2013 first half results in line with expectations

Improving overall trends in the second quarter 2013

Successful implementation of the Group's efficiency programs

RESULTS HIGHLIGHTS

- **Sales: € 698.6 million (+13.0%, organic change -3.3%)**
- **Contribution after A&P: € 258.0 million (-0.7%, organic change -11.5%, 36.9% of sales)**
- **EBITDA pre one-offs: € 145.6 million (-10.6%, organic change -18.8%, 20.8% of sales)**
- **EBIT pre one-offs: € 125.4 million (-14.9%, organic change -21.7%, 17.9% of sales)**
- **Group net profit: € 57.6 million (-26.1%)**
- **Net financial debt: € 944.3 million (€ 869.7 million as of 31 December 2012)**

Milan, August 6, 2013 - The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) approved the consolidated results for the first half year ending 30 June 2013.

The Group's results in the first half of 2013 were **in line with expectations**, driven by the **return to a positive organic sales performance in Q2 2013 (+1.4%)** and the **positive contribution of the acquisition of Lascelles deMercado &Co. Ltd. ('LdM').**

Bob Kunze-Concewitz, Chief Executive Officer: '*In the first half of 2013 results were in line with expectations*, *thanks to the* ***return to positive organic performance in the second quarter*** *driven by the* ***sustained growth in North America*, *Russia*** *and* ***Argentina*** *as well as the* ***stabilization or improvement of trends in other developed markets*** *(particularly* ***Italy and Germany****). The* ***aperitif business proved its resilience****, although it was affected by* ***very adverse weather conditions****.* ***SKYY and Wild Turkey franchises*** *continued their* ***positive momentum****.* ***Cinzano performed strongly*** *driven by Russia and the* ***newly integrated Appleton rum portfolio maintained its positive performance in core North America and New Zealand****. Following the* ***negative impact of the one-off destocking in Italy in the first quarter of 2013****, the overall performance in first half of 2013 was also affected by a* ***disproportional concentration of non-recurring charges*** *which reflected the* ***decisions of the Group to accelerate on restructuring projects to strengthen the business in the medium term****. Looking forward,* ***whilst the Group's overall trading environment should remain volatile*** *due to macroeconomic difficulties in key markets, we* ***expect the business to continue improving gradually over the second half of 2013****, driven by* ***sustained brand building across key brand-market combinations*** *and the* ***strengthening resonance of the brand portfolio in new geographies.'***.

CONSOLIDATED P&L FOR THE HALF YEAR ENDED 30 JUNE 2013

	H1 2013 € million	H1 2012 € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**698.6**	**618.3**	**+13.0%**	**-3.3%**	**-1.8%**	**+18.1%**
Contribution after A&P[(1)]	258.0	259.9	-0.7%	-11.5%	-1.3%	+12.0%
EBITDA pre one-offs	**145.6**	**162.9**	**-10.6%**	**-18.8%**	**-0.8%**	**+8.9%**
EBITDA	140.7	159.3	-11.7%	-19.1%	-0.7%	+8.1%
EBIT pre one-offs	**125.4**	**147.4**	**-14.9%**	**-21.7%**	**-0.6%**	**+7.4%**
EBIT	120.5	143.8	-16.2%	-22.1%	-0.6%	+6.5%
Pre-tax profit	**92.2**	**122.7**	**-24.9%**			
Group net profit	57.6	77.9	-26.1%			

(1) EBIT before SG&A.

In the first half of 2013 **Group sales** totalled **€ 698.6 million** showing a reported growth of **+13.0%** and an **organic change** of **-3.3%**. The **exchange rates effect** was a negative **-1.8%**. **The perimeter effect** was positive at **+18.1**%, driven by the newly-acquired LdM.

It should be noted that, as anticipated, the overall negative sales organic change was mainly attributable to the technical effect on the 2013 first quarter results of the so called article 62[1] (introducing a binding time limit to the payment terms that can be extended to clients) on the summer load program in Italy (a commercial initiative usually implemented in the first months of the year ahead of the summer seasonality consumption peak). The consequence was **a 'one-off' destocking effect of € 25 million on sales** in the first quarter of 2013, which determined a **significant deterioration of the sales mix and, consequently, a negative impact on operating margins**. Moreover, the impact of the new LdM business, although in line with plans both in absolute terms and marginality, generated a **dilution in the Group margins generated by the weight of the lower margin sugar and merchandise activities** in the acquired business. This **dilution lessened in the second quarter, characterised by a lower seasonality of the lower margin sugar and merchandise business** vs. core spirits&wines, compared to the first quarter.

Gross margin was **€ 373.4 million**, up by **+2.8%** (**-6.8% organic change**), or 53.4% of sales.

Advertising and promotion spending (A&P) was up by +11.7% to **€ 115.4 million**, or 16.5% of sales (16.7% of sales in the first half of 2012).

Contribution after A&P (gross margin after A&P) was down by -0.7% to **€ 258.0 million** (**-11.5% organic change**), or 36.9% of sales.

Structure costs, i.e. selling, general and administrative costs, increased by **+17.8%**, or 19.0% of sales, mainly as a result of the consolidation of LdM.

EBITDA pre one-offs was down by -**10.6%** to **€ 145.6 million** (**-18.8% organic change**), or **20.8%** of sales.

EBITDA reached **€ 140.7 million**, a decrease of -11.7%, or 20.1% of sales.

EBIT pre one-offs declined by -14.9% to **€ 125.4 million** (**-21.7% organic change**), or 17.9% of sales.

EBIT reached **€ 120.5 million**, a reduction of -16.2% or 17.3% of sales.

Net negative one-off's of **€ (4.9) million** in the first half of 2013, of which € (8.7) million only in the second quarter 2013, were mainly attributable to **restructuring programs implemented in Italy**, **Jamaica** and, to a lesser extent, other Group's subsidiaries as well as other net non-recurring charges.

Pre-tax profit was **€ 92.2 million**, down by -24.9%.

Group net profit reached **€ 57.6 million**, down by -26.1%.

As of 30 June 2013, **net financial debt** stood at **€ 944.3 million** (€ 869.7 million as of 31 December 2012).

[1] Article 62 of Law n. 27/2012 (effective from 24 October 2012) introduced in Italy new restrictions for food&beverage companies in terms of time limits to the payment terms that can be extended to the clients (60 days for non-perishable products and 30 days for perishable products).

CONSOLIDATED SALES OF THE FIRST HALF OF 2013

Looking at sales by region in the first half of 2013, the **Americas** (44.4**%** of total Group sales) posted an **overall growth** of **+49.2%**, with a good **organic increase** of **+7.5%**, a perimeter effect of +46.0% thanks to LdM, and an exchange rate effect of -4.4%. In the **US** (21.2% of total Group sales) sales registered an **organic increase of +8.2%**, driven by double digit growth in the **Wild Turkey franchise,** driven by Wild Turkey bourbon and American Honey, and **Campari** as well as continued positive performance of the **SKYY franchise**, driven by the core brand and Infusions. The perimeter effect was positive by +3.2% (due to LdM) and the exchange rate effect was negative by -1.3%. Sales in **Brazil** (4.8% of total Group sales) registered a **negative organic change of -1.5**%, driven by the slowdown of local brands (Dreher, Old Eight and Drury's) which was in part offset by the continued strong performances of the SKYY franchise, Sagatiba and Campari premium brands. Sales in the **other Americas** (18.4% of total Group sales) showed an **organic growth of +14.4%**, mainly driven by a strong performance in **Argentina** (Campari and Old Smuggler). Perimeter change in the Other Americas was +252.6%, driven by the first time consolidation of LdM (**Jamaica** reaching 11.3% of Group sales in the first half of 2013). The exchange rate effect was -10.4%.

The **Italian market** (25.7% of total Group sales) recorded an **overall decline of -15.7%**, attributable to an **organic performance of -16.0%** and a positive perimeter effect of +0.3%. The negative organic performance was driven by the destocking effect in the first quarter of 2013 (c. € 25 million) as well as the continued weak consumption trend and very poor weather conditions in second quarter of 2013. The organic performance registered in the second quarter of 2013 was -6.6% (-26.3% in the first quarter 2013), **showing a stabilizing trend in Italy**. The key brands **Campari, Campari Soda** and **SKYY Vodka** declined as a result of the combined negative effect of the first quarter 2013 destocking effect and the continued tough economic environment. In the second quarter **Aperol** registered a soft performance particularly **impacted by very poor weather conditions**. The **wine portfolio declined**, suffering from a **continued slowdown in the restaurant channel** due to a weak consumption environment. Soft drinks were also heavily affected by the above mentioned trade destocking, the overall slowdown in consumption in the traditional day-bars channel and the very poor weather conditions.

Sales in the **rest of Europe** (20.6% of total Group sales) **grew by +4.6%** overall, driven by flat organic change, a perimeter effect of +5.2%, due to a new distribution agreement in Germany as well as LdM, and an exchange rate effect of -0.6%. The organic performance was driven by the **good recovery registered in the second quarter of 2013 (+7.3%)**, driven by a positive performance in Germany, UK and France. In the first half of 2013 **Germany** recorded an organic change of -5.7%, as the **recovery registered in the second quarter (+5.9%) driven by Cinzano, Campari** and **Ouzo 12** was not able to offset the expected softness of Aperol, exacerbated by very poor weather conditions. **Russia on the contrary was up +21.1%** showing **strong results across the key Cinzano and Mondoro** brands. **Other European markets** registered mixed results: a positive trend in **UK** was more than offset by a decline in Spain.

Sales in the **rest of the world** (including Global Travel Retail), which accounted for **9.3% of total Group sales**, grew by **+7.9%** overall, with an **organic change of -3.5%** and an exchange rate effect of -2.1%. Perimeter change was +13.4% thanks to LdM. The organic sales decline was driven by **weak results in Australia** (**down by -9.8%** in the first half of 2013) due to the weak shipments of Wild Turkey franchise, driven by the heightened competitive pressure on core bourbon and RTD and Riccadonna sparkling wines. The market performance, also affected by tough comps, was in part offset by **positive trends in SKYY** and **Aperol**. A positive development was also achieved in the region's other key markets, including **China**, **New Zealand, South Africa** and **GTR**.

Looking at **sales by the key brands**, regarding **spirits** (74.3% of Group sales) **Campari** registered an organic growth of **+1.5%** in the first half of 2013 notwithstanding the weak shipments in Italy, still impacted by the trade destocking registered in the first quarter. In the second quarter Campari registered **double digit growth** driven by the **continued strong performances in USA** and **Argentina** coupled with a partial recovery in **Italy** and **Germany**. **Aperol** had an **organic performance of -10.0%**, affected by **the expected weakness in Germany** and the **very poor weather conditions** registered across Europe in the second quarter, and recorded continued strong positive trend in all other international markets. **SKYY** sales achieved **an organic**

growth of +4.8%, driven by the **continued positive performance** in the **US** thanks to SKYY Infusions' continued success (particularly Moscato Grape) and the positive momentum behind the core brand. Good results continued in key international markets, particularly **Brazil, South Africa** and **Germany**. The **Wild Turkey** franchise registered an **organic growth of +3.3%**, thanks to the **double digit growth in US** partly offset by **softness in Australia and Japan** as well as a tough comp base (+22.1% in 1H 2012). The **Tequila** portfolio registered a continued organic growth of **+12.0%**, driven by both **Espolón** and **Cabo Wabo** in the key US market. **Campari Soda** declined by -19.5%, affected by the destocking registered in the first quarter in Italy as well as the **very challenging environment** and **weak trading conditions** in day bars channel and off trade. The **Brazilian brands** posted negative results in the first half of 2013, down **-9.9%,** affected by the general consumption slowdown in Brazil. **GlenGrant** registered an organic growth of **+1.3%**, driven by the positive performance in France, Germany, GTR and Japan, which more than offset a weak performance in the core Italian market.

In terms of **wines**, which accounted for 11.8% of total sales, **Cinzano vermouths** registered an organic growth of **+0.9%**, driven by the positive performances in Russia and Germany which offset declines in other developed markets. Sales of **Cinzano sparkling wines** registered a positive organic performance of **5.0%**, driven by the continued strong performance of Russia, as well as a good recovery in Germany in the second quarter, more than offsetting the weakness registered in Italy. **Other sparkling wines** (including **Riccadonna, Odessa** and **Mondoro**) grew organically by **+28.5%** driven by a strong trend of Mondoro in Russia, whilst **still wines** (mainly **Sella&Mosca**, **Enrico Serafino** and **Teruzzi&Puthod**) declined due to continued weakness in the Italian on premise channel.

In terms of **soft drinks** (6.2% of total sales), **Crodino declined by -29.6%** as a result of the first quarter destocking, very challenging trading and consumer environment in day bars and off trade channels in Italy as well as the very poor weather conditions registered in the second quarter.

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.

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, Tuesday, August 6, 2013**, Campari's management will hold a conference call to present the Group's 2013 first half results. 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

A **recording of the conference call** will be available from Tuesday, August 6 until Tuesday, August 13, 2013. To listen to it, please call the following numbers:

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

(access code: **710#**).

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 leading positions in Europe and the Americas. The Group was founded in 1860 and today is **the sixth-largest player worldwide** in the premium spirits industry. The Group's portfolio, with over 50 brands, spans spirits, the core business, wines and soft drinks. Internationally-renowned brands include **Aperol, Appleton, Campari, Cinzano, SKYY Vodka and Wild Turkey**. Headquartered in Sesto San Giovanni, Italy, Campari owns 15 plants and 4 wineries worldwide and has its own distribution network in 16 countries. The Group employs over 4,000 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 since 2001. For more information: **http://www.camparigroup.com**
Please enjoy our brands responsibly

- Appendix to follow -

GRUPPO CAMPARI

Consolidated net revenues by geographic area

	1 January-30 June 2013		1 January-30 June 2012		%
	€ million	%	€ million	%	change
Americas	310.7	44.4%	208.2	33.7%	**49.2%**
Italy	179.3	25.7%	212.6	34.4%	**-15.7%**
Rest of Europe	143.8	20.6%	137.5	22.2%	**4.6%**
Rest of the world and duty free	64.7	9.3%	60.0	9.7%	**7.9%**
Total	**698.6**	**100.0%**	**618.3**	**100.0%**	**13.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Americas	**49.2%**	7.5%	46.0%	-4.4%
Italy	**-15.7%**	-16.0%	0.3%	0.0%
Rest of Europe	**4.6%**	0.0%	5.2%	-0.6%
Rest of the world and duty free	**7.9%**	-3.5%	13.4%	-2.1%
Total	**13.0%**	**-3.3%**	**18.1%**	**-1.8%**

EBIT before one-off's by geographic area

	1 January-30 June 2013		1 January-30 June 2012		%
	€ million	%	€ million	%	change
Americas	55.2	44.1%	46.8	31.8%	**17.9%**
Italy	35.7	28.5%	54.9	37.2%	**-34.9%**
Rest of Europe	22.4	17.8%	29.0	19.7%	**-23.0%**
Rest of the world and duty free	12.0	9.6%	16.6	11.3%	**-27.6%**
Total	**125.4**	**100.0%**	**147.4**	**100.0%**	**-14.9%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Americas	**17.9%**	3.0%	16.0%	-1.1%
Italy	**-34.9%**	-35.3%	0.4%	0.0%
Rest of Europe	**-23.0%**	-26.3%	3.1%	0.2%
Rest of the world and duty free	**-27.6%**	-38.7%	13.9%	-2.8%
Total	**-14.9%**	**-21.7%**	**7.4%**	**-0.6%**

Consolidated net revenues by segment

	1 January-30 June 2013		1 January-30 June 2012		%
	€ million	%	€ million	%	change
Spirits	519.1	74.3%	488.3	79.0%	**6.3%**
Wines	86.2	11.8%	68.6	11.1%	**20.4%**
Soft drinks	43.4	6.2%	55.3	8.9%	**-21.6%**
Other revenues (1)	53.5	7.7%	6.1	1.0%	**778.4%**
Total	**698.6**	**100.0%**	**618.3**	**100.0%**	**13.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	**6.3%**	-2.9%	11.1%	-1.9%
Wines	**20.4%**	2.1%	20.6%	-2.4%
Soft drinks	**-21.6%**	-22.1%	0.6%	-0.1%
Other revenues (1)	**778.4%**	72.8%	712.9%	-7.3%
Total	**13.0%**	**-3.3%**	**18.1%**	**-1.8%**

(1) Include sales of finished products that do not fall into the product categories that represent the Group's core business (spirits, wines and soft drinks), totaling € 41.6 million; sales to third parties of raw materials and semi-finished goods, mainly new-production and aged liquid, totalling € 10.2 million; revenue from bottling activities carried out on behalf of third parties, totalling € 1.7 million.

GRUPPO CAMPARI

Consolidated income statement

	1 January-30 June 2013		1 January-30 June 2012		%
	€ million	%	€ million	%	change
Net sales[(1)]	**698.6**	**100.0%**	**618.3**	**100.0%**	**13.0%**
Total cost of goods sold[(2)]	(325.2)	-46.6%	(255.1)	-41.3%	27.5%
Gross profit	**373.4**	**53.4%**	**363.2**	**58.7%**	**2.8%**
Advertising and promotion	(115.4)	-16.5%	(103.3)	-16.7%	11.7%
Contribution after A&P	**258.0**	**36.9%**	**259.9**	**42.0%**	**-0.7%**
SG&A[(3)]	(132.6)	-19.0%	(112.5)	-18.2%	17.8%
EBIT before one-off's	**125.4**	**17.9%**	**147.4**	**23.8%**	**-14.9%**
One off's	(4.9)	-0.7%	(3.6)	-0.6%	-
Operating profit = EBIT	**120.5**	**17.3%**	**143.8**	**23.3%**	**-16.2%**
Net financing costs	(28.3)	-4.0%	(20.8)	-3.4%	35.6%
One off's financial expenses	(0.1)	-0.0%	(0.1)	-0.0%	-
Put option	-	-	(0.1)	-0.0%	-
Profit before taxes and minority interests	**92.2**	**13.2%**	**122.7**	**19.8%**	**-24.9%**
Taxes	(34.3)	-4.9%	(44.5)	-7.2%	-22.9%
Net profit	**57.9**	**8.3%**	**78.2**	**12.6%**	**-26.0%**
Minority interests	(0.3)	-0.0%	(0.3)	-0.0%	**-**
Group net profit	**57.6**	**8.2%**	**77.9**	**12.6%**	**-26.1%**
Depreciation and amortisation	(20.2)	-2.9%	(15.6)	-2.5%	30.0%
EBITDA before one-off's	**145.6**	**20.8%**	**162.9**	**26.3%**	**-10.6%**
EBITDA	**140.7**	**20.1%**	**159.3**	**25.8%**	**-11.7%**

(1) Net of discounts and excise duties.

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

(3) Includes selling. general and administrative costs.

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Consolidated balance sheet

	30 June 2013 € million	31 December 2012 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	408.0	403.3
Biological assets	17.3	17.2
Property	1.1	0.5
Goodwill and trademarks	1,641.8	1,659.1
Intangible assets	20.5	20.5
Interests in associates	0.2	0.2
Pre-paid taxes	11.2	11.5
Other non-current assets	51.0	52.6
Total non-current assets	**2,151.1**	**2,164.8**
Current assets		
Inventories	462.6	433.7
Current biological assets	3.3	4.9
Trade receivables	282.6	311.1
Financial receivables	7.4	42.4
Cash and cash equivalents	386.9	442.5
Receivables for income taxes	10.8	9.5
Other receivables	34.5	33.8
Total current assets	**1,188.1**	**1,277.9**
Non-current assets for sale	1.0	1.0
Total assets	**3,340.2**	**3,443.7**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	1,317.9	1,370.8
Group's shareholders' equity	1,375.9	1,428.9
Minority interests	4.5	4.2
Total shareholders' equity	**1,380.4**	**1,433.1**
Non-current liabilities		
Bonds	1,148.5	1,178.2
Other non-current financial payables	31.4	35.3
Staff severance funds	12.7	13.0
Risks funds	53.3	48.7
Deferred tax	219.3	214.4
Total non-current liabilities	**1,465.2**	**1,489.5**
Current liabilities		
Short term debt banks	107.1	121.0
Other financial payables	66.5	34.9
Trade payables	199.3	211.2
Payables for taxes	7.5	18.5
Other current liabilities	114.1	135.5
Total current liabilities	**494.6**	**521.1**
Total liabilities and shareholders' equity	**3,340.2**	**3,443.7**

GRUPPO CAMPARI

Consolidated cash flow statement

	30 June 2013 € million	30 June 2012 € million
EBIT	**120.5**	**143.8**
Amortisation and depreciation	20.2	15.6
EBITDA	**140.7**	**159.3**
Other changes in non-cash items	7.6	3.4
Change in non-financial assets and payables	(8.4)	(1.8)
Taxes on income paid	(40.6)	(53.1)
Cash flow from operating activities before change in operating working capital	**99.3**	**107.8**
Net change in operating working capital	(27.0)	(42.5)
Cash flow from operating activities	**72.3**	**65.3**
Net interest paid	(10.3)	(17.4)
Cash flow from investing activities	**(36.0)**	**(17.4)**
Free cash flow	**26.0**	**30.6**
Acquisitions	(14.1)	(1.3)
Other changes	(42.0)	(1.7)
Dividends paid	(39.8)	(40.5)
Cash flow from other activities	**(96.0)**	**(43.5)**
Exchange rate differences and other movements	(7.5)	(7.5)
Change in net financial position as a result of operating activities	**(77.5)**	**(20.4)**
Future exercise for put options and payment of earn outs	2.9	1.3
Change in net financial position	**(74.6)**	**(19.1)**
Net financial position at start of period	**(869.7)**	**(636.6)**
Net financial position at end of period	**(944.3)**	**(655.7)**