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Conference call

04 August 2011



Gruppo Campari acquires Sagatiba

Key highlights

- > On August 3, 2011 Campari finalized the acquisition of **Sagatiba**, the **leading** and **fast growing super premium cachaça in Brazil**, which Campari had started to distribute in March 2010
- > Acquired business includes the Sagatiba trademarks and related business assets
- > The price paid was **USD 26 million** (equivalent to € 18 million on the closing date), **plus earn out** calculated as 7.5% of annual sales value posted in the 8 years period after the deal closing.
- > The **implied EBITDA multiple in 2012** (the first year of full consolidation of the brand's profitability) based on the **overall acquisition price of USD 36.3 million** (inclusive of the expected earn-out) is **13x**

Rationale

- > Strengthens our brand portfolio in key Brazilian market
- > Enables us to **tap into the largest segment of the Brazilian spirits market** as well as **leverage the premiumization trend**
- > Further **enhances the Group's premium offering** in Latin America
- > Low risk and easy integration



Sagatiba: business overview

Sagatiba®

Sagatiba

- > Founded by Brazilian entrepreneur Marcos de Moraes in 2004, Sagatiba's portfolio offers consumers a variety of **high quality cachaça**, including an **unaged offering (Pura)** and an **aged portfolio (Velha and Preciosa)**
- > In terms of sales volumes, Sagatiba achieved **112,000** nine-liter cases in 2010 posting a CAGR of +21.6% in 2005-2010 (source: IWSR)
- > **Brazil accounts for 2/3 of global sales** (source: IWSR)



Market overview

- > Global sales of cachaça exceeded 85 million nine-liter cases on a worldwide basis in 2010. Brazil represents 99% of global sales
- > Cachaça is the **most important spirit category in Brazil**, accounting for 55% of the total spirits volume
- > In Brazil the premium cachaça segment, which accounts for c.4% of the total cachaça market, is gaining market share from the mass market segment
- > This growth is driven by the **trading up of local consumers** moving from standard spirits into premium brands, **driven by socio-economic improvement and positive demographics**



Sagatiba: price positioning in Brazilian spirits market



PRICE CATEGORY	LOW PRICE	STANDARD	PREMIUM	SUPERPREMIUM
Price segment as % of total market	84%	12%	3%	1%
2010/2009 change:	-4.1%	+5.4%	+20%	+55.0%

This enables us to complete our portfolio offering both from category and price standpoint

