



Campari acquires Fratelli Averna S.p.A., the owner of Averna, a leading brand in the Italian market and one of the most well-known and appealing Italian bitters worldwide

HIGHLIGHTS

- Gruppo Campari has signed an agreement to acquire 100% of Fratelli Averna S.p.A.
- The acquired portfolio mainly includes the Averna, Braulio, Limoncetta and Frattina premium brands with high marginality and strong leadership positions in their own categories
- Gruppo Campari further strengthens its leadership in the Italian spirits market and qualifies as the primary purveyor of premium Italian bitter and liqueur specialties in the international markets
- Increases critical mass in Central Europe, particularly in Germany, and reinforces growth potential in North America, particularly in the US, thanks to an increasing interest of mixologists and American consumers in Italian bitters and liqueurs in the on-premise channel
- Leverages Campari's existing international route-to-market to exploit growth opportunities for the acquired portfolio, in line with the Group's acquisition strategy
- Total purchase price (Enterprise value) of € 103.75 million for 100% of the share capital of Fratelli Averna S.p.A.

Milan, April 15, 2014-Gruppo Campari has reached an agreement to acquire **100% of the share capital of Fratelli Averna S.p.A ('Averna Group')**, an **independently owned business**, based in Caltanissetta (Sicily, Italy).

Averna Group is a leading spirits company in the Italian market, owner of **Averna**, the **second best-selling bitter in Italy, and one of the best well-known and appealing bitters worldwide**. Moreover, Averna Group owns a **portfolio of premium brands**, among which, **Braulio**, a herb-based bitter, particularly known in Northern Italy, **Limoncetta**, a natural sweet liqueur made of lemon peel, and **Grappa Frattina**, through which Gruppo Campari enters the grappa category.

Bob Kunze-Concewitz, Chief Executive Officer, commented: *'With the acquisition of Averna Group, we continue to strengthen our portfolio of premium offerings and consolidate our position as the leading purveyor of premium Italian liqueur and bitter specialties worldwide. Adding a portfolio of brands with high quality, high margin and strong cash generation capability, this acquisition represents a great opportunity for us to leverage our international route-to-market for profitable growth, in line with our acquisition strategy. Other than in Italy, we will increase our critical mass in key Central European markets, particularly in Germany. Moreover, thanks to our strong distribution network in North America, we are very well positioned to benefit from the market's growth potential, particularly in the US, where mixologists and local consumers are showing growing interest in Italian bitters and liqueurs in the on-premise channel. In this core market, with Averna, we will further enrich our existing offering of Italian specialties, including Campari, Frangelico, Cynar and Aperol.'*

The Averna family commented: 'Today we pass the leadership of our business to Gruppo Campari, who has very deep roots in Italian traditions and values in the beverage sector with more than 150 years history. We are confident that Gruppo Campari will efficiently develop the business that has been managed by five

generations of our family, who first of all associated its name with the iconic bitter product, and developed other high quality products as well. Campari will surely further strengthen the leadership position of the business in Italy and, moreover, will reinforce the international expansion in an increasingly competitive and challenging environment, continuously emphasizing the value of 'Made in Italy' in the more than 180 countries where it is present.'

Founded more than 150 years ago by the Averna family, the acquired business has been **continuously managed by the founding family for five generations**. Averna, a **liqueur with full, easy and versatile taste** from the perspective of consumption occasions and drinking modes, is **produced according to a very traditional and unchanged recipe since 1868 based on herbs**. Over the years, Averna has **continued its success in the Italian market**, becoming the **second best-selling bitter with a market share of 15%**. In the last decade, while further strengthening its position in the domestic market, Averna also started its internationalization process by **growing its brands in key markets**, in particular, **Central Europe and North America**.

Other than Averna, Gruppo Campari also acquired **Braulio**, a bitter product based on an ancient recipe with alpine herbs, **particularly popular in the North Italy** and with **high growth potential in international markets**. Moreover, amongst the other brands, the acquired portfolio includes **Limoncetta di Sorrento**, a sweet and natural liqueur obtained from the peel of P.G.I. (Protected Geographic Indications) Lemon of Sorrento, a **core brand in the Limoncello category**, and **Grappa Frattina**, a leading brand in its category and suitable for both sipping and mixability in terms of consumption. Thanks to Grappa Frattina, Gruppo Campari enters the grappa category.

In the **fiscal year ended 31 December 2013**, **Averna Group achieved total net sales of € 61.8 million, up by +3.1%** compared with the previous year. **Approximately 40% of the 2013 net sales is generated by Averna and 11% by Braulio and Limoncetta**. The rest is generated by a portfolio of spirit brands, of which the most important is Grappa Frattina. In terms of sales distribution by geography, **Italy represents roughly 65% of the total sales** of the acquired business, while **35% is achieved in international markets, mainly Germany and Austria**.

The **total enterprise value for 100% of the share capital of Averna Group is € 103.75 million**. This corresponds to a **pro-forma EBITDA multiple of 9.2 in fiscal year ended 31 December 2013**. The enterprise value is composed of an equity value of Euro € 98.0 and a net financial debt of Euro € 5.75 million as of **31 December 2013**.

The closing date of the transaction is expected to be June 3, 2014 and the consideration will be paid in cash.

On this transaction Studio Legale Pedersoli e Associati acted as legal advisor to Campari. Vitale & Associati acted as financial advisor and Rödl & Partner acted as legal advisor to Averna Group.

ANALYST CONFERENCE CALL

At **1.00 pm (CET) today, Tuesday, April 15, 2014**, Campari's management will hold a conference call to present the acquisition. 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 investor page of Gruppo Campari's website, at <http://www.camparigroup.com/en/investors>

A recording of the conference call will be available from today, April 15 until Tuesday, April 22, 2014. To listen to it, please call the following numbers:

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

(Access code: **707#**).

FOR FURTHER INFORMATION

Investor Relations

Chiara Garavini

Tel.: +39 02 6225 330

Email: chiara.garavini@campari.com

Jing He

Tel. +39 02 6225 832

Email: jing.he@campari.com

<http://www.camparigroup.com/en/investor>

<http://www.camparigroup.com/en>

<http://www.youtube.com/campariofficial>

<https://twitter.com/GruppoCampari>

Corporate Communications

Chiara Bressani

Tel. : +39 02 6225 206

Email: chiara.bressani@campari.com

Enrico Bocedi

Tel. : +39 02 6225 680

Email: enrico.bocedi@campari.com

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 17 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>

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