



# 2015 First Quarter Results

Investor Presentation  
12 May 2015



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- Sales results
  - overall
  - by region
  - by brand
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# Results for First quarter ended 31 March 2015

## Summary

Key figures (€ million)	Q1 2015	Reported growth	Organic change	Forex	Perimeter (2)
Net sales	327.4	+13.4%	<b>+4.2%</b>	+6.6%	+2.6%
Contribution after A&P	117.9	+14.3%	<b>+5.3%</b>	+6.0%	+3.0%
EBITDA pre one-off's	56.2	+19.4%	<b>+9.4%</b>	+7.9%	+2.1%
EBIT pre one-off's	44.5	+16.1%	<b>+7.3%</b>	+7.4%	+1.4%
Group pre-tax profit	35.8	+72.8%			

- > **Positive start of the year with solid organic sales growth of 4.2%**
  - Positive contribution from 5 global priority brands and core developed markets, driving favourable sales mix
- > **Solid organic EBIT<sup>(1)</sup> growth (+7.3%) driven by the expected accretion in gross margin for the quarter and, to a lesser extent, by phasing of A&P spend**
- > **Favourable forex impact: +6.6% in net sales and +7.4% in EBIT<sup>(1)</sup> in Q1 2015, driven by the strengthening of all Group currencies against the Euro with the exception of the Russian Ruble (in a small quarter for the Russian business)**
- > **Soft impact of perimeter on EBIT<sup>(1)</sup> in the quarter driven by strengthened A&P investments behind the Averna brand**

<sup>(1)</sup> EBIT pre one-off's

<sup>(2)</sup> Acquisitions of Forty Creek Distillery Ltd. and Gruppo Averna, net of termination of agency brands distribution agreements

# Gruppo Campari updated segment reporting

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## Regions

- > As required by IFRS, as of Q1 2015, Gruppo Campari has reorganised its geographic reporting segments to reflect some recent organisational changes. The new regions are:
  - **Americas**
  - **Southern Europe, Middle East & Africa** <sup>(1)</sup>
  - **North, Central & Eastern Europe**
  - **Asia Pacific**

## Brands

- > Moreover, as of Q1 2015, Gruppo Campari has refined its brand clusters to better reflect the business focus on key growth opportunities. The brand clusters are:
  - **Global priority brands:** incl. **Campari, Aperol, SKYY, Wild Turkey** <sup>(2)</sup>, **Jamaican rums**
  - **Regional priority brands:** incl. **bitters** (Cynar, Averna, Braulio), **whiskies** (GlenGrant, Forty Creek), **liqueurs** (Frangelico, Carolans), **tequila** (Espolòn), **sparkling wine & vermouth** (Cinzano, Mondoro, Riccadonna)
  - **Local priority brands:** incl. Campari Soda, Crodino, Wild Turkey ready-to-drink, Ouzo, Cabo Wabo, Dreher and Sagatiba
  - **Rest of portfolio:** incl. agency brands and non-core

<sup>(1)</sup> Incl. Global Travel Retail

<sup>(2)</sup> Incl. Wild Turkey Bourbon and American Honey

# Results for First quarter 2015

## Organic sales growth highlights

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### Organic sales growth by region

- > **Americas +4.8%:** good performance in the **US (+3.2%) thanks to Wild Turkey and Jamaican rums**, and in **Jamaica and Argentina** across the portfolio, which offset negative results in Canada, due to move to new route-to-market and weakened sales in Brazil
- > **Southern Europe, Middle East & Africa +6.0%: Italy up +2.0% mainly driven by aperitifs.** Strong growth in Spain and Global Travel Retail continued
- > **North, Central & Eastern Europe -1.5%: positive start in a small quarter in Germany**, in part offsetting **weakness in Russia**, affected by political tensions and credit control procedures
- > **Asia Pacific +7.2%:** solid growth driven by a **recovery in Australia**, mainly due to Wild Turkey ready-to-drink, as well as **good growth in New Zealand and China**, offsetting **weakness in Japan** due to route-to-market changes

### Organic sales growth by key brands

- > **Global priority brands +5.3%: positive growth across all 5 priority brands**, particularly **Wild Turkey (+10.4%) and the Jamaican rums (+19.6%)**
- > **Regional priority brands -2.6%:** negative performance mainly due to **weak results of sparkling wines in Russia**, in part offset by **positive growth of Frangelico**
- > **Local priority brands +7.3%:** good results mainly driven by **the single-serve aperitifs in Italy** and **Wild Turkey ready-to-drink in Australia**, more than offsetting **weak performance of Brazilian brands**

# Results for First quarter 2015

## Operating & financial highlights

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### Operating margin (EBIT pre one -off's)

- > **Overall growth of +16.1%**, showing an **accretion of +30 bps**
- > **Organic growth of +7.3%**, showing an **accretion of +40 bps**, of which:
  - **improvement in gross margin (+30 bps)**
  - **lower A&P spend due to phasing (+10 bps)**
  - **SG&A broadly stable on net sales**, despite tail end effect of route-to-market initiatives

### Net Debt

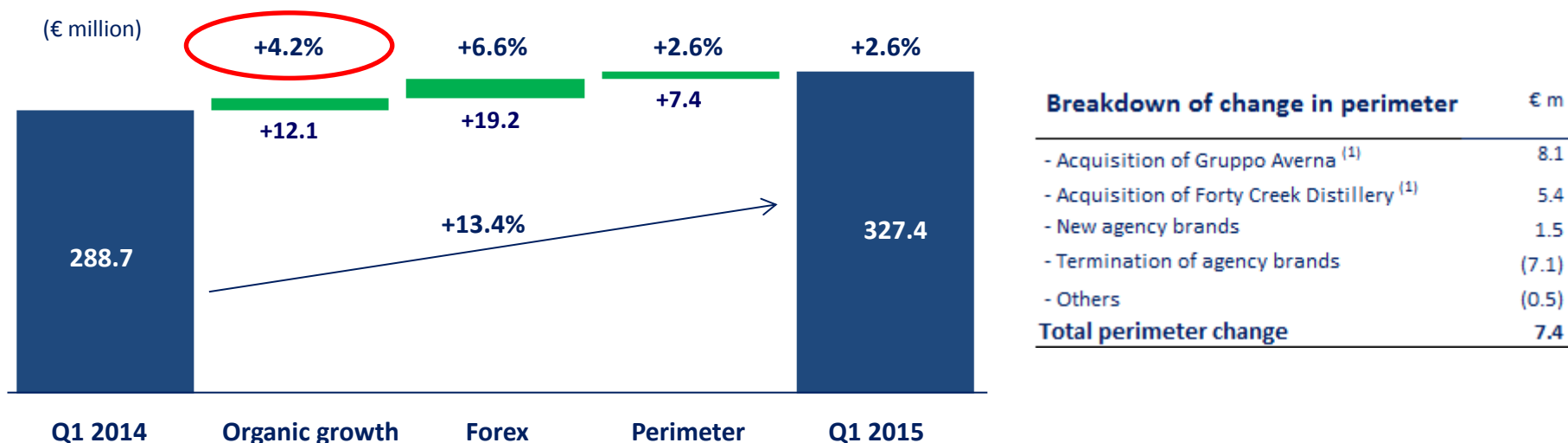
- > **Net debt of € 1,004.4 million** as of 31 March 2015 (vs. € 978.5 million as of 31 December 2014), impacted by strong USD
- > **Net debt to EBITDA ratio at 2.9 times** as of 31 March 2015, stable vs. as of 31 December 2014

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# Net sales results for First quarter 2015

## Growth drivers



- > **Organic change of +4.2%** (or € 12.1 million)
- > **Forex effect of +6.6%** (or € 19.2 million) driven by **strong appreciation of USD (+21.6%)** and **JMD (+13.6%)** in Q1 2015 as well as **favourable trends in all other key Group currencies** with the exception of Russian Ruble (in a small quarter for the Russian business)
- > **Perimeter effect of +2.6%** (or € 7.4 million) driven by acquisitions <sup>(1)</sup> and partially offset by termination of agency brand distribution agreements

<sup>(1)</sup> Acquisitions of Forty Creek Distillery Ltd. (closed on 2 June 2014) and Gruppo Averna (closed on 3 June 2014)



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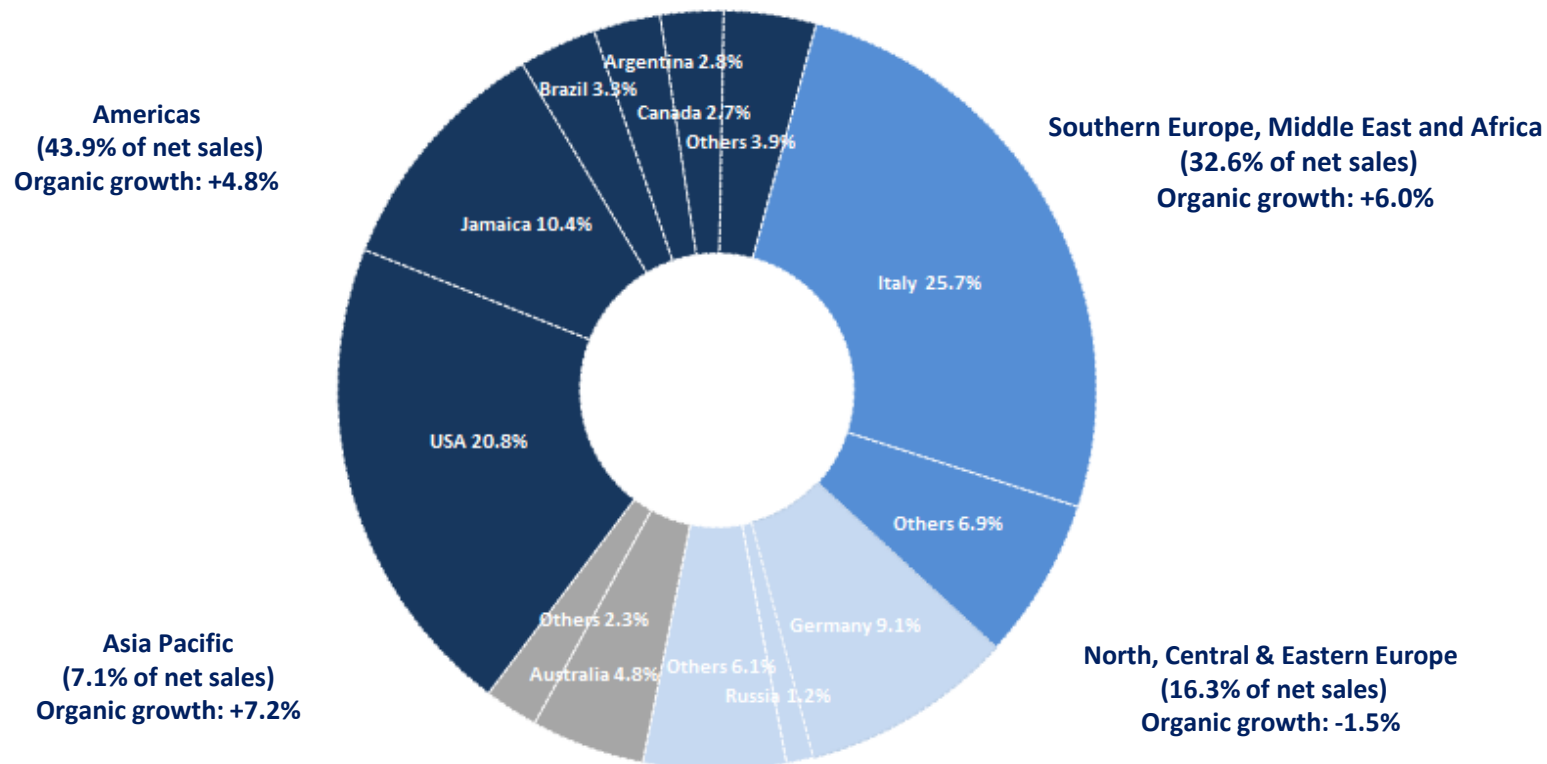
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# Net sales by regions and key markets

First quarter 2015

Q1 2015 net sales: € 327.4 m

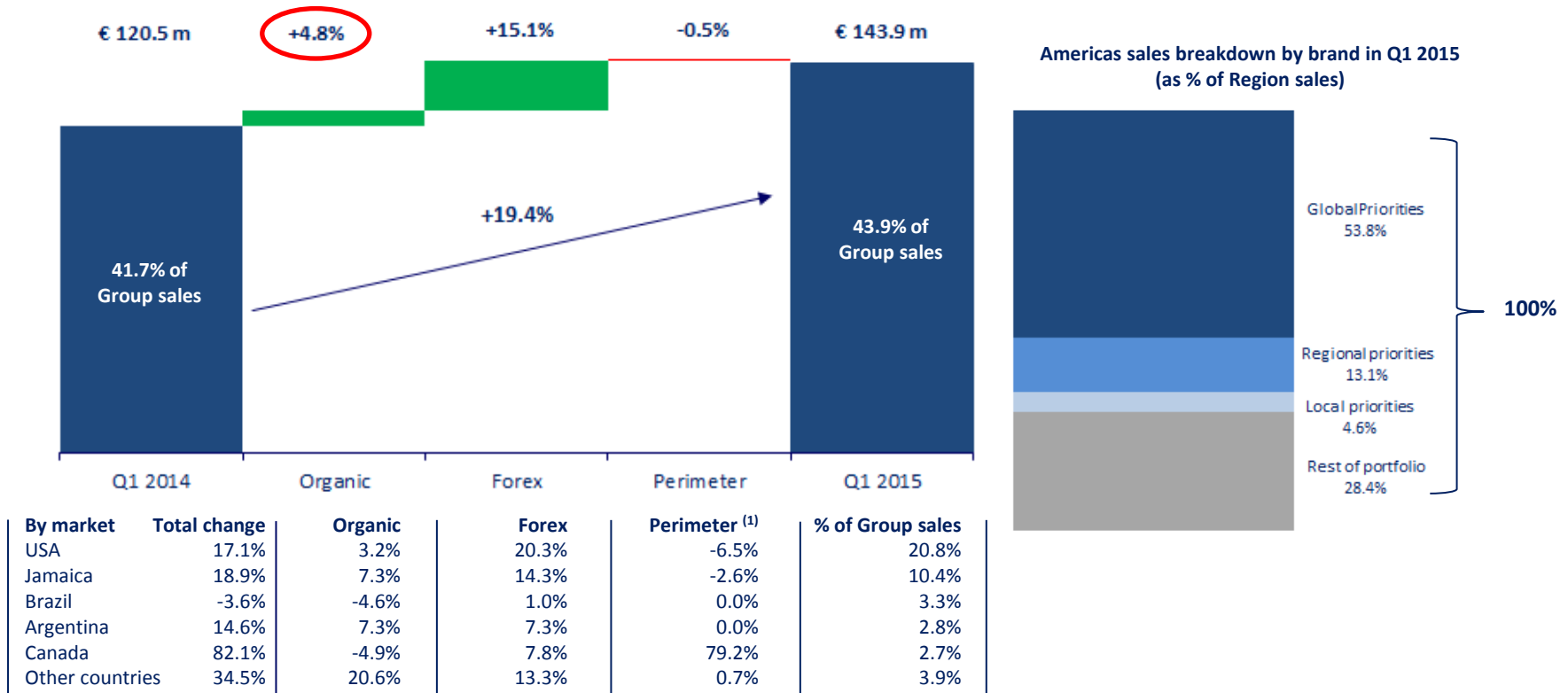
Organic growth: +4.2%



Developed vs. emerging markets: 73% vs. 27% <sup>(1)</sup> in Q1 2015

<sup>(1)</sup> Key emerging markets include Jamaica, Brazil, Argentina, Russia, South Africa

# Net sales by region - Americas



> **Americas at 43.9% of Group net sales** in Q1 2015 (vs. 41.7% in Q1 2014), with an **overall growth of +19.4%**:

- Organic change of +4.8%
- Favourable forex effect of +15.1%, driven by USD (+21.6%) and JMD (+13.6%)
- Perimeter effect of -0.5%<sup>(1)</sup>

# Net sales by region - Americas (cont'd)

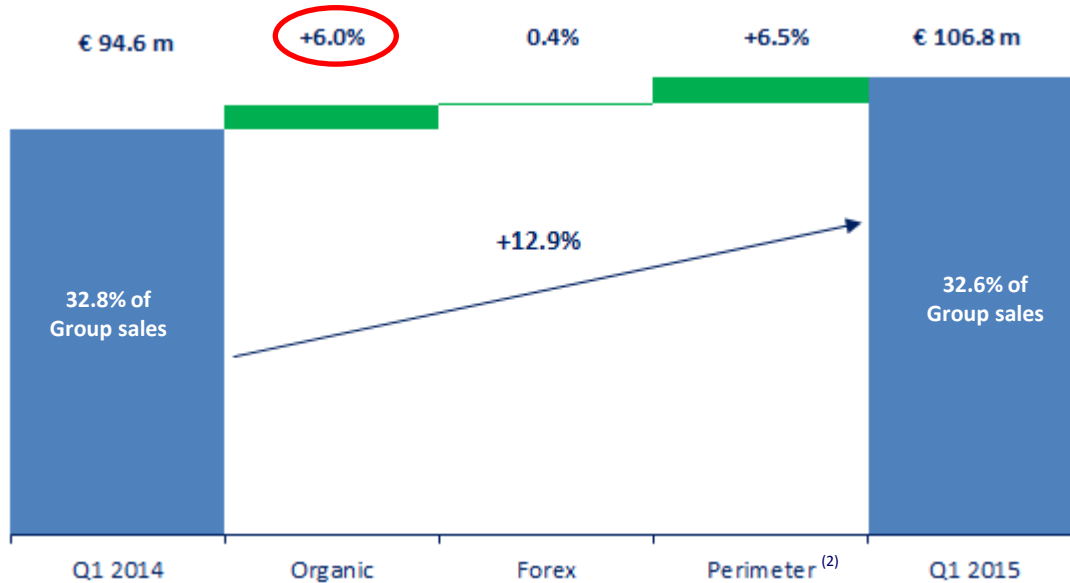
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## Analysis of organic growth by key markets

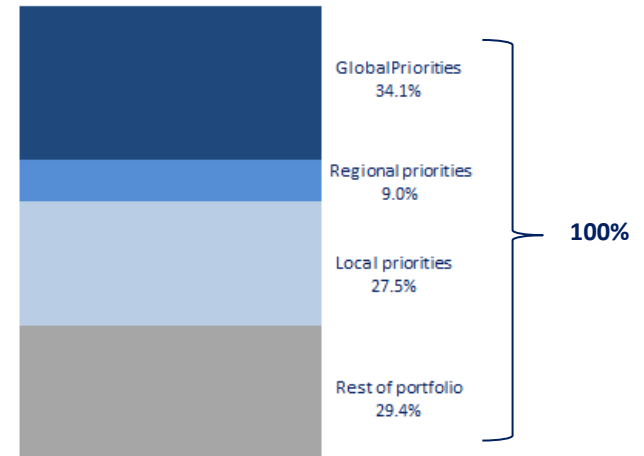
- > **US** (20.8% of Group net sales, or 47.2% of the region)
  - **Positive organic performance of +3.2%**, with **strong contribution from Wild Turkey (+10.6%)** and **the Jamaican rums (+70.0%)**. SKYY stabilized thanks to a recovery in core, which offset a slow down in the Infusions range driven by category weakness. **Italian specialties continued their very positive trend, particularly Aperol**
- > **Jamaica** (10.4% of Group net sales, or 23.7% of the region)
  - **Solid organic sales growth at +7.3%**, driven by **double digit growth in core Jamaican rum portfolio**. Local business is benefiting from **increased focus on core spirits and wine portfolio** as well as **more favourable macro conditions**
- > **Brazil** (3.3% of Group net sales, or 7.6% of the region)
  - **Net sales declined organically by -4.6%**, due to weak environment
- > **Argentina** (2.8% of Group net sales, or 6.5% of the region)
  - **Net sales organic growth of +7.3%**, driven by continued **strong growth of Campari** as well as **positive progression of Cinzano Vermouth** offsetting decline in agency brands due to import restrictions
- > **Canada** (2.7% of Group net sales, or 6.1% of the region)
  - **Negative organic change of -4.9%**, due to distribution change <sup>(1)</sup>, as expected

<sup>(1)</sup> As of 1 January 2015, Gruppo Campari started direct distribution in Canada

# Net sales by region - Southern Europe, Middle East & Africa <sup>(1)</sup>



Southern Europe, Middle East & Africa sales breakdown by brand in Q1 2015 (as % of Region sales)



By market	Total change	Organic	Forex	Perimeter	% of Group sales
Italy	7.2%	2.0%	0.0%	5.2%	25.7%
Other countries	40.4%	25.4%	2.4%	12.6%	6.9%

> **Southern Europe, Middle East & Africa <sup>(1)</sup> at 32.6% of Group net sales in Q1 2015 (vs. 32.8% in Q1 2014), with an overall growth of +12.9%:**

- Organic change of +6.0%
- Forex effect of +0.4%
- Perimeter effect of +6.5%, mainly driven by Averno acquisition <sup>(2)</sup>

<sup>(1)</sup> Incl. Global Travel Retail

<sup>(2)</sup> Acquisition of Gruppo Averno closed on 3 June 2014

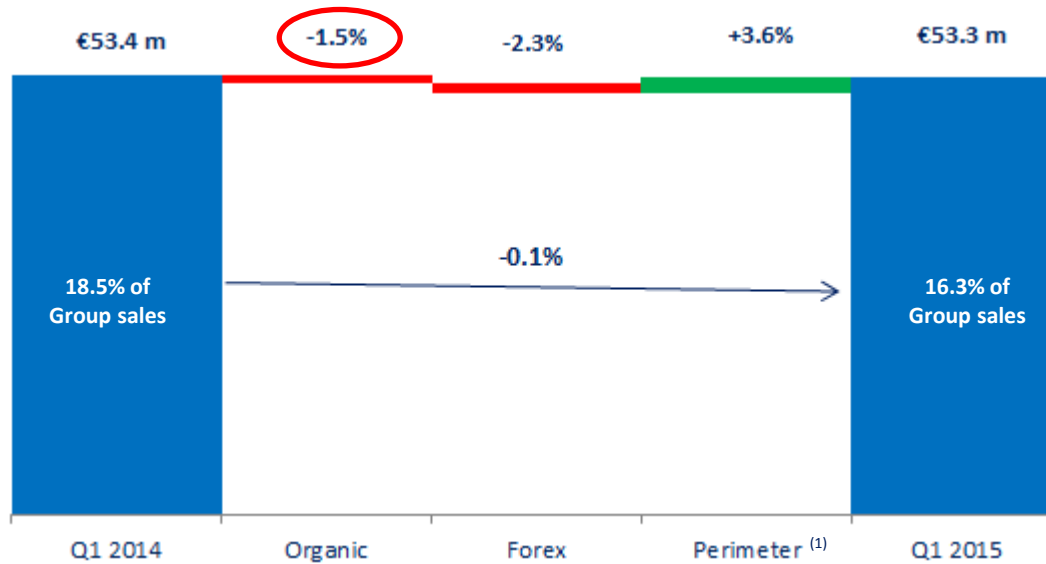
# Net sales by region - Southern Europe, Middle East & Africa (cont'd)

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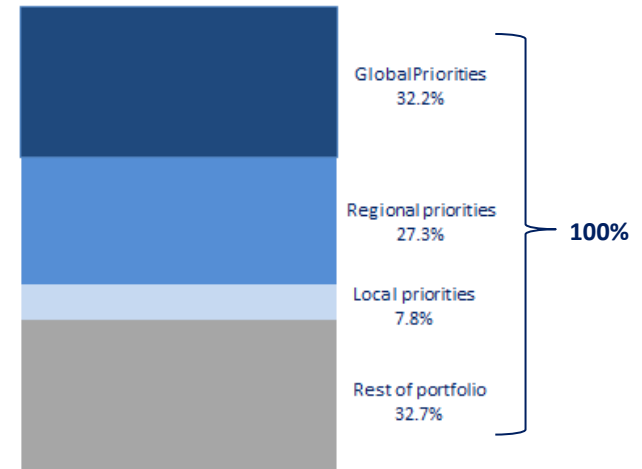
## Analysis of organic growth by key brands

- > **Italy** (25.7% of Group net sales, or 78.9% of the region)
  - **Positive organic performance of +2.0%**, notwithstanding the tough comparison base (+5.2% in Q1 2014) **mainly driven by the aperitifs (particularly Aperol and the single-serve's)**
- > **Other countries** (6.9% of Group net sales, or 21.1% of the region)
  - **Overall very good results (+25.4%)**, driven by a **very positive performance in Spain** across the entire portfolio (Campari, Aperol, Frangelico and Cinzano) and **solid growth in Global Travel Retail**

# Net sales by region - North, Central & Eastern Europe



North, Central & Eastern Europe sales breakdown by brand in Q1 2015 (as % of Region sales)



By market	Total change	Organic	Forex	Perimeter	% of Group sales
Germany	12.4%	6.0%	0.0%	6.3%	9.1%
Russia	-47.1%	-21.5%	-25.3%	-0.2%	1.2%
Other countries	0.1%	-4.4%	3.0%	1.4%	6.1%

> **North, Central & Eastern Europe at 16.3% of Group net sales** in Q1 2015 (vs. 18.5% in Q1 2014), with an overall change of -0.1%:

- Organic change of -1.5%
- Unfavourable forex effect of -2.3%, due to weak Russian Ruble
- Perimeter effect of +3.6%, mainly driven by Averno acquisition<sup>(1)</sup>

<sup>(1)</sup> Acquisition of Gruppo Averno closed on 3 June 2014

# Net sales by region - North, Central & Eastern Europe (cont'd)

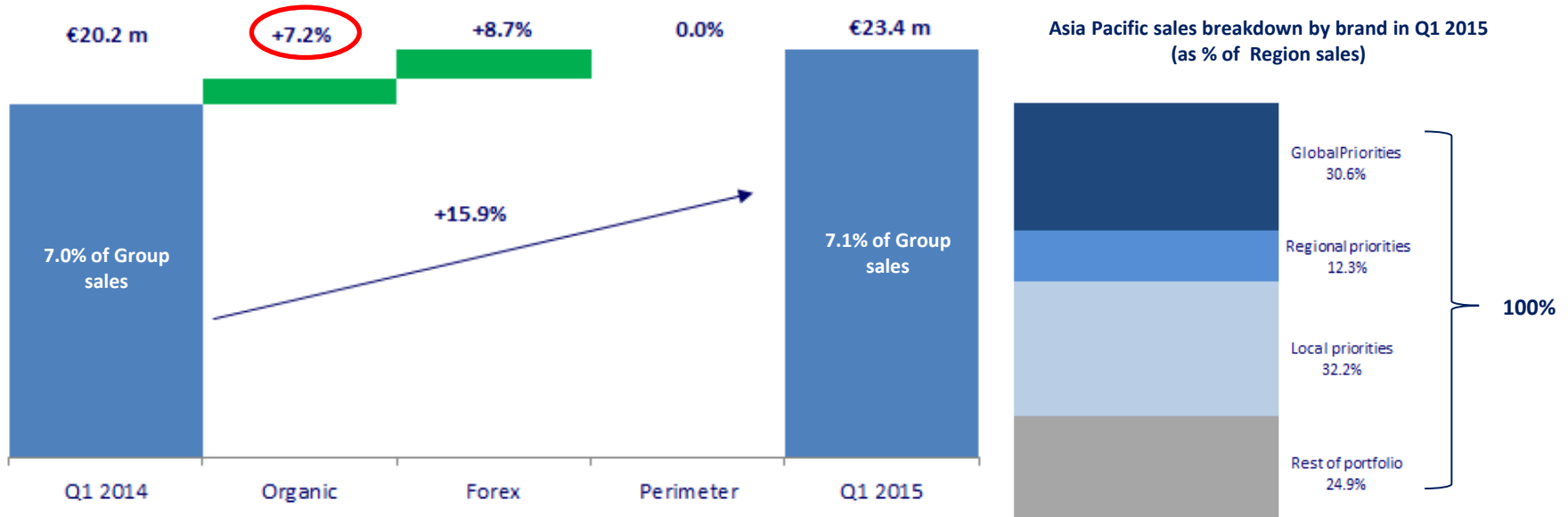
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## Analysis of organic growth by key markets

- > **Germany** (9.1% of Group net sales, or 55.6% of the region)
  - **Overall organic growth of +6.0%**, favoured by Easter timing, with good performances of Cinzano and Ouzo
  - **Market conditions remain difficult** showing continued competitive pressure affecting Aperol performance
- > **Russia** (1.2% of Group net sales, or 7.1% of the region)
  - Negative performance of -21.5% on an organic basis, affected by **political tensions, macro volatility and credit control procedures**, as expected
  - By brands, the **decline in sparkling wines** was in part offset by **positive growth in Cinzano Vermouth, Old Smuggler, Campari and Aperol**
- > **Other markets** (6.1% of Group net sales, or 37.3% of the region)
  - **Overall decline of -4.4%**, mainly due to **seasonal factors and tough comparable base** in some markets (mainly Austria, which was impacted by significant loading ahead of duty increase in Q2 2014)



# Net sales by region - Asia Pacific



By market	Total change	Organic	Forex	Perimeter	% of Group sales
Australia	8.9%	2.1%	6.8%	0.0%	4.8%
Other countries	33.9%	20.5%	13.5%	0.0%	2.3%

> **Asia Pacific at 7.1% of Group net sales** in Q1 2015 (vs. 7.0% in Q1 2014), with an overall growth of +15.9%:

- Organic change of +7.2%
- Favourable forex effect of +8.7%
- Perimeter effect neutral

# Net sales by region - Asia Pacific (cont'd)

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## Analysis of organic growth by key markets

- > **Australia** (4.8% of Group net sales, or 67.9% of the region)
  - Overall **positive performance (+2.1%)**, driven mainly by a **recovery in Wild Turkey ready-to-drink** and Frangelico, as well as **good performance in Campari and Aperol**
  - **Market conditions remain difficult** with persisting weak consumer confidence
  
- > **Other markets** (2.3% of Group net sales, or 32.1% of the region)
  - Overall **very positive growth of +20.5%**, mainly contributed by **New Zealand** (Coruba) and **China** (Campari and GlenGrant), more than offsetting a weak performance in Japan affected by route-to-market changes

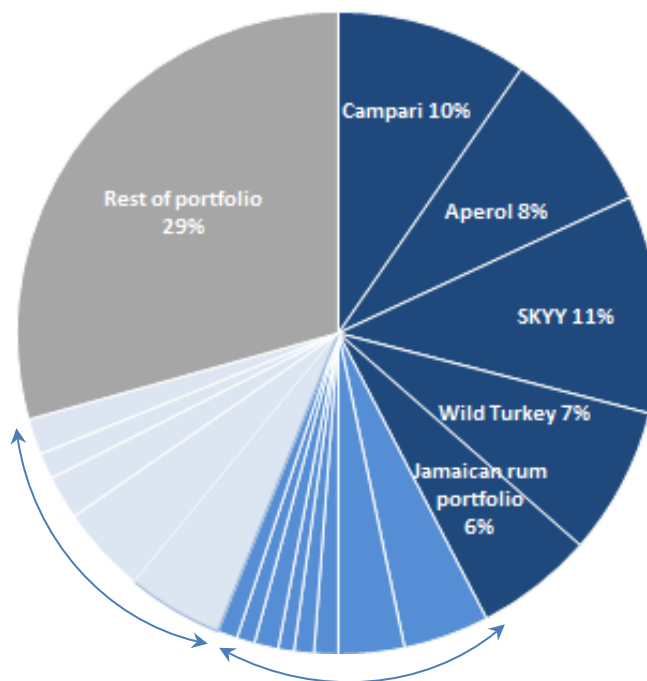
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# Net sales by brands

First quarter 2015

Q1 2015 Net sales: € 327.4 m



Global priorities 42%

Regional priorities 14%

Local priorities 15%

Rest of portfolio 29%

## Local priorities

- Campari Soda 5%
- Crodino 4%
- Wild Turkey ready-to-drink 2%
- Dreher & Sagatiba 1%
- Cabo Wabo 1%
- Ouzo 1%

**Total local priority brands: 15%**

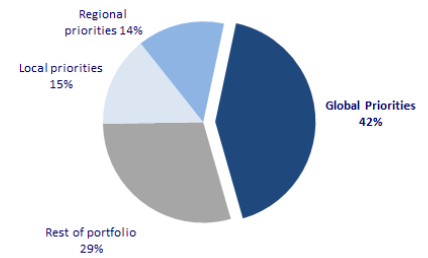
## Regional priorities




- Cynar 1%
- Averna & Braulio 1%
- GlenGrant 1%
- Forty Creek 1%
- Carolans & Frangelico 3%
- Espolòn 1%
- Cinzano 4%
- Mondoro & Riccadonna 1%

**Total regional priority brands: 14%**

# Brand sales review

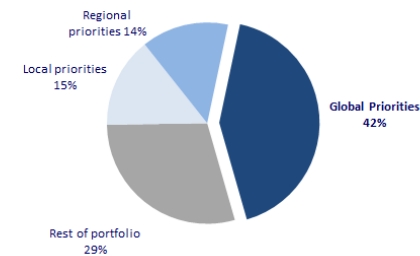
## Global priorities





Global priorities	Brand sales as % of Group's sales in Q1 2015	Organic change	
	10%	+3.7%	> Continued good performance in Argentina and US, up double digit, as well as strong recovery in Spain, more than offsetting temporary softness in Italy in a low seasonality quarter and weakness in Brazil
	8%	+1.0%	> Good results in almost all key brand-market combinations > Slight growth in Italy and strong progression in high potential markets (particularly the US) more than offset persisting weakness in Germany due to competitive pressure
	11% <sup>(1)</sup> <small><sup>(1)</sup> including SKYY Infusions, SKYY Barcraft and SKYY 90</small>	+0.7%	> Core US market stabilizing (+0.8%), with good results achieved in core, overcompensating weak performance of infusions driven by category weakness

# Brand sales review

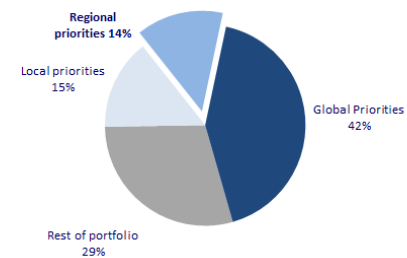
## Global priorities (cont'd)



Global priorities	Brand sales as % of Group's sales in Q1 2015	Organic change	
	<p><b>7%<sup>(1)(2)</sup></b></p> <p><i><sup>(1)</sup> Incl. Wild Turkey straight bourbon, Russell's reserve, American Honey</i>  <i><sup>(2)</sup> Wild Turkey ready-to-drink and American Honey ready-to-drink are excluded</i></p>	<p><b>+10.4%</b></p>	<p>&gt; <b>Very satisfactory results in core US market</b> for both bourbon and American Honey</p>
	<p><b>6%<sup>(1)</sup></b></p> <p><i><sup>(1)</sup> Incl. Appleton Estate, J.Wray, W&amp;N Overproof</i></p>	<p><b>+19.6%</b></p>	<p>&gt; <b>Growth mainly driven by core US and Jamaican markets</b>, more than offsetting the negative performance in Canada due to change in distribution</p>

# Brand sales review

## Regional priorities



### Regional priorities

Brand sales as % of Group's sales in Q1 2015

Organic change

Bitters



1%

+12.2%

> **Very positive performance**, mainly driven by **France, Italy** and the **US**

Whiskies



1%

+12.2%

> **Very satisfactory performance** driven by good results in **Italy, Spain** and **China**

Liqueurs



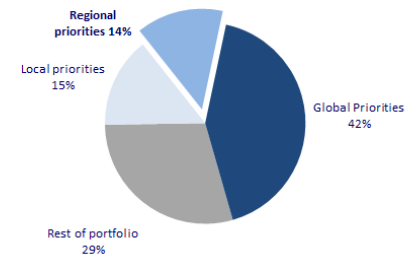
3%

+7.6%

> **Positive results for both brands**. In particular, strong growth generated by Frangelico in the **US** and **Spain**

# Brand sales review

## Regional priorities (cont'd)



**Regional priorities**

Brand sales as % of Group's sales in Q1 2015

Organic change

Tequila

**ESPOLÓN**

1%

-3.7%

> Shipment phasing in the US while depletions continue to grow at double digit rate

Sparkling wine & vermouth

**CINZANO**

4% <sup>(1)</sup>

-1.4%

> Good performance of Vermouth across markets, partially offsetting the negative performance of sparkling wines in core Russian market

<sup>(1)</sup> Incl. Cinzano vermouth and Cinzano sparkling wines

**MONDORO**

1%

-38.0%

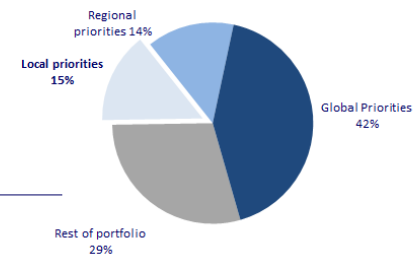
> Negative performance in sparkling wine portfolio entirely driven by tough Russian market





**RICCADONNA**  
CASA FONDATA NEL 1921



# Brand sales review

## Local priorities



Local priorities	Brand sales as % of Group's sales in Q1 2015	Organic change	
	5%	+2.4%	> Good results achieved in core Italian market
	4%	+17.6%	> Very satisfactory performance in core Italian market, notwithstanding difficult comparison base
	2%	+6.6%	> Good start of the year driven by more competitive promotional plan in core Australian market
	1%	-10.2%	> Weakness in a toughening Brazilian market



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# Q1 2015 Consolidated EBIT

	Q1 2015		Q1 2014		Reported change	Q1 2015 at constant perimeter and FX					
	€ million	% of sales	€ million	% of sales		€ million	% of sales	Organic margin dilution (bps)	Organic change	Forex impact	Perimeter effect
Net sales	327.4	100.0%	288.7	100.0%	13.4%	300.8	100.0%		+4.2%	+6.6%	+2.6%
COGS <sup>(1)</sup>	(161.2)	-49.2%	(143.7)	-49.8%	12.1%	(149.0)	-49.5%	+30	+3.7%	+6.9%	+1.5%
Gross profit	166.2	50.8%	145.0	50.2%	14.7%	151.8	50.5%	+30	+4.7%	+6.3%	+3.6%
Advertising and promotion	(48.3)	-14.8%	(41.8)	-14.5%	15.5%	(43.2)	-14.4%	+10	+3.3%	+7.1%	+5.1%
<b>Contribution after A&amp;P</b>	<b>117.9</b>	<b>36.0%</b>	<b>103.2</b>	<b>35.7%</b>	<b>14.3%</b>	<b>108.6</b>	<b>36.1%</b>	<b>+40</b>	<b>+5.3%</b>	<b>+6.0%</b>	<b>+3.0%</b>
SG&A <sup>(2)</sup>	(73.4)	-22.4%	(64.8)	-22.5%	13.3%	(67.5)	-22.4%	-	+4.1%	+5.2%	+4.0%
<b>EBIT pre one-off's</b>	<b>44.5</b>	<b>13.6%</b>	<b>38.3</b>	<b>13.3%</b>	<b>16.1%</b>	<b>41.1</b>	<b>13.7%</b>	<b>+40</b>	<b>+7.3%</b>	<b>+7.4%</b>	<b>+1.4%</b>
One-off's	3.9	1.2%	(1.1)	-0.4%	-						
Operating profit = EBIT	48.4	14.8%	37.3	12.9%	29.8%						
Other information:											
Depreciation	(11.7)	-3.6%	(8.8)	-3.0%	33.5%				+18.6%	+10.0%	+4.9%
<b>EBITDA pre one-off's</b>	<b>56.2</b>	<b>17.2%</b>	<b>47.1</b>	<b>16.3%</b>	<b>19.4%</b>				<b>+9.4%</b>	<b>+7.9%</b>	<b>+2.1%</b>
EBITDA	60.1	18.4%	46.1	16.0%	30.5%						

<sup>(1)</sup> COGS = cost of materials, production and logistics expenses

<sup>(2)</sup> SG&A = selling expenses + general and administrative expenses

# Q1 2015 Consolidated P&L - Gross Profit

	Q1 2015		Q1 2014		Reported change	Q1 2015 at constant perimeter and FX					
	€ million	% of sales	€ million	% of sales		€ million	% of sales	Organic margin dilution (bps)	Organic change	Forex impact	Perimeter effect
Net sales	327.4	100.0%	288.7	100.0%	13.4%	300.8	100.0%		+4.2%	+6.6%	+2.6%
COGS <sup>(1)</sup>	(161.2)	-49.2%	(143.7)	-49.8%	12.1%	(149.0)	-49.5%	+30	+3.7%	+6.9%	+1.5%
Gross profit	166.2	50.8%	145.0	50.2%	14.7%	151.8	50.5%	+30	+4.7%	+6.3%	+3.6%

<sup>(1)</sup> COGS = cost of materials, production and logistics expenses

- > **Gross profit overall up by +14.7%** vs. Q1 2014, **increased by +60 bps** to 50.8% on sales in Q1 2015 (vs. 50.2% in Q1 2014)
  - **Organic growth of +4.7%**, with an accretion of **+30 bps** (from 50.2% to 50.5%) in Q1 2015, mainly driven by:
    - **expected reversal of the overlapping production costs** that occurred in the US plant last year
    - **gradual sales mix improvement by region** driven by the outperformance of higher margin markets (US) vs. lower margin markets (Brazil, Russia), in part offset by a reduction in marginality of the Jamaican sugar business
  - **Forex impact of +6.3%**, driven by the **strengthening of all Group currencies against Euro with the exception of the Russian Ruble** (in a small quarter for the Russian business, accounting for approximately 1% of Group net sales in Q1 2015)
  - **Perimeter effect of +3.6%**

# Q1 2015 Consolidated P&L - Contribution after A&P

	Q1 2015		Q1 2014		Reported change	Q1 2015 at constant perimeter and FX					
	€ million	% of sales	€ million	% of sales		€ million	% of sales	Organic margin dilution (bps)	Organic change	Forex impact	Perimeter effect
Gross profit	166.2	50.8%	145.0	50.2%	14.7%	151.8	50.5%	+30	+4.7%	+6.3%	+3.6%
Advertising and promotion	(48.3)	-14.8%	(41.8)	-14.5%	15.5%	(43.2)	-14.4%	+10	+3.3%	+7.1%	+5.1%
<b>Contribution after A&amp;P</b>	<b>117.9</b>	<b>36.0%</b>	<b>103.2</b>	<b>35.7%</b>	<b>14.3%</b>	<b>108.6</b>	<b>36.1%</b>	<b>+40</b>	<b>+5.3%</b>	<b>+6.0%</b>	<b>+3.0%</b>

- > **A&P at 14.8% of net sales in Q1 2015** (vs. 14.5% on net sales in Q1 2014), up by +15.5%, with a margin dilution of -30 bps:
  - Organic growth of +3.3% with a **margin accretion of +10 bps due to phasing**
  - Forex impact of +7.1% with a margin dilution of -10 bps
  - Perimeter effect of +5.1% with a margin dilution of -30 bps, mainly due **to strengthened A&P spend on the Averna brand**
  
- > **Contribution after A&P up by +14.3%** vs. Q1 2014, driven by an **organic growth of +5.3%**, forex impact of +6.0% and perimeter effect of +3.0%
  - Margin accretion of +30 bps overall and +40 bps at organic level

# Q1 2015 Consolidated P&L - EBIT and EBITDA pre one-off's

	Q1 2015		Q1 2014		Reported change	Q1 2015 at constant perimeter and FX				Forex impact	Perimeter impact
	€ million	% of sales	€ million	% of sales		€ million	% of sales	Organic margin dilution (bps)	Organic growth		
Contribution after A&P	117.9	36.0%	103.2	35.7%	14.3%	108.6	36.1%	+40	+5.3%	+6.0%	+3.0%
SG&A <sup>(2)</sup>	(73.4)	-22.4%	(64.8)	-22.5%	13.3%	(67.5)	-22.4%	-	+4.1%	+5.2%	+4.0%
<b>EBIT pre one-off's</b>	<b>44.5</b>	<b>13.6%</b>	<b>38.3</b>	<b>13.3%</b>	<b>16.1%</b>	<b>41.1</b>	<b>13.7%</b>	<b>+40</b>	<b>+7.3%</b>	<b>+7.4%</b>	<b>+1.4%</b>
one off's	3.9	1.2%	(1.1)	-0.4%	-						
<b>EBIT</b>	<b>48.4</b>	<b>14.8%</b>	<b>37.3</b>	<b>12.9%</b>	<b>29.8%</b>						
Other information:											
Depreciation	(11.7)	-3.6%	(8.8)	-3.0%	33.5%				+18.6%	+10.0%	+4.9%
<b>EBITDA pre one-off's</b>	<b>56.2</b>	<b>17.2%</b>	<b>47.1</b>	<b>16.3%</b>	<b>19.4%</b>				<b>+9.4%</b>	<b>+7.9%</b>	<b>+2.1%</b>
EBITDA	60.1	18.4%	46.1	16.0%	30.5%						

<sup>(2)</sup> SG&A = selling expenses + general and administrative expenses

- > **SG&A increased in value by +13.3%** in Q1 2015, SG&A as % of net sales stable vs. Q1 2014
  - Organic increase of +4.1%, mainly due to the **negative tail end effect of new distribution initiatives** in UK and Canada
  - Forex impact of +5.2% and perimeter effect of +4.0%
- > **EBIT pre one-off's was € 44.5 million**, up +16.1% vs. Q1 2014, with an overall accretion of +30 bps on sales (from 13.3% in Q1 2014 to 13.6% in Q1 2015), of which **+40 bps accretion from existing business** and -10 bps dilution from forex and perimeter combined:
  - **Organic growth of +7.3%**
  - **Forex impact of +7.4%**
  - **Perimeter effect of +1.4%. Impact relating to the acquisitions** of Forty Creek Distillery Ltd. and Gruppo Averna was **soft at +2.7%** (or € 1.0 million), mainly due to strengthened A&P spend on the Averna brand, which in part was offset by the negative effect of the termination of agency brands
- > **One off's of € 3.9 million** in Q1 2015, related to the gain on the sale of the Federated Pharmaceutical division in Jamaica (€ 5.0 million), in part offset by one-off's restructuring costs
- > **Depreciation was € 11.7 million in Q1 2015**, increased by € 2.9 million vs. Q1 2014
- > **EBITDA pre one-off's was € 56.2 million**, up +19.4%, driven by +9.4% organic change, +7.9% forex impact and +2.1% perimeter effect, of which +3.1% (or € 1.4 million) attributable to the acquisitions of Forty Creek Distillery Ltd. and Gruppo Averna

## Q1 2015 Consolidated P&L - Pretax profit

	Q1 2015 € million	% of sales	Q1 2014 € million	% of sales	Reported change
<b>Operating profit = EBIT</b>	<b>48.4</b>	<b>14.8%</b>	<b>37.3</b>	<b>12.9%</b>	<b>29.8%</b>
Net financing costs	(12.5)	-3.8%	(16.5)	-5.7%	-24.2%
<b>Pretax profit</b>	<b>35.9</b>	<b>11.0%</b>	<b>20.8</b>	<b>7.2%</b>	<b>72.6%</b>
Minority interests	(0.1)	0.0%	(0.1)	0.0%	35.5%
<b>Group pre-tax profit</b>	<b>35.8</b>	<b>10.9%</b>	<b>20.7</b>	<b>7.2%</b>	<b>72.8%</b>

- > **Net financing costs were € 12.5 million in Q1 2015**, down by € 4.0 million vs. Q1 2014, due to
  - **Lower average cost of debt, at 5.7% in Q1 2015** (vs. 6.1% in Q1 2014), due to the negative carry effect in Q1 2014 in connection with the available cash held for the acquisitions payment
  - **Positive impact from non-recurring FX gains**
- > **Group pre-tax profit was € 35.8 million in Q1 2015**, up by +72.8%

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# Operating Working Capital

€ million	31 March 2015	% of LTM sales <sup>(1)</sup>	31 December 2014	% of LTM sales <sup>(1)</sup>	change	organic change	31 March 2014	change
Receivables	282.5	17.7%	313.6	20.1%	(31.1)	(42.1)	221.1	61.3
Inventories	545.6	34.1%	481.2	30.8%	64.4	26.3	480.9	64.7
- Maturing inventory	272.4	17.0%	243.5	15.6%	29.0	1.3	210.3	62.1
- All others	273.2	17.1%	237.7	15.2%	35.5	25.0	270.6	2.6
Payables	(201.0)	-12.6%	(223.2)	-14.3%	22.2	31.0	(181.2)	(19.8)
<b>Operating Working Capital</b>	<b>627.1</b>	<b>39.2%</b>	<b>571.5</b>	<b>36.6%</b>	<b>55.5</b>	<b>15.2</b>	<b>520.9</b>	<b>106.2</b>

Last twelve months reported sales <sup>(1)</sup>	1,598.6	1,560.0	1,497.6
<b>OWC / LTM Net sales (%) <sup>(1)</sup>, as reported</b>	<b>39.2%</b>	<b>36.6%</b>	<b>34.8%</b>
<b>OWC / LTM Net sales excluding perimeter effect <sup>(2)</sup></b>	<b>35.7%</b>	<b>35.7%</b>	<b>36.1%</b>

<sup>(1)</sup> Net sales in the Last Twelve Months ('LTM') to period end

<sup>(2)</sup> OWC converted at average exchange rates of the last twelve months

- > **OWC at € 627.1 million as of 31 March 2015 vs. € 571.5 million as of 31 December 2014, showing an overall increase of € 55.5 million, of which**
  - Organic change of € 15.2 million: reduction of receivables of € (42.1) million due to seasonable factors, more than offset by increase in inventory ahead of seasonality peak of € 26.3 million and increase in payables of € 31.0 million
  - Forex effect of € 40.3 million
- > **Overall increase of € 106.2 million vs. € 520.9 million as of 31 March 2014, driven by organic change of € 11.6 million, forex effect of € 58.8 million and perimeter effect of € 35.8 million**
- > **OWC as % of LTM net sales was 39.2% as of 31 March 2015 as reported, or 35.7% excluding perimeter effect, down -40 bps from 31 March 2014**

# Net financial debt

---

€ million	31 March 2015	31 December 2014
Short-term cash/(debt)	95.4	103.0
Medium to long-term cash/(debt)	(1,095.0)	(1,076.9)
Liabilities for put option and earn-out payments <sup>(1)</sup>	(4.8)	(4.6)
<b>Net cash/(debt)</b>	<b>(1,004.4)</b>	<b>(978.5)</b>

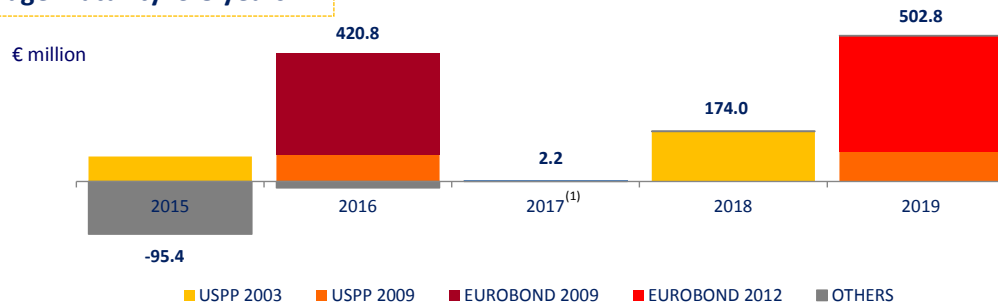
- > **Net financial debt as of 31 March 2015 was € 1,004.4 million**, up by € 25.9 million from 31 December 2014 with negative impact due to strong USD (€ 14.2 million unfavourable exchange rate impact)
  - decrease in short term cash of € 7.6 million
  - increase in medium to long-term debt of € 18.1 million
- > **Net debt to EBITDA pro-forma ratio is 2.9 times as of 31 March 2015** (stable vs. as of 31 December 2014)

<sup>(1)</sup> Estimated debt for the future acquisition of minority interest in LdM and earn out's relating to Sagatiba

# Net financial debt (cont'd)

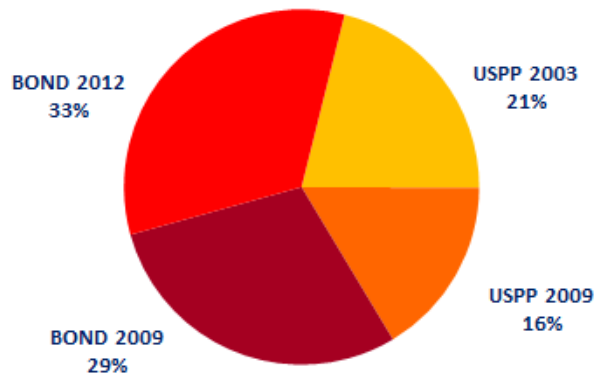
## Debt maturity profile as of 31 March 2015

Average maturity: 3.8 years

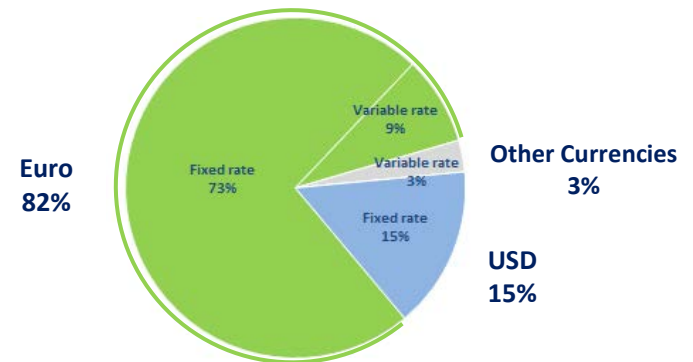


<sup>(1)</sup> € 2.2 million in 2017 relating to Others

## Analysis of gross debt by class and issue date



## Analysis of gross debt by currency and interest rates



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# Key marketing initiatives - Jamaican rum

Re-envisioned line-up of Appleton Estate premium range  
- Crafted in the heart of Jamaica -



Appleton Estate  
Signature Blend



Appleton Estate  
Reserve Blend



Appleton Estate Rare Blend  
12 Year Old

- **New consistent naming structure** to help consumers appreciate the differences and hierarchy among variants and to **celebrate the art of blending**
- While making no changes to the to the award-winning liquid, the new packaging is designed to **capture the craftsmanship and exceptional quality of Appleton Estate** and **celebrate the uniqueness of Appleton Estate heritage**

Appleton Estate Jamaica Rum Unveils New Brand  
Campaign "From Jamaica With Love" in the US



GRUPPO

CAMPARI



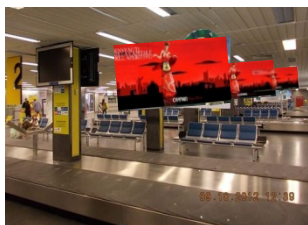
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# Key marketing initiatives - Campari

## EXPO 2015 Milan - Welcome to the capital of Aperitivo

"A 360° approach to build the Campari experience to life for the EXPO visitors in Milan"

Billboards, outdoor: Airports, train station, city centre

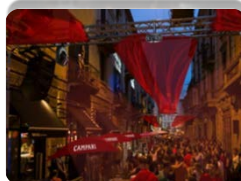


Digital/ Social



6 months of activation and consumer engagement: bars, restaurants, hotels  
100 years of the Camparino - home of Campari

Partnership with EATALY at EXPO Pavilion



Media Campaign

Events & Activation



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# Key marketing initiatives - SKYY

## SKYY Vodka innovative spirit

### SKYY Infusions



SKYY introduced two new flavors: **SKYY Infusions Texas Grapefruit** and **SKYY Infusions Pacific Blueberry**

### SKYY Barcraft Vodka inspired by today's favourite cocktails



Launch of **SKYY Barcraft**, a line of **elevated cocktail-inspired vodkas** that come in three distinctive, Watermelon Fresca, Margarita Lime and White Sangria

### Activation and consumer engagement



SKYY Vodka Carnival Activation in Brazil



Consumer activation in Nigeria

GRUPPO

**CAMPARI**



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# Conclusion and outlook

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- > **Good start of the year in First quarter 2015**
  - **solid sales organic growth driven by good performance of key brand-market combinations consistently with expectations**
  - **achieved expected accretion in gross margin for the quarter**
  
- > **Looking forward, on track to achieve a positive full year performance**
  - **positive performance of key brand-market combinations**
  - **full margin accretion expected to come throughout the year**
  - **risks and opportunities overall expected to be evenly balanced for the remainder of the year**

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- Annex- 2 Q1 2015 consolidated income statement
- Annex- 3 Exchange rates effects

## Net sales analysis by region and key market

### Consolidated Net sales by region

	Q1 2015		Q1 2014		Change %	of which:		
	€ m	%	€ m	%		organic	forex	perimeter
Americas	143.9	43.9%	120.5	41.7%	<b>19.4%</b>	<b>4.8%</b>	15.1%	-0.5%
Southern Europe, Middle East & Africa	106.8	32.6%	94.6	32.8%	<b>12.9%</b>	<b>6.0%</b>	0.4%	6.5%
North, Central & Eastern Europe	53.3	16.3%	53.4	18.5%	<b>-0.1%</b>	<b>-1.5%</b>	-2.3%	3.6%
Asia Pacific	23.4	7.1%	20.2	7.0%	<b>15.9%</b>	<b>7.2%</b>	8.7%	0.0%
<b>Total</b>	<b>327.4</b>	<b>100.0%</b>	<b>288.7</b>	<b>100.0%</b>	<b>13.4%</b>	<b>4.2%</b>	<b>6.6%</b>	<b>2.6%</b>

### Region breakdown by key market

#### Americas by market

	Q1 2015		Q1 2014		Change %	of which:		
	€ m	%	€ m	%		organic	forex	perimeter
USA	68.0	20.8%	58.0	20.1%	<b>17.1%</b>	<b>3.2%</b>	20.3%	-6.5%
Jamaica	34.1	10.4%	28.6	9.9%	<b>18.9%</b>	<b>7.3%</b>	14.3%	-2.6%
Brazil	10.9	3.3%	11.3	3.9%	<b>-3.6%</b>	<b>-4.6%</b>	1.0%	0.0%
Argentina	9.3	2.8%	8.1	2.8%	<b>14.6%</b>	<b>7.3%</b>	7.3%	0.0%
Canada	8.8	2.7%	4.8	1.7%	<b>82.1%</b>	<b>-4.9%</b>	7.8%	79.2%
Other countries	12.9	3.9%	9.6	3.3%	<b>34.5%</b>	<b>20.6%</b>	13.3%	0.7%
<b>Total Americas</b>	<b>143.9</b>	<b>43.9%</b>	<b>120.5</b>	<b>41.7%</b>	<b>19.4%</b>	<b>4.8%</b>	<b>15.1%</b>	<b>-0.5%</b>

## Net sales analysis by region and key market (cont'd)

### Southern Europe, Middle East & Africa by market

	Q1 2015		Q1 2014		Change %	of which:		
	€ m	%	€ m	%		organic	forex	perimeter
Italy	84.3	25.7%	78.6	27.2%	<b>7.2%</b>	<b>2.0%</b>	0.0%	5.2%
Other countries	22.5	6.9%	16.0	5.6%	<b>40.4%</b>	<b>25.4%</b>	2.4%	12.6%
<b>Total Southern Europe, Middle East &amp; Africa</b>	<b>106.8</b>	<b>32.6%</b>	<b>94.6</b>	<b>32.8%</b>	<b>12.9%</b>	<b>6.0%</b>	<b>0.4%</b>	<b>6.5%</b>

### North, Central & Eastern Europe by market

	Q1 2015		Q1 2014		Change %	of which:		
	€ m	%	€ m	%		organic	forex	perimeter
Germany	29.7	9.1%	26.4	9.1%	<b>12.4%</b>	<b>6.0%</b>	0.0%	6.3%
Russia	3.8	1.2%	7.1	2.5%	<b>-47.1%</b>	<b>-21.5%</b>	-25.3%	-0.2%
Other countries	19.9	6.1%	19.9	6.9%	<b>0.1%</b>	<b>-4.4%</b>	3.0%	1.4%
<b>Total North, Central &amp; Eastern Europe</b>	<b>53.3</b>	<b>16.3%</b>	<b>53.4</b>	<b>18.5%</b>	<b>-0.1%</b>	<b>-1.5%</b>	<b>-2.3%</b>	<b>3.6%</b>

### Asia Pacific by market

	Q1 2015		Q1 2014		Change %	of which:		
	€ m	%	€ m	%		organic	forex	perimeter
Australia	15.9	4.8%	14.6	5.0%	<b>8.9%</b>	<b>2.1%</b>	6.8%	0.0%
Other countries	7.5	2.3%	5.6	1.9%	<b>33.9%</b>	<b>20.5%</b>	13.5%	0.0%
<b>Total Asia Pacific</b>	<b>23.4</b>	<b>7.1%</b>	<b>20.2</b>	<b>7.0%</b>	<b>15.9%</b>	<b>7.2%</b>	<b>8.7%</b>	<b>0.0%</b>

## Q1 2015 Consolidated income statement

	Q1 2015		Q1 2014		Change
	€ m	%	€ m	%	%
<b>Net sales</b> <sup>(1)</sup>	<b>327.4</b>	<b>100.0%</b>	<b>288.7</b>	<b>100.0%</b>	<b>13.4%</b>
COGS <sup>(2)</sup>	(161.2)	-49.2%	(143.7)	-49.8%	12.1%
<b>Gross profit</b>	<b>166.2</b>	<b>50.8%</b>	<b>145.0</b>	<b>50.2%</b>	<b>14.7%</b>
Advertising and promotion	(48.3)	-14.8%	(41.8)	-14.5%	15.5%
<b>Contribution after A&amp;P</b>	<b>117.9</b>	<b>36.0%</b>	<b>103.2</b>	<b>35.7%</b>	<b>14.3%</b>
SG&A <sup>(3)</sup>	(73.4)	-22.4%	(64.8)	-22.5%	13.3%
<b>EBIT pre one-off's</b>	<b>44.5</b>	<b>13.6%</b>	<b>38.3</b>	<b>13.3%</b>	<b>16.1%</b>
One-off's	3.9	1.2%	(1.1)	-0.4%	-
<b>Operating profit = EBIT</b>	<b>48.4</b>	<b>14.8%</b>	<b>37.3</b>	<b>12.9%</b>	<b>29.8%</b>
Net financing costs	(12.5)	-3.8%	(16.5)	-5.7%	-24.2%
<b>Pretax profit</b>	<b>35.9</b>	<b>11.0%</b>	<b>20.8</b>	<b>7.2%</b>	<b>72.6%</b>
Minority interests	(0.1)	0.0%	(0.1)	0.0%	<b>35.5%</b>
<b>Group pre-tax profit</b>	<b>35.8</b>	<b>10.9%</b>	<b>20.7</b>	<b>7.2%</b>	<b>72.8%</b>
<i>Other information:</i>					
Depreciation	(11.7)	-3.6%	(8.8)	-3.0%	33.5%
<b>EBITDA pre one-off's</b>	<b>56.2</b>	<b>17.2%</b>	<b>47.1</b>	<b>16.3%</b>	<b>19.4%</b>
<b>EBITDA</b>	<b>60.1</b>	<b>18.4%</b>	<b>46.1</b>	<b>16.0%</b>	<b>30.5%</b>

<sup>(1)</sup> Net of discounts and excise duties

<sup>(2)</sup> Cost of materials + production costs + logistic costs

<sup>(3)</sup> Selling, general and administrative costs

## Exchange rates effects

	Average exchange rate		Period end exchange rate	
	1 January - 31 March 2015	% change Q1 2015 vs Q1 2014	31 March 2015	% change 31 March 2015 vs 31 March 2014
US dollar : 1 Euro	1.126	21.6%	1.076	28.2%
Canadian dollar : 1 Euro	1.397	8.2%	1.374	10.8%
Jamaican Dollar : 1 Euro	129.757	13.6%	123.515	22.0%
Mexican Peso : 1 Euro	16.823	7.8%	16.512	9.1%
Brazilian Real : 1 Euro	3.218	0.7%	3.496	-10.5%
Argentine Peso : 1 Euro	9.783	6.8%	9.484	16.3%
Russian Ruble : 1 Euro	71.089	-32.4%	62.440	-21.9%
Pound Sterling : 1 Euro	0.743	11.4%	0.727	13.9%
Swiss Franc : 1 Euro	1.070	14.3%	1.046	16.5%
Australian Dollar : 1 Euro	1.432	6.7%	1.415	5.6%
Chinese Yuan : 1 Euro	7.025	19.0%	6.671	28.5%



*For additional information:*

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