



## **2007 first half results - X-Rated abstract**

Conference call

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# Recent developments: evolution of US portfolio

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# Campari gains long-term control over key tequila category

- > Today we announced that the US distribution contracts for the **1800 and Gran Centenario tequila brands will end on December 31, 2007**
- > Starting in January 2008, **Gruppo Campari will refocus its tequila business on the Cabo Wabo brand**
- > The acquisition of Cabo Wabo tequila range was announced on 7 May 2007. The **transaction is on track to close in January 2008**. The **price for the acquisition is US\$ 80 million** (or € 58 million at current exchange rate), corresponding to **11.8 times the expected EBITDA in 2007**
- > Thanks to its outstanding track record and proven expertise in handling super premium tequila brands, Gruppo Campari is now **perfectly positioned to exploit the strong upside** of its newly acquired **ultra premium tequila range**
- > This deal will increase Gruppo Campari's focus in tequila **by directly owning a brand, even better positioned (ultra premium vs. super premium), in a key and fastly growing category**



GRUPPO

**CAMPARI**

# Campari further strengthens in the ultra premium segment via X-Rated

- > On 1 August 2007 Gruppo Campari finalised the **acquisition of the super premium X-Rated Fusion Liqueur, Jean-Marc XO luxury vodka and X-Rated ultra premium vodka**
- > As illustrated at the acquisition announcement on 19 July 2007, **the price for the acquisition, paid in cash, was US\$ 40 million** (or € 29 million at the exchange rate at transaction date). According to the deal, a price adjustment will be paid in the next three years based on the incremental sales volume performance over the same period (2006 volumes of 70,000 9-liter cases overall)
- > The price corresponds to an **estimated multiple of 9 times the full year expected brand contribution**
- > The integration of the new business has been fully executed
- > X-Rated is yet **another strategic acquisition with high upside for Gruppo Campari** and contributes to **further strengthen our presence in the key US ultra premium spirits market**

