

CAMPARI GROUP

**Campari Group has reached an agreement to sell Villa ‘Les Cèdres’,
securing a retained net amount of €80 million from the sale**

Divestment process of non-core assets related to the Grand Marnier acquisition fulfilled

Milan, August 1st, 2019-Campari Group has reached a **preliminary agreement for the sale of the real estate property ‘Villa Les Cèdres’** (the ‘Villa’), located in Saint-Jean Cap-Ferrat, France. The **Villa had entered Campari Group’s perimeter within the context of the Grand Marnier acquisition in 2016** and was publicly put for sale immediately after the deal closing according to an agreement reached with the Grand Marnier’s sellers as described in the Tender Offer of 13 May 2016, issued by Davide Campari-Milano S.p.A. for the acquisition of Société des Produits Marnier-Lapostolle, Grand Marnier’s owner.

In particular, under the terms set by a protocol signed in the context of the deal, a steering committee was placed in charge of conducting all necessary operations for the disposal of the asset. The steering committee, which includes members of the Marnier-Lapostolle family, among the sellers of Société des Produits Marnier-Lapostolle, as well as a representative of Davide Campari-Milano S.p.A. in an advisory capacity, has the mission of conducting all necessary operations for the disposal of the Villa, with the objective of selling it at the highest price and at the earliest possible time (and in any case no later than 30 June, 2021) and of giving its prior consent to any decision to accept or refuse an offer relative to the Villa.

Moreover, in the context of the Tender Offer, Davide Campari-Milano S.p.A. undertook to pay all shareholders of Société des Produits Marnier-Lapostolle, in addition to the offer price, a potential price supplement in the event of the successful disposal of the Villa under certain conditions. In particular, the **price supplement is equal to the difference between the net sale price of the Villa** (net price to be determined in accordance with the terms set by the Tender Offer) **and an agreed floor value of €80 million, which is to be retained by Davide Campari-Milano S.p.A.**

The right to the price supplement shall be incorporated in a financial security admitted for trading on Euroclear France. Its payment shall be executed pursuant to the applicable French regulations.

The sale price of the Villa under the preliminary agreement amounts to €200 million, of which **Campari Group will retain €80 million**, in accordance with the terms of the Tender Offer, as described above.

The transaction closing is expected on or before 31 October 2019 and is **subject to certain condition precedents**, including the vacancy of the property which currently houses one Marnier-Lapostolle family member, but excluding any financing conditions. After the sale the Villa is intended for private use.

With this disposal, the **divestment of non-core assets related to the Grand Marnier acquisition is virtually complete.**

The Villa is an exclusive 188-year-old, 18,000 square foot mansion, within approximately 14 hectares property, a **unique combination of history, luxury and a prime location along the coast of Saint-Jean-Cap Ferrat in the South of France**. Built in 1830, the home also belonged to the Belgian King Leopold II and it was finally acquired by the Marnier-Lapostolle family in 1924. For almost 100 years the family has built and curated one of the prime botanical gardens worldwide. The property came into Campari Group’s ownership through the friendly takeover of Société des Produits Marnier-Lapostolle in 2016. The estate was subsequently **put up for sale as non-strategic to the Group’s core spirits business.**

Including the net retained amount of € 80 million from the sale of the Villa, Campari Group will have achieved **overall combined proceeds of approx. €173 million from the divestment of the Grand Marnier non-core assets** (which included two wineries and some real estate assets). Consequently, adjusting the price paid by Campari Group (Enterprise Value) to take into account the proceeds from the disposals, the Enterprise Value amounts to approx. €479 million for 100% of Société des Produits Marnier-Lapostolle.

With regards to the expected effects on the Campari Group’s accounts, the transaction is **estimated to generate a positive cash flow of €80 million and have a neutral effect in the Group’s P&L in 2019.**

With regards to the price supplement, the beneficiaries consist of the Société des Produits Marnier-Lapostolle family shareholders, who sold their shares through transfer agreements dated 15 March 2016, the family shareholders having entered into put and call options with Davide Campari-Milano S.p.A. to sell their shares no later than February 28, 2023, and the minority shareholders having contributed their shares within the framework of the Tender Offer or the subsequent squeeze-out.

The amount of the Price Supplement to be recognised to the beneficiaries and its payment process and date will be communicated by Davide Campari-Milano S.p.A. in due course by means of press releases.

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ABOUT CAMPARI GROUP

Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include **Aperol**, **Appleton Estate**, **Campari**, **SKYY**, **Wild Turkey** and **Grand Marnier**. Campari Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.

Headquartered in Milan, Italy, Campari Group owns 18 plants worldwide and has its own distribution network in 20 countries. Campari Group employs approximately 3,600 people. The shares of the parent company Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: <http://www.camparigroup.com/en>

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