2012 first half results positive and in line with expectations

RESULTS HIGHLIGHTS

- **Sales: € 618.3 million (+5.0%, organic growth +3.2%)**
- **Contribution after A&P: € 259.9 million (+8.0%, organic growth +5.2%, 42.0% of sales)**
- **EBITDA pre one-offs: € 162.9 million (+5.7%, organic growth +4.0%, 26.3% of sales)**
- **EBIT pre one-offs: € 147.4 million (+6.0%, organic growth +4.4%, 23.8% of sales)**
- **Group net profit: € 77.9 million (+3.5%)**
- **Net financial debt: € 655.7 million (€ 636.6 million as of 31 December 2011)**

Milan, August 3, 2012 - 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 2012.

The Group's results in the first half of 2012 were **positive and in line with expectations**, showing an **acceleration in the second quarter 2012**, despite a **challenging trading environment**, marked by macro-economic volatility and weakening consumer confidence, and **a tough comparison base**.

Bob Kunze-Concewitz, Chief Executive Officer: '*In the first half of 2012 the performance in Europe was marked by the transition of the Group's business to the Russian new sales platform, a commercial dispute in Germany and, finally, the weakening consumer confidence in Italy. Trading in South America was impacted, in particular, by a slowdown in consumption in Brazil. On the positive side, heightened brand building activities helped accelerate positive momentum across the portfolio in North America. Moreover, we continued to grow strongly in Asia Pacific, constantly taking market share. Looking forward into the second half of the year, which, traditionally, weighs considerably more on full year results, we remain cautiously optimistic. Whilst we do not expect any improvements in the tough overall trading environment in the most challenging markets, we expect to maintain a good balance between potential upsides and downsides. Positive momentum in North America and Asia Pacific with a return to normal trading conditions in Russia and slow but gradual resolution of the trade dispute in Germany should help compensate for a very challenging environment in Italy and South America.*'.

FIRST HALF YEAR ENDED 30 JUNE 2012-CONSOLIDATED RESULTS

	1 January-30 June 2012 € million	1 January-30 June 2011 € million	Reported change	Change at constant exchange rates
Net sales	**618.3**	589.1	+5.0%	+2.8%
Contribution after A&P (*)	**259.9**	240.7	+8.0%	+4.9%
EBITDA pre one-offs	**162.9**	154.2	+5.7%	+1.9%
EBITDA	**159.3**	152.1	+4.8%	+0.9%
EBIT pre one-offs	**147.4**	139.0	+6.0%	+2.0%
EBIT	**143.8**	136.9	+5.0%	+1.0%
Pre-tax profit	**122.7**	115.4	+6.3%	
Group net profit	**77.9**	75.3	+3.5%	

(*) EBIT before SG&A.

In the first half of 2012 **Group sales** totalled **€ 618.3 million** showing a reported growth of **+5.0%** and **organic growth of +3.2%** (+12.2% in first half of 2011). The **exchange rates effect** was positive by **+2.2%**. **The perimeter effect** was a negative **-0.4%**, entirely driven by changes in distribution agreements.

Gross profit increased to **€ 363.2 million**, up **+4.8%**, or 58.7% of sales.

Advertising and promotion spending (A&P) was down by -2.4% to **€ 103.3 million**, or 16.7% of sales (18.0% of sales in the first half of 2011), due to a month delay in a major advertising campaign.

Contribution after A&P (gross margin after A&P) was up by +8.0% to **€ 259.9 million** (**+5.2% organic growth**), or 42.0% of sales.

Structure costs, i.e. selling, general and administrative costs, increased by **+10.7%**, or 18.2% of sales (17.3% in the first half of 2011), reflecting investments in new route-to-market and strengthened central functions.

EBITDA pre one-offs was up by +5.7% to **€ 162.9 million** (**+4.0% organic growth**), or 26.3% of sales.

EBITDA reached **€ 159.3 million**, an increase of +4.8%.

EBIT pre one-offs rose by +6.0% to **€ 147.4 million** (**+4.4% organic growth**), or 23.8% of sales.

EBIT reached **€ 143.8 million**, an increase of +5.0%.

Net financing costs stood at **€ 20.8 million**, down from € 21.5 million in the first half of 2011, due to the Group's **lower average debt level** in the first half of 2012.

Pre-tax profit reached **€ 122.7 million**, up by +6.3%.

Group net profit reached **€ 77.9 million**, up +3.5.

As of 30 June 2012, **net financial debt** stood at **€ 655.7 million** (€ 636.6 million as of 31 December 2011), mainly impacted by the trend in working capital due to the set-up of the Russian platform and the catch up in the whisky inventory build up.

CONSOLIDATED SALES OF FIRST HALF 2012

Looking at sales by region in the first half of 2012, the **Americas** (**33.7%** of total Group sales) posted a **strong overall growth** of **+9.6%**, with an **organic increase** of **+7.2%**, a perimeter effect of -1.9%, and an exchange rate effect of +4.3%. In the U.S. the **positive momentum accelerated across all key brands**, helped by heightened brand building activities: sales in the **U.S. market** (21.7% of total Group sales), registered an **organic increase of +13.2%**, driven by the **Wild Turkey** and **SKYY franchises**, **Carolans, Espolón, Cabo Wabo** and **Campari**, a perimeter effect of -3.3% (due to the termination of Cutty Sark agency) and an exchange rate effect of +9.0%. Sales in **Brazil** (6.1% of total Group sales) registered a **negative organic performance of -14.2%**, driven by the destocking which followed **pre-buying activities in the last quarter of 2011,** ahead of the January price increase, as well as the slowdown consumption in the overall beverage sector**,** which impacted, in particular, our local brands. The exchange rate effect in Brazil was -4.5%. Sales in the **other Americas** (5.8% of total Group sales) showed an **organic growth of +17.6%**, mainly thanks to a strong performance in **Canada** (driven by SKYY Vodka and Campari), **Mexico** (driven by SKYY ready-to-drink's, SKYY Vodka and Espolón) and **Argentina** (driven by Campari, Old Smuggler and the local brands). Perimeter and exchange rate effects were respectively +0.2% and +0.1%.

The **Italian market** (34.4% of total Group sales), where trading was impacted by a weakening consumer confidence, recorded a total growth of **+1.4%**, attributable to a **positive organic growth of +1.1%** and a positive perimeter effect of +0.4%. Organic growth was mainly driven by a **continued positive performance of Aperol, Campari and SKYY Vodka,** benefitting from the newly introduced flavoured range, more than offsetting weaker performances of GlenGrant, Cynar, still wines and Crodino.

Sales in the **rest of Europe** (22.2% of total Group sales) decreased by **-2.1%**, driven by a negative organic performance of **-3.2%**, a positive perimeter effect of +0.3% and a positive exchange rate effect of +0.8%. The organic performance was driven by contrasting results across the region: **Germany** registered a decrease of **-9.7%**, as a consequence of a commercial dispute with a key retailer, negatively affecting Aperol and Campari, as well as poor weather conditions. In the rest of Europe **Austria** and **Switzerland** grew strongly behind Aperol, whilst **Spain** and **France** were impacted respectively by the economic crisis and an excise duty increase. In **Russia**, where performance was impacted by the transition of the Group's business into the new sales platform, trading is progressively returning to a normalised trend (in particular, for the Cinzano and Mondoro brands).

Sales in the **rest of the world** (including Global Travel Retail), which accounted for **9.7% of total Group sales**, grew by **+22.5%** overall, with a **positive organic change of +15.0%** and a positive exchange rate effect of +7.5%. Sales performed strongly in all key markets: in particular, **Australia continued to show strong growth** across the entire portfolio. A very positive development was also achieved in the other region's key markets, including **Japan**, **China**, **South Africa** and **Nigeria**.

Looking at **sales by business segment**, **spirits** (78.9% of total sales) **grew +6.1%**, the combined result of **positive organic growth of +4.5%**, a negative perimeter effect of -1.0% and a positive exchange rate effect of +2.6%.

Aperol registered a **positive organic growth of +1.7%**, thanks to the **continued strong growth in core Italian and Austrian markets,** whilst **Germany** was impacted by a commercial dispute and poor weather conditions in the second quarter of 2012. Importantly, Aperol continued to grow strongly **in the other European markets** as well **as in the rest of the world**. **Campari** brand sales **decreased slightly** (**-0.9%** at constant exchange rates, **-0,6%** at actual exchange rates): a weak performance in Brazil and Germany was in part offset by **continued growth in the core Italian market** and good traction in all international markets (particularly Argentina, U.S. and Nigeria). **SKYY** sales **grew by +11.0%** at constant exchange rates (**+18.5%** at actual exchange rates), driven by the **strong performance** in the U.S., behind the successful SKYY Infusions business and positive momentum behind the SKYY core brand, as well as **sustained growth in key international markets** (particularly Brazil, South Africa and Italy). The **Wild Turkey** franchise **sales grew by +22.1% overall at constant exchange rates** (+31.9% at actual exchange rates), driven by the **strong performance of all the brands in all main markets**. Notably, **Wild Turkey bourbon** grew by **+12.9%** with strong results in the U.S., Australia and Japan; **Wild Turkey ready-to-drink** achieved a strong growth of **+24.0%**, driven by Australia and New Zealand; **American Honey** also continued to perform very positively growing by **+45.9%,** thanks to the U.S. and Australia. **Frangelico, Carolans** and **Irish Mist** registered an overall performance almost in line with last year (**-0.2%**), with Carolans growth offsetting Frangelico's decrease. **Tequilas** registered a strong overall growth of **+41.4%** (**+52.4%** at actual exchange rates), driven by both **Espolón** and **Cabo Wabo** in key U.S. market. **Brazilian brands** were down by **-16.7%** at constant exchange rates (**-21.0%** at actual exchange rates) as a result of the pre-buying which occurred in the last quarter of 2011 (ahead of the January 2012 price increase) as well as a general slowdown in consumption in the overall beverage sector. **Campari Soda** sales were almost flat (**-0.5%** organic performance). **GlenGrant** registered a negative performance of **-7.8%** (-6.7**%** at actual exchange rates), mainly driven by weak results in Italy, impacted by a declining whisky category, and the excise duty increase in France.

Wines, which accounted for 11.1% of total sales, were in line with last year, driven by the combination of an **organic performance** of **-3.1%,** a **perimeter effect** of **+2.1%** and an **exchange rate effect** of **+1.1%**.

Cinzano vermouths decreased by **-4.2%** at constant exchange rates (-3.3% at actual exchange rates), as the improving performance in Russia was not able to compensate the category weakness in the rest of developed markets. **Cinzano sparkling wines** sales increased by **+0.9%** at constant exchange rates (**+1.6%** at actual exchange rates). The **other sparkling wines** (including **Riccadonna, Odessa** and **Mondoro**) grew organically by **+4.6%**, whilst the **still wines** (including **Sella&Mosca**, **Enrico Serafino** and **Teruzzi&Puthod**) declined organically by -10.8%, driven by the weakness in the traditional Italian on premise channel. The overall performance (-2.3%) was mitigated by the contribution of the new third party wines.

Soft drinks (9.0% of total sales) grew by **+1.8%**, driven by an **organic performance of +1.7%**, thanks to the good performance of the **Lemonsoda** range in Italy more than offsetting the decrease of **Crodino** (**-2.6%**), and an exchange rate effect of +0.1%.

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, Friday, August 3, 2012**, Campari's management will hold a conference call to present the Group's 2012 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/home.jsp

A **recording of the conference call** will be available from Friday, August 3 until Friday, August 10, 2012. To listen to it, please call the following numbers:

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

(access code: **752#**).

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 a leading position in the Italian and Brazilian markets and a strong presence in the USA and Continental Europe. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment its internationally renowned brands, such as Campari, Carolans, SKYY Vodka and Wild Turkey stand out. It also has leading regional brands including Aperol, Cabo Wabo, Campari Soda, Cynar, Frangelico, GlenGrant, Ouzo 12, X-Rated Fusion Liqueur, Zedda Piras and the local Brazilian brands Dreher, Old Eight and Drury's. Its wine segment boasts the global brand Cinzano, as well as important regional brands including Liebfraumilch, Mondoro, Odessa, Riccadonna, Sella&Mosca and Teruzzi&Puthod. The soft drinks segment comprises the non-alcoholic aperitif Crodino and Lemonsoda as well as its respective line extension dominating the Italian market. The Group employs over 2,300 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. www.camparigroup.com

- Appendix to follow -

GRUPPO CAMPARI

Consolidated net revenues by geographic area

	1 January-30 June 2012		1 January-30 June 2011		%
	€ million	%	€ million	%	change
Americas	208.2	33.7%	190.0	32.3%	**9.6%**
Italy	212.6	34.4%	209.6	35.6%	**1.4%**
Rest of Europe	137.5	22.2%	140.5	23.9%	**-2.1%**
Rest of the world and duty free	60.0	9.7%	49.0	8.3%	**22.5%**
Total	**618.3**	**100.0%**	**589.1**	**100.0%**	**5.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Americas	**9.6%**	7.2%	-1.9%	4.3%
Italy	**1.4%**	1.1%	0.4%	0.0%
Rest of Europe	**-2.1%**	-3.2%	0.3%	0.8%
Rest of the world and duty free	**22.5%**	15.0%	0.0%	7.5%
Total	**5.0%**	**3.2%**	**-0.4%**	**2.2%**

Consolidated net revenues by segment

	1 January-30 June 2012		1 January-30 June 2011		%
	€ million	%	€ million	%	change
Spirits	488.3	78.9%	460.3	78.1%	**6.1%**
Wines	68.6	11.1%	68.6	11.6%	**0.0%**
Soft drinks	55.3	9.0%	54.3	9.2%	**1.8%**
Other revenues	6.1	1.0%	5.9	1.1%	**4.3%**
Total	**618.3**	**100.0%**	**589.1**	**100.0%**	**5.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	**6.1%**	4.5%	-1.0%	2.6%
Wines	**0.0%**	-3.1%	2.1%	1.1%
Soft drinks	**1.8%**	1.7%	0.0%	0.1%
Other revenues	**4.3%**	-7.7%	11.3%	0.7%
Total	**5.0%**	**3.2%**	**-0.4%**	**2.2%**

Contribution after A&P by segment

	1 January-30 June 2012		1 January-30 June 2011		%
	€ million	%	€ million	%	change
Spirits	221.1	85.0%	201.8	83.8%	**9.5%**
Wines	16.8	6.5%	17.3	7.2%	**-2.6%**
Soft drinks	20.7	8.0%	20.4	8.5%	**1.9%**
Other revenues	1.3	0.5%	1.2	0.5%	**4.1%**
Total	**259.9**	**100.0%**	**240.7**	**100.0%**	**8.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	**9.5%**	6.3%	-0.4%	3.6%
Wines	**-2.6%**	-3.7%	-0.9%	1.9%
Soft drinks	**1.9%**	1.6%	0.0%	0.2%
Other revenues	**4.1%**	11.6%	9.0%	-16.5%
Total	**8.0%**	**5.2%**	**-0.3%**	**3.1%**

Consolidated income statement

	1 January-30 June 2012		1 January-30 June 2011		%
	€ million	%	€ million	%	change
Net sales[(1)]	**618.3**	**100.0%**	**589.1**	**100.0%**	**5.0%**
Total cost of goods sold[(2)]	(255.1)	-41.3%	(242.6)	-41.2%	5.2%
Gross profit	**363.2**	**58.7%**	**346.5**	**58.8%**	**4.8%**
Advertising and promotion	(103.3)	-16.7%	(105.8)	-18.0%	-2.4%
Contribution after A&P	**259.9**	**42.0%**	**240.7**	**40.9%**	**8.0%**
SG&A[(3)]	(112.5)	-18.2%	(101.7)	-17.3%	10.7%
EBIT before one-off's	**147.4**	**23.8%**	**139.0**	**23.6%**	**6.0%**
One off's	(3.6)	-0.6%	(2.1)	-0.4%	-
Operating profit = EBIT	**143.8**	**23.3%**	**136.9**	**23.2%**	**5.0%**
Net financing costs	(20.8)	-3.4%	(21.5)	-3.7%	-3.2%
One off's financial expenses	(0.1)	-0.0%	-	-	-
Income from associates	-	-	(0.1)	-0.0%	-
Put option	(0.1)	-0.0%	-	-	-
Profit before taxes and minority interests	**122.7**	**19.8%**	**115.4**	**19.6%**	6.3%
Taxes	(44.5)	-7.2%	(39.9)	-6.8%	11.7%
Net profit	**78.2**	**12.6%**	**75.5**	**12.8%**	3.5%
Minority interests	(0.3)	-0.0%	(0.3)	-0.0%	-
Group net profit	**77.9**	**12.6%**	**75.3**	**12.8%**	**3.5%**
Depreciation and amortisation	(15.6)	-2.5%	(15.2)	-2.6%	2.3%
EBITDA before one-off's	**162.9**	**26.3%**	**154.2**	**26.2%**	**5.7%**
EBITDA	**159.3**	**25.8%**	**152.1**	**25.8%**	**4.8%**

(1) Net of discounts and excise duties.

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

(3) Includes selling. general and administrative costs.

GRUPPO CAMPARI

Consolidated balance sheet

	30 June 2012 € million	31 December 2011 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	319.5	320.6
Biological assets	17.1	17.4
Property	0.5	0.6
Goodwill and trademarks	1,465.9	1,448.6
Intangible assets	21.0	21.0
Interests in associates	0.0	0.0
Pre-paid taxes	8.7	6.5
Other non-current assets	19.7	17.1
Total non-current assets	**1,852.4**	**1,831.8**
Current assets		
Inventories	379.6	331.3
Trade receivables	305.5	278.0
Financial receivables	7.7	1.8
Cash and cash equivalents	380.2	414.2
Receivables for income taxes	13.8	17.8
Other receivables	25.7	23.9
Total current assets	**1,112.5**	**1,066.9**
Non-current assets for sale	1.1	2.3
Total assets	**2,966.0**	**2,901.0**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	1,357.3	1,305.6
Group's shareholders' equity	1,415.4	1,363.7
Minority interests	4.0	3.7
Total shareholders' equity	**1,419.4**	**1,367.5**
Non-current liabilities		
Bonds	803.7	787.8
Other non-current financial payables	22.1	37.1
Staff severance funds	8.7	8.8
Risks funds	7.3	7.1
Deferred tax	155.9	144.4
Total non-current liabilities	**997.7**	**985.2**
Current liabilities		
Short term debt banks	124.0	144.9
Other financial payables	111.6	103.2
Trade payables	196.4	166.8
Payables for taxes	23.9	34.6
Other current liabilities	92.9	98.9
Total current liabilities	**548.8**	**548.4**
Total liabilities and shareholders' equity	**2,966.0**	**2,901.0**

GRUPPO CAMPARI

Consolidated cash flow statement

	30 June 2012 € million	30 June 2011 € million
EBIT	143.8	136.9
Amortisation and depreciation	15.6	15.2
Other changes in non-cash items	3.4	(0.0)
Change in non-financial assets and payables	(1.8)	2.0
Taxes on income paid	(53.1)	(43.0)
Cash flow from operating activities before change in operating working capital	**107.8**	**111.1**
Net change in operating working capital	(42.5)	(27.8)
Cash flow from operating activities	**65.3**	**83.4**
Net interest paid	(17.4)	(16.1)
Cash flow from investing activities	**(17.4)**	**(15.4)**
Free cash flow	**30.6**	**51.8**
Acquisitions	(1.3)	(7.7)
Other changes	(1.7)	(14.2)
Dividends paid	(40.5)	(34.6)
Cash flow from other activities	**(43.5)**	**(56.5)**
Exchange rate differences and other movements	(7.5)	(14.2)
Change in net financial position as a result of operating activities	**(20.4)**	**9.5**
Future exercise for put options and payment of earn outs	1.3	(1.6)
Change in net financial position	**(19.1)**	**8.0**
Net financial position at start of period	**(636.6)**	**(677.0)**
Net financial position at end of period	**(655.7)**	**(669.0)**