



Building Lifestyle Brands and People with Passion

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Deutsche Bank 10th Annual Global Consumer Conference

Gruppo Campari today

Key recent developments

Challenges and opportunities by key brands

Conclusion



Gruppo Campari today

- > **A major player in the global branded beverage industry**
- > Portfolio of **50 own premium and super premium brands**, with a strong focus on the **Campari, Aperol, SKYY, Wild Turkey, Appleton, and Cinzano** franchises
- > Business spreading across **190 countries**, showing **leading positions in Europe and the Americas**
- > **Strengthened distribution network and supply chain** via in-sourcing of route-to-market and production capacity
- > **Further enhanced brand portfolio** thanks to the strategic acquisition of premium rum **Appleton**
- > **Consistent execution of the Group's growth strategy** aiming to combine organic growth through brand building with value enhancing acquisitions



CAMPARI



APEROL



SKYY
VODKA



WILD TURKEY
BOURBON



APPLETON ESTATE
SINCE 1749
JAMAICA RUM



CINZANO



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Lascelles deMercado ⁽¹⁾ - Unrivaled portfolio of world-class premium rums

Rum portfolio 8%
of Group's sales
in Q1 2013



Super premium designed for Sipping



Limited Edition
30 Year Old



Appleton Estate
21 Year Old



Appleton Estate
12 Year Old



Appleton Estate
Reserve



Appleton Estate V/X



Special/White designed for mixing



Appleton
Special



Appleton
White



J. WRAY & NEPHEW LTD.

BLENDERS AND BOTTLERS OF FINE RUMS AND SPIRITS SINCE 1825

**World's top selling &
award-winning overproof rum**



GRUPPO

CAMPARI



Dark Rum



Good progress in the integration of Lascelles deMercado

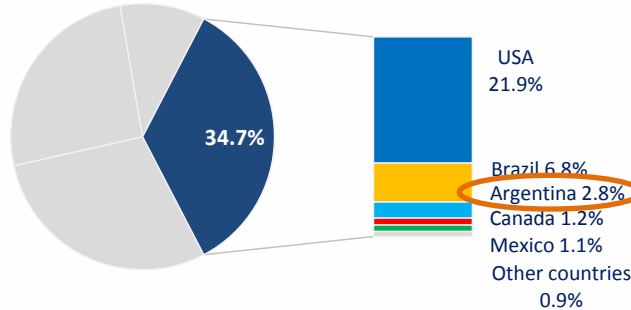
- > Transition of the **Lascelles deMercado international business into the Group's distribution network completed in the key markets**, with particular reference to the US (1 March 2013)
- > Key priorities
 - **Greater focus on the acquired business** in direct markets internationally
 - Reinvest insourced distribution margin into **more efficient brand building activities** with a strong focus on high margin brands
 - **Exploit presence in core markets** (incl. **Canada** and **New Zealand**), develop **high potential rum markets** (particularly the **U.S.**), **seed new markets**
- > **Complete and deep aged liquid inventory** enables us to support future growth
- > Integration is **progressing in line** and we remain **confident on our capabilities of achieving the expected synergies going forward**



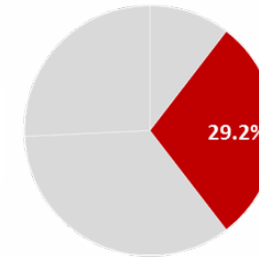
Enhanced route-to-market and improved geographic exposure

- > **From 5 to 16 in-market companies in the last 6 years**
- > **90% of the Group's sales** achieved via own distribution network in FY2012 ⁽¹⁾
- > Proportion of **Italian sales reduced from 41% to 29%** of total Group's sales in five years
- > Exposure to **emerging markets from 8% to 20%** in the last five years
- > In-sourcing of new route-to-market will enable us to achieve operating leverage in growing markets, particularly **Russia, Argentina and Australia**

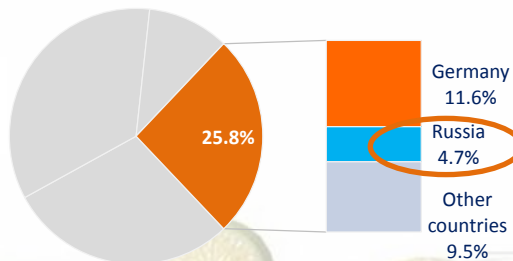
Americas as % of FY 2012 Group sales



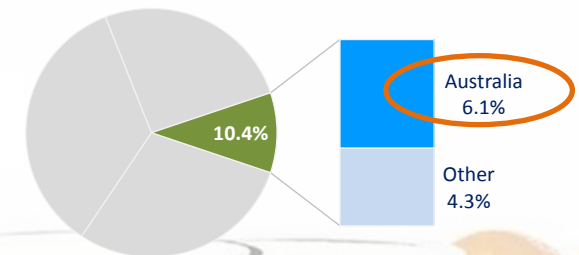
Italy as % of FY 2012 Group sales



Europe as % of FY 2012 Group sales



RoW and GTR as % of FY 2012 Group sales



(1) Group sales of € 1,341 million in FY2012

Recent initiatives in route-to-market

Russia

- > **Doubled in size since 2008**, thanks to core **Cinzano** and **Mondoro** brands strong growth, reaping the **benefits of the strengthened route-to-market**
- > Group's brands continue to **outperform local market** and **gain market share**, benefiting from heightened A&P investments
- > **Prompt progression of portfolio enlargement** via the introduction of core spirits brands
- > Built **positive momentum overall in the market**, both consumer and trade wise

Argentina

- > **From <1 % in 2008 to 2.8% in 2012**, mostly driven by strong performances of core **Cinzano** vermouth and **Old Smuggler**
- > **Strong growth behind the Campari brand**, supported by local bottling, highlighting the **successful implementation of the aperitif strategy** in this high potential market

Australia

- > **From 1 % in 2008 to 6.1% in 2012**, mainly thanks to Wild Turkey franchise, driven by **successful innovation across ready-to-drink's business**, **strong growth of recently introduced American Honey** as well as **positive development of Wild Turkey bourbon**



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Campari... The first drink of the night



11%

of Group's sales in FY 2012

+0.5%

FY 2012 organic growth⁽¹⁾

-12.4 %

1Q 2013 organic growth⁽²⁾

- > Continued **outperformance of Italian market driven by strength of Campari's long aperitif portfolio in a challenging consumer and trading environment**
- > **Good growth in high potential international markets:**
 - **USA:** now the Brand 4th largest market (thanks to resurgence of classic cocktails)
 - **Argentina:** brilliant performance in a big aperitif market as a results of recent investment in route-to-market
- > Continued positive performance in **rest of Europe, Nigeria, Australia and China**

(1) Sales at constant FX (+0.3% at current FX)
 (2) Sales at constant FX (-15.0% at current FX)



5%

of Group's sales in FY 2012

-4.9%

FY 2012 organic change⁽¹⁾

-28.3 %

1Q 2013 organic growth⁽²⁾

- > **Very challenging consumer environment as well as weak trading conditions** in day bars and off-trade channel in core Italian market

Innovation & Roll-out's in 2013



(1) Sales at constant FX (-4.9% at current FX)
 (2) Sales at constant FX (-28.3% at current FX)



Aperol... Connecting and socialising



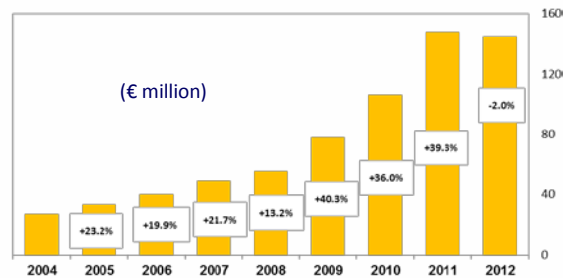
11%
of Group's sales in FY 2012 ⁽¹⁾

-2.2%
FY 2012 organic growth ⁽¹⁾⁽²⁾

-15.3 %
1Q 2013 organic growth ⁽¹⁾⁽³⁾

(1) Does not include sales of Aperol Spritz home edition
(2) Sales at constant FX (-2.0% at current FX)
(3) Sales at constant FX (-15.3% at current FX)

Sales Trend



- > **Quintupled brand size** since acquisition in 2003
- > Developed from a **pure domestic brand into a leading brand in key European markets**, showing potential for global reach
- > **Strong double digit growth continues in international markets**
- > **Brand strength** will help overcome the current challenging environment in Germany

**Innovation
&
Roll-out's**



- > Build the consumption occasion and brand activation through **roll-out of innovation**



SKYY... Passion for perfection

SKYY
VODKA.

12%
of Group's sales in FY 2012

+9.4%
FY 2012 organic growth⁽¹⁾

+1.9%
1Q 2013 organic growth⁽²⁾

(1) Sales at constant FX (+16.8% at current FX)

(2) Sales at constant FX (+0.7% at current FX)



- > **Continued positive performance in US** driven by strong Infusion range and core brand keeping good momentum
- > **Strong momentum in key international markets** with continued strong performances in **Brazil, Canada, Germany and Italy**
- > **Significant expansion opportunities** in new attractive markets, particularly **South Africa and China**

USA

ITALY

**Innovation
&
Roll-out's**



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CAMPARI

Wild Turkey... Without compromise



5%
of Group's sales in FY 2012
+5.7%
FY 2012 organic growth⁽¹⁾
+1.2%
1Q 2013 organic growth⁽²⁾

- (1) Sales at constant FX (+14.4% at current FX)
- (2) Sales at constant FX (+0.1% at current FX)



- > Continued positive development of **premium bourbon category** as well as **flavour and innovation trends**, particularly in the US market



3%
of Group's sales in FY 2012
+45.6%
FY 2012 organic growth⁽¹⁾
-2.1%
1Q 2013 organic growth⁽²⁾

- (1) Sales at constant FX (+57.6% at current FX)
- (2) Sales at constant FX (-3.0% at current FX)



- > **More than doubled** since acquisition
- > **Successful launch in Australia**
- > Good progression in **international roll-out**



Wild Turkey RTD
3%
of Group's sales
in FY 2012



- > **Enhanced portfolio** thanks to **successful innovation**
- > **Heightened marketing efforts** in the context of an increasing competition in core Australian market

Cinzano...Pure Italian lifestyle

Sparkling wines



5%
of Group's sales
in FY 2012

-7.8%
FY 2012 organic growth⁽¹⁾

-10.5%
1Q 2013 organic growth⁽²⁾



Packaging restyling of full Cinzano range

(1) Sales at constant FX (-7.0% at current FX)
(2) Sales at constant FX (-10.9% at current FX)

- > **Very strong performance continues in Russia** showing a positive return on recent investments in new route-to-market
- > Continued **positive development of Cinzano sparkling wines in key Eastern Europe and Latin America**, offset by challenging trading conditions in Italy and Germany

Vermouth



4%
of Group's sales
in FY 2012

+13.6%
FY 2012 organic growth⁽¹⁾

+7.8%
1Q 2013 organic growth⁽²⁾



(1) Sales at constant FX (+14.7% at current FX)
(2) Sales at constant FX (+2.5% at current FX)

- > Overall positive trend showing a **positive return on recent investments in new route-to-market** in Russia and Argentina
- > **Growth opportunities in key Eastern Europe and Latin America** where the brand shows continued positive development

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Conclusion and outlook

- **Weak start of the year**, as anticipated, mostly driven by ‘one-off’ extensive sales destocking in Italy
- **Strong results in the Americas**, showing **continued positive momentum in the U.S. market**, thanks to a strong brand portfolio, and **improvements in Latin America** (particularly **Brazil** and **Argentina**)
- **Continued strong growth in Russia**, reflecting the effectiveness of the recently established route-to-market
- Evolution of **consumption trends in Italy** and **weakness in Germany (Aperol)** are the **key challenges** for the remainder of the year
- **Development of the Lascelles deMercado** acquired business remains a key priority
- Group’s ability to **recover Q1 destocking over the next quarters** will be affected by the short term challenges (consumer confidence in Italy and weather conditions)
- Long term, **outlook remains unchanged** and the solidity of the Group’s fundamentals remains intact, and further strengthened by **heightened brand portfolio** and **enhanced route-to-market**





Thank you

www.camparigroup.com

