

A well balanced cocktail for future growth

Bob Kunze-Concewitz, CEO

Deutsche Bank 11th Annual Global Consumer Conference

Paris, 17 June 2014

Campari: a well balanced cocktail for future growth

Increased business scale

- Sixth largest player worldwide in the premium spirits industry ⁽¹⁾
- €1.5 billion revenues in FY 2013 (doubled business scale in the last 10 years)

Strengthened global reach

- Sales in over 190 countries
- 90% of sales achieved in own route-to-market
- Increased in-market companies from 5 to 18 in the last 10 years

Empowered brand portfolio

- Portfolio of 50+ premium brands, covering the most attracting categories
- Strong focus on 6 top international franchises
- Strong upside from high potential brands
- Marketing is our engine of growth

Strong track record in acquisitions

- Half of the revenue growth achieved via acquisitions
- 23 deals completed (21 acquisitions and 2 disposals)
- External growth strategy consistently executed over time

Strongly positioned for future growth

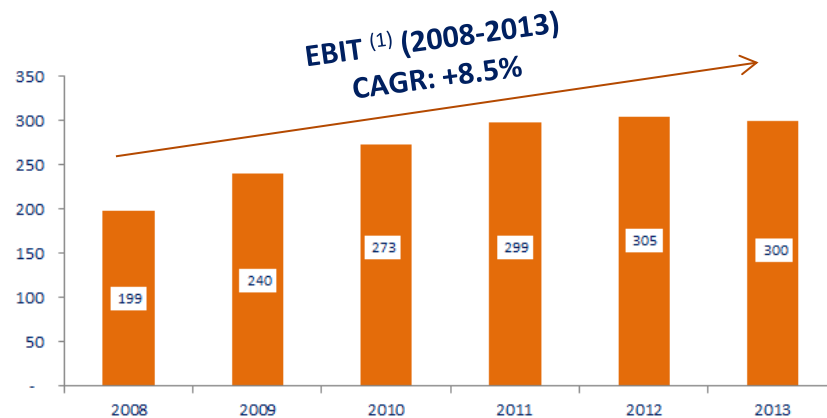
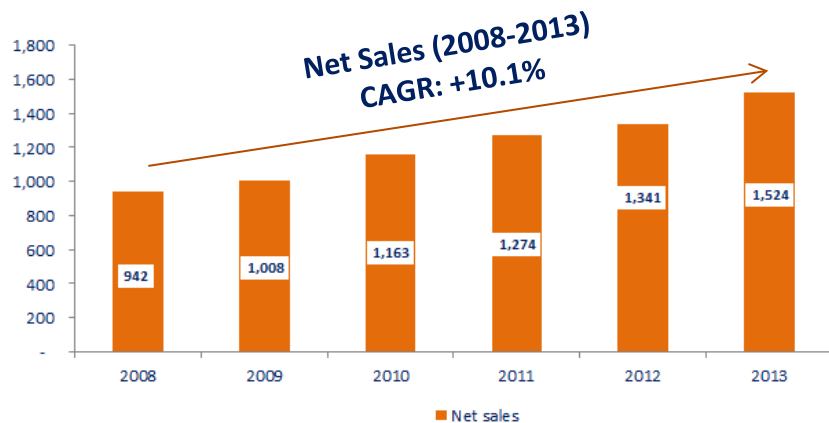
- Strongly positioned for positive progression in financial performance by leveraging on the expansion of the international footprint of own enriched brand portfolio

Note: ⁽¹⁾ Ranking based on Impact's top 100 Premium Spirits Brands Worldwide by Company, February 2014



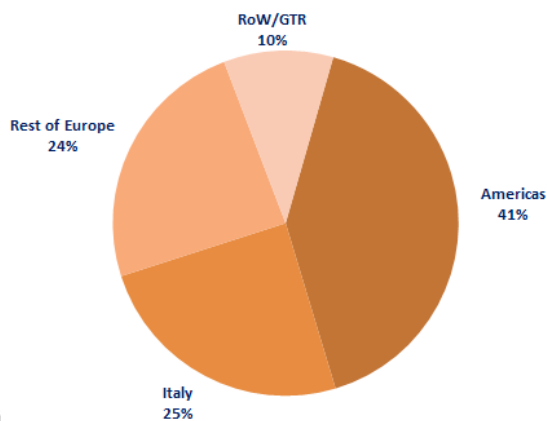
Increased business scale

- Doubled our business scale (both sales and operating profit) in last 10 years
- Business continued to deliver strong growth in the last 5 years

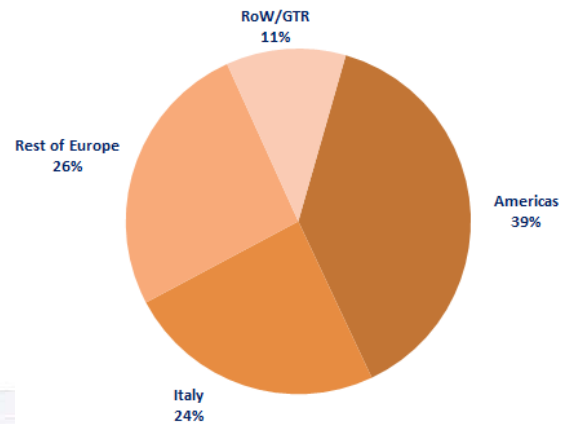


Note: ⁽¹⁾ EBIT pre one-off's

**FY 2013 net sales split by key markets
(€ 1,524.1 million)**



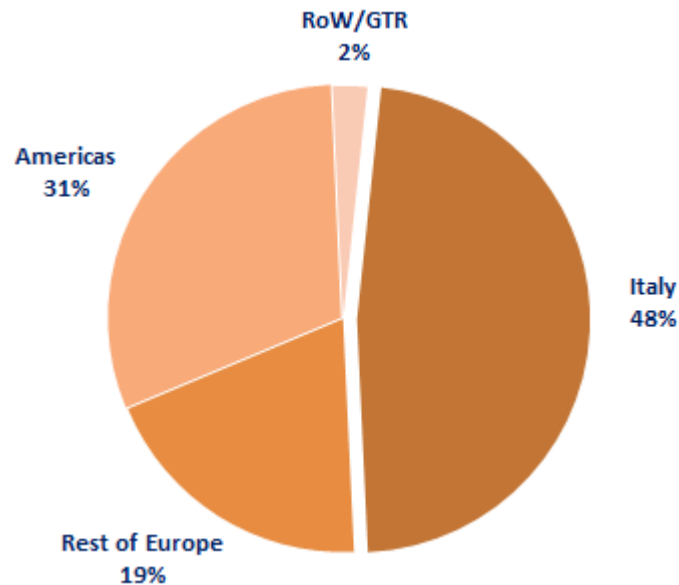
**FY 2013 EBIT split by key markets
(€ 299.6 million)**



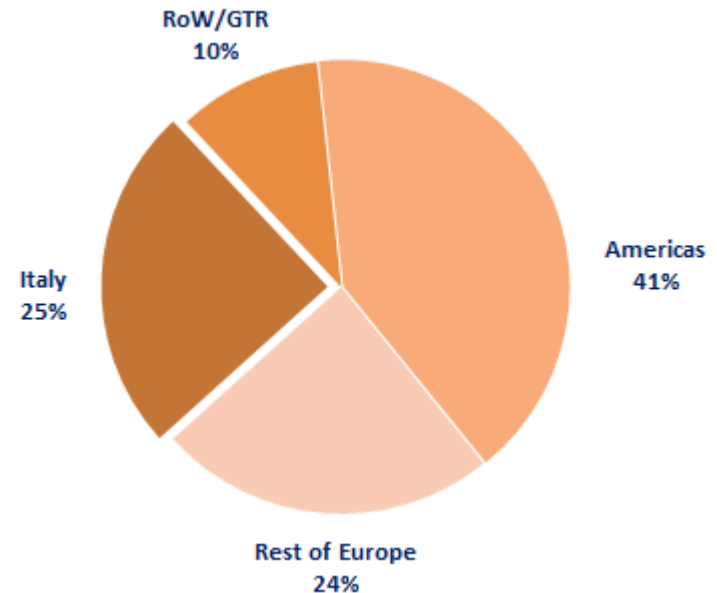
Strengthened global reach: improved geographic exposure

- Achieved a balanced geographic exposure via a combination of organic growth and acquisitions
- Exposure to emerging markets to 29% (mainly Latin America and Eastern Europe)
- Increased exposure to key profit pools in the spirits industry

FY 2003 sales split by key markets
(€ 714.1 million)

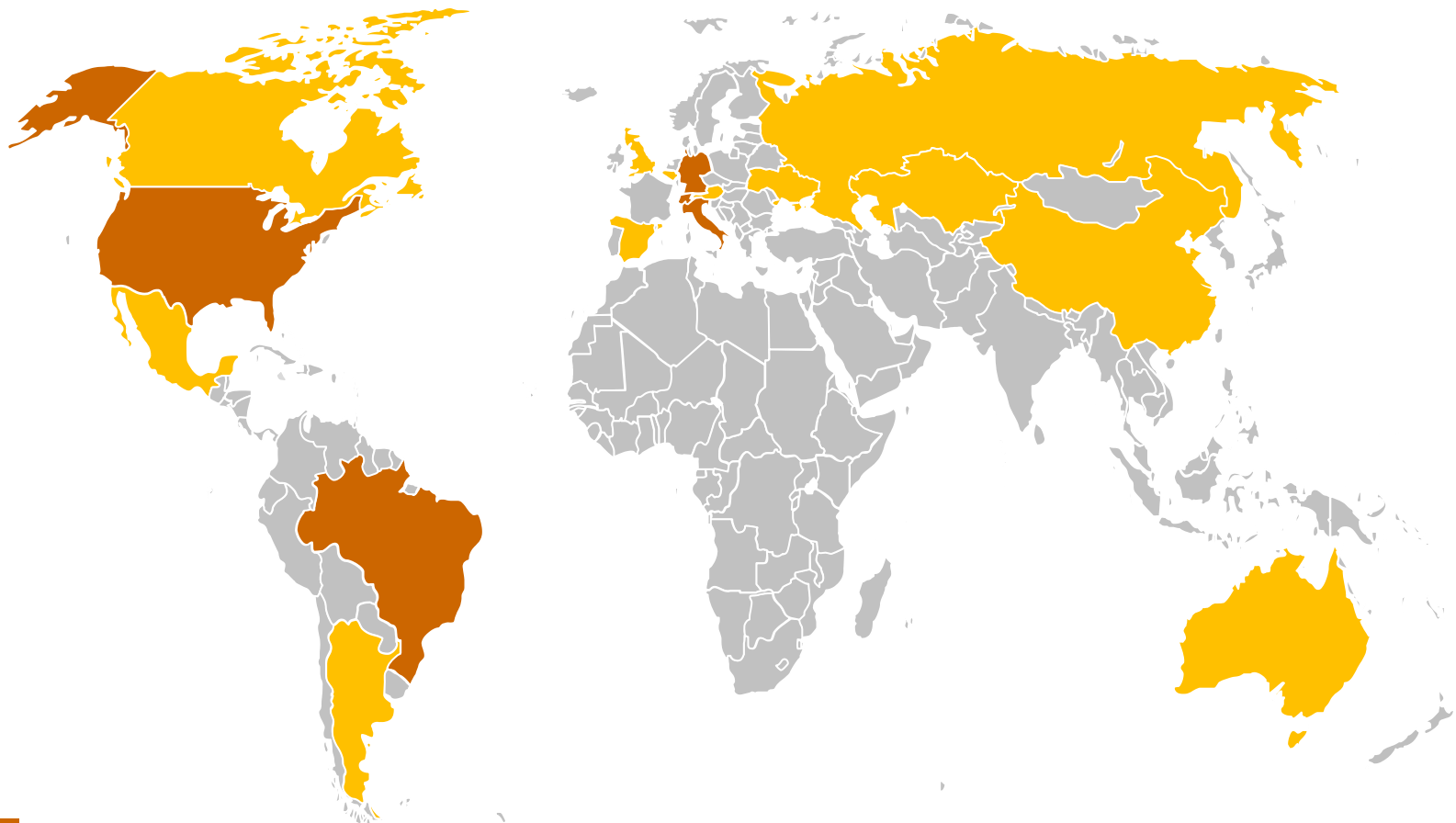


FY 2013 sales split by key markets
(€1,524.1 million)



A strengthened route-to-market and product supply chain

- Dramatically stepped up our route-to-market **from 5 to 18 in-market companies since 2004, accounting for 90% of Group's revenues**
- Moreover, **insourced bottling activities in core US and Australia markets and overall increased our plants from 8 in 2004 to 15 today**

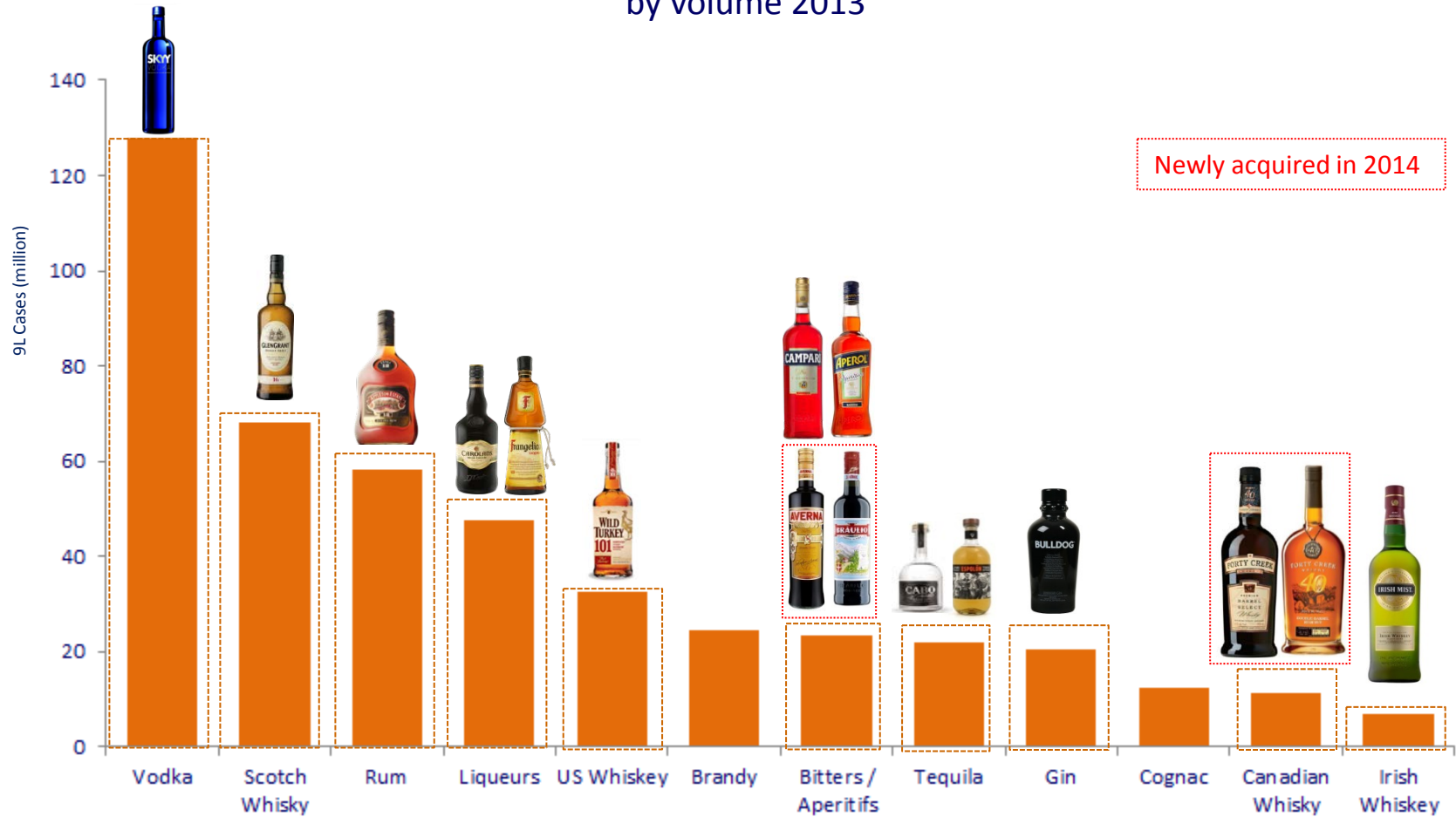


2004 in-market companies: Italy, Germany, USA, Brazil, Switzerland

Addings since 2004: Austria, China, Argentina, Mexico, Ukraine, Belgium, Luxembourg, Australia, Russia, Jamaica, UK, Spain, Canada

Campari's richer brand portfolio

Global premium brands⁽¹⁾ categories by volume 2013

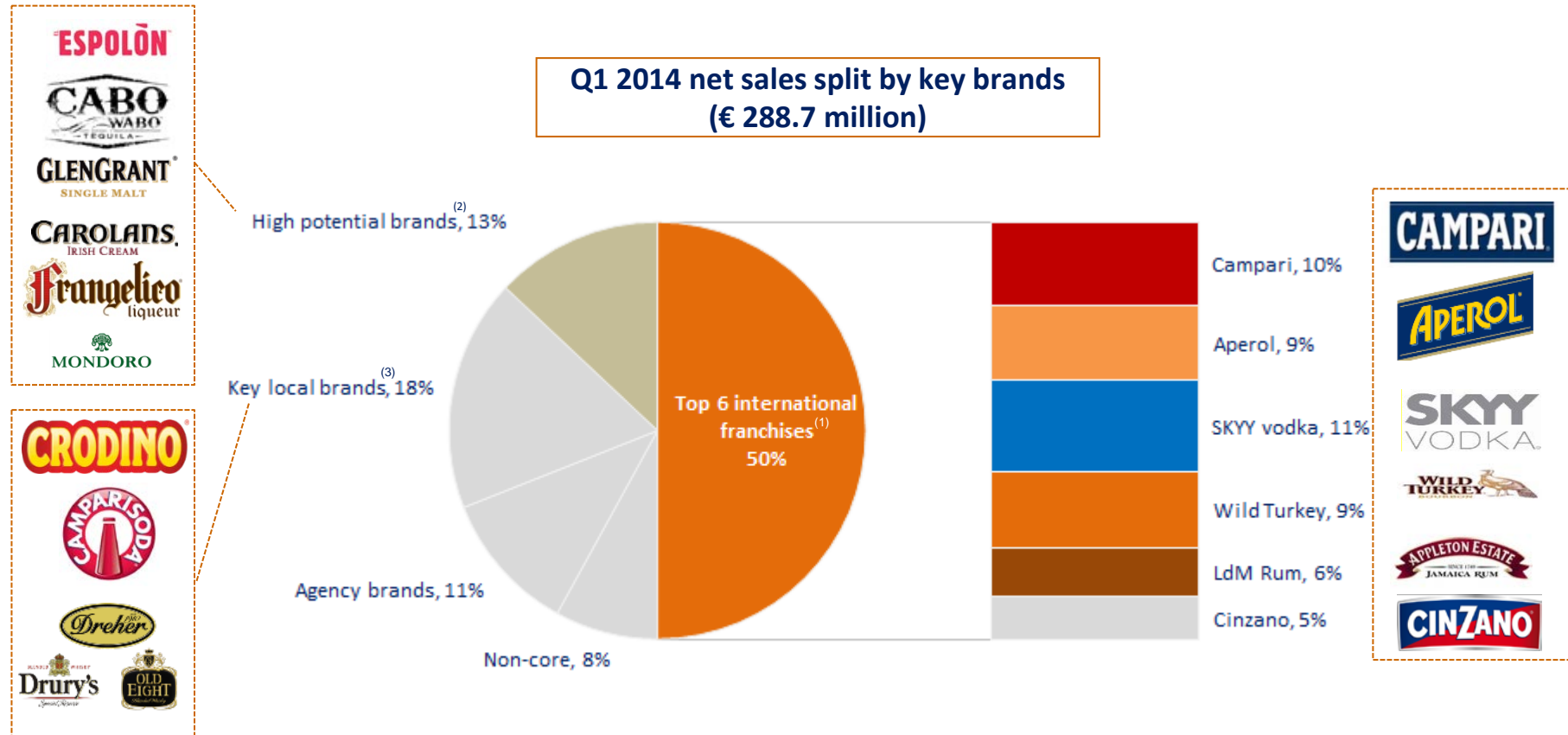


Newly acquired in 2014

Note: ⁽¹⁾ IWSR selected quality: excl. low price and value brands




A better balanced portfolio with strong focus on top 6 international franchises



Note:

- (1) Top 6 international franchises: Campari, Aperol, SKYY, Wild Turkey, LdM rum portfolio and Cinzano
- (2) High potential brands include Tequilas (Cabo Wabo and Espolon), Scotch whisky (Glen Grant and Old Smuggler), Liqueurs and specialties (Carolans, Frangelico, Cynar, X-Rated)
- (3) Key local brands include Crodino, Campari Soda, Brazilian brands


Strong focus on long-term brand equity building



SKYY
VODKA

SKYY is the new world vodka, unafraid to stir and shake things up. Unconditionally devoted to progressive thinking, SKYY Vodka revolutionized the spirits industry with its proprietary quadruple distillation and triple-filtration process.

IRRESISTIBLY PROGRESSIVE



USA
Brazil
Canada



CAMPARI

Campari is a contemporary and charismatic classic. Its vibrant red color and intense aroma are the base for some of the most famous cocktails around the world. Campari is a worldwide icon of passionate Italian style and excellence.

red passion

Italy
Brazil
Germany



WILD TURKEY
BOURBON

Wild Turkey is an American icon. Under the stewardship of our Master Distillers Jimmy and Eddie Russell, our award winning Kentucky Straight Bourbon Whiskey is revered across the world. Our high rye mash bill, charred barrels and longer aging guarantee a whiskey that's big and bold, yet incredibly smooth.

BOTTLED BUT NEVERTAMED



USA
Australia
Japan



APEROL

Aperol is Italy's favorite light aperitif: bright orange in color, with a unique bitter-sweet taste is the base for the famous Aperol Spritz, the ultimate contagiously social drink. Aperol Spritz will bring out the sunny side of your day.

Ready to Spritz



Italy
Germany
Austria



APPLETON ESTATE
SINGLE MALT
JAMAICA RUM

Welcome to Appleton Estate, a glorious land hidden within the heart of Jamaica. For 260 years, we've handmade our rum from the Estate's natural treasures, adding the warmth of Jamaica to every drop. It's delicious, complex, and aromatic.

Discover the pleasure of Appleton Estate



Jamaica
Canada
USA



CINZANO

Cinzano is a qualitative range of Vermouth and Sparkling wines. Since 1757, Cinzano is synonymous of special moments of enjoyment to be shared with people who really count in your life.

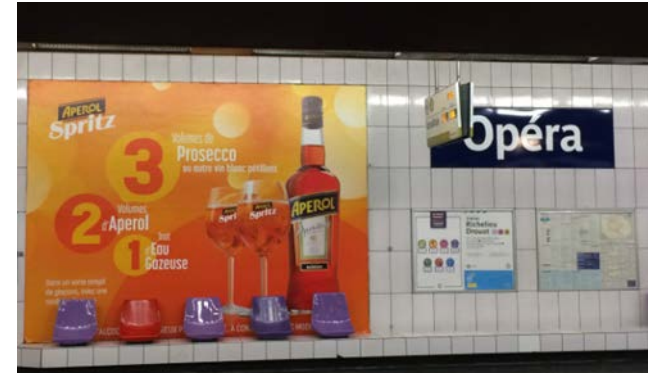
Italian enjoyment since 1757



Russia
Argentina
Germany

Germany
Russia
Italy

Marketing is our core engine of growth



Glocal approach

- Global strategies
- Local execution

Balanced marketing investments

- 1) Above the line
 - Brand positioning & awareness
 - Global brand activation
- 2) Below the line
 - Activation and frequency
 - Trade and consumer education

Marketing Engine

Leading share of voice in key markets

- Focus on long-term brand building
- Consumer-oriented marketing approach

Innovation

- Brand extensions
- Limited editions
- Flavoured launches



Strong opportunities to expand the international footprint ⁽¹⁾

						
Top 3 mkts	52.1%	84.8%	84.0%	94.4%	70.3%	70.1%
Top 5 mkts	62.2%	90.7%	88.8%	96.5%	87.8%	82.6%
Top 10 mkts	78.8%	95.7%	95.8%	98.5%	97.0%	89.9%
Top 20 mkts	91.9%	98.4%	98.5%	99.5%	98.7%	96.3%

Note: ⁽¹⁾ Based on 2013 FY sales value results

Leverage on emerging consumption trends

Empowered brand portfolio

FINANCIAL TIMES

Quotidiano Data 22-04-2014
Pagina 16
Foglio 1 / 2

Campari toasts US cocktail's renaissance

BEVERAGES
News
Mixed
fashion
business
roaring
Shamrock

At the Grand Upper East Side, the order at made with cracker, walnut stick with But our bar's Negronis - whiskey section of is Campari. Whiskey Mad Me going a thirst for ing US red aper classic N. The he is poppl from Mr. Ristoranters can mix of vermout San Fran the cock keg filled and swe original. "From your stag ago mo sour. Th the perfe sweet ar



Drinking, Italian style

With Italian aperitifs the reigning liquor in BA, Emily Jensen uncorks the mysteries in these pretty, colourful bottles.

Vodka, gin, tequila and rum are all fine and good - other together in a Long Island food Tas or on their own - but these days, Buenos Aires bars are making room for a different kind of liquor: aperitifs Italianos. Argentina loves to tap into its Italian heritage, and what better time to do so than at the cocktail hour? Classic Italian aperitifs like vermouth have typically been associated with old men and Sunday afternoons - with the exception of Fernet, which when mixed with Coca-Cola is consumed by Argentinians of any age, any time, anywhere. But what's old is new again, and a trendy crop of bars, food tours and nifty marketing have given some dusty Italian liquors a fresh image.

THE HISTORY
An aperitif is any alcohol traditionally served before a meal. Typically they are herb-based and bitter to stimulate the appetite - their counterpart, the digestif, comes after a meal and is usually sweeter. The origins of herb-based liquors may go as far back as ancient Greece, but today's aperitif hour originated in the early 1900s when fashionable cafes in Milan, Rome and Turin began to serve vermouth with soda water before a meal. During this time many of today's big brands, like **Cinzano**, **Campari** and **Fernet-Branca**, were founded and their formulas haven't changed much since. The aperitif hour became popular across the country and when Italian immigrants began furring up in

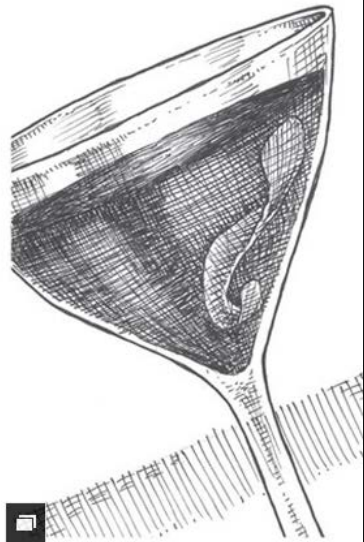
70 Time Out visitors' Guide to Buenos Aires 2014



The New York Times

T Magazine Blog

Cocktail Culture | One Negroni



Slide Show | One Negroni for Every Month of the Year. Social, complete with 12 recipes concocted by leading lady chefs like Nancy Silverton, James Beard award.

BEER, WINE & SPIRITS

How Wild Turkey is capitalizing on the bourbon boom

COMMENTARY
Commentary by Jean-Jacques
Wednesday, 16 Apr 2014 | 2:45
CNBC

Like penicillin, the Stir category in the wine and 1870s, a clergyman as found that the cheaper whiskey for transport arrived at its destination interaction with the was born.

In 2013, the United States generated \$2.45 billion to the Distilled Spirits growth was driven by which saw 31-percent same time period. On worth of bourbon and exports a decade prior

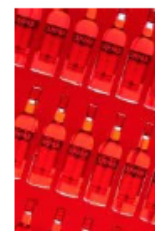


Source: Campari America
Wild Turkey master distiller Jim

MARKETS 12/19/2013 @ 10:25AM | 2,175 views

Negronis, Wild Turkey Whiskey, And Sky Vodka: Campari's Strategy To Conquer The U.S.

Comment Now Follow Co



Gruppo Campari is looking to line up its aperitif powerhouse - image: Grup

Campari, that red bitter downtown Milan, is also gone through a fundam years from a company powerhouse with over game worldwide. Under marketing analytics, and Kunze-Concewitz, has

Yet a recent third quarter line estimates, has led just a few weeks. As in with Campari, CEO Kun market, where several of sophistication of the American cocktails, means Camp top echelons of the spirit

"Before 1995, we essen Kunze-Concewitz told. Spain coming soon, and opportunities beyond t derives from the solid Kunze-Concewitz, "it is top companies, which is BEAN NEWS, and CONSEL

TORONTO LIFE HOME June 13, 2014 The Magazine | Digital Edition | Subscribe | Newsletters | Contests | Mobile App

TORONTO Restaurants Drinks Shopping Real Estate

Get tipsy for a good cause during Toronto Negroni Week



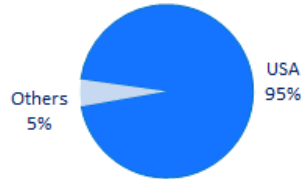
(Image: Franzconde/Flickr)

There must be a certain science to deciding which foods and drinks deserve to have entire weeks of the year cordoned off in their honour. **Negroni Week**, a worldwide booze festival dedicated to the precise mixture of gin, Campari and sweet vermouth, seems like an oddly specific international holiday, especially given all the other good cocktail out there. Still, the week is dedicated to a good cause, and Negronis really are delicious. **Red Sauce**, **La Carnita** and **The Whippoorwill** are among the participating Toronto bars, and they'll each be donating some portion of their Negroni-based profits to a charity of their choice (a full list of Toronto participants can be found [here](#)). The week runs from June 2 through 8 -or, to provide some food-based temporal landmarks, between the overlapping tail ends of **Burger Week** and **Gluten Freedom Week**, and the beginning of **Ontario Craft Cider Week**, which itself wraps up just before **Ontario Craft Beer Week**.

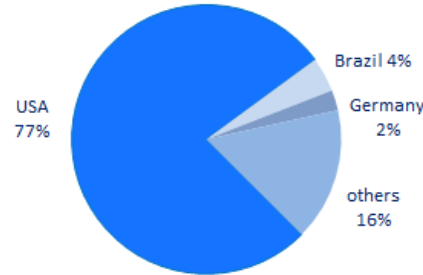
Successful delivery on acquisitions



2002
(sales in value)



2013
(sales in value)



Key achievements

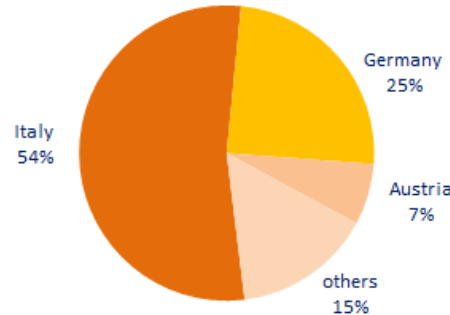
- Business size more than doubled in volume and value since acquisition
- Continuous and consistent innovation
- Outperforming the market



2004
(sales in value)



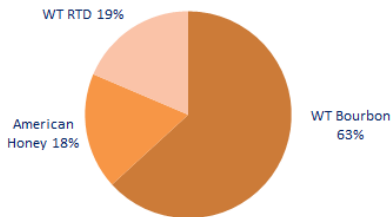
2013
(sales in value)



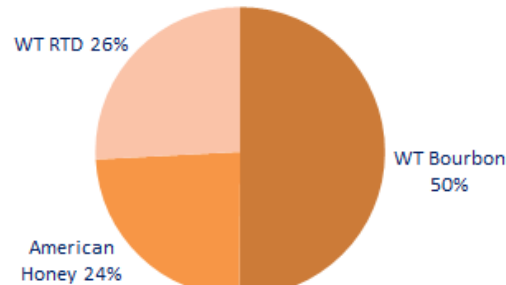
- Business has grown 5 times in value since acquisition
- Largely diversified the geographic exposure: Italy weight reduced from 94% to 51%
- Strong potential in seeding markets (Spain, UK, France)



2010
(sales in value)



2013
(sales in value)



- Franchise has grown more than 50% since acquisition
- American Honey doubled its size
- Bourbon business delivered high-single digit growth annually
- Core markets: US (52%) and Australia (38%)



Campari is strongly positioned for future growth

- **Group financial performance reflected the development of a scalable business model** (strengthened route-to-market, PSC, IT), **now completed**
- **Increased focus on own premium brands**, also thanks to **pragmatic approach to brand portfolio** management
- **Strengthened business fundamentals are our biggest opportunities**
- **Political and macroeconomic context and forex outlook expected to remain challenging in the forthcoming months**
- **Strongly positioned for long term positive progression in business and financial performance** leveraging on the **expansion of the international footprint of our enriched brand portfolio**





Thank you

www.camparigroup.com

