Poor results in small first quarter 2013 mainly due to the 'one-off' destocking in Italy

Positive perimeter contribution thanks to Lascelles deMercado acquisition

RESULTS HIGHLIGHTS

- **Sales: € 315.2 million (+12.9%, organic change -9.0%)**
- **Contribution after A&P: € 115.1 million (-1.6%, organic change -13.8%, 36.5% of sales)**
- **EBITDA pre one-offs: € 57.1 million (-20.0%, organic change -26.6%, 18.1% of sales)**
- **EBIT pre one-offs: € 47.6 million (-25.3%, organic change -23.3%, 15.1% of sales)**
- **Group pre-tax profit: € 39.4 million (-25.4%)**
- **Net financial debt at € 914.1 million as of 31 March 2013 (€ 869.7 million as of 31 December 2012)**

Milan, May 13, 2013 - The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) approved today the consolidated results for the quarter ending 31 March 2013.

Bob Kunze-Concewitz, Chief Executive Officer: *'**As anticipated, the results in the first, and traditionally low season, quarter of 2013 were poor**, due to the **'one-off' impact of destocking in Italy, generated by so called article 62 which introduced a binding time limit to the payment terms**, which determined a **significant deterioration of the sales mix**, and further exacerbated the **weak local consumption trends**. **Results were strong in the Americas**, showing **continued positive momentum in the US market** and **improvements in Latin America**, and **Eastern Europe** (particularly **Russia**), offsetting **continued weakness in Germany**, exacerbated by very poor weather conditions, and softness in Australia. Moreover, **the integration and development activities of the Lascelles deMercado business are progressing in line with plan**, and were marked by the transition of the international business into the Group network. Looking forward , the **outlook for the current year remains unchanged**. In particular, we expect the **evolution in consumption trends** and **the potential persistence of poor weather conditions in Italy and in Eurozone markets to be the key challenges to the Group's ability to recover the Q1 'one-off' destocking impact over the next quarters.'***.

FIRST QUARTER 2013 CONSOLIDATED P&L

	1 January- 31 March 2013 (€ millions)	1 January- 31 March 2012 (€ millions)	Reported change	Change at constant exchange rates
Net sales	**315.2**	**279.3**	**+12.9%**	**+14.5%**
Contribution after A&P[1]	115.1	117.0	-1.6%	-0.5%
EBITDA before one-offs	**57.1**	**71.4**	**-20.0%**	**-19.6%**
EBITDA	61.0	70.1	-13.0%	-12.6%
EBIT before one-offs	**47.6**	**63.8**	**-25.3%**	**-25.1%**
EBIT	51.5	62.4	-17.6%	-17.4%
Group pre-tax profit	**39.4**	**52.8**	**-25.4%**	**-**

[1] EBIT before SG&A.

In the first quarter of 2013 **Group sales** totalled **€ 315.2 million** showing a reported growth of **+12.9%** and an **organic change** of **-9.0%** (€ 25.0 million in absolute terms). The **exchange rates effect** was negative by **-1.6%**. **The perimeter effect** was positive at **+23.4**%, driven by the newly-acquired Jamaican rum company Lascelles deMercado&Co. Ltd. ('LdM').

It should be noted that, as anticipated, the overall negative sales organic change was mainly attributable to a technical effect of so called article 62[1] (introducing a binding time limit to the payment terms that can be extended to the clientele) 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 further **dilution in the Group margins driven by the higher concentration of lower margin non-core sugar and merchandise businesses** vs. low seasonality spirits&wines in the first quarter.

Gross margin was **€ 160.4 million**, down by **-0.8%**, or 50.9% of sales.

Advertising and promotion spending (A&P) was up by +1.2% to **€ 45.3 million**, or 14.4% of sales or 15.7% of sales excluding LdM (16.0% of sales in the first quarter of 2012).

Contribution after A&P (gross margin after A&P) was down by -1.6% to **€ 115.1 million** (**-13.8% organic change**), or 36.5% of sales.

Structure costs, i.e. selling, general and administrative costs, increased by **+26.9%**, or 21.4% of sales, mainly as a result of the consolidation of LdM.

EBITDA pre one-offs was down by -**20.0%** (or € 14.3 million) to **€ 57.1 million** (**-26.6% organic change**), or **18.1%** of sales.

EBITDA reached **€ 61.0 million**, a decrease of -13.0% (or € 9.2 million), or 19.3% of sales.

EBIT pre one-offs declined by -25.3% (or € 16.1 million) to **€ 47.6 million** (**-23.3% organic change**), or 15.1% of sales.

EBIT reached **€ 51.5 million**, a reduction of -17.6% (or € 11.0 million), or 16.3% of sales.

Group pre-tax profit was **€ 39.4 million**, down by -25.4% (or € 13.4 million).

As of 31 March 2013, **net financial debt** stood at **€ 914.1 million** (€ 869.7 million as of 31 December 2012).

CONSOLIDATED SALES OF THE FIRST QUARTER OF 2013

Looking at sales by region in the first quarter of 2013, the **Americas** (45.1**%** of total Group sales) posted an **overall growth** of **+66.7%**, with a strong **organic increase** of **+10.8%**, thanks to the sustained growth across all markets, a perimeter effect of +60.2% thanks to LdM, and an exchange rate effect of -4.4%. In the U.S. (19.6% of total Group sales) sales registered an **organic increase of +7.6%**, driven by double digit growth in the **Wild Turkey franchise** as well as the **continued positive performances of the SKYY franchise**, **Espolón** and **Cabo Wabo** tequilas and **Campari**, a perimeter effect of +0.4% (due to LdM) and an exchange rate effect of -0.7%. Sales in **Brazil** (4.0% of total Group sales) registered an organic growth of +22.4%, thanks to accelerating performances of premium brands (SKYY, Campari, and Sagatiba) as well as a partial recovery of local brands (Dreher, Old Eight and Drury's), also due to an easy comparison base. Sales in the **other Americas** (21.5% of total Group sales) showed an **organic growth of +14.0%**, mainly thanks to a strong performance in **Argentina** (Cinzano, Old Smuggler and Campari). Perimeter change in the Other Americas was +320.4%, driven by the consolidation of LdM (Jamaica reaching 14.8% of Group sales in the first quarter 2013). Exchange rate effect was -9.9%.

The **Italian market** (23.8% of total Group sales) recorded an **overall decline of -26.2%**, attributable to an **organic performance of -26.3%** and a positive perimeter effect of +0.1%. The negative organic performance was driven by the expected destocking effect, linked to the introduction of the above mentioned article 62 which has further exacerbated the local weak consumption trend. The organic change excluding the 'one-off' destocking effect would have been negative by low/mid single digits. The key brands (**Campari, Campari Soda**

[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 clientele (60 days for non-perishable products and 30 days for perishable products).

and **SKYY Vodka**) recorded a strong decline in shipments; the wine portfolio declined, suffering from a slowdown in the restaurant channel. Soft drinks were also heavily affected by the above mentioned trade destocking as well as by the overall slowdown in consumption in the traditional day-bars channel.

Sales in the **rest of Europe** (19.2% of total Group sales) declined by **-2.8%**, driven by a negative organic change of **-8.8%**, a positive perimeter effect of +6.5%, thanks to a new distribution agreement in Germany as well as LdM, and a negative exchange rate effect of -0.5%. The organic performance was driven by continued softness of Aperol and Cinzano sparkling wine in Germany, exacerbated by very poor weather conditions. **Russia on the contrary was up +52.9%** showing strong results across the key Cinzano and Mondoro brands. **Other European markets** registered mixed results with **Austria** and **Switzerland** positive trends more than offset by decrease in France, Spain and Greece.

Sales in the **rest of the world** (including Global Travel Retail), which accounted for **11.9% of total Group sales**, grew by **+24.5%** overall, with a **negative organic change of -6.9%** and a negative exchange rate effect of -1.5%. and a perimeter effect of +32.9% thanks to LdM. The organic sales decline was driven by weak shipments of the Wild Turkey franchise and Riccadonna sparkling wines, due to tough comps (+41.7% in 1Q 2012) and heightened competitive pressure on core bourbon and RTD's in **Australia**. A positive development was also achieved in the region's other key markets, including **China**, **Nigeria** and **GTR**.

Looking at **sales by the key brands**, regarding **spirits** (71.1% of Group sales) **Campari declined by -12.4% impacted by weak shipments in Italy, due to so called article 62 introduction**, in part offset by a **good performance in Brazil** and continued traction in international markets, in particular in **U.S.**, **Argentina** and **Nigeria**. **Aperol** registered a **negative organic performance of -15.3%**, affected by **continued weakness in Germany** which was exacerbated by bad weather, in part offset by a **positive performance in Italy** (despite destocking) and **other international markets.** Overall organic growth excluding Germany was +4.8%. **SKYY** sales achieved **an organic growth of +1.9%**, driven by a **positive performance** in the **US** thanks to SKYY Infusions' continued success and positive momentum behind core. Good results continued in key international markets, particularly **Brazil.** The **Wild Turkey** franchise registered an **organic change of -0.3%**, due to the mixed effect of **strong growth in US** offset by **softness in Australia and Japan, as well as a tough comparison base** (+24.0% in 1Q 2012). The **Tequila** portfolio registered a strong organic growth of **+35.3%**, driven by both **Espolón** and **Cabo Wabo** in the key U.S. market. **Campari Soda** declined by -28.3%, affected by so called article 62 and weak consumption trend and trading conditions in day bars channel and off trade in Italy. The **Brazilian brands** posted a good recovery in first quarter 2013, up **+15.9%,** thanks also to easy comps. **GlenGrant** registered a negative organic performance of**-11.8%,** as the positive performance in Germany, GTR and Japan was not able to offset **weak performance in the core Italian market.**

In terms of **wines**, which accounted for 13.1% of total sales, **Cinzano vermouths** registered an organic growth of **+7.8%**, driven by positive performances in Russia, Germany and Argentina. **Cinzano sparkling wines** sales registered a negative organic performance of **-10.5%**, driven by a strong performance of Russia, which was not able to compensate soft sales in Germany and Italy. **Other sparkling wines** (including **Riccadonna, Odessa** and **Mondoro**) grew organically by **+49.9%** 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 (5.3% of total sales), **Crodino** declined by -45.0% driven by destocking in connection with so called article 62 as well as weak trading conditions and consumption trend.

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 **2:30 pm (CET) today, Monday, May 13, 2013**, Campari's management will hold a conference call to present the Group first quarter 2013 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/home.jsp

A **recording of the conference call** will be available from Monday, May 13 until Monday, May 20, 2013. To listen to it, please call the following numbers:

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

(access code: **792#**).

FOR FURTHER INFORMATION

Investor Relations

Chiara Garavini
Tel.: +39 02 6225 330
Email: chiara.garavini@campari.com

Alex Balestra
Tel. : +39 02 6225 364
Email: alex.balestra@campari.com

Corporate Communications

Chiara Bressani
Tel. : +39 02 6225 206
Email: chiara.bressani@campari.com

http://www.camparigroup.com/en/investors/home.jsp
http://www.camparigroup.com/en/press_media/image_gallery/group_images.jsp
http://www.youtube.com/campariofficial

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/**

- Appendix to follow -

GRUPPO CAMPARI

Consolidated net revenues by geographic area

	1 January-31 March 2013		1 January-31 March 2012		%
	€ million	%	€ million	%	change
Americas	142.2	45.1%	85.3	30.5%	**66.7%**
Italy	75.0	23.8%	101.6	36.4%	**-26.2%**
Rest of Europe	60.4	19.2%	62.2	22.3%	**-2.8%**
Rest of the world and duty free	37.6	11.9%	30.2	10.8%	**24.4%**
Total	**315.2**	**100.0%**	**279.3**	**100.0%**	**12.9%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Americas	**66.7%**	10.8%	60.2%	-4.4%
Italy	**-26.2%**	-26.3%	0.1%	0.0%
Rest of Europe	**-2.8%**	-8.8%	6.5%	-0.5%
Rest of the world and duty free	**24.4%**	-6.9%	32.9%	-1.5%
Total	**12.9%**	**-9.0%**	**23.4%**	**-1.6%**

Consolidated net revenues by segment

	1 January-31 March 2013		1 January-31 March 2012		%
	€ million	%	€ million	%	change
Spirits	224.1	71.1%	217.4	77.8%	**3.1%**
Wines	41.3	13.1%	32.4	11.6%	**27.4%**
Soft drinks	16.7	5.3%	26.9	9.6%	**-38.0%**
Other revenues	33.2	10.5%	2.6	1.0%	**1169.8%**
Total	**279.3**	**100.0%**	**279.3**	**100.0%**	**12.9%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	**3.1%**	-8.4%	13.2%	-1.7%
Wines	**27.4%**	3.5%	25.9%	-2.0%
Soft drinks	**-38.0%**	-38.2%	0.2%	0.0%
Other revenues	**1169.8%**	90.2%	1082.8%	-3.2%
Total	**12.9%**	**-9.0%**	**23.4%**	**-1.6%**

Consolidated income statement

	1 January-31 March 2013		1 January-31 March 2012		%
	€ million	%	€ million	%	change
Net sales[(1)]	**315.2**	**100.0%**	**279.3**	**100.0%**	**12.9%**
Total cost of goods sold[(2)]	(154.8)	-49.1%	(117.6)	-42.1%	31.6%
Gross profit	**160.4**	**50.9%**	**161.7**	**57.9%**	**-0.8%**
Advertising and promotion	(45.3)	-14.4%	(44.8)	-16.0%	1.2%
Contribution after A&P	**115.1**	**36.5%**	**117.0**	**41.9%**	**-1.6%**
SG&A[(3)]	(67.5)	-21.4%	(53.2)	-19.1%	26.9%
EBIT before one-off's	**47.6**	**15.1%**	**63.8**	**22.8%**	**-25.3%**
One off's	3.9	1.2%	(1.3)	-0.5%	-
Operating profit = EBIT	**51.5**	**16.3%**	**62.4**	**22.4%**	**-17.6%**
Net financing costs	(12.0)	-3.8%	(9.5)	-3.4%	26.2%
One off's financial expenses	-	-0.0%	(0.1)	-0.0%	-
Profit before taxes and minority interests	**39.5**	**12.5%**	**52.8**	**18.9%**	**-25.3%**
Minority interests	(0.1)	-0.0%	(0.1)	-0.0%	-
Group pre-tax profit	**39.4**	**12.5%**	**52.8**	**18.9%**	**-25.4%**
Depreciation and amortisation	(9.5)	-3.0%	(7.7)	-2.7%	23.8%
EBITDA before one-off's	**57.1**	**18.1%**	**71.4**	**25.6%**	**-20.0%**
EBITDA	**61.0**	**19.3%**	**70.1**	**25.1%**	**-13.0%**

(1) Net of discounts and excise duties.

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

(3) Includes selling. general and administrative costs.