GRUPPO CAMPARI

Good start to the year despite some phasing effects, results in line with expectations in a small seasonality quarter

Positive overall growth and in organic terms across all performance indicators, driven by continuous outperformance of key priority brands and markets and positive contribution from Grand Marnier

Net sales reported +15.0%, organic +5.7%
Global priorities +10.8% and Regional priorities[1] +13.2%
EBIT adjusted +19.5%, organic +1.6%
Group pretax profit adjusted +56.0%

Q1 2017 RESULTS HIGHLIGHTS

- **Sales € 376.6 million (+15.0%, organic growth +5.7%)**
- **Contribution after A&P € 151.4 million (+19.4%, organic growth +6.1%, 40.2% of sales)**
- **EBITDA adjusted[2] € 78.6 million (+17.7%, organic change +2.6%, 20.9% of sales)**
- **EBIT adjusted[2] € 64.4 million (+19.5%, organic change +1.6%, 17.1% of sales)**
- **Group pretax profit adjusted[3] € 54.4 million (+56.0%). Group pretax profit: € 53.6 million, +56.7%**
- **Grand Marnier acquisition contributed € 32.5 million in net sales, € 9.2 million in EBIT adjusted and € 10.2 million in EBITDA adjusted, included in the perimeter effect**
- **Net financial debt € 1,206.3 million as of March 31st, 2017 (€ 1,199.5 million as of December 31st, 2016), after the Bulldog acquisition, net of the proceeds from the Chilean winery disposal, for a net cash-out of approximately € 40 million**
- **Reached an agreement on 'Patent Box' for fiscal years 2015-2019: tax benefit of € 12 million in 2015 and estimated € 16 million in 2016 to be accounted for in H1 2017 accounts**

Bob Kunze-Concewitz, Chief Executive Officer: '*We had **a good start to 2017**, delivering **results in line with expectations in a low seasonality quarter**. We achieved **sustained overall, growth in both organic and reported terms, across all performance indicators**, thanks to a **continuous improvement of our sales mix by brand and region.** This good performance was delivered **despite the late Easter and the expected phasing effects** relating to accelerated investments in advertising & promotions and new distribution capabilities. Looking at the current year, **our outlook remains fairly balanced and unchanged**. **Macro and political environments remain uncertain** in most developed markets whilst **challenges in emerging market economies will persist**. However, we remain **confident in delivering a positive performance for the full year on both the top and bottom line**. The **continuous outperformance of the high-margin premium portfolio in key developed markets**, which leverages our strengthened distribution networks and brand building investments, **will continue generating a favourable sales mix and consequent gross margin expansion and help compensate some input costs inflation**. The evolution in operating margins during the year will reflect the **expected phasing***

[1] Global Priorities include Campari, Aperol, SKYY, Wild Turkey and the Jamaican rums in Q1 2017. Regional Priorities include Espolòn, GlenGrant, Forty Creek, Bulldog, Averna, Frangelico, Carolans e Cinzano in Q1 2017.
[2] EBITDA and EBIT before operating adjustments.
[3] Group pretax profit before operating and financial adjustments of € (0.8) million in Q1 2017 and € (0.7) million in Q1 2016.

relating to brand building and route-to-market investments in the first part of the year*, as well as the comparison base in the previous year.*
Moreover, ***business will benefit from the full year consolidation of Grand Marnier****, positively leveraging the enhanced distribution capabilities in the US and the brand strategy deployment, as well as the* ***disposals of various non-core, low-margin businesses****. Finally, we are* ***pleased to announce that we have reached an agreement with the Italian fiscal authorities defining our tax benefits according to the 'Patent box' regime for the period 2015-2019. For the fiscal years 2015 and 2016 we will benefit from tax savings of approximately € 12 million and estimated € 16 million respectively, to be accounted for in the half year 2017 income statement****.'*

Milan, May 9th, 2017-The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI-Bloomberg CPR IM) approved the additional financial information at March 31st 2017.

CONSOLIDATED P&L FOR THE FIRST QUARTER ENDED 31ST MARCH 2017

	Q1 2017 € million	Q1 2016 € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**376.6**	**327.4**	**+15.0%**	**+5.7%**	**+2.7%**	**+6.6%**
Contribution after A&P[4]	151.4	126.7	+19.4%	+6.1%	+2.6%	+10.8%
EBITDA adjusted	**78.6**	**66.8**	**+17.7%**	**+2.6%**	**+1.9%**	**+13.2%**
EBIT adjusted	**64.4**	**53.9**	**+19.5%**	**+1.6%**	**+1.7%**	**+16.2%**
EBITDA	77.8	60.8	+27.8%			
EBIT	63.6	47.9	+32.6%			
Group pretax profit	**53.6**	**34.2**	**+56.7%**			
Group pretax profit adj	**54.4**	**34.9**	**+56.0%**			

RESULTS FOR THE FIRST QUARTER 2017

In the first quarter of 2017, **Group sales** totalled **€ 376.6 million,** showing an increase of +15.0%. The **organic sales growth** was **+5.7%**, driven by **strong organic growth of high-margin Global Priorities** (**+10.8%**) and **Regional Priorities** (**+13.2%**). We also benefited from a positive **exchange rate effect of +2.7%** as many currencies increased in valuation vs. last year such as the US Dollar, Brazilian Real, Russian Ruble and Canadian Dollar. The **perimeter effect** of **+6.6%** was driven by the combined effect of the Grand Marnier acquisition, consolidated as of July 1st, 2016, the termination of some distribution agreements and the sale of non-core businesses. The acquisition of Bulldog London Dry Gin, closed in February 2017, did not produce perimeter effects as the brand was already integrated into the Group's distribution network.

Advertising and promotion spending (A&P) increased organically by **+14.5%** to **€ 66.5 million**, at 17.7% of sales due to phasing of major marketing initiatives.

CAAP (Contribution after A&P) was up organically by +**6.1%** to **€ 151.4 million**, at 40.2% of sales.

Structure costs, i.e. selling, general and administrative costs, were **€ 87.0 million**, at 23.1% of sales, increasing by **+9.3%** organically, driven by the continued strengthening of our distribution capabilities (the enhancement of the Group's on-premise capabilities in the US and a newly established route-to-market in South Africa and Peru).

EBITDA adjusted was up by **+17.7%** to **€ 78.6 million** (+2.6% organic growth), at 20.9% of sales.

EBIT adjusted increased by **+19.5%** to **€ 64.4 million** (+1.6% organic growth), at 17.1% of sales.

Operating adjustments were negative by **€ 0.8 million**.

EBITDA reached **€ 77.8 million**, at 20.7% of sales.

EBIT reached **€ 63.6 million**, at 16.9% of sales.

Group pretax profit adjusted was € 54.4 million (+56.0%). **Group pretax profit was € 53.6 million, +56.7%.**

[4] EBIT before SG&A.

Within the perimeter effect (net sales of € 21.7 million and EBIT adjusted of € 8.7 million), **Grand Marnier contributed € 32.5 million in net sales, € 9.2 million in EBIT adjusted** and **€ 10.2 million in EBITDA adjusted.**

Net financial debt stood at **€ 1,206.3 million as of March 31st, 2017**, broadly in line in comparison to December 31st, 2016 (€ 1.199,5 million), after the payment of the Bulldog acquisition, partially offset by the proceeds from the Chilean winery disposal, for a net cash-out amount of approximately € 40 million.

ANALYSIS OF CONSOLIDATED SALES FOR THE FIRST QUARTER 2017

Looking at sales by region, the **Americas** (46.8% of total Group sales in Q1 2017) posted an **overall change** of **+30.9%**, with an **organic growth** of **+8.0%**, an exchange rate impact of +3.4% and a perimeter effect of +19.5%. The **US, the Group's largest market,** accounted for 30.1% of total Group sales. Sales registered a **positive organic performance of +7.5%**, despite the tough comparison base (+14.8%), positively impacted **by shipment catch-up after destocking in Q4 2016** ahead of route-to-market changes. Growth was driven by **Wild Turkey bourbon** (+21.8%) and the Italian specialties, particularly **Aperol** (+74.1%) and Campari (+29.9%). Espolòn continues its strong high double-digit growth momentum. These results were partially offset by **SKYY,** which continues to be affected by a very **competitive environment** and weakness in the flavoured category**.** Marketing support for SKYY was also shifted into Q2 2017 ahead of a new campaign. Sales in **Jamaica** (5.0% of total Group sales) **registered an organic change of 25.7%**, driven by Jamaican rums, in particular Wray&Nephew, whilst Campari also performed well (up by high double-digits). Sales in **Brazil** (2.7% of total Group sales) registered an **overall organic sales increase of +51.7%**, in a small quarter and despite the macroeconomic weakness, with the Brazilian brands and Campari up double digit against an easy comparison base (-27.2% overall in Q1 2016). Sales in **Argentina** (2.0% of total Group sales) **saw an organic decline of -26.3%,** due to tough comparatives (+87.6% in Q1 2016) as well as a weak macroeconomic environment, which affected our largest brands, Campari and Cinzano. Sales in **Canada** (3.1% of total Group sales) registered **positive organic growth of +4.8%**, driven by Forty Creek, SKYY Vodka, Carolans and the aperitifs (Aperol, Campari).

Sales in **Southern Europe, Middle East and Africa**[5] (29.0% of total Group sales in Q1 2017) **posted an overall decline** of **-1.6%**, with an **organic change of +1.4%**, a slightly positive exchange rate impact and a perimeter effect of -3.6%. The **organic performance** in the **Italian market** (21.3% of total Group sales) **was slightly down from last year** (**-1.4%**) mainly due to the late Easter. **Aperol grew by +10.8%**, while Campari declined against a very unfavourable comparison base (+44.0% in Q1 2016). The overall result was affected by the Local priority brands (mainly Campari Soda), which fell by -5.6%, mainly affected by the late Easter. The **region's other markets** (7.7% of Group net sales) **showed overall a very solid performance**. **Global Travel Retail** net sales were up by **+18.2%**, mainly driven by Aperol, GlenGrant, Appleton and Wild Turkey. **South Africa** enjoyed very strong growth (from a low base) as the Group transitioned into its own route-to-market, in part offsetting a decline in **Nigeria**, impacted by prolonged socio-economic instability.

Sales in **North, Central and Eastern Europe** (17.4% of total Group sales in Q1 2017) **increased by +12.1%** overall, driven by an **organic change of +11.5%**, an exchange rate effect of +2.8% and a perimeter effect of -2.2%. **Germany** (7.9% of total Group sales) **was slightly down**, due to the weakness in agency brands and sparkling wines against an unfavourable comparable base. Importantly, though, Germany continued delivering a strong performance across **Aperol** (+21.1%), **Campari** (+12.0%) and **Averna** (+24.2%), as well as growth in **Frangelico**, **Wild Turkey** and **Bulldog**. **Russia's** turnaround continues (2.9% of total Group sales), **growing organically by 86.5%** in Q1 2017, **with double-digit growth** in **Mondoro** and **triple-digit growth** in **Cinzano sparkling wines,** while the local macro environment remains uncertain. The **region's other markets** (6.6% of Group net sales) registered an **overall positive organic growth,** mainly driven by **UK** (+22.2%), Austria and Belgium, thanks to the positive performances of Campari, Aperol and Appleton.

Sales in **Asia Pacific** (6.7% of total Group sales in Q1 2017) **increased by +9.8% overall**, with an **organic change of -1.1%**, an exchange rate effect of +8.0% and a perimeter effect of +2.9%. **Organic performance** in **Australia** (5.1% of total Group sales) **declined by -3.0%** due to weakness in our **Wild Turkey ready-drink portfolio** and **Wild Turkey bourbon** due to strong competitive pressure as well as adverse weather conditions. There were,

[5] Including Global Travel Retail.

however, very positive results from **Aperol, SKYY**, **Espolòn**. The **other Asia Pacific markets** (1.7% of Group net sales) registered an **overall positive organic change** thanks to a very good performance in both China and Japan, the latter benefitting from **Wild Turkey** which recovered the previous year's delays, whilst **SKYY**, **Cinzano sparkling wines** also recorded growth.

Global Priority sales (53.3% of total) **grew by +10.8%** in Q1 2017. **Aperol** continued to outperform (**+17.7%)**, driven by the sustained growth in the **brand's core markets** (**Italy**, **Germany**, **Austria)** and the **US** up by **double-digit**) as well as **very robust results** also from Australia, Spain, Greece, Brazil, Canada and Russia, from a small base. **SKYY** sales achieved an **organic change of +0.2%**. The core US market registered a negative performance, mainly attributable to a very competitive environment and persisting weakness in the flavours category. Marketing support for the brand has also been shifted into Q2 ahead of the new campaign. Very good results were delivered on SKYY in South Africa, Brazil, Canada, Australia and China. **Campari** continued its positive momentum, up **+3.1% organically**, driven by the very good performance in the **USA**, **Germany**, **France**, **Austria**, **Brazil** and **Jamaica**, only partially offset by shipment weakness in Italy and Argentina, both due to a tough comparable base in Q1 2016, and continued weakness in Nigeria**. Wild Turkey,** which includes **American Honey,** registered a **positive organic change of +23.9%**, with strong results in the core US market, driven by the **restocking** of product after **route-to-market changes** with our distribution network, and Japan. The **Jamaican rums**, including **Appleton Estate**, **J.Wray** and **Wray&Nephew Overproof**, showed a **positive organic growth of +16.8%**. Outstanding performances from Jamaica, the US and the UK.

Regional Priorities (17.3% of total) grew by **+13.2%** in Q1 2017. The **Cinzano franchise** showed an **overall good organic result (+6.1%)**, mainly driven by Cinzano sparkling wines on the Russian market, more than compensating the negative performance of Cinzano vermouth in Argentina, also due to a particularly unfavourable comparison base in the first quarter of 2016, and Cinzano sparkling wines in Germany. **Averna** and **Braulio continue to grow (+2.0%)** despite a tough comparable from Q1 2016 (+61.6%), driven by the positive results of **Braulio** in **Italy** and **Germany** as well as and the strong **double-digit growth** of **Averna** in the US and Germany. **GlenGrant** continues **to build positive momentum** (+14.9%), mainly driven by **France**, **Italy** and **South Africa. Forty Creek** registered **a good performance (+11.6%)** in the **US** and **Canada**. **Carolans grew organically by +2.7%** despite a high comparable to Q1 2016 with good trends in Canada, Russia and Mexico while **Frangelico increased by +12.2% organically**, driven by **Germany, the US** and the **UK**. **Espolòn continued to show a very strong double digit organic growth at +75.3%**, thanks to **the outperformance in the core US market (+79.2%)**, and the **positive momentum in new markets** (particularly **Australia**, but also **Italy and Russia**). **Other sparkling wines** (**Riccadonna** and **Mondoro**) increased organically by **+2.4%**, attributable to the positive performance of **Mondoro** (Russia) which offset weakness in **Riccadonna** in France due to shipment phasing. **Bulldog**, now within our own Regional Priority brands cluster, **grew high double-digit** with strong performances in Belgium, the US, Germany and UK.

Local Priorities (11.8% of total) declined **by -3.0%,** mainly due to **Campari Soda** and **Crodino** in the core Italian market, affected by the late Easter. **Wild Turkey ready-to-drink** in Australia declined too, driven by competitive pricing pressure as well as poor weather at the start of the year. **Brazilian brands** registered a recovery (+48.8%) against a low comparison base in a market that continues to be impacted by macroeconomic challenges.

'PATENT BOX'

On April 28th 2017, the parent company Davide Campari-Milano S.p.A. reached an agreement with the Italian fiscal authorities ('Agenzia Generale delle Entrate') **defining the methodology for the calculation of the share of tax-exempt profits from income taxes (IRES and IRAP) for the purposes of the so-called Patent Box regime**, i.e. the size of the economic contribution to the company's income generated by intangible assets. This tax relief scheme is granted to Italian enterprises that generate income through the direct use or the licensing to third parties of intellectual property rights. **The agreement applies to the fiscal years from 2015 until 2019**. For fiscal year 2015 the tax benefit is calculated exempting from taxation 30% of the income attributable to the use of intangibles that fall within the scope of the regime; for fiscal year 2016 the quota shall be equal to 40% and for fiscal years 2017-2019 equal to 50%. As of the approval of the Quarterly financial information to March 31st, 2017, **the tax benefit (IRES and IRAP) amounts to approximately € 12 million for fiscal year 2015; the estimated amount for fiscal year 2016 is approximately € 16 million. The 2017 tax benefit will be**

accounted for in the half year income statement to June 30th, 2017 on a pro quota basis. The tax benefit relating to fiscal years 2015 and 2016 will be accounted for in the same period as a **non-recurring tax income and will be deducted from income tax payments during 2017**.

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.

Disclaimer

This document contains forward-looking statements that relate to future events and future operating, economic and financial results of Gruppo Campari. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may differ materially from those reflected in forward-looking statements due to a variety of factors, most of which are outside of the Group's control.
It should be noted that the company's accounts and consolidated results are currently subject to auditing.

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, May 9th, 2017**, Campari's management will hold a conference call to present the Group's first quarter 2017 results. To participate, please dial one of the following numbers:

- **from Italy: 02 8058811**
- **from abroad: +44 1 212818003**

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.

A **recording of the conference call** will be available from today, May 9th, until Tuesday, May 16th, 2017.
To listen to it, please call the following numbers:

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

(Access code: **955#**).

FOR FURTHER INFORMATION

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ABOUT GRUPPO CAMPARI

Gruppo Campari 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**. The 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. The 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 owns 18 plants and 1 winery worldwide and has its own distribution network in 20 countries. The Group employs approximately 4,000 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: www.camparigroup.com/en
Please enjoy our brands responsibly

- Appendix -

GRUPPO CAMPARI

Consolidated net sales breakdown by brand for the first quarter 2017

	% on Group sales	% change, of which:			
		total	organic	Exchange rate effect	external growth
Global Priorities[1]	53.3%	33.9%	10.8%	2.4%	20.7%
Regional Priorities	17.3%	19.1%	13.2%	5.8%	0.0%
Local Priorities	11.8%	0.8%	-3.0%	3.8%	0.0%
Rest of portfolio	17.6%	-15.7%	-4.2%	0.4%	-11.8%
Total	**100.0%**	**15.0%**	**5.7%**	**2.7%**	**6.6%**

Consolidated net sales by geographic area for the first quarter 2017

	1 January-31 March 2017		1 January-31 March 2016		%
	€ million	%	€ million	%	Change
Americas	176.4	46.8%	134.8	41.2%	**30.9%**
SEMEA (Southern Europe, Middle East and Africa)	109.2	29.0%	111.0	33.9%	**-1.6%**
North, Central & Eastern Europe	65.7	17.4%	58.6	17.9%	**12.1%**
Asia Pacific	25.4	6.7%	23.1	7.1%	**9.8%**
Total	**367.6**	**100.0%**	**327.4**	**100.0%**	**15.0%**

Breakdown of % change	Total % Change	Organic growth	Exchange rate effect	External growth
Americas	**30.9%**	8.0%	3.4%	19.5%
SEMEA (Southern Europe, Middle East and Africa)	**-1.6%**	1.4%	0.7%	-3.6%
North, Central & Eastern Europe	**12.1%**	11.5%	2.8%	-2.2%
Asia Pacific	**9.8%**	-1.1%	8.0%	2.9%
Total	**15.0%**	**5.7%**	**2.7%**	**6.6%**

(1) Including Grand Marnier

GRUPPO CAMPARI

Consolidated income statement for the first quarter 2017

	1 January - 31 March 2017		1 January - 31 March 2016		Change
	€ million	%	€ million	%	%
Net sales[1]	**376.6**	**100.0%**	**327.4**	**100.0%**	**15.0%**
COGS[2]	(158.8)	-42.2%	(148.3)	-45.3%	7.1%
Gross profit	**217.9**	**57.8%**	**179.2**	**54.7%**	**21.6%**
Advertising and promotion	(66.5)	-17.7%	(52.4)	-16.0%	26.8%
Contribution after A&P	**151.4**	**40.2%**	**126.7**	**38.7%**	**19.4%**
SG&A[3]	(87.0)	-23.1%	(72.8)	-22.2%	19.4%
EBIT adjusted[4]	**64.4**	**17.1%**	**53.9**	**16.5%**	**19.5%**
Adjustments	(0.8)	-0.2%	(6.0)	-1.8%	-
Operating profit=EBIT	**63.6**	**16.9%**	**47.9**	**14.6%**	**32.6%**
Net financial income (charges)	(10.0)	-2.7%	(19.0)	-5.8%	-47.3%
Financial adjustments	0.1	0.0%	5.3	1.6%	-
Profit before taxes and non-controlling interests	**53.6**	**14.2%**	**34.2**	**10.5%**	**56.6%**
Group pretax profit	**53.6**	**14.2%**	**34.2**	**10.5%**	**56.7%**
Group pretax profit adjusted[5]	**54.4**	**14.4%**	**34.9**	**10.6%**	**56.0%**
Depreciation & Amortisation	(14.2)	-3.8%	(12.9)	-3.9%	10.1%
EBITDA adjusted[4]	**78.6**	**20.9%**	**66.8**	**20.4%**	**17.7%**
EBITDA	**77.8**	**20.7%**	**60.8**	**18.6%**	**27.8%**

(1) Net of discounts and excise duties.
(2) Includes cost of material, production and logistics costs.
(3) Includes selling, general and administrative costs.
(4) EBITDA and EBIT before operating adjustments.
(5) Group pretax profit before operating and financial adjustments of € (0.8) million in Q1 2017 and € (0.7) million in Q1 2016.