



## Sustained growth across all key indicators continues in the first nine months of 2011

### HIGHLIGHTS

- Sales: € 889.2 million (+11.9%, organic growth +10.5%)
- Contribution after A&P: € 362.0 million (+11.5%, organic growth +8.3%, 40.7% of sales)
- EBITDA before one-offs: € 232.7 million (+13.3%, organic growth +9.9%, 26.2% of sales)
- EBIT before one-offs: € 209.7 million (+12.5%, organic growth +8.6%, 23.6% of sales)
- Group pre tax profit: € 174.3 million (+11.5%)
- Net financial debt at € 659.1 million (from € 677.0 million at 31 December 2010)

**Milan, November 14, 2011** - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the first nine months ending 30 September 2011, which show strong growth **across all performance indicators**, driven by **sustained organic growth** and a positive contribution of perimeter, offsetting a slightly negative exchange rate effect. In particular, in the third quarter the Group achieved continued positive trend in organic sales growth (+7.3%), notwithstanding the phasing out of a favourable comparison base effect in Australia due to the transition to the newly established distribution platform.

**Bob Kunze-Concewitz, Chief Executive Officer:** *'Benefitting from our heightened marketing investments, product innovation and strengthened route to market, we had another strong quarter with sustained organic growth, driven in particular by our core spirits business, as well as the positive contribution of our recent acquisitions.'*

*'For the remainder of the year, we expect our key brand and market combinations to continue performing positively. We remain committed to invest further in the strengthening of our distribution capabilities, particularly in the high potential Russian market. At the same time, in the light of the macroeconomic risks linked to the current financial markets conditions, we have further heightened our disciplined approach to working capital management. We continue to remain confident of the mid to long term potential of our growth engines.'*

### CONSOLIDATED NINE MONTHS RESULTS 2011

	1 January- 30 September 2011 (€ millions)	1 January- 30 September 2010 (€ millions)	Change at actual exchange rates	Change at constant exchange rates
<b>Net sales</b>	<b>889.2</b>	<b>794.9</b>	<b>11.9%</b>	<b>12.7%</b>
Contribution after A&P <sup>(1)</sup>	362.0	324.6	11.5%	12.2%
<b>EBITDA before one-offs</b>	<b>232.7</b>	<b>205.3</b>	<b>13.3%</b>	<b>14.1%</b>
EBITDA	229.1	202.2	13.3%	14.1%
<b>EBIT before one-offs</b>	<b>209.7</b>	<b>186.4</b>	<b>12.5%</b>	<b>13.2%</b>
EBIT	206.2	183.3	12.5%	13.1%
<b>Group pretax profit</b>	<b>174.3</b>	<b>156.3</b>	<b>11.5%</b>	<b>12.3%</b>

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

In the first nine months 2011 Group sales totalled **€ 889.2 million** showing a reported growth of **+11.9%** and organic growth of **+10.5%** (+6.8% in first nine months 2010). The **Perimeter effect** was positive by **+2.3%**, mainly due to the acquisition of Frangelico, Carolans and Irish Mist. The **Exchange rates** effect was negative by **-0.9%**.

**Gross profit** increased to **€ 521.1 million**, up **+13.2%**, or 58.6% of sales.

**Advertising and promotion (A&P)** was up by **+17.2%** to **€ 159.1 million**, or 17.9% of sales.

**Contribution after A&P** (gross margin after A&P) was up by **+11.5%** to **€ 362.0 million** (**+8.3% organic growth**), or 40.7% of sales.

**EBITDA before one-offs** was up by **+13.3%** to **€ 232.7 million** (**+9.9% organic growth**), or 26.2% of sales.

**EBITDA** reached **€ 229.1 million**, an increase of **+13.3%**.

**EBIT before one-offs** rose by **+12.5%** to **€ 209.7 million** (**+8.6% organic growth**), or 23.6% of sales.

**EBIT** reached **€ 206.2 million**, an increase of **+12.5%**.

**Profit before tax** reached **€ 174.3 million** (**+11.5%**).

As of 30 September 2011, **net financial debt** stood at **€ 659.1 million** (€ 677.0 million as of 31 December 2010), after the acquisitions of Russian distribution company Vasco and Brazilian brand Sagatiba for a total value of € 33.8 million (including estimated value of put option and earn out's).

## CONSOLIDATED SALES OF FIRST NINE MONTHS 2011

Looking at sales **by region**, sales in the **Italian market** (32.2% of total Group sales) recorded a total growth of **+2.7%**, entirely attributable to **organic growth**, driven **by the strong momentum** in **Aperol**, **Campari** and the launch of Aperol Spritz single serve home edition which more than offset a soft performance of the other single serve Campari Soda and Crodino.

Sales in the **rest of Europe** (25.3% of total Group sales) increased by **+24.0%**, driven by **organic growth** of **+17.2%**, a positive perimeter effect of +6.0% and a positive exchange rate effect of +0.8%. Notably organic performance was driven by **Germany** (**+29.3%**), mainly thanks to **continued growth of Aperol**. **Positive results** were also achieved in other key European markets, particularly **Russia** (**+20.9%**), **Austria** (**+18.3%**) and **Belgium** (**+12.5%**).

The **Americas** (33.5% of total Group sales) posted **overall growth of +6.3%**, due to an **organic increase of +9.6%**, a positive perimeter effect of +1.2%, mainly attributable to the acquisitions of Frangelico, Carolans, Irish Mist and Sagatiba, and a negative exchange rate effect of -4.5%. In the Americas, sales in the **US market** (20.0% of total Group sales), registered an **organic increase of +3.0%**, thanks to SKYY Infusions and the Wild Turkey franchise; as a result of a negative perimeter effect of -0.8% and a negative exchange rate effect of -5.8%, the overall change was -3.6%. Sales in **Brazil** (8.1% of total Group sales) grew overall by +11.1%, due to an **organic growth of +8.4%**, driven by Campari, Dreher and SKYY Vodka, a perimeter effect of +0.4%, attributable to Frangelico and the newly-acquired Sagatiba, and an exchange rate effect of +2.3%. Sales in the **other Americas** grew by **+54.2%**, due to an **organic growth of +50.6%**, mainly driven by Argentina, Canada and Mexico, a perimeter effect of +14.6% and an exchange rate effect of -11.0%.

Sales in the **rest of the world** (including GTR), which accounted for 9.0% of total Group sales, grew by **+48.0%** overall, due to a **positive organic change of +33.3%**, driven by good consumption trends in the whole brand portfolio as well as the transition to the newly established distribution platform in the key Australian market, a positive perimeter effect of +6.9%, and a positive exchange rate effect of +7.8%.

Looking at sales by business segment, **spirits** (77.6% of total Group sales) grew **+13.5%**, the combined result of **organic growth of +11.8%**, a positive perimeter effect of +2.7% and a negative exchange rate effect of -1.0%.

**Aperol**, now the Group's largest brand by sales value, of which more than half is achieved outside Italy, **continued its very strong momentum** (**+42.8%** at constant exchange rates) thanks to continued **double digit growth in Italy** and an **excellent progression in Germany** and **Austria** and

**other European markets** where the brand was recently launched. Moreover, it is worth mentioning the **successful launch of Aperol Spritz** single serve home edition (not included in the Aperol brand performance above), the new single serve product introduced in Italy and Austria at the beginning of 2011 and exclusively distributed in the off premise channel with the objective to strengthen the home consumption of aperitifs, including the single serve offerings. **Campari** brand sales **increased by +5.0%** at constant exchange rates (**+5.4%** at actual exchange rates), thanks to positive performances in **Italy** and **Brazil**, plus a good progression in **Argentina** and the **US**. **SKYY** sales **grew by +3.3%** at constant exchange rates (**-2.2%** at actual exchange rates), driven by the strong growth of Infusions in the US, a still highly competitive vodka market. Moreover, SKYY achieved a good performance in key international markets, particularly Brazil. The **Wild Turkey** franchise sales grew by **+32.9%** overall at constant exchange rates (**+33.8%** at actual exchange rates), driven by the **positive performance of all the brands in key markets**. Notably, **Wild Turkey core** grew by **+8.5%** with positive results in the US, Australia and Japan; **American Honey** grew by **+41.5%** in US and Australia, whilst **Wild Turkey ready-to-drink** achieved **excellent growth** in Australia and New Zealand (**+131.1%**). **Brazilian brands** were up by **+3.9%** at constant exchange rates (**+6.1%** at actual exchange rates) **GlenGrant** was up by **+7.4%** at constant exchange rates (**+7.7%** at actual exchange rates) and the **tequilas** were up by **+3.4%** at constant exchange rates (**-2.7%** at actual exchange rates), driven by the good performance of **Espolón**. **Campari Soda** recorded a decline of **-4.9%** at constant exchange rates, as a consequence of continued weakness in the Italian day bars channel.

**Wines**, which accounted for 12.3% of total sales, **increased by +11.6%**, due to the combination of an **organic performance of +10.6%**, a **perimeter effect of +1.6%** and an **exchange rate effect of -0.6%**.

**Cinzano vermouths** grew by **+37.0%** at constant exchange rates (+32.9% at actual exchange rates) driven largely by **Russia** and **Argentina**. **Cinzano sparkling wines** sales increased by **+4.6%** at constant exchange rates (**+5.2%** at actual exchange rates), thanks to a positive performance in the key German market. The **Other sparkling wines** grew by **+3.9%** overall, driven by the strong performance of **Riccadonna** in key Australian market and strong sales of **Mondoro** in Russia. **Still wines** (including **Sella&Mosca**, **Enrico Serafino**, **Teruzzi&Puthod**) declined by **-2.2%** at constant exchange due to weakness in the Italian on premise channel. The perimeter effect was determined by the new still wines agency brands.

**Soft drinks** (8.9% of total sales) increased by **+1.3%**, driven by positive growth in **carbonated drinks (+9.4%)**. **Crodino** sales registered a decline of **-1.3%**, as a consequence of continued weakness in the Italian day bars channel.

#### **OTHER RESOLUTIONS**

**Stock options.** The Board of Directors has granted stock options to 11 Group managers with a total value of € 2.800.000, in accordance with the existing stock option plan as approved by the Shareholders' meeting. The company will disclose an information document regarding the issuance of stock options pursuant to applicable law (article 84-bis, Regolamento Emittenti).

*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, Monday, November 14, 2011**, Campari's management will hold a conference call to present the Group's nine months results 2011 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 as of Monday, November 14 until Monday, November 21, 2011. To listen to it, please call the following number:

- **from Italy: 02 72495**
- **from abroad: +44 1212 818005**  
(access code: **703#**).

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## **MEDIA CONFERENCE CALL**

At **2,30 pm (CET) today, Monday, November 14, 2011**, Bob Kunze-Concewitz, Gruppo Campari's CEO, will hold a conference call in English to present the Group's nine months results 2011 to the media. To participate, please dial one of the following numbers:

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

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## **FOR FURTHER INFORMATION**

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## **ABOUT GRUPPO CAMPARI**

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, Campari Soda, 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-30 September 2011		1 January-30 September 2010		% change
	€ million	%	€ million	%	
Italy	286.6	32.2%	279.2	35.1%	2.7%
Rest of Europe	225.2	25.3%	181.6	22.8%	24.0%
Americas	298.1	33.5%	280.5	35.3%	6.3%
Rest of the world and duty free	79.3	9.0%	53.6	6.7%	48.0%
<b>Total</b>	<b>889.2</b>	<b>100.0%</b>	<b>794.9</b>	<b>100.0%</b>	<b>11.9%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Italy	2.7%	2.7%	0.0%	0.0%
Rest of Europe	24.0%	17.2%	6.0%	0.8%
Americas	6.3%	9.6%	1.2%	-4.5%
Rest of the world and duty free	48.0%	33.3%	6.9%	7.8%
<b>Total</b>	<b>11.9%</b>	<b>10.5%</b>	<b>2.3%</b>	<b>-0.9%</b>

### Consolidated net revenues by segment

	1 January-30 September 2011		1 January-30 September 2010		% change
	€ million	%	€ million	%	
Spirits	690.2	77.6%	608.0	76.5%	13.5%
Wines	109.2	12.3%	97.9	12.3%	11.6%
Soft drinks	79.2	8.9%	78.2	9.8%	1.3%
Other revenues	10.6	1.2%	10.9	1.4%	-2.2%
<b>Total</b>	<b>889.2</b>	<b>100.0%</b>	<b>794.9</b>	<b>100.0%</b>	<b>11.9%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	13.5%	11.8%	2.7%	-1.0%
Wines	11.6%	10.6%	1.6%	-0.6%
Soft drinks	1.3%	1.1%	0.0%	0.2%
Other revenues	-2.2%	0.6%	-1.2%	-1.6%
<b>Total</b>	<b>11.9%</b>	<b>10.5%</b>	<b>2.3%</b>	<b>-0.9%</b>

## GRUPPO CAMPARI

### Consolidated income statement

	1 January-30 September 2011		1 January-30 September 2010		% change
	€ million	%	€ million	%	
<b>Net sales<sup>(1)</sup></b>	<b>889.2</b>	<b>100.0%</b>	<b>794.9</b>	<b>100.0%</b>	<b>11.9%</b>
Total cost of goods sold <sup>(2)</sup>	(368.1)	-41.4%	(334.5)	-42.1%	10.0%
<b>Gross profit</b>	<b>521.1</b>	<b>58.6%</b>	<b>460.4</b>	<b>57.9%</b>	<b>13.2%</b>
Advertising and promotion	(159.1)	-17.9%	(135.7)	-17.1%	17.2%
<b>Contribution after A&amp;P</b>	<b>362.0</b>	<b>40.7%</b>	<b>324.6</b>	<b>40.8%</b>	<b>11.5%</b>
SG&A <sup>(3)</sup>	(152.3)	-17.1%	(138.3)	-17.4%	10.1%
<b>EBIT before one-off's</b>	<b>209.7</b>	<b>23.6%</b>	<b>186.4</b>	<b>23.4%</b>	<b>12.5%</b>
One off's	(3.6)	-0.4%	(3.1)	-0.4%	
<b>Operating profit = EBIT</b>	<b>206.2</b>	<b>23.2%</b>	<b>183.3</b>	<b>23.1%</b>	<b>12.5%</b>
Net financial income (expenses)	(31.5)	-3.5%	(26.3)	-3.3%	19.9%
Income from associates	0.1	0.0%	(0.2)	-0.0%	
Put option costs	-	0.0%	(0.2)	-0.0%	
<b>Profit before taxes and minority interests</b>	<b>174.7</b>	<b>19.6%</b>	<b>156.7</b>	<b>19.7%</b>	<b>11.5%</b>
Minority interests	(0.4)	-0.0%	(0.3)	-0.0%	
<b>Group pretax profit</b>	<b>174.3</b>	<b>19.6%</b>	<b>156.3</b>	<b>19.7%</b>	<b>11.5%</b>
Depreciation and amortisation	(22.9)	-2.6%	(18.9)	-2.4%	21.4%
<b>EBITDA before one-off's</b>	<b>232.7</b>	<b>26.2%</b>	<b>205.3</b>	<b>25.8%</b>	<b>13.3%</b>
<b>EBITDA</b>	<b>229.1</b>	<b>25.8%</b>	<b>202.2</b>	<b>25.4%</b>	<b>13.3%</b>

(1) Net of discounts and excise duties.

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

(3) Includes selling, general and administrative costs.