



Acquisition of Wild Turkey

The perfect fit

8 April 2009





The perfect fit



Gruppo Campari acquires Wild Turkey



- The **number 1 premium Kentucky bourbon whiskey**
- A unique opportunity to **enter the attractive and growing bourbon whiskey category**
- **High quality brand franchise with strong upside potential**
- Further enhances the **strength of our premium brands portfolio**
- Significantly **strengthens critical mass in highly profitable US market**
- Provides foundation for **establishing distribution platform in attractive Australian market**

Key step in the development of a leading player in the global spirits industry



Wild Turkey range



Flagship brand



Wild Turkey 101 proof

Variants



Wild Turkey 80 proof

Wild Turkey 86.8 proof (Australian variety)

Wild Turkey 101 proof 8-Year-Old

Wild Turkey 101 proof 12-Year-Old

Wild Turkey 101 proof Rye

Small Batch



Kentucky Spirit 101 proof

Rare Breed Barrel proof

Russell's Reserve 90 proof

American Spirit 100 proof 15-Year-Old

Specialties



Wild Turkey & Cola

Wild Turkey & Dry

American Honey

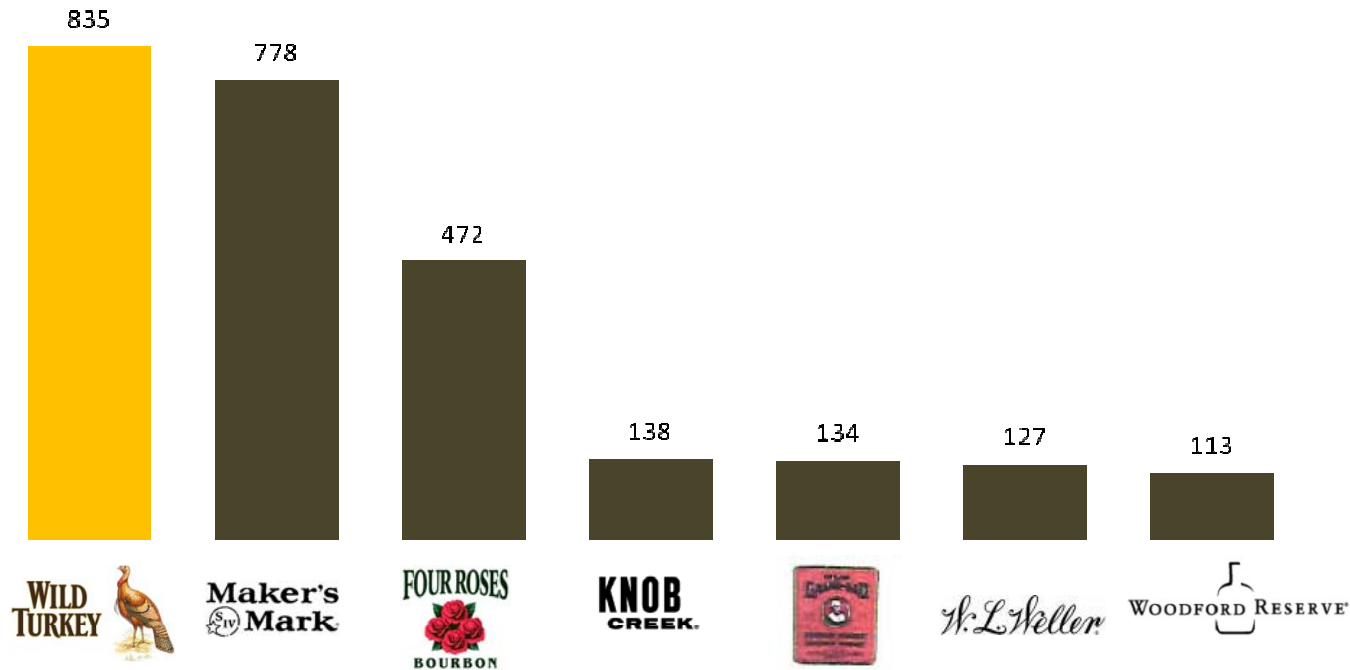


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The No.1 premium Kentucky bourbon brand worldwide

Wild Turkey is the benchmark bourbon brand in the industry

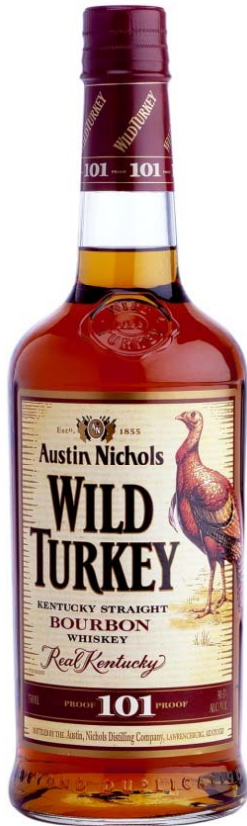
Global Premium Kentucky Straight Bourbon Volume (2007)
(‘000s 9L cases)



Source: IWSR



Successful track record



- **International brand** sold in **over 60 countries**
- **Leading presence** in key markets
 - **Unites States** (ca. 570,000 cases annually, with strong focus on off-premise)
 - **Australia** (ca. 120,000 cases of straight bourbon annually and ca. 1.2 million cases of RTD)
 - **Japan** (ca. 75,000 case annually)
- **Growing faster than category**



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Wild Turkey acquisition- 6

ASW premium price positioning (1) (2)



Notes:

(1) ASW = American Straight Whiskey

(2) Indicative U.S. shelf pricing per standard 750ml bottle

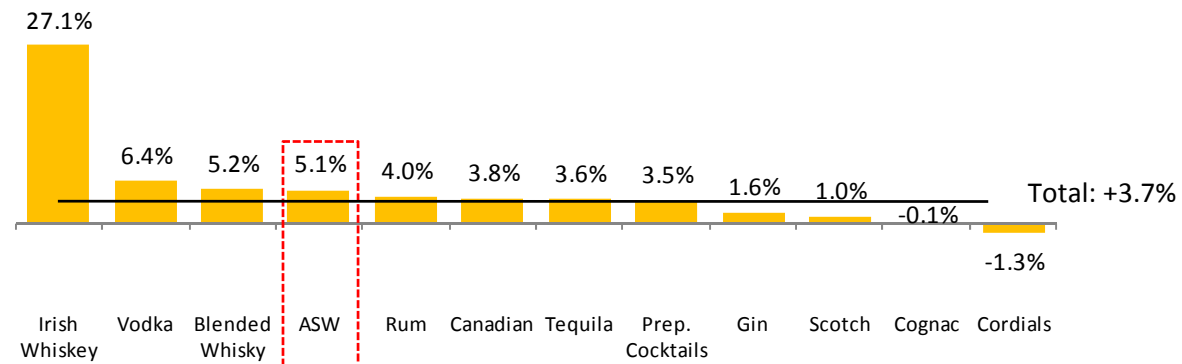




ASW: a dynamic spirits category

Continuing category outperformance

U.S. DISTILLED SPIRITS VALUE GROWTH IN NIELSEN MARKETS ⁽¹⁾ LAST 52 WEEKS



Source: Nielsen

⁽¹⁾ total Food/Liquor/Drug for the period ended March 7, 2009





Positioned to exploit growth potential

- **Renewed focus** under Gruppo Campari on **recruiting new consumers** to the Wild Turkey franchise in the US and internationally

U.S. Market – Growth Outside Bourbon Belt

- Real opportunity to **grow the consumer base outside the brand's traditional areas of strength** in the Bourbon Belt by **recruiting younger, new consumers**

Leverage on specialties Trend

- **Leverage consumer trend towards more authentic and premium products** with flavor and heritage

International Development

- **Increase focus on specialties** range extensions
- **Capitalize on Australian success** in recruiting consumers
- Development of the brand beyond its two core export markets

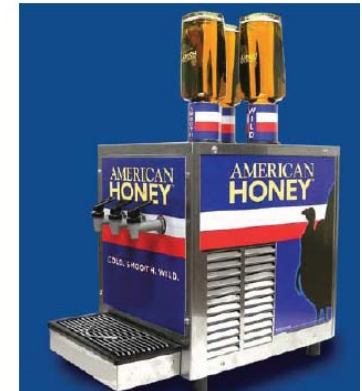
Wild Turkey has all the attributes (authenticity, premiumness, heritage) to successfully exploit these opportunities



What is American Honey?

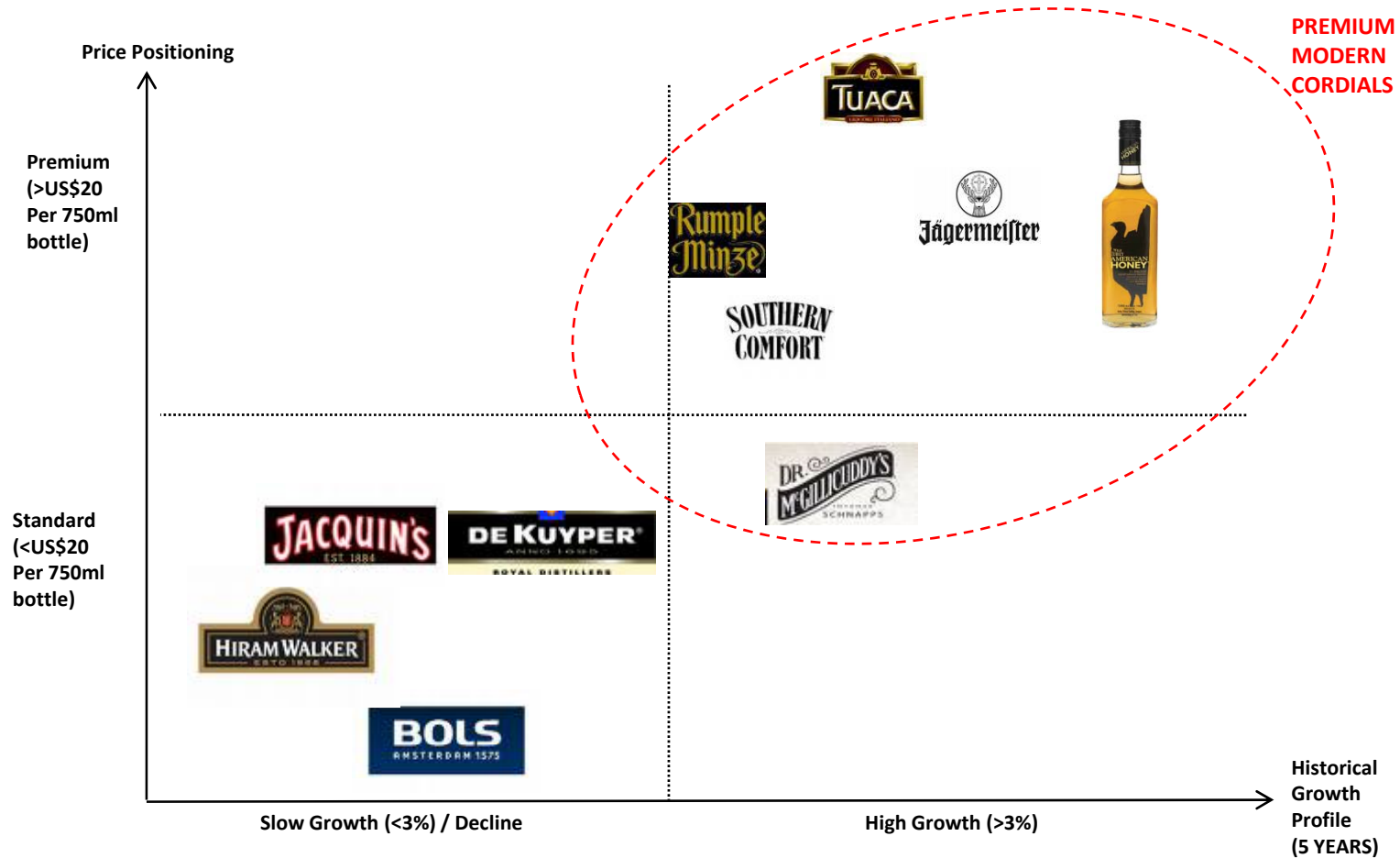


- A successful new entry into the “premium modern cordial category”
 - 100,000 nine liter cases
 - Honey and bourbon based liqueur
 - Smooth and flavorful
 - 71 proof
 - Versatile and easy to drink
 - Truly new and innovative product
- Positioned for strong growth



Premium price positioning

An attractive niche within the U.S. cordial category



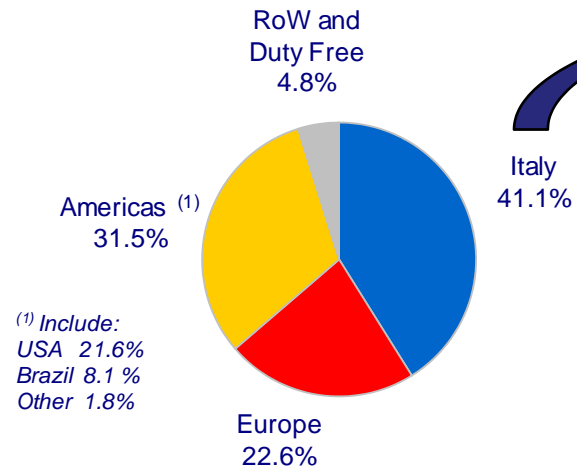
Source: Adams Liquor Handbook 2008



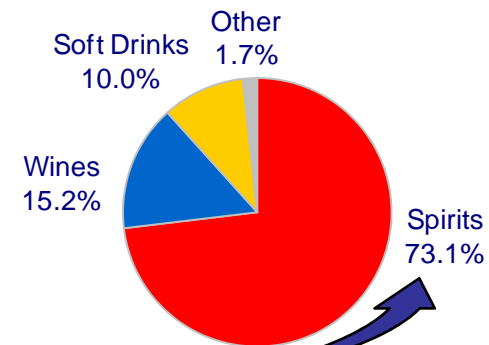
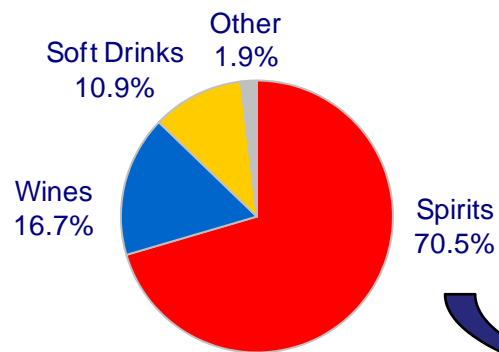
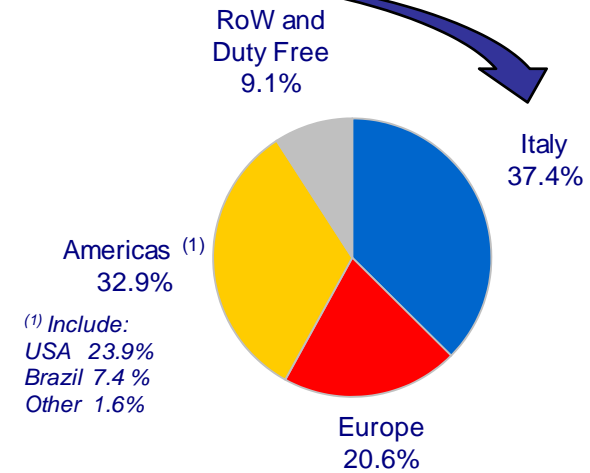
Wild Turkey to strengthen Campari portfolio



Gruppo Campari 2008 Net sales breakdown



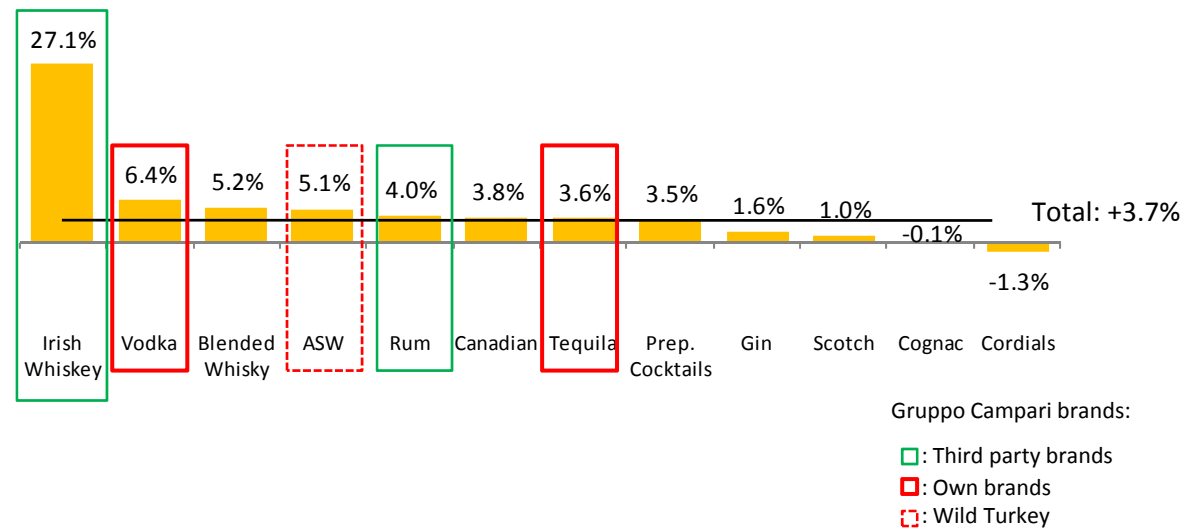
Pro-forma 2008 Net sales breakdown



Gruppo Campari's US business to be boosted by Wild Turkey acquisition

Gruppo Campari to cover fastest growing spirits categories

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Distribution of Wild Turkey



- **USA:** Gruppo Campari to **immediately leverage its new combined portfolio** in the US (strong overlaps with Skyy distribution)
- **Australia:** acquisition **provides the foundation for establishing own distribution platform** while brand will be temporary distributed by Pernod Ricard
- **Japan:** maintain brand position by **leveraging established distribution** via partnership with Pernod Ricard
- **RoW:** **leverage Gruppo Campari distribution network** and local distributors in key markets



Wild Turkey to further enhance Gruppo Campari international distribution capabilities





Production of Wild Turkey

Distilling

- Currently distilled in Lawrenceburg, Kentucky
- Due to capacity limitations, in March 2008 **started construction of a new, state-of-the-art distillery** on vacant land at the existing site
- Total **investment of US\$ 50 million** (Pernod Ricard will have invested ca. US\$ 20 million before the deal's closing)
- **New distilling facility**, which will replace to existing one, is expected to:
 - double the distilling capacity
 - replace the current one
 - be operational in fall 2010
 - reduce annual operating costs

Warehousing

- Vast majority at distillery

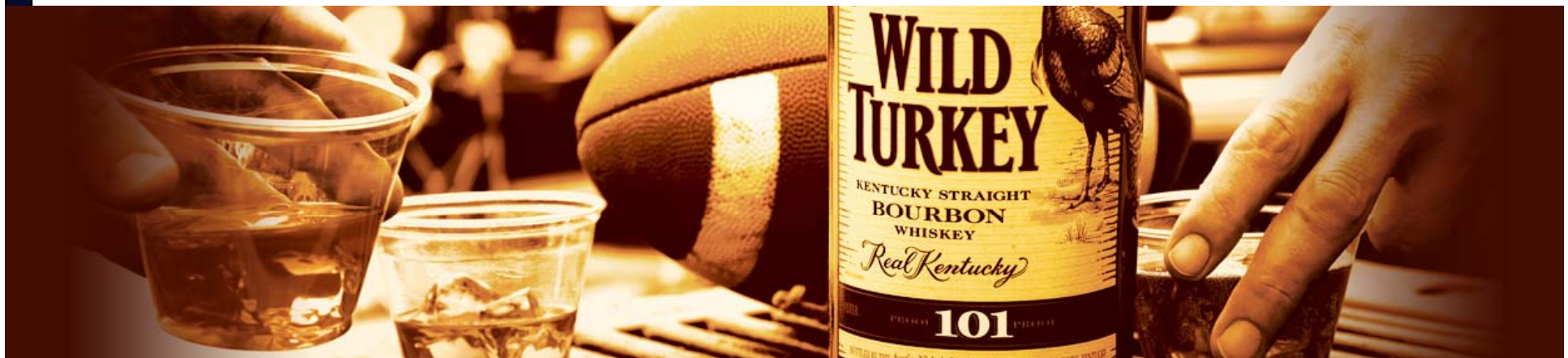
Bottling

- Maintain current outside contractors (Pernod Ricard)





A financially attractive acquisition





Acquisition overview

Acquired business

- Wild Turkey trademarks including American Honey liqueur
- Inventory including aged bulk bourbon and finished goods
- Distillery and warehouses in Kentucky

Timetable

- Antitrust approvals and closing expected prior to June 30, 2009

Price

- Purchase price for the acquisition is US\$ 575 million (or € 433 million at current FX)
- Post closing price adjustment based on:
 - levels of inventory
 - investments in new distillery effected by Pernod Ricard through closing
 - other balance sheet adjustments



Acquisition overview (cont'd)



Implied acquisition multiples

- 9.7x CAAP 08A ⁽¹⁾
- 12x expected EBITDA ⁽¹⁾ ⁽²⁾ in the first 12 months following the deal's closing
- Multiples paid in line with historic multiples paid by Gruppo Campari for SKYY and Aperol

Goodwill

- Goodwill generated by acquisition is tax deductible in US over a period of 15 years
- Group cash tax rate positively impacted by estimated US\$ 9 million (€7 million at current FX) p.a. permanent deferred taxes

Notes:

⁽¹⁾ Multiple based on Wild Turkey financials, as represented by the seller

⁽²⁾ Including USD 30 million of capex in new distillery



Acquisition financing

- **Acquisition fully financed via credit facilities underwritten by four major banks:**
Bank of America, BNP Paribas, Calyon and Intesa San Paolo

- **Available credit facilities could be utilised up to €483 million**, to fully cover the acquisition financing needs, by drawing down the following tranches:

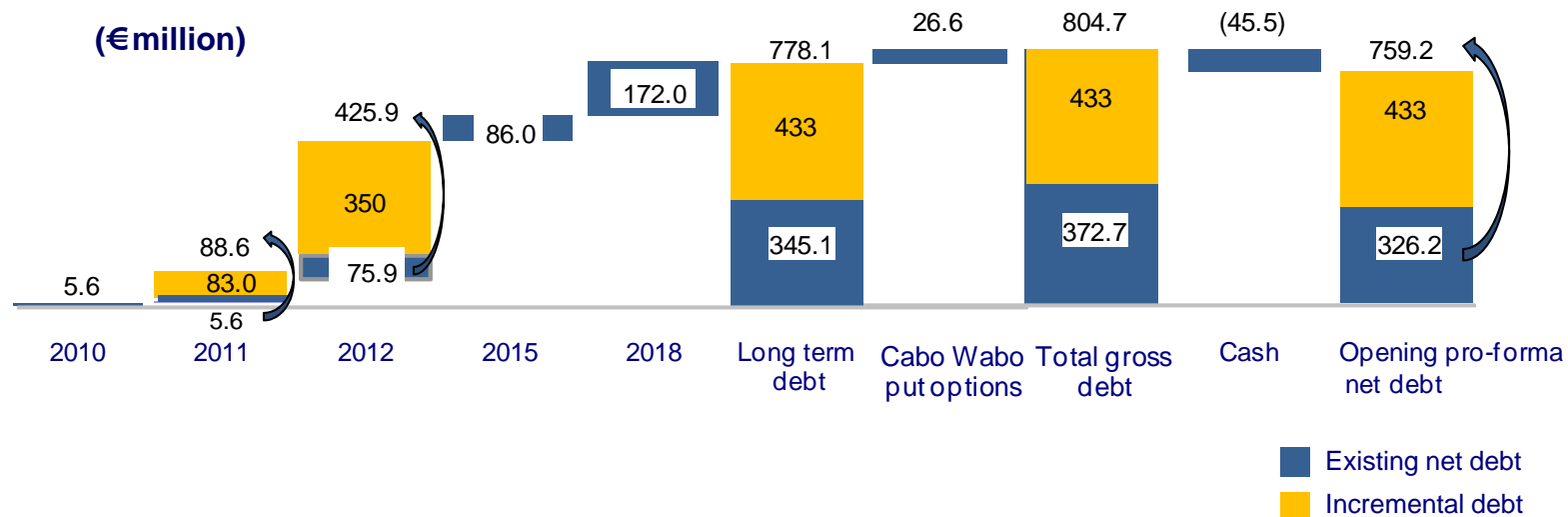
Available credit facilities (€ million)	Value (€ million)	Maturity	Spread over mid swap market rates (bps)	Purpose of draw down
up to 550	up to 150	1+1 YEAR	175	Acquisition price (€ 433 m)
	up to 350	3 YEAR	250	
	50	3 YEAR (RCF)	250	Capex, working capital, price adjustments (€ 50 m)

- This facility might be **partially refinanced with a US private placement** given favourable market conditions



Impact on net debt

Tentative debt maturity profile and pro forma net debt at 1/1/2009



- Group's opening pro forma net debt of **€759 million at 1/1/2009**
- Opening pro forma **Net debt / EBITDA** ratio at 1/1/2009 = **3x**
- **Total debt by currency:** to adjust current breakdown of net debt (78% Euro vs. 22% US dollar) by **increasing US\$ denominated debt to hedge increased exposure to US\$ denominated profits**





Conclusion



The perfect fit



- With Wild Turkey, Campari's **largest acquisition to date**, the Group cements its position as a **leading company in the US and international premium spirits markets**
- Demonstrates our **commitment, in line with our strategy, of continuing growth** in the profitable US spirits market as well as in key international markets
- Enters a **new attractive and growing spirits category**
- Significantly **strengthens Group's portfolio appeal**
- Provides foundation for **further enhancing of Gruppo Campari international distribution capabilities**
- **Financially attractive transaction**





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