where such investments are not held for trading purposes, changes to fair value may be highlighted in the statement of comprehensive income, keeping only the impact of paying out dividends for the income statement. When the investment is sold, the amounts recorded in the statement of comprehensive income should 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, when 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.
In addition, an amendment was published in November 2013 which introduced three important changes. The most important change relates to hedge accounting, and introduces a new model that incorporates a number of improvements intended to harmonise accounting treatment with the risk management policy operated by the company. The other two changes relate to the period of first-time application of the standard, giving companies the option to adopt the standard immediately and directly recognise the effects of changes in own credit risk on the statement of comprehensive income. The Group is still assessing the potential impact of the new standard and related amendment on its financial assets and liabilities.

IFRS 14-Regulatory Deferral Accounts (applicable from 1 January 2016)
Under the new standard, only first-time adopters of IFRS are allowed to continue to recognise amounts relating to the rate regulation according to the previous accounting principles adopted. In order to improve comparability with entities that already apply IFRS and hence do not recognise such amounts, the standard requires the rate regulation effect to be presented separately from the other items. The new standard is not applicable to the consolidated financial statements.

IFRS 15-Revenue from Contracts with Customers (applicable from 1 January 2017)
The aim of the new standard is to improve the quality and uniformity of revenue recognition and of the comparability of financial statements prepared in accordance with IFRS and US accounting principles. Under the new standard, revenue recognition may no longer be based on the 'earnings' method but on the 'assets-liabilities' method, which focuses on the date that control of the sold asset was transferred. The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

IAS 16-IAS 38-Clarification of Acceptable Methods of Depreciation and Amortisation (applicable from 1 January 2016)
The amendment was issued in May 2014 to clarify that depreciation calculated according to the 'revenue-based method' is not considered appropriate as it reflects only the revenue generated by the asset and not the consumption of the expected future economic benefits embodied in the asset. The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

IFRS 11-Accounting for Acquisitions of Interests in Joint Operations (applicable from 1 January 2016)
The amendment was issued in May 2014 to clarify the accounting treatment for the acquisition of interests in a joint operation that constitutes a business. The amendment requires investors to apply the principles of IFRS 3 relating to business combinations. Specifically, at the time of acquisition of a joint operation, an investor will need to measure the acquired assets and liabilities at fair value, expense the acquisition-related costs, recognise deferred tax arising from the price paid on the values acquired, and recognise the residual from this purchase price allocation as goodwill. The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

IAS 16-IAS 41-Amendments to the standard applicable to assets represented by bearer plants (applicable from 1 January 2016)
The amendment, published in June 2014, changes the measurement method for assets represented by bearer plants, such as grapevines, rubber trees and oil palms. The amendment applies the same accounting method used for property, plant and equipment, and therefore abandons the fair value model pursuant to IAS 41 originally applied to all biological assets. Bearer plants are accounted for in the same way as other productive assets or plant. The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

IFRS 10-IAS 28–Sales or contributions of assets between an investor and its associate/joint venture (applicable from 1 January 2016)
The amendment, published in September 2014, is intended to resolve a conflict between the requirements of IFRS 10 and IAS 28 in the event that an investor sells or contributes a business to an associate or joint venture. The main change introduced by the amendment is that the gain or loss resulting from the loss of control must be recognised in full at the time of the sale or contribution of the business. A partial gain or loss is only recognised in the event of a sale or contribution involving individual assets only. The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

IAS 1-Clarification on disclosure (applicable from 1 January 2016)
The amendment, published in December 2014, introduces a series of clarifications on the concepts of materiality and aggregation, on ways to present partial results in addition to those provided for by IAS 1, on the structure of the notes and on disclosure on significant accounting policies. 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.

IFRS 10-12-IAS 28–Investment Entities: Applying the Consolidation Exception (applicable from 1 January 2016)
The amendment, published in December 2014, provides that entities meeting the definition of 'investment entity' established by the standard are exempt from presenting consolidated financial statements, and should rather measure subsidiaries at fair value as provided for in IFRS 9.
The Group is still assessing the impact of adopting the new standard on its consolidated financial position and profitability.

4. Seasonal factors

Sales of some Gruppo Campari products are affected more 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, mainly around Christmas.
While external factors do not affect sales of these products, the commercial risk for the Group 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 help to substantially reduce any risks relating to seasonal factors.

5. Default risk: negative pledges and debt covenants

The agreements relating to Parent Company bond issues, the Parent Company's revolving credit facility and the Campari America private placements include negative pledges and covenants. If the Group does not comply with the clauses described below, after an observation period in which a breach has not been rectified, it may be served with notice to repay immediately the residual debt. The ratios are monitored by the Group at the end of each quarter.

The negative pledge clauses are intended to limit the Group's ability to grant significant rights over 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 maintain particular levels for certain financial indicators, most notably the ratio of net debt to EBITDA. Net debt is the Group's net financial position calculated at average exchange rates for the previous 12 months; EBITDA is the Group's operating result before depreciation, amortisation and non-controlling interests, pro-rated to take account of acquisitions in the past 12 months. At 30 June 2015, this multiple was 2.9 (unchanged from 31 December 2014).

6. Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014

In June 2014, the Group completed the acquisition of Forty Creek Distillery Ltd and gruppo Averna.
Over the next 12 months, the acquisition values to be allocated were defined. These were published on 30 June 2014 and 31 December 2014, and are described in Note 7 – Business combinations. These changes required the opening balances to be shown differently, as detailed in the following table. The above-mentioned allocation did not have any effect on the income statement for 2014.

In the notes on the asset items affected by the main changes, adjustments to the fair value of assets and liabilities have been shown separately under 'Reclassifications'.

Information on the Report on Operations

Group statement of financial position	31 December 2014		
€ million	Published figures	Reclassifications	Post-reclassification figures
Fixed assets	2,331.9	(5.7)	2,326.2
Other non-current assets and liabilities	(272.2)	5.7	(266.5)
Operating working capital	571.5	-	571.5
Other current assets and liabilities	(72.9)	-	(72.9)
Total invested capital	**2,558.4**	**-**	**2,558.4**
Shareholders' equity	1,579.9	-	1,579.9
Net financial position	978.5	-	978.5
Total financing sources	**2,558.4**	**-**	**2,558.4**

Operating working capital	30 June 2014		
€ million	Published figures	Reclassifications	Post-reclassification figures
Receivables from customers	312.9	(3.2)	309.7
Inventories, of which:			
- maturing inventory	*212.1*	-	*212.1*
- other inventory	*286.0*	*1.0*	*287.0*
Total inventories	498.1	1.0	499.1
Payables to suppliers	(193.4)	0.7	(192.7)
Operating working capital	**617.5**	**(1.5)**	**616.1**

Information provided in the condensed half-year financial statements

	30 June 2014			31 December 2014		
	Published figures	Reclassifications	Post-reclassification figures	Published figures	Reclassifications	Post-reclassification figures
	€ million	€ million	€ million	€ million	€ million	€ million
ASSETS						
Non-current assets						
Net tangible fixed assets	416.4	(6.3)	410.1	441.5	(6.3)	435.2
Biological assets	17.2	-	17.2	17.5	-	17.5
Investment property	1.5	(0.7)	0.8	1.5	(0.7)	0.8
Goodwill and brands	1,762.6	5.7	1,768.2	1,841.0	1.3	1,842.2
Intangible assets with a finite life	27.5	-	27.5	29.8	-	29.8
Investments in affiliates and joint ventures	0.9	-	0.9	0.7	-	0.7
Deferred tax assets	15.8	4.4	20.3	19.1	2.8	21.9
Other non-current assets	48.5	-	48.5	56.7	-	56.7
Total non-current assets	**2,290.4**	**3.1**	**2,293.5**	**2,407.7**	**(2.9)**	**2,404.7**
Current assets						
Inventories	496.3	1.0	497.3	477.0	-	477.0
Current biological assets	1.8	-	1.8	4.1	-	4.1
Trade receivables	312.9	(3.2)	309.7	313.6	-	313.6
Short-term financial receivables	11.3	-	11.3	22.8	-	22.8
Cash and cash equivalents	272.8	-	272.8	230.9	-	230.9
Current tax receivables	9.3	-	9.3	13.0	-	13.0
Other receivables	37.6	-	37.6	26.7	-	26.7
Total current assets	**1,141.9**	**(2.2)**	**1,139.7**	**1,088.2**	**-**	**1,088.2**
Non-current assets held for sale	1.0	-	1.0	21.9	-	21.9
Total assets	**3,433.4**	**0.9**	**3,434.2**	**3,517.7**	**(2.9)**	**3,514.8**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity						
Share capital	58.1	-	58.1	58.1	-	58.1
Reserves	1,350.4	(1.2)	1,349.2	1,516.8	-	1,516.8
Parent Company's portion of shareholders' equity	1,408.5	(1.2)	1,407.3	1,574.8	-	1,574.8
Non-controlling interests: shareholders' equity	5.1	-	5.1	5.1	-	5.1
Total shareholders' equity	**1,413.6**	**(1.2)**	**1,412.3**	**1,579.9**	**-**	**1,579.9**
Non-current liabilities						
Bonds	1,129.3	-	1,129.3	1,086.9	-	1,086.9
Other non-current liabilities	63.4	-	63.4	25.8	-	25.8
Defined benefit plans	9.0	-	9.0	9.4	-	9.4
Provision for risks and charges	31.5	0.5	32.0	37.9	(1.5)	36.4
Deferred tax liabilities	238.1	1.7	239.8	266.2	(1.4)	264.8
Total non-current liabilities	**1,471.2**	**2.2**	**1,473.5**	**1,426.1**	**(2.9)**	**1,423.2**
Current liabilities						
Payables to banks	175.6	-	175.6	36.7	-	36.7
Other financial payables	44.8	-	44.8	117.4	-	117.4
Payables to suppliers	193.4	(0.7)	192.7	223.2	-	223.2
Current payables to tax authorities	13.1	-	13.1	4.9	-	4.9
Other current liabilities	121.7	0.6	122.3	127.8	-	127.8
Total current liabilities	**548.6**	**(0.1)**	**548.4**	**509.9**	**-**	**509.9**
Liabilities held for sale				1.7	-	1.7
Total liabilities	**2,019.8**	**2.1**	**2,021.9**	**1,937.8**	**(2.9)**	**1,934.8**
Total liabilities and shareholders' equity	**3,433.4**	**0.9**	**3,434.2**	**3,517.7**	**(2.9)**	**3,514.8**

7. Business combinations (acquisitions)

In June 2014, the Group completed the acquisition of Forty Creek Distillery Ltd and Gruppo Averna.

In the next 12 months, the definitive acquisition values to be allocated were decided. The fair values of the net assets acquired are shown below. The individual acquisitions and values that have been incorporated in the basis of consolidation are detailed in the following sections.

Acquisition of Forty Creek Distillery Ltd

	provisional fair value at 30 June 2014 € million	adjustments and reclassifications € million	fair value at 30 June 2014 € million
ASSETS			
Non-current assets			
Net tangible fixed assets	10.1	0.2	10.3
Brands	64.1	6.3	70.4
Equity investments in other companies	0.2	-	0.2
Total non-current assets	**74.4**	**6.5**	**81.0**
Current assets		-	-
Inventories	10.8	0.3	11.2
Trade receivables	3.4	-	3.4
Cash and cash equivalents	0.6	-	0.6
Other receivables	0.3	-	0.3
Total current assets	**15.2**	**0.3**	**15.5**
Total assets	**89.6**	**6.9**	**96.5**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	1.8	1.3	3.2
Payables to sellers (purchase price holdback)	6.3	-	6.3
Total non-current liabilities	**8.1**	**1.3**	**9.5**
Current liabilities			
Payables to banks	0.5	-	0.5
Payables to suppliers	1.3	-	1.3
Current payables to tax authorities	8.0	-	8.0
Other current liabilities	0.7	-	0.7
Total current liabilities	**10.5**	**-**	**10.5**
Total liabilities	**18.6**	**1.3**	**2 -**
Net assets acquired	**71.0**	**5.6**	**76.5**
Goodwill generated by acquisition	**48.9**	**(6.8)**	**42.1**
Total cost, of which:	**133.6**	**(1.2)**	**132.4**
Price paid in cash, excluding ancillary costs	*119.9*		*118.7*
Payables to sellers (purchase price holdback)	*6.3*		*6.3*
Tax payables acquired	*7.5*		*7.5*
Net cash position acquired, of which:	*(0.1)*		*(0.1)*
- Cash acquired	*(0.6)*		*(0.6)*
- Financial debt acquired	*0.5*		*0.5*

The table below summarises the changes in values attributed to brands and goodwill generated by the acquisition, including changes arising from the definitive allocation of the acquisition price at 30 June 2015.

€ million	Goodwill	Brands	Total
Provisional fair values published on 30 June 2014	**48.9**	**64.1**	**113.0**
change resulting from the provisional allocation of acquisition values	(6.8)	6.3	(0.4)
Fair values published at 30 June 2014	**42.1**	**70.4**	**112.6**

Acquisition of Fratelli Averna S.p.A.

	provisional fair value at 30 June 2014 € million	adjustments and reclassifications € million	fair value at 30 June 2014 € million
ASSETS			
Non-current assets			
Net tangible fixed assets	18.3	(6.6)	11.8
Investment property	1.1	(0.7)	0.4
Brands	67.6	0.3	67.9
Deferred tax assets	2.6	4.4	7.0
Other non-current financial assets	5.0		5.0
Other non-current assets	1.4	-	1.4
Total non-current assets	**96.0**	**(2.6)**	**93.5**
Current assets			
Inventories	12.7	0.7	13.3
Trade receivables	21.1	(3.2)	17.9
Cash and cash equivalents	31.6	-	31.6
Other receivables	2.3	-	2.2
Total current assets	**67.7**	**(2.6)**	**65.1**
Total assets	**163.7**	**(5.1)**	**158.6**
LIABILITIES			
Non-current liabilities			
Defined benefit plans	2.5	-	2.5
Provision for risks and charges	1.8	0.5	2.3
Deferred tax liabilities	21.3	0.4	21.7
Non-current financial liabilities	15.6	-	15.6
Non-controlling interests	0.3	-	0.3
Total non-current liabilities	**41.5**	**0.9**	**42.4**
Current liabilities			
Payables to banks	25.5	-	25.5
Other financial payables	1.3	-	1.3
Payables to suppliers	14.4	(0.7)	13.7
Current payables to tax authorities	0.5	-	0.5
Other current liabilities	3.7	0.6	4.3
Total current liabilities	**45.4**	**(0.2)**	**45.3**
Total liabilities	**86.9**	**0.7**	**87.7**
Net assets acquired	**76.8**	**(5.9)**	**70.9**
Goodwill generated by acquisition	**21.2**	**5.9**	**27.1**
Total cost, of which:	**103.7**		**103.7**
Price paid in cash, excluding ancillary costs	*98.0*		*98.0*
Net cash position acquired, of which:	*5.7*		*5.7*
- cash acquired	*(36.6)*		*(36.6)*
- financial debt acquired	*42.3*		*42.3*

The table below summarises the changes in values attributed to brands and goodwill generated by the acquisition, including changes arising from the definitive allocation of the acquisition price at 30 June 2015.

€ million	Goodwill	Brands	Total
Provisional fair values published at 30 June 2014	**21.2**	**67.6**	**88.9**
Change resulting from the provisional allocation of acquisition values	5.8	0.3	6.1
Fair values published at 30 June 2014	**27.1**	**67.9**	**95.0**

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: Americas; Southern Europe, Middle East and Africa; Northern, central and eastern Europe; and Asia-Pacific.
For details of the changes to segment reporting, please refer to the 'Sales performance' section of the Interim Report on Operations.

The 2014 comparison figures were appropriately reclassified both at sales level and operating profitability.

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

2015	Americas	Southern Europe, Middle East and Africa	Northern, central and eastern Europe	Asia-Pacific	Total allocated	Non-allocated items and adjustments	Consolidated
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third parties	323.6	257.2	127.8	49.3	757.9	-	757.9
Net sales between segments	19.0	73.6	23.6	0.2	116.4	(116.4)	-
Total net sales	**342.5**	**330.8**	**151.4**	**49.5**	**874.2**	**(116.4)**	**757.9**
Segment result	**54.3**	**55.3**	**24.7**	**4.4**	**138.7**	**-**	**138.7**
Non-recurring income (charges)						2.9	2.9
Operating result							**141.6**
Financial income (charges)						(28.2)	(28.2)
Taxes						(35.0)	(35.0)
Non-controlling interests						(0.3)	(0.3)
Group profit for the period						-	**77.9**

2014	Americas	Southern Europe, Middle East and Africa	Northern, central and eastern Europe	Asia-Pacific	Total allocated	Non-allocated items and adjustments	Consolidated
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third parties	279.6	232.8	129.6	44.1	686.1	-	686.1
Net sales between segments	14.9	59.7	17.8	0.1	92.5	(92.5)	-
Total net sales	**294.5**	**292.6**	**147.4**	**44.2**	**778.6**	**(92.5)**	**686.1**
Segment result	**45.8**	**48.5**	**26.9**	**3.2**	**124.4**	**-**	**124.4**
Non-recurring income (charges)						(3.2)	(3.2)
Operating result							**121.2**
Financial income (charges)						(29.9)	(29.9)
Taxes						(33.7)	(33.7)
Non-controlling interests						(0.3)	(0.3)
Group profit for the period						**-**	**57.3**

9. Net sales

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

	First half 2015 € million	First half 2014 € million
Sale of goods	749.7	679.3
Provision of services	8.2	6.8
Total net sales	**757.9**	**686.1**

For more detailed analysis of net sales, please refer to the information in the 'Sales performance' section of the Interim Report on Operations. The provision of services relates to bottling the products of third parties.

10. Cost of goods sold

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

	First half 2015 € million	First half 2014 € million
Raw materials and finished goods acquired from third parties	214.6	211.5
Inventory write-downs	2.7	1.2
Personnel costs	37.7	30.6
Depreciation and amortisation (*)	16.3	13.3
Utilities	8.1	12.0
External production and maintenance costs	22.8	12.8
Variable transport costs	28.3	26.2
Other costs	15.3	12.9
Total cost of goods sold by function	**345.7**	**320.6**
Materials and manufacturing costs	304.6	282.6
Distribution costs	41.1	38.1
Total cost of goods sold by nature	**345.7**	**320.6**

(*) Depreciation and amortisation is net of € 1.9 million (€ 2.4 million in the first half of 2014) pending for final stocks of maturing inventory.

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 and amortisation included in the cost of goods sold is reported net of € 1.9 million (€ 2.4 million in the first half of 2014) for depreciation of the tangible assets of the Campari America distillery that was entirely pending on stock during the six-month period, since the liquid produced undergoes a maturing process; on average, the product is matured for between five and seven years.
For a breakdown of personnel costs, see Note 12 - Personnel costs.

11. Overheads

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

	First half 2015 € million	First half 2014 € million
Agents and other variable sales costs	9.0	9.8
Depreciation/amortisation	6.4	5.2
Personnel costs	84.1	71.9
Travel, business trips, training and meetings	12.2	10.0
Utilities	0.7	0.7
Services, maintenance and insurance	20.6	16.3
Operating leases and rental expenses	5.9	5.3
Other	9.6	10.1
Non-recurring (income) and charges	(2.9)	3.2
Breakdown of overheads by nature	**145.7**	**132.6**
Sales costs	67.3	58.6
General and administrative expenses	78.4	74.0
Breakdown of overheads by function	**145.7**	**132.6**

The increase in overheads, before non-recurring costs, was mainly due to the first consolidation of Forty Creek Distillery Ltd and Gruppo Averna, but also included costs incurred by the Group for new sales structures, particularly in the UK, Canada and Spain.
For a breakdown of personnel costs, see Note 12-'Personnel costs'.
The increase in the item 'Services, maintenance and insurance' is mainly attributable to costs for the outsourcing of services, various consultancy services and IT services associated with ongoing business management projects.
A breakdown of non-recurring income and charges is provided in Note 13-'Non-recurring income and charges'.

12. Personnel costs

A breakdown of personnel costs is shown by nature and by function in the table below.

	First half 2015 € million	First half 2014 € million
Salaries and wages	93.9	77.8
Social security contributions	20.1	17.7
Cost of defined contribution plans	3.2	3.1
Cost of defined benefit plans	0.2	0.2
Other costs relating to long-term benefits	0.1	0.1
Cost of share-based payments	4.8	4.0
Total cost of goods sold by nature	**122.3**	**102.9**
of which:		
Included in cost of goods sold	37.7	30.6
Included in overheads:	84.1	71.9
Included in advertising and promotional expenses:	0.5	0.4
Total personnel costs by function	**122.3**	**102.9**

13. Non-recurring income and charges

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

	First half 2015 € million	First half 2014 € million
Capital gains on the sale of tangible assets	-	0.2
Capital gains on the sale of businesses	5.5	-
Income for the termination of distribution relationships	-	1.4
Other non-recurring income	0.1	0.3
Total non-recurring income	**5.6**	**1.9**
Accrual of provision for risks and charges	-	(0.2)
Personnel restructuring costs	(1.8)	(1.6)
Accruals for staff restructuring provision	(0.4)	(0.8)
Write-downs of tangible fixed assets	(0.2)	-
Penalty for the termination of distribution relationships	-	(0.1)
Acquisition costs	-	(1.5)
Penalties	-	(0.6)
Other non-recurring charges	(0.3)	(0.4)
Total non-recurring charges	**(2.8)**	**(5.0)**
Total (net)	**2.9**	**(3.2)**

Revenue from the sale of businesses, totalling € 5.5 million, mainly related to the sale of the Federated Pharmaceutical in Jamaica for € 5.0 million. For more information, see 'Significant events during the year'.

Restructuring costs of € 2.2 million, of which € 0.4 million was allocated to provisions for risks in the period, relate to Campari do Brasil Ltd, J. Wray & Nephew Ltd, Campari International S.r.l., and, to a lesser extent, other Group companies.

14. Financial income and charges

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

	First half 2015 € million	First half 2014 € million
Bank and term deposit interest	2.6	2.5
Dividends from third parties	0.3	0.2
Other income	2.4	0.1
Total financial income	**5.3**	**2.8**
Net interest payable on bonds and private placements	(28.8)	(28.6)
Interest payable to banks	(2.3)	(1.9)
Total interest payable	**(31.2)**	**(30.6)**
Bank charges	(1.0)	(0.8)
Other charges and exchange rate differences	(1.1)	(0.6)
Total financial charges	**(2.2)**	**(1.4)**
Financial charges relating to tax inspections	(0.2)	-
Acquisition costs	-	(0.7)
Non-recurring financial charges	**(0.2)**	**(0,7)**
Net financial income (charges)	**(28.2)**	**(29.9)**

Net financial charges totalled € 28.2 million in the first half of 2015, 5.6% lower than the € 29.9 million recorded in the same period of 2014.
Average debt for the period was € 1,006.1 million, compared with € 927.8 million in the first half of 2014. It should be noted that average debt in the first half of 2014 included the acquisitions made in the period (Forty Creek Distillery Ltd and Gruppo Averna) for one month, as both transactions closed at the beginning of June.
Average borrowing costs, excluding the effects of exchange rate differences, totalled 6.0%, in line with the first half of 2014. The total average cost of the Group's debt includes the effects of a significant negative carry on interest generated by cash and cash equivalents compared with interest paid on medium- and long-term debt.

15. Taxes

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

	First half 2015 € million	First half 2014 € million
- taxes for the year	(27.1)	(25.5)
- taxes relating to previous years	0.1	0.5
Income tax – current	(27.0)	(25.0)
Deferred income tax: newly arising and elimination of temporary differences	(8.0)	(8.7)
Income tax reported in the income statement	**(35.0)**	**(33.7)**

Deferred taxes included an amount of € 14.0 million, recorded for the purposes of cancelling out the effect of the tax deductibility of amortisation on goodwill and trademarks, permitted under local legislation.

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

	30 June 2015 € million	Post-reclassification figures € million	Reclassifications (*) € million	31 December 2014 published € million
Deferred tax assets	23.9	21.9	2.8	19.1
Deferred tax liabilities	291.1	264.8	(1.4)	266.2
Net deferred tax	**267,1**	**242.9**	**4.2**	**247,1**

(*) Please see Note 6 - Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014.

16. Net tangible fixed assets

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

	Land and buildings	Plant and machinery	Other	Total
	€ million	€ million	€ million	€ million
Carrying amount at start of period	314.7	364.1	139.6	818.5
Accumulated amortisation at start of period	(85.2)	(224.0)	(67.7)	(333.0)
Balance at 31 December 2014	**229.5**	**140.1**	**71.9**	**441.5**
Reclassification opening balances(*)	(4.6)	(1.7)	-	(6.3)
Balance at 31 December 2014 – post reclassification	**224.9**	**138.4**	**71.9**	**435.2**
Perimeter effect for disposals	(1.8)	(0.7)	-	(2.5)
Investments	2.4	2.9	11.7	17.0
Disposals	-	-	(1.6)	(1.6)
Depreciation/amortisation	(4.6)	(10.2)	(4.9)	(19.7)
Other reclassifications	0.4	2.4	(1.8)	1.0
Impairments	(0.2)	(0.1)	0.2	(0.2)
Exchange rate differences and other changes	6.5	6.0	2.4	15.0
Balance at 30 June 2015	**227.7**	**138.6**	**77.8**	**444.1**
of which:				
Carrying amount at end of period	**317.9**	**370.8**	**149.4**	**838.0**
Accumulated amortisation at end of period	**(90.1)**	**(232.2)**	**(71.6)**	**(393.8)**

(*) Please see Note 6 - Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014.

The change in the basis of consolidation due to disposals of € 2.5 million arose from the sale of Enrico Serafino S.r.l., described in the section 'Significant events during the period' of the Interim Report on Operations.

The following investment projects, totalling € 17.0 million, were carried out during the year:

- in Italy, the construction of the new building in Novi Ligure to be used as a storeroom and for the preparation of herbs, totalling € 1.7 million;
- in Jamaica, environmental recovery activities, totalling € 1.8 million;
- the purchase of barrels for the maturing inventory of bourbons, whiskies and rums, totalling € 7.2 million;
- improvements to the efficiency and production capacity of the Group's facilities in North America (€ 2.3 million), South America (€ 0.9 million) and Italy (€2.0 million);
- other interventions which are not significant individually but together amount to € 1.1 million, supported by recurring maintenance work at the Group's sites.

Disposals, amounting to € 1.6 million, related to the sale of barrels for maturing inventory.

17. 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 540 hectares north of Alghero in Sardinia, while Terruzi & Pernod owns a 96-hectare vineyard in San Gimignano in Tuscany.

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

	Assets valued at fair value	Assets valued at cost	Total
	€ million	€ million	€ million
Opening value	2.8	25.8	28.6
Accumulated amortisation at start of period	-	(11.1)	(11.1)
Balance at 31 December 2014	**2.8**	**14.7**	**17.5**
Perimeter effect for disposals	-	(0.8)	(0.8)
Investments	-	0.5	0.5
Depreciation/amortisation	-	(0.4)	(0.4)
Balance at 30 June 2015	**2.8**	**14.0**	**16.7**
of which:			
Closing value	**2.8**	**25.5**	**28.3**
Accumulated amortisation at end of period	**-**	**(11.6)**	**(11.6)**

The change in the basis of consolidation due to disposals of €0.8 million arose from the sale of Enrico Serafino S.r.l., described in the section 'Significant events during the period' of the Interim Report on Operations.
The capital expenditure of € 0.5 million for the first half of the year mainly related to vineyard equipment that entered production during the period.

18. Investment property

At 30 June 2015, investment property, totalling € 0.8 million, broke down into that owned by the Parent Company (€ 0.5 million) and by Group companies (€ 0.3 million). This item includes apartments and a shop in the provinces of Milan, Bergamo and Verbania, and buildings in rural locations in the provinces of Cuneo and Caltanissetta.
These buildings are recorded in the financial statements at their approximate fair value at the reporting date.

19. Goodwill and brands

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

	Goodwill	Brands	Total
	€ million	€ million	€ million
Carrying amount at start of period	1,115.2	753.8	1,868.9
Opening impairment	(19.7)	(8.3)	(19.7)
Balance at 31 December 2014	**1,095.5**	**745.6**	**1,841.0**
Reclassification opening balances(*))	0.3	1.0	1.3
Balance at 31 December 2014 – post reclassification	**1,095.8**	**746.5**	**1,842.2**
Exchange rate differences	51.2	28.9	80.1
Balance at 30 June 2015	**1,147.0**	**775.3**	**1,922.3**
of which:			
Carrying amount at end of period	**1,166.3**	**784.4**	**1,950.7**
Closing impairment	**(19.4)**	**(9.0)**	**(28.4)**

(*) Please see Note 6 - Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014.

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

The positive exchange rate differences, of € 80.1 million, are due to the adjustment of values recorded in local currency at end-of-year exchange rates, and include:

- positive exchange rate differences on goodwill, of € 51.2 million, determined by positive differences on the US Dollar of € 50.9 million and on the Jamaican Dollar of € 5.0 million, which were partly offset by net negative differences on the Brazilian Real and other currencies totalling € 4.7 million;
- positive exchange rate differences on brands of € 28.9 million, resulting from amounts denominated in US Dollars of € 21.7 million and in Jamaican Dollars of € 7.2 million.

20. Intangible assets with a finite life

Changes during the period are shown in the table below.

	Software	Other	Total
	€ million	€ million	€ million
Carrying amount at start of period	41.0	20.0	61.1
Accumulated amortisation at start of period	(25.2)	(6.0)	(31.3)
Balance at 31 December 2014	**15.8**	**14.0**	**29.8**
Investments	4.5	-	4.5
Amortisation for the period	(3.1)	(1.6)	(4.8)
Reclassifications	(1.1)	1.5	0.5
Exchange rate differences and other changes	0.4	(0.1)	0.3
Balance at 30 June 2015	**16.6**	**13.7**	**30.3**
of which:			
Carrying amount at end of period	**45.4**	**21.8**	**67.2**
Accumulated amortisation at end of period	**(28.7)**	**(8.1)**	**(36.8)**

Intangible assets with a finite life are amortised on a straight-line basis in relation to their remaining useful life.

Investment for the period was € 4.5 million, of which € 4.1 million related to the implementation of the SAP IT system and related modules rolled out in the Group's new companies and to new modules and upgrades implemented by other companies.

21. Other non-current financial and non-financial assets

This item breaks down as follows:

	30 June 2015 € million	31 December 2014 € million
Financial receivables	6.1	4.9
Term deposits	25.8	25.6
Derivatives on Parent Company bond	5.9	-
Non-current financial assets	**37.7**	**30.5**
Equity investments in other companies	1.4	1.3
Security deposits	2.7	1.3
Receivables from defined benefit obligation	17.8	15.8
Other non-current receivables from main shareholders	2.2	2.2
Other non-current tax receivables	5.6	5.5
Other non-current assets	**29.8**	**26.1**
Total	**67.5**	**56.7**

Financial receivables include the value of the asset arising from the closure in 2012 of the derivative contract entered into on the Eurobond 2009. This asset is collected over the remaining duration of the underlying loan, and is therefore divided into two components, one long-term, totalling € 4.9 million, and one short-term, totalling € 4.9 million, as described in Note 21 - 'Current financial receivables'. The balance also includes an amount of € 1.1 million relating to expenses incurred in taking out the revolving credit facility; these are recorded on the income statement as a financial liability throughout the duration of the credit line.

At 30 June 2015, deposits of € 25.8 million related to a cash investment by the Parent Company maturing in 2019.

Derivatives on the Parent Company bond, totalling € 5.9 million, include the fair values of derivatives on the USD-denominated bond issued in 2003, which showed a negative balance classified as financial liability as of 31 December 2014.

Receivables from the defined benefit obligation represent a surplus of assets servicing the plan in respect of the present value of benefit obligations at year-end. It should be noted that, as a result of the change to J. Wray & Nephew Ltd pension plans, there are no obligations borne by the company, although only the original plan assets.

Non-current receivables from utlimate shareholders Alicors S.p.A. of € 2.2 million relate to the Group's Italian companies and the right to a refund of the additional income tax paid in the period from 2007 to 2011 relating to tax consolidation.

In addition, the Group's Italian companies are due tax receivables of € 4.4 million from the tax authorities; these are of the same type as the previous ones but relate to previous tax periods. This item is included in other non-current tax receivables; the remainder of this item is made up of receivables of Campari do Brasil Ltda.

22. Inventories and current biological assets

This item breaks down as follows.

	30 June 2015 € million	31 December 2014 € million
Raw materials, supplies and consumables	47.7	38.6
Work in progress	63.0	60.2
Ageing inventory	267.6	243.5
Finished products and goods for resale	160.0	134.7
Inventories	**538.2**	**477.0**
Current biological assets	1.2	4.1
Current biological assets	**1.2**	**4.1**
Total	**539.4**	**481.2**

For a detailed analysis of the change to inventories and biological assets in the period under review, please refer to the information in the 'Operating working capital' section of the Interim Report on Operations.
Current biological assets located in Jamaica represent the fair value of the harvest of sugar cane plantations that are not yet mature. This fair value estimate is based on the production costs incurred minus any impairment, calculated with reference to the estimated revenues from the sale of the harvest minus the costs of cultivation, harvesting and transportation to point of sale.

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

Balance at 31 December 2014	**15.8**
Accruals	1.7
Utilisations	(1.0)
Exchange rate differences and other changes	(0.1)
Balance at 30 June 2015	**16.4**

23. Short-term financial receivables

This item breaks down as follows:

	30 June 2015 € million	31 December 2014 € million
Securities and term deposits	**2.9**	**4.9**
Restricted deposits	10.1	9.8
Net accrued swap interest income/expense on bonds	1.9	1.3
Valuation at fair value of instruments used to hedge private placements	5.0	-
Valuation at fair value of forward contracts	0.5	1.3
Other financial assets and liabilities	5.3	5.5
Other short-term financial receivables	**22.7**	**17.9**
Short-term financial receivables	**25.6**	**22.8**

Securities mainly include short-term or marketable securities representing a temporary investment of cash, but which do not satisfy all the requirements for classification as cash and cash equivalents. The item includes securities that fall due within one year.

Restricted deposits at 30 June 2015 include funds earmarked to be available at any time, totalling € 3.3 million, to purchase the residual shares of J. Wray & Nephew Ltd and € 6.8 million (converted at the end of the financial year), for the settlement of the purchase price holdback relating to the acquisition of Forty Creek Distillery Ltd. Current financial payables include a liability of the same amount, as shown under Note 26 - Bonds and other non-current liabilities, and Note 27 - Payables to banks and other short-term financial payables.

The other financial assets mainly comprise the current portion (€ 4.9 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 (€ 4.9 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.

24. Cash and cash equivalents

The Group’s cash and equivalents break down as follows:

	30 June 2015 € million	31 December 2014 € million
Bank current accounts and cash	234.6	206.9
Term deposits maturing within 3 months	35.5	24.0
Cash and cash equivalents	**270.1**	**230.9**

The cash and cash equivalents item comprises current accounts, other sight deposits and those that can be withdrawn within a maximum period of three months from the reporting date, which are held at leading banks and pay variable interest rates based on LIBOR depending on the currency and period concerned.

'Cash and cash equivalents' also includes securities that can be readily converted to cash, consisting of short-term, highly liquid financial investments that can be quickly converted to known cash instruments, with an insignificant risk of a change in value.

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

	30 June 2015 € million	31 December 2014 € million
Cash and cash equivalents	270.1	230.9
Cash (A)	**270.1**	**230.9**
Securities	2.9	4.9
Other current financial receivables	22.7	17.9
Current financial receivables (B)	**25.6**	**22.8**
Current bank payables	(80.2)	(36.7)
Current portion of lease payables	(0.1)	(0.1)
Current portion of private placements and bonds	(175.0)	(86.0)
Other current financial payables	(49.4)	(28.0)
Current portion of payables for put options and earn-outs	(3.5)	(3.3)
Short-term financial debt (C)	**(308.2)**	**(154.0)**
Short-term net cash (debt) position (A+B+C)	**(12.5)**	**99.7**
Non-current bank debt	(5.7)	(9.0)
Current portion of lease payables	(1.2)	(1.3)
Non-current portion of private placements and bonds	(1,027.5)	(1,097.1)
Non-current portion of payables for put options and earn-outs	(0.9)	(1.3)
Non-current financial debt (D)	**(1,035.4)**	**(1,108.7)**
Net debt (A+B+C+D) (*)	**(1,048.0)**	**(1,009.0)**
Reconciliation with Group net debt, as shown in the Directors' report:		
term deposits	25.6	25.6
non-current financial receivables	6.2	4.9
Group net debt	**(1,010.2)**	**(978.5)**

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

25. Non-current assets held for sale

The item mainly includes net assets arising from the sale of businesses. Specifically, it includes:

- the Agri-Chemicals division (see the section, 'Events taking place after the end of the period'). The sold business includes the productive fixed assets and working capital; no impairment was considered necessary based on the values agreed for the sale;
- surplus real estate assets, which relate to a residual portion of the Termoli site (value unchanged from 31 December 2014).

These net assets are valued at the lower of net book value and fair value less selling costs.

The table below summarises the assets and liabilities held for sale, broken down by business.

€ million	*Agri-chemicals business*	*Surplus real estate assets*	30 June 2015	31 December 2014
Assets				
Net tangible fixed assets	*1.7*	*1.0*	2.7	5.2
Goodwill and brands	*1.5*	-	1.5	10.5
Inventories	-	-	-	5.5
Trade receivables	*3.0*	-	3.0	0.7
Other current assets	*0.7*	-	0.7	0.1
Total assets held for sale	***6.9***	***1.0***	**7.9**	**21.9**
Liabilities				
Other non-current liabilities	-	-	-	(0.9)
Payables to suppliers	-	-	-	(0.8)
Other current liabilities	-	-	-	(0.1)
Total liabilities held for sale	**-**	**-**	**-**	**(1.7)**
Total net assets	***6.9***	***1.0***	**7.9**	**20.1**

The variation with respect to 31 December 2014 is due to the sale of Limoncetta di Sorrento and Federated Pharmaceutical non-core business.

26. Shareholders' equity

Share capital

At 30 June 2015, 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 2015, the Group purchased 900,000 shares for a total price of € 5.3 million, which equates to an average price of € 5.86, and sold 2,285,522 shares for the exercise of stock options.

The table below shows a reconciliation between the number of outstanding shares at 31 December 2013, 31 December 2014 and 30 June 2015.

	No. of shares			Nominal value €		
	30 June 2015	31 December 2014	31 December 2013	30 June 2015	31 December 2014	31 December 2013
Outstanding shares at the beginning of the period	576,918,717	575,683,176	576,301,882	57,691,872	57,568,318	57,630,188
Purchases for the employee stock option plan	(10,418,418)	(3,704,964)	(8,264,835)	(1,041,842)	(370,496)	(826,484)
Disposals	6,533,136	4,940,505	7,646,129	653,314	494,051	764,613
Outstanding shares at the end of the period	573,033,435	576,918,717	575,683,176	57,303,344	57,691,872	57,568,318
Total own shares held	7,766,565	3,881,283	5,116,824	776,657	388,128	511,682
Own shares as a % of share capital	1.34%	0.67%	0.88%			

Dividends paid and proposed

Dividends to the value of € 45.7 million relating to 2014 were approved by the shareholders' meeting of the Parent Company on 30 April 2015 and paid in May 2015.

	Total amount		Dividend per share	
	30 June 2015 € million	31 December 2014 € million	30 June 2015 €	31 December 2014 €
Dividends approved and paid during the year on ordinary shares	45.7	46.1	0.08	0.08
Dividends proposed on ordinary shares	-	46.2	-	0.08

Other reserves

The table below shows a breakdown of, and changes to, the shareholders' equity reserves for stock options, cash flow hedging, currency translation and remeasurement reserve for actuarial effects relating to defined benefit plans.

	Stock options € million	*Cash flow hedging* € million	Foreign currency translation reserves € million	Remeasurement reserve for actuarial effects relating to defined benefit plans € million	Total € million
Balance at 31 December 2014	**27.9**	**(4.0)**	**(48.4)**	**(2.8)**	**(27.3)**
Cost of stock options for the period	(6.1)				(6.1)
Stock options exercised	4.7				4.7
Losses (profits) reclassified in the income statement		(0.2)			(0.2)
Profits (losses) allocated to shareholders' equity				1.0	1.0
Cash flow hedge reserve allocated to shareholders' equity		4.1			4.1
Tax effect reported		(1.1)			(1.1)
Translation difference			90.9		90.9
Balance at 30 June 2015	**26.5**	**(1.2)**	**42.5**	**(1.8)**	**66.2**

27. Bonds and other non-current liabilities

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

	30 June 2015 € million	31 December 2014 € million
Parent Company bond (USD) issued in 2003	181.7	167.6
Parent Company bond (Eurobond) issued in 2009	352.7	352.4
Parent Company bond (Eurobond) issued in 2012	395.7	395.2
private placements issued in 2009	97.4	171.7
Total bonds and private placements	**1,027.5**	**1,086.9**
Payables and loans due to banks	5.7	9.0
Property leases	1.2	1.3
Derivatives on Parent Company bond (USD)	-	10.3
Payables for put options and earn-outs	0.9	1.3
Non-current financial liabilities	**7.9**	**21.8**
Other non-financial liabilities	3.6	4.0
Other non-current liabilities	**11.5**	**25.8**

Bonds

The bonds are 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 2014 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.

The changes in the derivative liability on the bond issued by the Parent Company, is due to the valuation of existing hedging instruments which have a positive effect during the first half of 2015. The balance as of 30 June 2015 is an asset classified as financial asset.

Private placements

Private placements include a bond issue placed by Campari America on the US market in 2009.
The difference compared with the value at 31 December 2014 is due to negative exchange rate effects of € 14.7 million in the period and the reclassification under short-term liabilities of the second tranche of the loan (USD 100 million), due to mature in June 2016.

Payables and loans due to banks

This item includes euro-denominated loans entered into with leading banks and maturing at the end of 2019; interest is mainly due at floating market rates. The portion of these loans that falls due within 12 months (€ 6.8 million) is classified under short-term bank loans; further details are given in Note 28 - Payables to banks and other short-term financial payables. These loans are secured by mortgages on properties in Caltanissetta for an amount of € 6.3 million.

Property leases

The item includes a financial lease payable for various plots of industrial land and buildings in Finale Emilia, worth € 1.2 million. This funding is secured on the leased properties.

Payables for put options and earn-outs

The payable for put options and earn-outs at 30 June 2015 related to the long-term outlay for the Sagatiba Brasil S.A. earn-out, payable in the eight years after the closing date in 2011.

Other non-financial liabilities

Other non-financial liabilities at 30 June 2015 mainly include amounts due from the Parent Company for fines and interest of € 1.0 million payable in instalments by the end of 2017, and long-term liabilities accrued in relation to employees of € 2.6 million.

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

The table below shows a breakdown of the Group's payables to banks and other short-term financial payables:

	30 June 2015 € million	31 December 2014 € million
Payables and loans due to banks	**80.2**	**36.7**
Short-term portion of private placements issued in 2009	89.0	-
Short-term portion of Parent Company bond (USD) issued in 2003	86.0	86.0
Amortised cost effect on short-term loans and bonds	5.8	1.4
Accrued interest on bonds	31.6	12.9
Accrued swap interest on bonds	-	0.1
Short-term portion of derivatives on Parent Company bond (USD)		3.0
Property leases	0.1	0.1
Financial liabilities on hedging contracts	5.2	3.6
Non-current liabilities for hedge derivatives not reported using hedge accounting procedures	-	0.1
Payables for put options and earn-outs	3.5	3.3
Other debt	6.8	6.8
Total other financial payables	**228.0**	**117.4**

Payables and loans due to banks

Short-term payables to banks relate to short-term loans or credit facilities used by the Group to obtain additional financial resources. The change compared with 31 December 2014 was mainly due to the first use of the revolving credit facility, of € 40 million.

Private placements (issued in 2009)

The payable shown at 30 June 2015 represents the current part (USD 100 million) of the private placements placed on the US bond market by Campari America in 2009. For more details, please refer to Note 27- Bonds and other non-current liabilities.

Bonds

The amount shown under short-term liabilities represents the first tranche of the bond issued by the Parent Company (in USD) in 2003 (USD 100 million) and repaid in July 2015.

Amortised cost effect

The item includes the Group's position arising from the reporting of the amortised cost effects on bonds issued by the Parent Company in 2003 and 2009.

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.

Financial liabilities on hedging contracts

The payable shown at 30 June 2015 represents the fair value of hedging agreements for future sales and purchases in foreign currency.

Payables for put options and earn-outs

The current portion of these payables represents the commitment for the Sagatiba earn-out and the financial payable relating to the residual shares of J. Wray & Nephew Ltd, which the Group intends to purchase from the non-controlling shareholders.

Other debt

The item includes debt of € 6.8 million resulting from the purchase price holdback relating to the acquisition of Forty Creek Distillery Ltd. It should be noted that this liability is non-interest bearing, and the Group holds assets earmarked to cover this debt, as explained in Note 23 - Current financial receivables.

29. Provision for risks and charges

The table below indicates changes to this item during the period.

	Tax provision	Restructuring provisions	Agent severance fund	Other	Total
	€ million	€ million	€ million	€ million	€ million
Balance at 31 December 2014	**16.0**	**5.2**	**2.6**	**14.1**	**37.9**
Reclassification opening balances(*)	0.5	-	-	(2.0)	(1.5)
Balance at 31 December 2014 – restated	**16.5**	**5.2**	**2.6**	**12.0**	**36.4**
Accruals	-	0.4	0.1	-	0.5
Utilisations	(0.9)	(5.3)	(0.6)	(2.4)	(9.3)
Releases	(0.1)	-	-	(0.2)	(0.3)
Exchange rate differences and other changes	1.7	0.3	-	1.0	3.0
Balance at 30 June 2015	**17.2**	**0.6**	**2.1**	**10.4**	**30.2**

(*) Please see Note 6 - Reclassifications to comparison book values as of 30 June 2014 and 31 December 2014.

In relation to changes in the provisions for risks and charges from that shown in the 2014 annual financial statements, it should be noted that use was made of the restructuring fund (€ 5.3 million) for payments during the first half of the year in connection with the restructuring processes currently under way within the Group.

The tax provision of € 17.2 million at 30 June 2014, included tax liabilities that could arise for the Parent Company from tax audits for the tax periods 2004 and 2005. The fund also incorporated € 13.9 million in liabilities obtained in the J. Wray & Nephew Ltd acquisition. The change compared with the previous year was mainly due to the exchange rate effect.

The agent severance fund covers the estimate of the probable liability to be incurred for disbursing the additional compensation due to agents at the end of the relationship. This amount was discounted using an appropriate rate.

At 30 June 2015, other funds included the recognition by the Parent Company and subsidiaries of liabilities for various lawsuits, including a legal dispute over a distribution agreement totalling € 9.9 million.
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 (around € 33.8 million at the exchange rate as of 30 June 2015).
In March 2012, the company was officially informed that the outcome of the dispute was 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's lawyers advised it 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 condensed half-year financial statements at 30 June 2015.

The second dispute relates to a tax inspection report concerning 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 € 15.4 million million at the exchange rate as of 30 June 2015).
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, who have appealed against the findings of the local tax authorities, the Group believes that the outcome of the dispute will be in the company’s favour. It is therefore deemed unnecessary at present to establish a specific provision.

30. Tax payables and receivables

This item breaks down as follows:

	30 June 2015 € million	31 December 2014 € million
Current income tax receivables		
Income taxes	6.9	12.8
Receivables from main shareholders for tax consolidation	0.9	0.2
Total receivables	**7.8**	**13.0**
Current income tax payables		
Income taxes	1.5	3.9
Due to controlling shareholder for tax consolidation	4.6	1.0
Total payables	**6.1**	**4.9**

Group companies paid taxes and associated payments on account of € 23.5 million during the first half, in line with the same period in 2014 (€ 22.0 million).

Payables to the main shareholder for tax consolidation at 30 June 2015 relate to payables due to Alicros S.p.A. from the Parent Company (€ 4.1 million) and a number of Italian subsidiaries (€ 0.5 million).
Against these payables, some Italian subsidiaries have receivables for tax consolidation totalling € 0.9 million. It should be noted that these payables and receivables are all non-interest-bearing; for further details, see Note 34 - Related parties.

31. Stock options

The shareholders' meeting of 30 April 2015 approved a new stock option plan, establishing the maximum number of shares that may be assigned (specifying how many may be assigned to directors of the Parent Company and how many to any other beneficiary) and authorising the board of directors of the Parent Company to identify, within the limits established by the shareholders' meeting, the beneficiaries and the number of options that may be assigned to each.

The options were therefore assigned in June 2015 to the individual beneficiaries, with the right to exercise the options in the two-year period following the end of the seventh year from the allocation date, with the right to bring forward the (full or partial) exercise to 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 total number of options granted in 2015 for the purchase of further shares was 339,464, with the average allocation price at €7.07, equivalent to the weighted average market price in the month preceding 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 Group for the whole vesting period. Furthermore, to exercise the second and third tranche, all options previously matured up to the end of the sixth year (second tranche) and seventh year (third tranche) must be maintained. For the purposes of IFRS 2, this takes the form of a non-vesting condition.
This results in a different unit fair value for each tranche, equivalent to € 1.64 for the first tranche, € 1.50 for the second and € 1.18 for the third.

The following assumptions were used for the fair value valuation of options issued in 2015 and 2014:

	2015	2014
Expected dividends (€)	0.08	0.08
Expected volatility (%)	23%	20%
Historical volatility (%)	23%	20%
Market interest rate	0.96%	1.15%
Expected option life (years)	7.30	7.30
Exercise price (€)	7.07	6.28

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

	30 June 2015		31 December 2014	
	no. of shares	average allocation/exercise price (€)	No. of shares	average allocation/exercise price (€)
Options outstanding at the beginning of the period	41,790,983	4.89	36,571,281	4.18
Options granted during the period	339,464	7.07	12,065,972	6.28
(Options cancelled during the period)	(750,120)	5.86	(1,905,765)	5.04
(Options exercised during the period) (*)	(6,533,136)	3.30	(4,940,505)	2.96
Options outstanding at the end of the period	34,847,191	5.19	41,790,983	4.89
of which those that can be exercised at the end of the period	10,407,350	3.84	3,946,977	2.23

(*) average market price on exercise date: € 6.42.

32. Financial instruments - disclosures

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

30 June 2015 € million	Loans and receivables	Financial liabilities at amortised cost	Assets and liabilities measured at fair value with changes recognised in profit or loss	Hedging transactions
Cash and cash equivalents	270.1			
Short-term financial receivables	18.2			
Other non-current financial assets	31.8			
Trade receivables	271.5			
Payables to banks		(85.9)		
Real estate lease payables		(1.3)		
Bonds		(1,016.1)		
private placements		(186.5)		
Accrued interest on bonds		(31.6)		
Other financial liabilities		(12.6)		
Put option payables		(4.4)		
Trade payables		(189.7)		
Current assets for hedge derivatives				7.3
Current liabilities for hedging contracts				(5.2)
Total	**591.6**	**(1,528.1)**	**-**	**2.1**

31 December 2014 € million	Loans and receivables	Financial liabilities at amortised cost	Assets and liabilities measured at fair value with changes recognised in profit or loss	Hedging transactions
Cash and cash equivalents	230.9			
Short-term financial receivables	19.6			
Other non-current financial assets	30.5			
Trade receivables	313.6			
Payables to banks		(45.7)		
Real estate lease payables		(1.3)		
Bonds		(1,001.2)		
private placements		(171.7)		
Accrued interest on bonds		(12.9)		
Other financial liabilities		(8.2)		
Put option payables		(4.6)		
Trade payables		(223.2)		
Non-current assets for hedge derivatives not reported using hedge accounting procedures			0.5	-
Current assets for hedge derivatives				2.7
Non-current liabilities for hedge derivatives				(10.3)
Current liabilities for hedging contractS				(6.7)
Non-current liabilities for hedge derivatives, not reported using hedge accounting procedures			(0.1)	-
Total	**594.6**	**(1,468.8)**	**0.4**	**(14.3)**

33. Assets and liabilities measured at fair value

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

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 2014.

Fair value of financial instruments:

- for financial assets and liabilities that are liquid or nearing maturity, it is assumed that the carrying amount 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 to present value 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 amount.

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, which is not the case in Sardinia, as the market cannot absorb grapes and vines in the quantities concerned, due to a lack of available 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; and the adoption of the alternative cash flow valuation method, which cannot be used as it is not possible either to set a reliable price for the biological products concerned in the quantity concerned, or to define or measure 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 carried out by an expert.
- for current biological assets (agricultural produce), the fair value is determined based on the sale price net of estimated sales costs.

Investment property is valued at cost, which is 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 techniques used take into account inputs that are not based on observable market data.

In the first half of 2015, no changes were made in the valuation methods applied.

Financial instruments
Derivatives, valued using techniques based on market data, are mainly interest rate swaps and forward sale/purchases of foreign currencies to hedge both the fair value of the underlying instruments and cash flows.

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 2015	Level 1 € million	Level 2 € million	Level 3 € million
Assets valued at fair value			
Accrued interest on bond swaps		1.9	
Futures currency contracts		10.3	
Futures currency contractS		0.5	
Liabilities valued at fair value			
Forward currency and interest rate contracts		5.2	

31 December 2014	Level 1 € million	Level 2 € million	Level 3 € million
Assets valued at fair value			
Accrued interest on bond swaps		1.3	
Futures currency contracts		1.3	
Hedge derivatives not reported using hedge accounting procedures		0.5	
Liabilities valued at fair value			
Interest rate and cross currency swap on bond (USD)		13.3	
Accrued interest on bond swaps		0.1	
Forward currency and interest rate contracts		3.6	
Hedge derivatives not reported using hedge accounting procedures		0.1	

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 the year, no reclassifications were made between the levels indicated above in the fair value hierarchies.

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

30 June 2015	Level 1 € million	Level 2 € million	Level 3 € million
Assets valued at fair value	-	-	-
Biological assets	-	4.0	-

31 December 2014	Level 1 € million	Level 2 € million	Level 3 € million
Assets valued at fair value	-	-	-
Biological assets	-	6.9	-

The level 2 valuation used for biological assets is generally based on expected cash flows resulting from the sale of wine products. The sale prices of wine products 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. The sale prices of sugar are linked to the official prices in the reference markets, appropriately adjusted to take account of sales costs and any impairment.
In the first half of the year, no reclassifications were made between the levels indicated above in the fair value hierarchies.

34. 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 domestic tax consolidation scheme governed by articles 117 *et seq*. of the consolidated law on corporate income tax (TUIR) for the three-year period 2013-2015.
The tax receivables and payables of each individual Italian company are therefore recorded as payables to the ultimate shareholder, Alicros S.p.A.
At 30 June 2015, the overall position of the Italian subsidiaries of Davide Campari-Milano S.p.A. and of the ultimate shareholder as regards Alicros S.p.A., following tax consolidation, is a net payable of € 3.8 million. The table below shows the net debt balance.

In addition, non-current receivables from Alicros S.p.A. of € 2.2 million relate to the Group's Italian companies and the right to a refund of the additional income tax paid in the period from 2007 to 2011 relating to tax consolidation.

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 2015, the Parent Company and its Italian subsidiaries owed Alicros S.p.A. € 7.5 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 related parties 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 in the table below.

€ million	Receivables (payables) for tax consolidation	Receivables (payables) for Group VAT	Other non-current tax receivables	Other receivables (payables)
Alicros S.p.A.	(3.8)	(7.5)	2.2	-
Payables to directors	-	-	-	(1.0)
Total - 30 June 2015	**(3.8)**	**(7.5)**	**2.2**	**(1.0)**
Balance sheet percentage of related item	27%	6%	3%	1%
Alicros S.p.A.	(0.7)	(1.8)	2.2	-
Payables to directors	-	-	-	(2.0)
Total - 31 December 2014	**(0.7)**	**(1.8)**	**2.2**	**(2.0)**
Balance sheet percentage of related item	4%	1%	4%	1%

€ million	Other income and charges
Alicros S.p.A.	0.1
Total - first half 2015	**0.1**
Balance sheet percentage of related item	0%
Alicros S.p.A.	0.1
Total - first half 2014	**0.1**
Balance sheet percentage of related item	0%

35. Commitments and risks

For information regarding the Group's commitments and risks, please see Note 49 - Commitments and risks of the consolidated financial statements at 31 December 2014.

36. Events taking place after the end of the period

Sale of non-core businesses in Jamaica

On 10 July 2015, the Group completed the closing of the sale of the Agri-Chemicals division to Caribbean Chemicals and Agencies Limited, for which a sales agreement had been signed on 23 December 2014. The price of the transaction was € 7.3 million at the date of this report, unchanged from the price set at the closing of USD 8.2 million (€ 6.7 million at the exchange rate on the signing date). The sale of the business, whose net assets were already classified as available-for-sale assets at 31 December 2014, had no significant financial impact on the Group's financial results.

Sesto San Giovanni (MI), 4 August 2015

Chairman of the Board of Directors

Luca Garavoglia

Certification of the condensed half-year financial statements

pursuant to article 81-*ter* of Consob Regulation 11971 of 14 May 1999 as subsequently amended and consolidated

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 the TUF:

- the appropriateness, in relation to the nature of the business, and
- the effective application

of the administrative and accounting procedures used to prepare the condensed half-year financial statements, in the half-year period to 30 June 2015.

2. We further 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 position 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, Tuesday 4 August 2015

Managing Director

Robert Kunze-Concewitz

Director responsible for preparing

the Company's accounting statements and

Managing Director

Paolo Marchesini

Managing Director

Stefano Saccardi

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INDEPENDENT AUDITORS REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

To the Shareholders of
Davide Campari-Milano SpA

Introduction

We have reviewed the accompanying 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 2015, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the statement of changes in consolidated 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 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of the review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a full scope audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

PricewaterhouseCoopers SpA

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Campari Group as of and for the six-month period ended 30 June 2015 have not been prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 4 August 2015

PricewaterhouseCoopers SpA

Signed by

Paolo Caccini
(Partner)

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

Davide Campari-Milano S.p.A.

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Share capital: € 58,080,000 i.v., fully paid in
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