



## A good start to the year with strong growth across all key indicators

### HIGHLIGHTS

- Sales: €268.4 million (+14.9%, organic growth +10.5%)
- Contribution after A&P: €109.2 million (+16.5%, organic growth +10.6%, 40.7% of sales)
- EBITDA before one-offs: €69.4 million (+17.4%, organic growth +11.5%, 25.8% of sales)
- EBIT before one-offs: €61.6 million (+17.9%, organic growth +11.4%, 23.0% of sales)
- Group pre-tax profit: €50.5 million (+16.6%)
- Net financial debt at €618.7 million (down from €677.0 million at 31 December 2010)

Milan, May 12, 2011 - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the first quarter ending 31 March 2011.

Gruppo Campari achieved **strong overall results**, in a small quarter, **across all performance indicators**, thanks to **steady organic growth** and positive contribution of perimeter and exchange rates effects.

**Bob Kunze-Concewitz, Chief Executive Officer:** *'Although the first quarter is a small one for Gruppo Campari, we are pleased to have had a strong start to the year with solid double digit growth across all key indicators despite a tough comparable base and a late Easter. All of our growth engines (aperitifs in Europe and South America, vodka in the Americas and the bourbon range in the US and Australia) performed well and we also benefitted from the strengthened route-to-market as well as the anticipation of shipments in Russia, ahead of the import license renewal. Looking forward, we expect our key growth drivers to continue delivering positive performances and we remain committed to sustained investments in marketing and innovation, particularly in the next two quarters. We remain optimistic about our full year prospects based on a balanced view of risks and opportunities.'*

### CONSOLIDATED RESULTS FIRST QUARTER 2011

	1 January- 31 March 2011 (€millions)	1 January- 31 March 2010 (€millions)	Change at actual exchange rates	Change at constant exchange rates
Net sales	268.4	233.6	+14.9%	+13.0%
Contribution after A&P <sup>(1)</sup>	109.2	93.7	+16.5%	+14.5%
EBITDA before one-offs	69.4	59.1	+17.4%	+13.4%
EBITDA	68.5	58.6	+17.0%	+12.9%
EBIT before one-offs	61.6	52.3	+17.9%	+13.1%
EBIT	60.8	51.8	+17.4%	+12.4%
Group pre-tax profit	50.5	43.3	+16.6%	+10.6%

<sup>(1)</sup> EBIT before SG&A.

In the first quarter 2011 Group sales totalled **€268.4 million** showing a reported growth of **+14.9%** and organic growth of **+10.5%** (+14.5% in first quarter of 2010). **Exchange rates** and **perimeter effects** were **+1.9%** and **+2.5%** respectively, the latter mainly due to the acquisition of Frangelico, Carolans and Irish Mist.

**Gross margin** increased to **€156.1 million**, up **+16.8%**, or 58.2% of sales.

**Advertising and promotion (A&P)** was up by **+17.7%** to **€46.9 million**, or 17.5% of sales.

**Contribution after A&P** (gross margin after A&P) was up by **+16.5%** to **€109.2 million (+10.6% organic growth)**, or 40.7% of sales.

**EBITDA before one-offs** was up by **+17.4%** to **€69.4 million (+11.5% organic growth)**, or 25.8% of sales.

**EBITDA** reached **€68.5 million**, an increase of +17.0%.

**EBIT before one-offs** rose by +17.9% to **€61.6 million (+11.4% organic growth)**, or 23.0% of sales.

**EBIT** reached **€60.8 million**, an increase of **+17.4%**.

**Group pre-tax profit** reached €50.5 million (**+16.6%**; +10.6% at constant exchange rates).

As of 31 March 2011, **net financial debt** stood at **€618.7 million** (€677.0 million as of 31 December 2010) thanks to positive generation of cash flow and a positive exchange rates effect.

## **CONSOLIDATED SALES OF FIRST QUARTER 2011**

Looking at sales **by region** in the first quarter, sales in the **Italian market** (37.7% of total Group sales, down from 44.6% in the first quarter of 2010) recorded an **organic change of -2.9%**. A late Easter in 2011, compared to 2010, and consequent shift of marketing activities, negatively affected the performance particularly of Campari Soda, Crodino, GlenGrant and the sparkling wines, in part offset by the positive trends in Aperol and Campari sales.

Sales in the **rest of Europe** (22.8% of consolidated sales) **increased by a very strong +39.7%**, driven by **strong organic growth of +32.2%**, a positive perimeter effect of **+6.3%** and a positive exchange rate effect of **+1.2%**. Notably strong organic performance was driven by **Germany (+42.1%)**, thanks to the **positive momentum across the entire portfolio** and an **extraordinary performance of Aperol**, and **Russia (+170.8%)**, mainly thanks to a rebound of consumption and an anticipation of shipments ahead of renewal of import licenses. **Switzerland, Austria and Spain** performed also well driven by aperitifs.

The **Americas** (31.3% of total sales) posted **overall growth of +16.4%**, driven by an **organic increase of +10.3%**, a **positive perimeter effect of +3.2%**, due to the newly acquired Frangelico, Carolans and Irish Mist brands, and a **positive exchange rate effect of +2.9%**. In the Americas, the **US market** registered an **organic increase of +9.5%**, a **positive perimeter effect of +2.5%** and a **positive exchange rate effect of +1.3%**. In **Brazil organic sales declined by -8.7%**, against a tough comparison base (+335.8% in first quarter of 2010), offset by a **perimeter effect of +1.2%** and an **exchange rate effect of +8.5%**. Sales in **other Americas grew by +78.7%**, due to an **organic growth of +65.5%**, mainly driven by Argentina, a **perimeter effect of +13.3%**, attributable to the impact Frangelico, Carolans and Irish Mist brands, and an **exchange rate effect of -0.1%**.

Sales in the **rest of the world** (including duty free), which accounted for 8.2% of total sales, grew by **+64.4%** overall, due to a **positive organic change of +44.9%**, driven by the transition to the newly established distribution platform in the key Australian market, a positive **perimeter effect of +5.6%**, and a positive **exchange rate effect of +13.9%**.

Looking at sales by business segment, **spirits** (76.9% of total sales) grew +16.0%, the combined result of **organic growth of +10.5%**, a **positive perimeter effect of +3.2%** and a **positive exchange rate effect of +2.3%**. **Campari** brand sales **increased by +3.5%** at constant exchange rates (**+5.4%** at actual exchange rates), thanks to positive performances in the key German and Italian markets. **SKYY** sales **grew by +8.4%** at constant exchange rates (**+10.3%** at actual exchange rates), driven by an increase in the US, both in Infusions and in SKYY core, and steady growth in key international markets. **Aperol continued its very strong momentum (+57.1%** at constant exchange rates) in Italy and in international markets (particularly Germany and Austria). **Wild Turkey** franchise sales grew by **+43.1%** overall at constant exchange (**+52.3%** at actual exchange), driven by the **positive performance of all the acquired brands in key markets** (Wild Turkey core in US, Australia and Japan, Wild Turkey ready-to-drink in Australia and New Zealand, American Honey in US) as well as easy comparison base in Australia due to the transition to direct distribution in first half

of 2010. The **tequilas** grew by **+27.8%** driven by good performance of recently re-launched **Espolon**, **Frangelico**, **Carolans** and **Irish Mist** recorded a flat organic performance in shipments and a positive trend in depletions. **Brazilian brands** recorded a decrease of **-15.7%** at constant exchange (**-7.7%** at actual exchange), against a tough comparison base. A decline was also recorded by **GlenGrant** (**-6.8%** at constant exchange) and **Campari Soda** (**-6.2%** at constant exchange), which were negatively affected by a late Easter in 2011, compared to 2010, and consequent shift of marketing activities. Both brands maintain a strong leadership in key Italian market.

**Wines**, which accounted for 12.8% of total sales, **increased +32.7%**, due to the combination of a strong **organic performance of +29.8%**, a **perimeter effect of +1.6%** and an **exchange rate effect of +1.3%**.

**Cinzano vermouths** grew by +114.5% at constant exchange (+115.1% at actual exchange) driven **largely by a rebound in the key Russian market**, in addition to the positive effect of the **Argentine market**. **Cinzano sparkling wines** sales increased by **+3.6%** at constant exchange (**+4.2%** at actual exchange), thanks to a positive **performance in Russia**, which offset a slight decline in Germany and Italy, the latter negatively influenced by late Easter in 2011 compared to 2010. **Other sparkling wines grew by +45.6%** overall, driven by strong performance of **Riccadonna**, thanks to a return to normalised sales trend in key Australian market and strong sales of **Mondoro** in Russia, in part offset by soft performance of **Odessa**. **Still wines** (including **Sella&Mosca**, **Enrico Serafino**, **Teruzzi&Puthod** and **agency brands**) had a slow start in a small quarter (-1.6% overall change in the first quarter 2011).

**Soft drinks** (9.6% of total sales) decreased of **-7.0%**, due to a decline in **Crodino** sales (**-9.0%**). This performance, which is not reflected in the sell out trend, is attributable to late Easter and consequent shift of marketing activities in the key Italian market, where the brand maintains a strong leadership.

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

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#### **ANALYST CONFERENCE CALL**

At **1:00 pm (CET) today, Thursday, May 12, 2011**, Campari's management will hold a conference call to present the Group's 2011 first quarter results to analysts and investors. To participate, please dial one of the following numbers:

- **from Italy: 02 8058 811**
- **from abroad: +44 1212 818003**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Gruppo Campari's website, at

<http://www.camparigroup.com/en/investors/home.jsp>

A **recording of the conference call** will be available from Thursday, May 12 until Wednesday, May 18, 2011.

To listen to it, please call the following number:

- **from Italy: 02 72495**
  - **from abroad: +44 1212 818005**
- (access code: **765#**).

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### **MEDIA CONFERENCE CALL**

At **2:30 pm (CET) today, Thursday, May 12, 2011**, Bob Kunze-Concewitz, Gruppo Campari's CEO, will hold a conference call in English to present the Group's 2011 first quarter results to the media. To participate, please dial one of the following numbers:

- **from Italy: 02 8058 811**
- **from abroad: +44 1212 818003**

### **FOR FURTHER INFORMATION**

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### **ABOUT GRUPPO CAMPARI**

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Davide Campari-Milano S.p.A., together with its affiliates ('Gruppo Campari'), is a major player in the global beverage sector, trading in over 190 nations around the world with a leading position in the Italian and Brazilian markets and a strong presence in the USA and Continental Europe. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment its internationally renowned brands, such as Campari, Carolans, SKYY Vodka and Wild Turkey stand out. It also has leading regional brands including Aperol, Cabo Wabo, Camparisoda, Cynar, Frangelico, Glen Grant, Ouzo 12, X-Rated Fusion Liqueur, Zedda Piras and the local Brazilian brands Dreher, Old Eight and Drury's. Its wine segment boasts the global brand Cinzano, as well as important regional brands including Liebfraumilch, Mondoro, Odessa, Riccadonna, Sella&Mosca and Teruzzi&Puthod. The soft drinks segment comprises the non-alcoholic aperitif Crodino and Lemonsoda as well as its respective line extension dominating the Italian market. The Group employs over 2,200 people. The shares of the parent company, Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM), are listed on the Italian Stock Exchange. [www.camparigroup.com](http://www.camparigroup.com)

- Appendix to follow -

## GRUPPO CAMPARI

### Consolidated net revenues by geographic area

	1 January-31 March 2011		1 January-31 March 2010		% change
	€million	%	€million	%	
Italy	101.1	37.7%	104.2	44.6%	-2.9%
Rest of Europe	61.3	22.8%	43.9	18.8%	39.7%
Americas	83.9	31.3%	72.1	30.9%	16.4%
Rest of the world and duty free	22.1	8.2%	13.5	5.8%	6.4%
<b>Total</b>	<b>268.4</b>	<b>100.0%</b>	<b>233.6</b>	<b>100.0%</b>	<b>14.9%</b>

Breakdown of % change	Total % change	Organic Growth	External growth	Exchange rate effect
Italy	-2.9%	-2.9%	0.0%	0.0%
Rest of Europe	39.7%	32.2%	6.3%	1.2%
Americas	16.4%	10.3%	3.2%	2.9%
Rest of the world and duty free	64.4%	44.9%	5.6%	13.9%
<b>Total</b>	<b>14.9%</b>	<b>10.5%</b>	<b>2.5%</b>	<b>1.9%</b>

### Consolidated net revenues by segment

	1 January-31 March 2011		1 January-31 March 2010		% change
	€million	%	€million	%	
Spirits	206.5	76.9%	178.1	76.2%	16.0%
Wines	34.3	12.8%	25.8	11.1%	32.7%
Soft drinks	25.9	9.6%	27.8	11.9%	-7.0%
Other revenues	1.7	0.7%	1.9	0.8%	-2.4%
<b>Total</b>	<b>268.4</b>	<b>100.0%</b>	<b>233.6</b>	<b>100.0%</b>	<b>14.9%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	16.0%	10.5%	3.2%	2.3%
Wines	32.7%	29.8%	1.6%	1.3%
Soft drinks	-7.0%	-7.1%	0.0%	0.1%
Other revenues	-2.4%	11.2%	-16.1%	2.3%
<b>Total</b>	<b>14.9%</b>	<b>10.5%</b>	<b>2.5%</b>	<b>1.9%</b>

## GRUPPO CAMPARI

### Consolidated income statement

	1 January-31 March 2011		1 January-31 March 2010		Change
	€million	%	€million	%	%
<b>Net sales<sup>(1)</sup></b>	<b>268.4</b>	<b>100.0%</b>	<b>233.6</b>	<b>100.0%</b>	<b>14.9%</b>
Total cost of goods sold <sup>(2)</sup>	(112.3)	-41.8%	(100.0)	-42.8%	12.4%
<b>Gross margin</b>	<b>156.1</b>	<b>58.2%</b>	<b>133.6</b>	<b>57.2%</b>	<b>16.8%</b>
Advertising and promotion	(46.9)	-17.5%	(39.9)	-17.1%	17.7%
<b>Contribution after A&amp;P</b>	<b>109.2</b>	<b>40.7%</b>	<b>93.7</b>	<b>40.1%</b>	<b>16.5%</b>
SG&A <sup>(3)</sup>	(47.6)	-17.7%	(41.5)	-17.8%	14.7%
<b>EBIT before one-off's</b>	<b>61.6</b>	<b>23.0%</b>	<b>52.3</b>	<b>22.4%</b>	<b>17.9%</b>
One off's	(0.8)	-0.3%	(0.5)	-0.2%	-
<b>Operating profit = EBIT</b>	<b>60.8</b>	<b>22.6%</b>	<b>51.8</b>	<b>22.2%</b>	<b>17.4%</b>
Net financial income (expenses)	(10.3)	-3.8%	(8.3)	-3.6%	23.5%
Income from associates	0.1	0.0%	(0.0)	-0.0%	-
Put option costs	-	0.0%	(0.1)	-0.0%	-
<b>Profit before taxes and minority interests</b>	<b>50.6</b>	<b>18.8%</b>	<b>43.4</b>	<b>18.6%</b>	<b>16.6%</b>
Minority interests	(0.1)	0.0%	(0.1)	-0.0%	-
<b>Group pre-tax profit</b>	<b>50.5</b>	<b>18.8%</b>	<b>43.3</b>	<b>18.5%</b>	<b>16.6%</b>
Depreciation and amortisation	(7.7)	-2.9%	(6.8)	-2.9%	14.0%
<b>EBITDA before one-off's</b>	<b>69.4</b>	<b>25.8%</b>	<b>59.1</b>	<b>25.3%</b>	<b>17.4%</b>
<b>EBITDA</b>	<b>68.5</b>	<b>25.5%</b>	<b>58.6</b>	<b>25.1%</b>	<b>17.0%</b>

(1) Net of discounts and excise duties.

(2) Includes cost of materials, production and logistics costs.

(3) Includes selling, general and administrative costs.