



2008 First Half Results

Conference call

08 August 2008



Results highlights and sales review

Bob Kunze-Concewitz, CEO



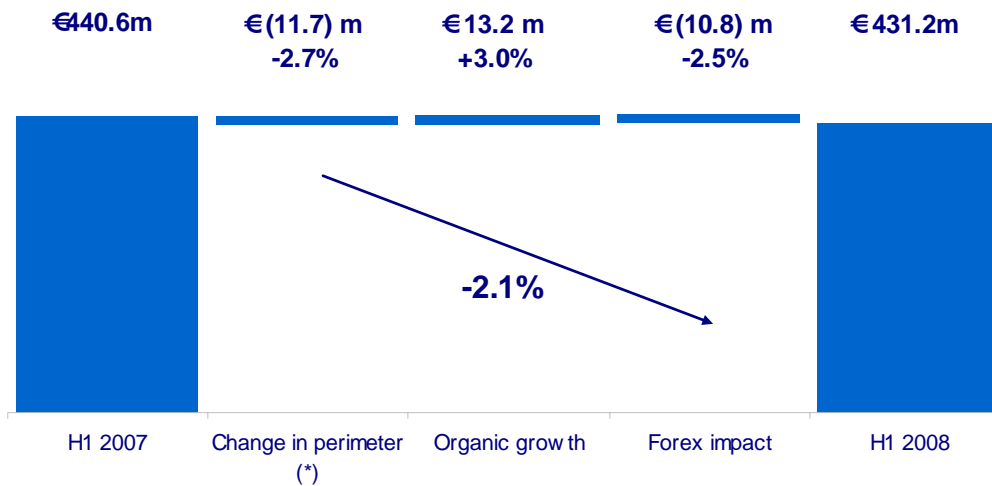
First half ended 30 June 2008 - Highlights

	H1 2008 € million	% change at actual forex	% change at constant forex	% change organic growth
Net sales	431.2	-2.1%	0.3%	3.0%
Contribution after A&P	162.2	1.6%	4.4%	
EBITDA before one-off's	100.4	-2.0%	1.0%	
EBITDA	102.0	1.2%	4.2%	
EBIT before one-off's	90.8	-2.1%	1.1%	4.1%
Operating profit = EBIT	92.5	1.5%	4.6%	
Group net profit	59.8	5.1%	7.4%	

- > **Solid and improving performance** in a very tough environment (weak consumer confidence and poor weather conditions)
- > Despite tough comps **organic growth accelerated**, as expected, in Q2
- > **Improved mix, leading to improved gross margins**
- > Continuing to **strengthen go-to-market capabilities**



2008 First half net sales - Growth drivers



(*) Breakdown of change in perimeter

	€m
Acquisitions ⁽¹⁾	13.4
Agency brands ⁽²⁾	(25.1)
Total external growth	(11.7)

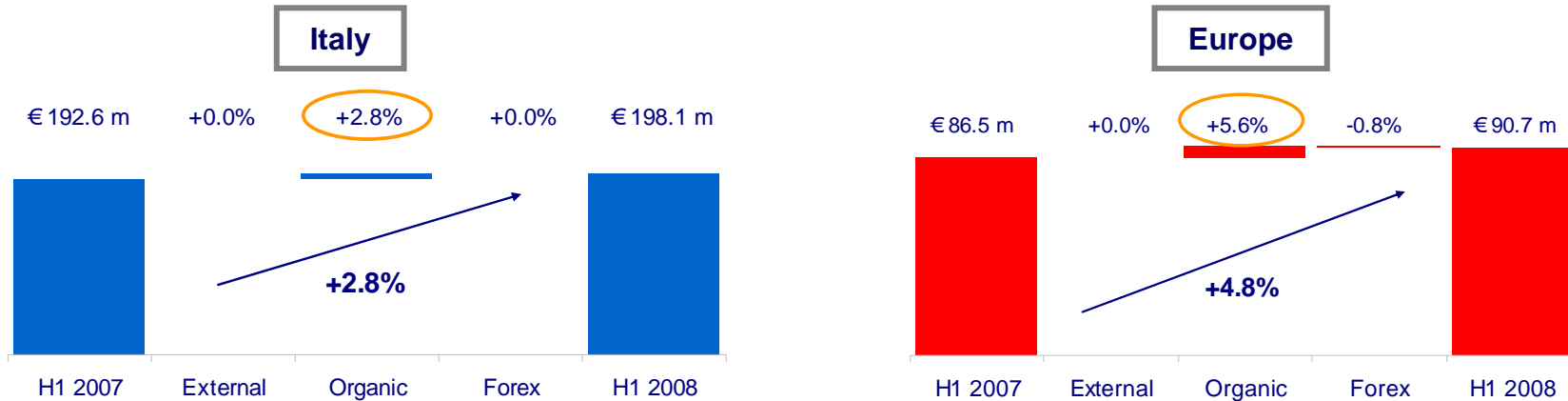
(1) Cabo Wabo ; X-Rated Brands

(2) Tequila 1800 ; Bowmore and Flor de Cana (US)

- > Organic growth is in line with our expectation, driven by accelerated Q2 performance: +4.2%
- > Negative change in perimeter related to termination of Tequila 1800, partly offset by positive contribution of Cabo Wabo, X-Rated, Bowmore and Flor de Cana
- > Negative foreign exchange impact was attributable to significant US Dollar decline (-13.2%)

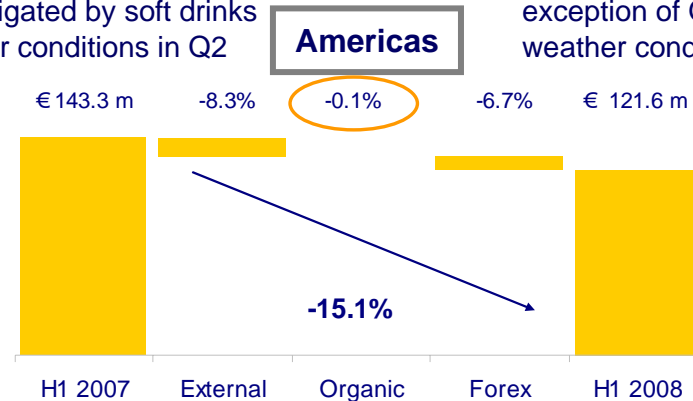


Net sales analysis by region



> **Good organic growth** driven by strong performances of Campari, Aperol and Crodino, mitigated by soft drinks performances due to poor weather conditions in Q2

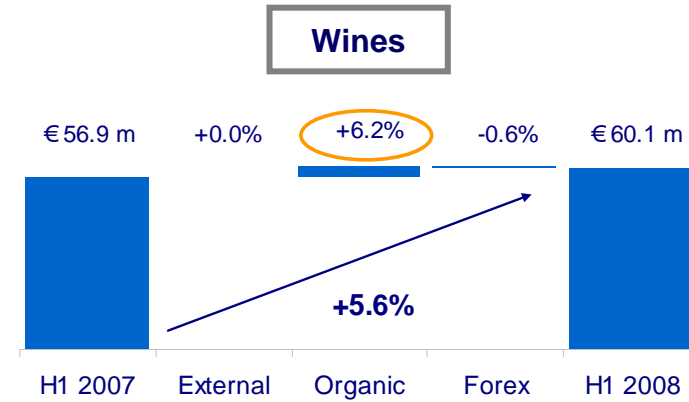
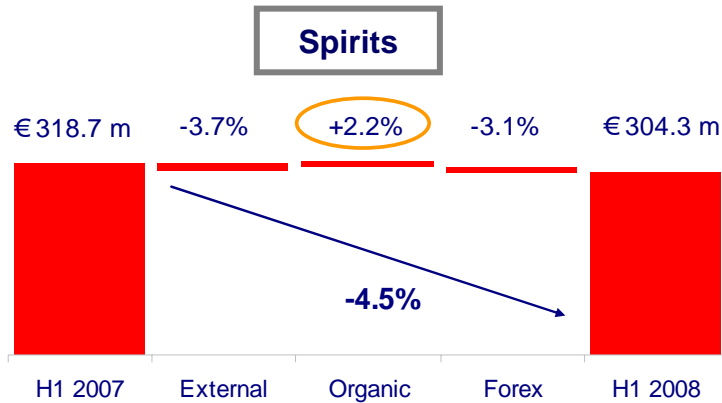
> **Solid progression across major markets**, with the exception of Germany due to tough comps and poor weather conditions



- > Negative change in perimeter due to Tequila 1800 distribution agreement termination, partly offset by **Cabo Wabo**, **X-Rated**, **Bowmore** and **Flor de Cana**
- > US: Q2 organic growth (+5.3%) driven by **SKYY**, led to flat results in H1
- > Brazil: temporary shift in shipments due to change in Sao Paulo State taxes (Dreher & Cynar)

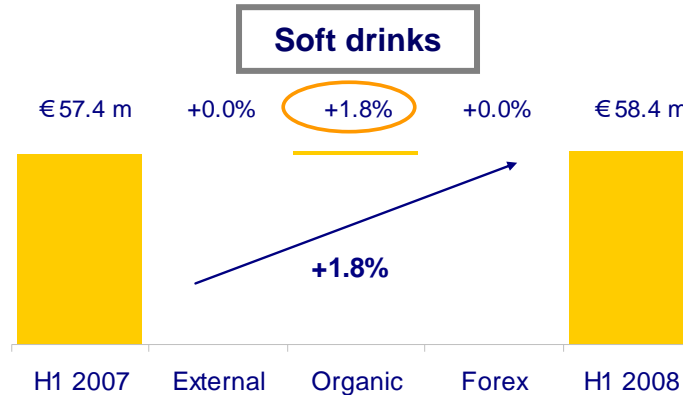


Net sales analysis by segment



- > Overall organic sales driven by strong results of key brands, Campari, SKYY, Aperol, mitigated by Dreher weak performance
- > Negative change in perimeter due to Tequila 1800 distribution agreement termination, partly offset by **Cabo Wabo**, **X-Rated**, **Bowmore** and **Flor de Cana**

- > Good performance of Cinzano, Sella & Mosca and Mondoro, with recovery of Riccadonna



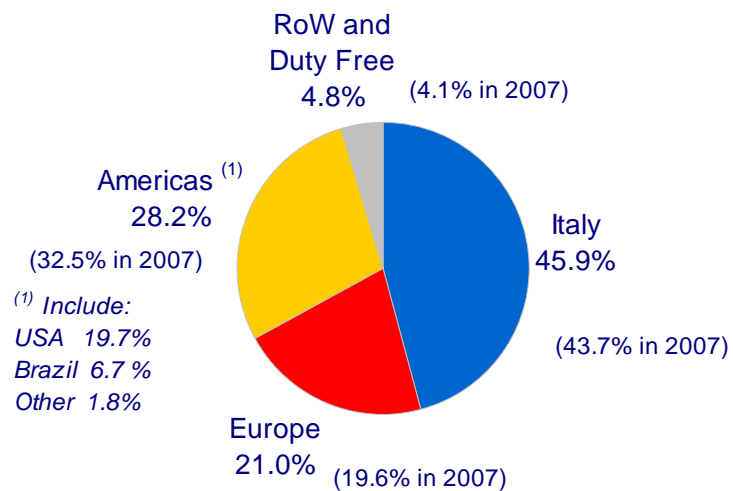
- > Strong performance of **Crodino** (+6.8%) mitigated by weak results of **carbonated soft drinks** (-5.6%), due to Q2 poor weather conditions



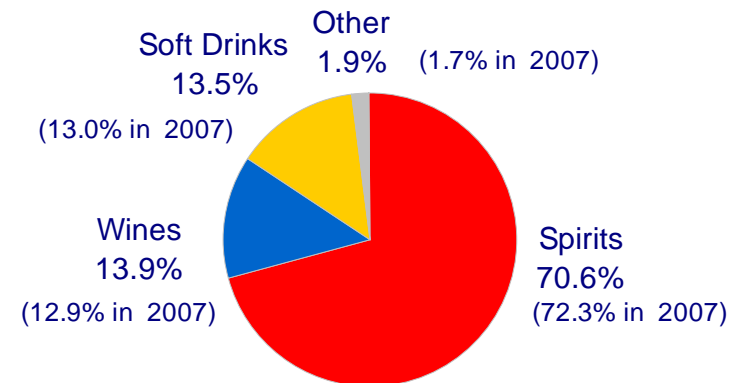
Net sales breakdown

H1 2008 consolidated net sales : €431.2 m

Breakdown by region



Breakdown by segment



Review of main brands

Spirits	Sales as % of Group H1 2008	% change in sales value H1 2008 / H1 2007		
	at actual FX	at constant FX	at actual FX	
Campari	14%	4.8%	4.3%	> Strong performance driven by positive momentum across all markets except Germany
SKYY	12%	8.5%	-4.4%	> Strong result driven by successful core repackaging and Infusions launch. Sell-in benefited from consumer shift on off-trade
CampariSoda	9%	-1.1%	-1.1%	> Q2 weak results on tough comps
Aperol	6%	12.0%	12.0%	> Continued double digit organic growth driven by strong performance in Italy, Germany and Austria
Brazilian brands	4%	-15.8%	-11.8%	> Mixed results: strong performance in admix whiskies offset by short term drop in Dreher shipments due to a tax change in Sao Paulo State. However all brands continue to show positive consumption trends
Cynar	1%	-8.5%	-7.8%	> Good performance in Europe mitigated by weak shipments in Brazil (tax changes)
Glen Grant	2%	-0.6%	-1.1%	> Results in line with last year after a good Q2



Review of main brands (cont'd)

	Sales as % of Group H1 2008 <i>at actual FX</i>	% change in sales value H1 2008 / H1 2007		
		<i>at constant FX</i>	<i>at actual FX</i>	
Wines				
Cinzano sparkling wines	4%	4.8%	4.4%	> Solid performance across all markets
Cinzano vermouths	4%	5.6%	4.2%	> Solid performance across all markets
Sella & Mosca	3%	5.3%	5.3%	> Strong results driven by Italy and US
Soft drinks				
Crodino	9%	6.5%	6.5%	> Continued very positive momentum, reflecting sustained ATL share of voice leadership

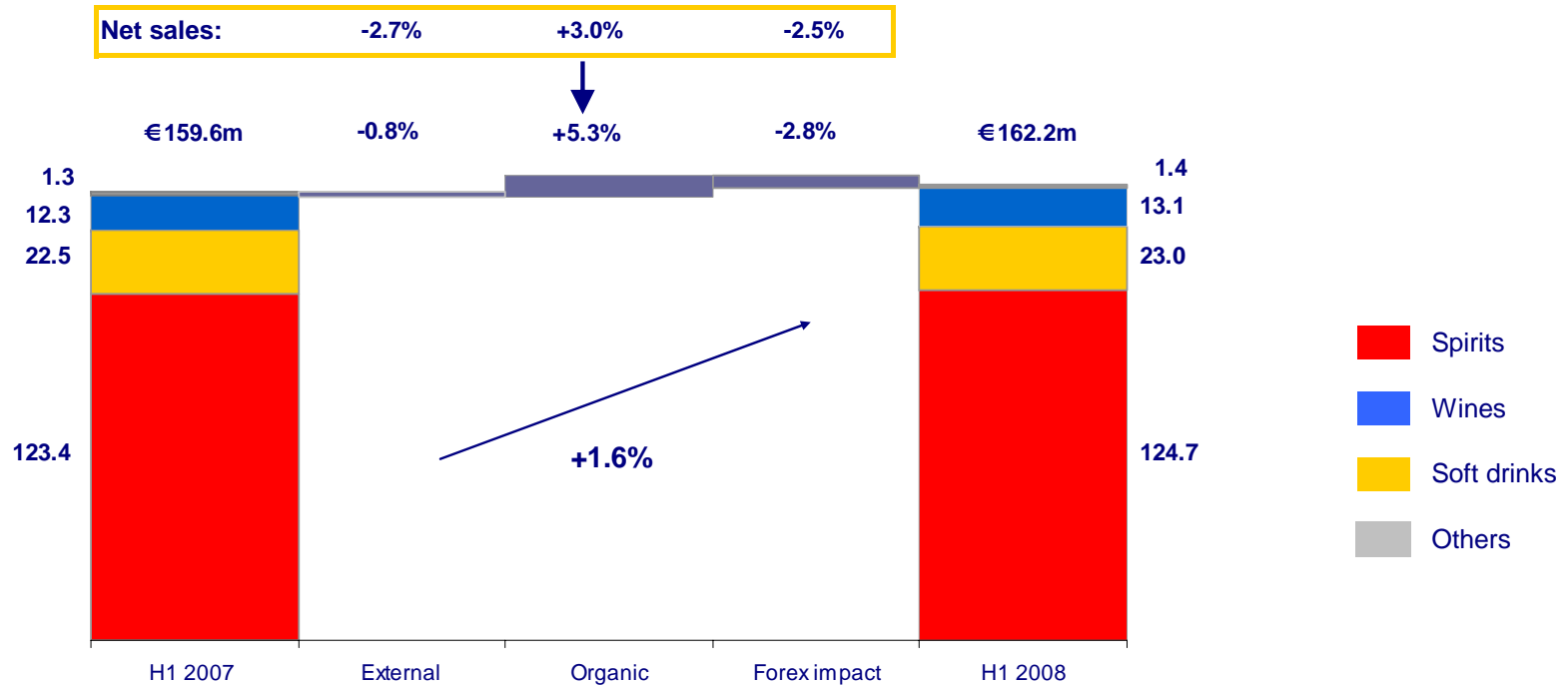


Analysis of CAAP by business area

Paolo Marchesini, CFO



Consolidated CAAP (Contribution after A&P) ⁽¹⁾



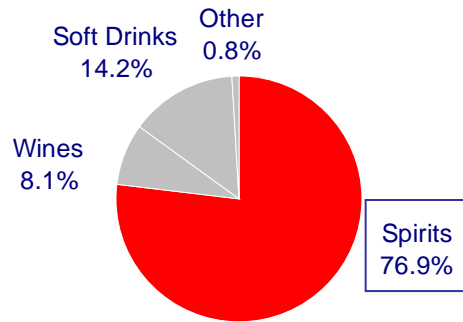
⁽¹⁾ According to new P&L format introduced in 2008, analysis of CAAP replaces analysis of Trading profit.
 CAAP = Net sales, less COGS (cost of materials + production costs + distribution expenses), less Advertising & Promotion.

- > **Improved mix:** CAAP organic growth (+5.3%) higher than net sales one (+3.0%)
- > Net sales negative **perimeter effect** (-2.7%) **almost offset** at CAAP level (-0.8%)
- > FX rates still affecting CAAP (-2.8%)

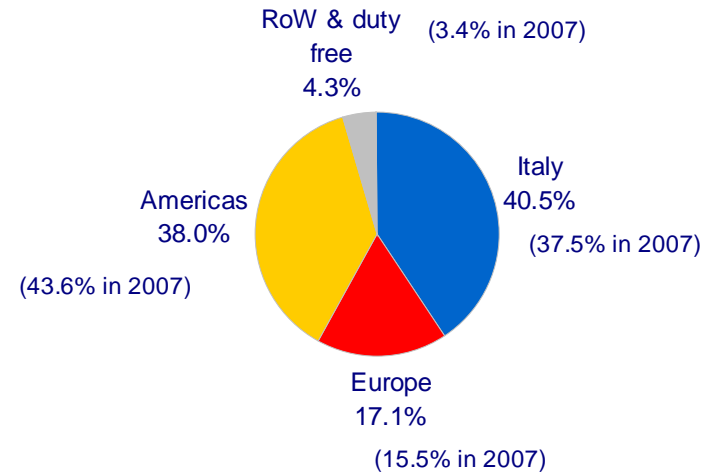


Spirits - CAAP analysis ⁽¹⁾

Spirits as % of Group CAAP



Breakdown of spirits sales by region



€ million	H1 2008		H1 2007		Change	of which:		
						external	organic	forex
Net sales	304.3	100.0%	318.7	100.0%	-4.5%	-3.7%	2.2%	-3.1%
Gross margin after distribution costs	184.9	60.8%	187.5	58.8%	-1.3%	-2.3%	4.0%	-3.0%
Contribution after A&P	124.7	41.0%	123.4	38.7%	1.1%	-1.1%	5.4%	-3.2%

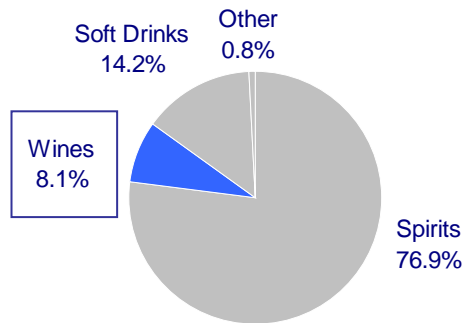
- > **Margin improvement driven by mix:** +4.0% organic growth in gross margin vs. +2.2% organic growth in sales
- > Below gross margin, further improvement of organic growth (CAAP: +5.4%) due to **different phasing of A&P investments**
- > FX rates negatively impacted sales and profit by 3.1% and 3.2% respectively (mainly **translation effects**)

⁽¹⁾ See supplementary schedule #4 for reclassification of H1 2007 segment analysis according to new format

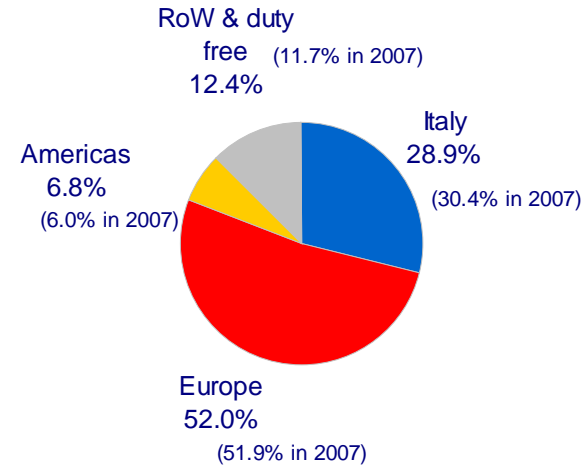


Wines - CAAP analysis ⁽¹⁾

Wines as % of Group CAAP



Breakdown of wines sales by region



€ million	H1 2008		H1 2007		Change	of which:		
						external	organic	currency
Net sales	60.1	100.0%	56.9	100.0%	5.6%	0.0%	6.2%	-0.6%
Gross margin after distribution costs	23.0	38.3%	23.1	40.5%	-0.2%	0.0%	1.3%	-1.5%
Contribution after A&P	13.1	21.8%	12.3	21.7%	6.3%	0.0%	7.9%	-1.6%

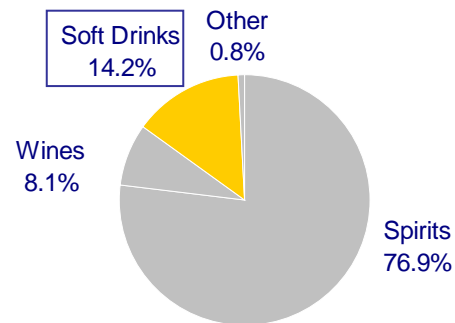
- > **CAAP organic growth (+7.9%) higher than sales (+6.2%)** as a result of a **different A&P planning**
- > FX rates negatively impacted sales and profit by 0.6% and 1.6% respectively (mainly **transaction effects**)

⁽¹⁾ See supplementary schedule #4 for reclassification of H1 2007 segment analysis according to new format

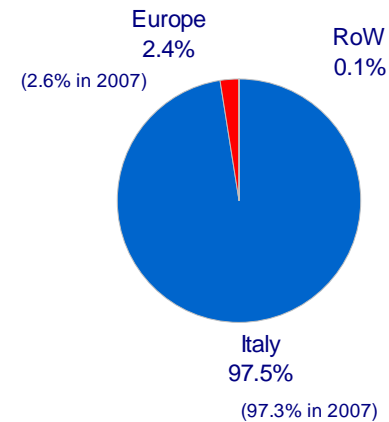


Soft Drinks - CAAP analysis (1)

Soft drinks as % of Group CAAP



Breakdown of soft drinks sales by region



€ million	H1 2008		H1 2007		Change	of which:		
						external	organic	currency
Net sales	58.4	100.0%	57.4	100.0%	1.8%	0.0%	1.8%	0.0%
Gross margin after distribution costs	28.2	48.3%	27.6	48.0%	2.4%	0.0%	2.4%	0.0%
Contribution after A&P	23.0	39.3%	22.5	39.2%	2.0%	0.0%	2.0%	0.0%

- > **30 bps gain in gross margin** due to good performance of higher margin brand (Crodino)
- > Lower (10bps) gain in CAAP margin due to higher A&P investments

(1) See supplementary schedule #4 for reclassification of H1 2007 segment analysis according to new format



H1 2008 consolidated results

Paolo Marchesini, CFO



Consolidated CAAP ⁽¹⁾

(€million)	H1 2008		H1 2007		Change at actual forex
Net sales	431.2	100.0%	440.6	100.0%	-2.1%
COGS ⁽²⁾	(193.6)	-44.9%	(201.1)	-45.7%	-3.7%
Gross margin after distribution costs	237.6	55.1%	239.4	54.3%	-0.8%
Advertising and promotion	(75.4)	-17.5%	(79.8)	-18.1%	-5.6%
Contribution after A&P	162.2	37.6%	159.6	36.2%	1.6%

⁽¹⁾ See supplementary schedule #3 for Consolidate Income statement new format

⁽²⁾ Cost of materials + Production costs + distribution expenses

- > Decrease in COGS by 80 bps on net sales due to :
 - Change in perimeter related to termination of Tequila 1800 positively affected COGS by 90 bps
 - Increase in input and logistic costs partly offset by both savings in production costs (Sulmona plant closing down), as well as favourable sales mix (+10 bps)

- > A&P decrease on net sales driven by both a different phasing of A&P (-40 bps) and favourable perimeter effect (-20bps)

- > Increase in **contribution after A&P** of 1.7% was attributable to:
 - > organic growth: +5.3% (vs. +3.0% in Net sales)
 - > FX rates impact: -2.8%
 - > change in perimeter: -0.8%



Consolidated EBIT

(€million)	H1 2008		H1 2007		Change at actual forex	Change at constant forex
Contribution after A&P	162.2	37.6%	159.6	36.2%	1.6%	+4.4%
SG&A ⁽¹⁾	(71.5)	-16.6%	(66.9)	-15.2%	6.9%	
EBIT before one-off's	90.8	21.1%	92.7	21.0%	-2.1%	+1.1%
One-off's ⁽²⁾	1.7	0.4%	(1.6)	-0.4%	-	
Operating profit = EBIT	92.5	21.4%	91.1	20.7%	1.5%	+4.6%
<i>Other information:</i>						
Depreciation	(9.6)	-2.2%	(9.7)	-2.2%	-1.0%	
EBITDA before one-off's	100.4	23.3%	102.4	23.2%	-2.0%	+1.0%
EBITDA	102.0	23.7%	100.8	22.9%	1.2%	+4.2%

⁽¹⁾ G&A + other operating income/expenses + selling expenses

⁽²⁾ According to IAS/IFRS net exceptional income (renamed as one-off's) is reclassified as a component of operating profit.

- > Increase in **SG&A** (+6.9%), mainly driven by investments in go-to-market capabilities: new subsidiaries opened in China, Argentina and Austria
- > **One-off's** of € 1.7m reflect capital gain from real estate disposal (warehouse in Italy), net of provision for assets write-downs and personnel restructuring costs



Consolidated Group's net profit

(€million)	H1 2008		H1 2007		Change at actual forex	Change at constant forex
Operating profit = EBIT	92.5	21.4%	91.1	20.7%	1.5%	+4.6%
Net financial income (expenses)	(8.2)	-1.9%	(8.5)	-1.9%	-3.8%	
Income from associates	0.2	0.0%	0.1	0.0%		
Put option costs	(0.7)	0.4%	0.0	0.0%		
Pretax profit	83.7	19.4%	82.7	18.8%	1.3%	
Taxes	(23.7)	-5.5%	(25.7)	-5.8%	-7.5%	
Minority interests	(0.1)	0.0%	(0.0)	0.0%	0.0%	
Group's net profit	59.8	13.9%	56.9	12.9%	5.1%	+7.4%

- > **Group's net profit increased** by 5.1% at actual forex (vs. 1.5% EBIT growth) and 7.4% at constant forex (vs. 4.6% EBIT growth), thanks to **lower net financial expenses** and **taxes**



Analysis of tax rate

(€ million)	H1 2008	H1 2007	FY 2007
Pretax after minority interests (A)	83.6	82.6	183.3
Income and deferred taxes (excl. GW) (B)	(18.2)	(20.2)	(47.4)
GW Deferred taxes	(5.5)	(5.5)	(10.7)
Total Tax	(23.7)	(25.7)	(58.1)
Net income	59.8	56.9	125.2
Cash tax rate (B / A)	21.8%	24.5%	25.9%

- > **Cash tax rate** decreased thanks to the reduction of the income tax rate applicable to Italian companies
- > Deferred taxes in line with last year due to neutral combined effect of:
 - > Recent add on (X-Rated and Cabo Wabo)
 - > US Dollar decline



Consolidated free cash flow

(€ million)	Notes	30 June 2008	30 June 2007
EBIT		92.5	91.1
Amortisation and depreciation		9.6	9.7
Other changes in non-cash items		(9.0)	(2.2)
Changes in tax payables and receivables and other non financial receivables and payables		(0.2)	0.9
Income taxes paid	(1)	(28.8)	(6.1)
Cash flow from operating activities before changes in working capital		64.0	93.4
Net change in Operating Working Capital		(14.7)	(14.3)
Cash flow from operating activities (A)		49.3	79.2
Net interest paid (B)		(7.5)	(8.4)
Cash flow from investing activities (capex) (C)	(2)	(12.7)	(6.8)
Free cash flow (A+B+C)		29.1	64.0
Acquisitions	(3)	(57.0)	(1.2)
Other changes		0.2	8.2
Dividends paid		(31.8)	(29.0)
Cash flow from other activities (D)		(88.7)	(22.0)
Exchange rate differences and other movements (E)		11.2	9.5
Net increase (decrease) in net financial position from activities (A+B+C+D+E)		(48.3)	51.5
Net financial position from activities at start of period		(288.1)	(379.5)
Net financial position from activities at end of period		(336.4)	(328.1)
Future exercise for put option on Cabo minority stake	(4)	(18.4)	0.0
Net financial position		(354.8)	(328.1)

(1) Shift of income taxes paid from 2007 to 2008 (€17 m)

(2) Capex of €12.7 m in 2008:

- ordinary capex: €9.8m
- extraordinary capex (new headquarters) : €9.7m
- proceeds for sale of real estate disposals: €6.8 m

(3) In 2008, acquisition of Cabo Wabo (€57.0). In 2007, acquisition of ownership rights for Old Smuggler brand in Argentina (€1.2 m)

(4) Estimated debt for possible exercise of put option (15% and 5% to be exercised in 2012 and 2015 respectively) on remaining 20% minority stake in Cabo Wabo



Estimated Capex 2008-2010

(€ million)	FY 2006A	FY 2007A	H1 2008A	FY 2008E	FY 2009E	FY 2010E	2006-2010 Grand total
Maintenance capex net of disposals	17.4	19.0	3.0	12.0	19.0	20.0	
Extraordinary capex new corporate headquarters	1.5	10.0	9.7	16.2	6.5	-	34.2
Extraordinary capex other (Brazil & Glen Grant)	-	-	-	9.9	12.4	1.0	23.3
Total investments	18.9	29.0	12.7	38.1	37.9	21.0	

- > New projects (Brazil and Glen Grant) accounting for €23 m in 2/3 years
- > In 2008 and going forward we aim at maintaining ordinary capex net of disposals below €20 m threshold



Net Working Capital

(€ million)	30 June 2008	31 Dec 2007	Change	30 June 2007
Trade receivables	266.2	280.0	(13.8)	232.9
Inventories	172.0	166.9	5.1	180.4
Trade payables	(135.8)	(156.6)	20.8	(131.7)
Net Working Capital	302.4	290.4	12.0	281.6
Last 12 months sales to 31 Mar 2008	948.1	957.5	(9.4)	955.1
NWC / LTM (%) ⁽¹⁾	31.9%	30.3%		29.5%

(1) LTM = Last 12 Months

- > Growth in **net working capital as % of sales** to 31.9%, mainly attributable to poor weather conditions during Q2, which led to shift of sales from April-May to June



Analysis of net debt and interest charges

€ million	30 June 2008	31 December 2007	30 June 2007
Cash and cash equivalents	110.3	199.8	187.4
Payables to banks	(86.4)	(114.4)	(113.0)
Real estate lease payables	(3.2)	(3.2)	(3.1)
Private placement and bond issues	(7.8)	(8.4)	(7.3)
Other assets or liabilities	(7.2)	(7.6)	(10.2)
Total short-term cash/(debt)	5.8	66.3	53.8
Payables to banks	(1.7)	(1.8)	(1.1)
Real estate lease payables	(11.3)	(12.9)	(14.4)
Private placement and bond issues	(328.6)	(338.8)	(364.2)
Other financial payables	(0.6)	(1.0)	(2.0)
Total medium to long-term cash/(debt)	(342.2)	(354.4)	(381.7)
Total cash/(debt) on ordinary activities	(336.4)	(288.1)	(327.9)
Estimated debt for possible exercise of put option on remaining Cabo Wabo stake ⁽¹⁾	(18.4)	0.0	0.0
Total net cash/(debt)	(354.8)	(288.1)	(327.9)

(1) Estimated debt for possible exercise of put option (15% and 5% to be exercised in 2012 and 2015 respectively) on remaining 20% minority stake in Cabo Wabo

- > Increase in **Net financial debt** of € 66.7 m from year end 2007, after the payment of 80% stake in Cabo Wabo (€57.0 m) and provisioning €18.4 m for exercise cost of Cabo Wabo put option

Analysis of net debt by exposure to interest rate

(as % of net debt)

Variable : 99%

Fix : 1%

Total 100%

as of July 2008:

€ 128 m at 4.36% fix until 2018;

€ 43 m at 4.25% fix until 2015

Analysis of net debt by currency

(Net debt) / cash (€ million) :

- Euro : (294.4)

- US Dollar : (105.8)

- Other: 45.4

Total (354.8)



Update on business initiatives

Bob Kunze-Concewitz, CEO



Update on business initiatives

> **New product development:**

- > **Successful introduction of SKYY core new pack, as well as above expectations sell-in of SKYY infusions**
- > **Entered new segment, coffee liqueur, with innovative Illy licensing agreement**

> **Structure:**

- > **Completed staffing in China, Argentina and Austria**
- > **Began work on new factory in North East Brazil to satisfy increased demand, and purchased warehouse for Glen Grant to internalize storage activities**



Outlook

Bob Kunze-Concewitz, CEO



Outlook

> **Maintain organic growth guidance**

- Continue leveraging strength of brands via A&P investments to gain share in tough markets and accelerate organic growth
- Remain cautious on continued negative forex impact



Supplementary schedules

- Schedule - 1 Analysis of H1 2008 net sales growth by segment and region
- Schedule - 2 H1 2008 consolidated income statement
- Schedule - 3 Reclassification of H1 2007 consolidated income statement according to new format
- Schedule - 4 Reclassification of H1 2007 segment analysis according to new format
- Schedule - 5 Consolidated balance sheet at 30 June 2008 – Invested capital and financing sources
- Schedule - 6 Consolidated balance sheet at 30 June 2008 – Asset and liabilities
- Schedule - 7 H1 2008 consolidated cash flow
- Schedule - 8 Average exchange rates in H1 2008



Analysis of H1 2008 net sales growth by segment and region

Consolidated net sales by segment

	H1 2008		H1 2007		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Spirits	304.3	70.6%	318.7	72.3%	-4.5%	-3.7%	2.2%	-3.1%
Wines	60.1	13.9%	56.9	12.9%	5.6%	0.0%	6.2%	-0.6%
Soft drinks	58.4	13.5%	57.4	13.0%	1.8%	0.0%	1.8%	0.0%
Other revenues	8.4	1.9%	7.6	1.7%	11.0%	0.0%	19.3%	-8.3%
Total	431.2	100.0%	440.6	100.0%	-2.1%	-2.7%	3.0%	-2.5%

Consolidated net sales by region

	H1 2008		H1 2007		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Italy	198.1	45.9%	192.6	43.7%	2.8%	0.0%	2.8%	0.0%
Europe	90.7	21.0%	86.5	19.6%	4.8%	0.0%	5.6%	-0.8%
Americas (1)	121.6	28.2%	143.3	32.5%	-15.1%	-8.3%	-0.1%	-6.7%
RoW & Duty Free	20.9	4.8%	18.2	4.1%	14.9%	1.1%	16.8%	-3.0%
Total	431.2	100.0%	440.6	100.0%	-2.1%	-2.7%	3.0%	-2.5%

(1) Breakdown of Americas

	H1 2008		H1 2007		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
USA	85.1	70.0%	106.2	74.1%	-19.9%	-11.6%	1.3%	-9.6%
Brazil	28.7	23.6%	31.1	21.7%	-7.5%	0.0%	-11.7%	4.2%
Other countries	7.8	6.4%	6.0	4.2%	29.4%	7.0%	34.3%	-11.9%
Total	121.6	100.0%	143.3	100.0%	-15.1%	-8.3%	-0.1%	-6.7%



H1 2008 consolidated income statement

	H1 2008		H1 2007		Change
	€ m	%	€ m	%	%
Net sales (1)	431.2	100.0%	440.6	100.0%	-2.1%
COGS ⁽²⁾	(193.6)	-44.9%	(201.1)	-45.7%	-3.7%
Gross margin after distribution costs	237.6	55.1%	239.4	54.3%	-0.8%
Advertising and promotion	(75.4)	-17.5%	(79.8)	-18.1%	-5.6%
Contribution after A&P	162.2	37.6%	159.6	36.2%	1.6%
SG&A ⁽³⁾	(71.5)	-16.6%	(66.9)	-15.2%	6.9%
EBIT before one-off's	90.8	21.1%	92.7	21.0%	-2.1%
One-off's	1.7	0.4%	(1.6)	-0.4%	
Operating profit = EBIT	92.5	21.4%	91.1	20.7%	1.5%
Net financial income (expenses)	(8.2)	-1.9%	(8.5)	-1.9%	-3.8%
Income from associates	0.2	0.0%	0.1	0.0%	
Put option costs	(0.7)	0.4%	0.0	0.0%	
Pretax profit	83.7	19.4%	82.7	18.8%	1.3%
Taxes	(23.7)	-5.5%	(25.7)	-5.8%	-7.5%
Net profit	60.0	13.9%	57.0	12.9%	5.2%
Minority interests	(0.1)	0.0%	(0.0)	0.0%	
Group's pretax profit	59.8	13.9%	56.9	12.9%	5.1%
<i>Other information:</i>					
Depreciation	(9.6)	-2.2%	(9.7)	-2.2%	-1.0%
EBITDA before one-off's	100.4	23.3%	102.4	23.2%	-2.0%
EBITDA	102.0	23.7%	100.8	22.9%	1.2%

⁽¹⁾ Net of discounts and excise duties

⁽²⁾ Cost of materials + Production costs + distribution expenses

⁽³⁾ G&A + other operating income/expenses + selling expenses



Reclassification of H1 2007 consolidated income statement according to new format

Previous format	€ m	%	New format	€ m	%
Net sales	440.6	100.0%	Net sales	440.6	100.0%
COGS	(185.0)	-42.0%	COGS ⁽¹⁾	(201.1)	-45.7%
Gross margin	255.6	58.0%	Gross margin after distribution costs	239.4	54.3%
Advertising and promotion	(79.8)	-18.1%	Advertising and promotion	(79.8)	-18.1%
Selling and distribution expenses	(52.1)	-11.8%	Contribution after A&P	159.6	36.2%
Trading profit	123.7	28.1%	SG&A ⁽²⁾	(66.9)	-15.2%
G&A and other operating income/expenses	(31.0)	-7.0%	EBIT before one-off's	92.7	21.0%
EBIT before one-off's	92.7	21.0%	One-off's	(1.6)	-0.4%
One-off's	(1.6)	-0.4%	Operating profit = EBIT	91.1	20.7%
Operating profit = EBIT	91.1	20.7%			

⁽¹⁾ Cost of materials + Production costs + distribution expenses

⁽²⁾ G&A + other operating income/expenses + selling expenses



Reclassification of H1 2007 segment analysis according to new format (1 of 2)

SPIRITS					
Previous format			New format		
	€ m	%		€ m	%
Net sales	318.7	100.0%	Net sales	318.7	100.0%
COGS	(122.2)	-38.3%	COGS ⁽¹⁾	(131.2)	-41.2%
Gross margin	196.5	61.7%	Gross margin after distribution costs	187.5	58.8%
Advertising and promotion	(64.0)	-20.1%	Advertising and promotion	(64.0)	-20.1%
Selling and distribution expenses	(34.8)	-10.9%	Contribution after A&P	123.4	38.7%
Trading profit	97.7	30.7%			

WINES					
Previous format			New format		
	€ m	%		€ m	%
Net sales	56.9	100.0%	Net sales	56.9	100.0%
COGS	(31.5)	-55.3%	COGS ⁽¹⁾	(33.8)	-59.5%
Gross margin	25.4	44.7%	Gross margin after distribution costs	23.1	40.5%
Advertising and promotion	(10.7)	-18.8%	Advertising and promotion	(10.7)	-18.8%
Selling and distribution expenses	(8.9)	-15.6%	Contribution after A&P	12.3	21.7%
Trading profit	5.9	10.3%			

⁽¹⁾ Cost of materials + Production costs + distribution expenses



Reclassification of H1 2007 segment analysis according to new format (2 of 2)

SOFT DRINKS

Previous format				New format	
	€ m	%		€ m	%
Net sales	57.4	100.0%	Net sales	57.4	100.0%
COGS	(25.1)	-43.8%	COGS ⁽¹⁾	(29.8)	-52.0%
Gross margin	32.3	56.2%	Gross margin after distribution costs	27.6	48.0%
Advertising and promotion	(5.0)	-8.8%	Advertising and promotion	(5.0)	-8.8%
Selling and distribution expenses	(8.3)	-14.5%	Contribution after A&P	22.5	39.3%
Trading profit	18.9	32.9%			

OTHERS

Previous format				New format	
	€ m	%		€ m	%
Net sales	7.6	100.0%	Net sales	7.6	100.0%
COGS	(6.2)	-81.6%	COGS ⁽¹⁾	(6.2)	-82.4%
Gross margin	1.4	18.4%	Gross margin after distribution costs	1.3	17.6%
Advertising and promotion	(0.0)	-0.2%	Advertising and promotion	(0.0)	-0.2%
Selling and distribution expenses	(0.1)	-1.1%	Contribution after A&P	1.3	17.4%
Trading profit	1.3	17.1%			

⁽¹⁾ Cost of materials + Production costs + distribution expenses



Consolidated balance sheet at 30 June 2008

Invested capital and financing sources

(€ million)	30 June 2008	31 December 2007	Change
Inventories	172.0	166.9	5.1
Trade receivables	266.2	280.0	(13.8)
Trade payables	(135.8)	(156.6)	20.8
Operating working capital	302.4	290.4	12.1
Tax credits	5.4	9.6	(4.2)
Other receivables, other current assets	27.8	28.3	(0.5)
Other current assets	33.2	38.0	(4.7)
Payables for taxes	(44.0)	(54.6)	10.6
Other current liabilities	(33.8)	(39.4)	5.7
Other current liabilities	(77.8)	(94.0)	16.2
Staff severance fund	(10.6)	(11.7)	1.0
Deferred taxes	(64.9)	(60.7)	(4.3)
Pre-paid taxes	15.4	15.9	(0.5)
Other non-current assets	3.2	4.2	(1.0)
Other non-current liabilities	(9.1)	(11.0)	1.9
Other net assets/liabilities	(66.1)	(63.3)	(2.7)
Net tangible assets (included biological assets and property)	176.3	175.3	1.0
Goodwill and trademarks	866.7	817.3	49.4
Non-current assets for sale	12.7	2.5	10.2
Equity investments and own shares	0.5	0.6	(0.1)
Total fixed assets	1,056.2	995.7	60.5
Invested Capital	1,248.0	1,166.6	81.4
Shareholders' equity	890.9	876.6	14.3
Minority interests	2.3	1.9	0.4
Net financial position	354.8	288.1	66.7
Financing sources	1,248.0	1,166.7	81.4



Consolidated balance sheet at 30 June 2008 (1 of 2)

Assets

(€ million)	30 June 2008	31 December 2007	Change
ASSETS			
Non-current assets			
Net tangible fixed assets	159.1	155.4	3.7
Biological assets	16.6	15.9	0.7
Investment property	0.7	4.0	(3.3)
Goodwill and trademarks	861.6	812.2	49.5
Intangible assets with a finite life	5.0	5.1	(0.1)
Investment in affiliated companies and joint ventures	0.5	0.6	(0.1)
Deferred tax assets	15.4	15.9	(0.5)
Other non-current assets	8.1	10.0	(1.9)
Total non-current assets	1,067.0	1,019.1	47.9
Current assets			
Inventories	172.0	166.9	5.1
Trade receivables	266.2	280.0	(13.8)
Financial receivables	3.5	2.9	0.6
Cash and cash equivalents	110.3	199.8	(89.5)
Other receivables	32.3	37.1	(4.9)
Total current assets	584.3	686.7	(102.5)
Non-current assets held for sale	12.7	2.5	10.2
Total assets	1,664.0	1,708.3	(44.4)



Consolidated balance sheet at 30 June 2008 (2 of 2)

Liabilities

(€ million)	30 June 2008	31 December 2007	Change
Shareholders' equity			
Share capital	29.0	29.0	0.0
Reserves	861.9	847.6	14.3
Group's shareholders' equity	890.9	876.6	14.3
Minority interests	2.1	1.9	0.1
Total shareholders' equity	893.0	878.6	14.4
LIABILITIES			
Non-current liabilities			
Bonds	268.5	287.7	(19.2)
Other non-current financial liabilities	97.0	72.6	24.4
Staff severance fund and other personnel-related funds	10.6	11.7	(1.0)
Provisions for risks and future liabilities	9.1	11.0	(1.9)
Deferred tax	64.9	60.7	4.3
Other non-current liabilities	0.0	0.0	0.0
Total non-current liabilities	450.2	443.6	6.5
Current liabilities			
Banks borrowings	86.4	114.4	(28.0)
Other financial liabilities	20.7	21.2	(0.5)
Payables to suppliers	135.8	156.6	(20.8)
Payables for taxes	44.0	54.6	(10.6)
Other current liabilities	34.0	39.4	(5.4)
Total current liabilities	320.8	386.1	(65.3)
Total liabilities and stockholders' equity	1,664.0	1,708.3	(44.4)



H1 2008 consolidated cash flow (1 of 2)

€ million	30 June 2008	30 June 2007
<i>Cash flow generated by operating activities</i>		
Ebit	92.5	91.1
Non-cash items		
Depreciation	9.6	9.7
Gains on sale of fixed assets	(6.3)	(1.4)
Write-off of tangible fixed assets	0.0	0.0
Provisions	0.7	1.5
Use of provisions	(3.7)	(3.3)
Other non cash items	0.3	1.0
Net change in Operating Working Capital	(14.7)	(14.3)
Changes in tax payables and receivables and other non financial	(0.3)	0.9
Taxes on income paid	(28.8)	(6.1)
	49.3	79.2
<i>Net cash flow generated (used) by investing activities</i>		
Acquisition of tangible and intangible fixed assets	(22.0)	(13.2)
Income from disposals of tangible fixed assets	7.9	6.4
Payments on account for new headquarters	1.5	0.0
Purchase of trademarks	0.0	0.0
Purchase of companies or holdings in subsidiaries	(57.0)	(1.2)
Interests received	5.6	5.6
Dividends received	0.3	0.0
Other changes	(0.2)	0.1
	(64.0)	(2.3)



H1 2008 consolidated cash flow (2 of 2)

€ million	30 June 2008	30 June 2007
<i>Cash flow generated (used) by financing activities</i>		
Payment of medium-long term loans	(1.8)	(1.5)
Net change in short-term bank borrowings	(28.2)	(96.3)
Interests paid	(13.1)	(14.0)
Change in other financial payables and receivables	0.0	(0.5)
Own shares purchase and sale	0.0	8.2
Dividends paid to minorities	(0.4)	(0.0)
Net change in equity investments	0.0	1.0
Dividend paid by Group	(31.8)	(29.0)
	(75.3)	(132.2)
<i>Exchange rate effects and other equity movements</i>		
Exchange rate effects on Operating Working Capital	2.7	(2.2)
Other exchange rate effects and other movements	(2.1)	6.0
	0.6	3.7
<i>Net increase (decrease) in cash and banks</i>	(89.5)	(51.6)
Net cash position at the beginning of period	199.8	239.0
Net cash position at the end of period	110.3	187.4



Average exchange rates in H1 2008

	H1 2008	H1 2007	% change
US dollar : 1 Euro	1.531	1.329	
Euro : 1 US dollar	0.6532	0.7522	-13.2%
Brazilian Real : 1 Euro	2.595	2.719	
Euro : 1 Brazilian Real	0.3854	0.3678	4.8%





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