CAMPARI GROUP

Ordinary Shareholders' meeting of Davide Campari-Milano S.p.A.

- **Approval of the company's accounts for the fiscal year ending 31 December 2018**
- **Distribution of a dividend per share of €0.05 for the full year 2018, in line with previous year**
- **Appointment of a New Board of Directors for the period 2019-2021**
- **Luca Garavoglia confirmed as Chairman for the period 2019-2021**

Milan, April 16th, 2019-The Shareholders' meeting of Davide Campari-Milano S.p.A. (Reuters CPRI.MI-Bloomberg CPR IM) **approved** today **the company's accounts for the fiscal year ending 31 December 2018**.

The Shareholders' meeting **approved a cash dividend per share of €0.05 for the fiscal year 2018, in line with previous year**. The cash dividend will be payable from April 25th, 2019 (the detachment date of the coupon n. 3 will be April 23rd, 2019, pursuant to the Borsa Italiana calendar, with a record date of April 24th, 2019).

The Shareholders' meeting **appointed a new Board of Directors for the 2019-2021 period**, comprised of Luca Garavoglia, Eugenio Barcellona, Fabio Di Fede, AnnaLisa Elia Loustau, Alessandra Garavoglia, Catherine Gérardin-Vautrin, Michel Klersy, Robert Kunze-Concewitz and Paolo Marchesini, and determined the corresponding remuneration.

AnnaLisa Elia Loustau, Catherine Gérardin-Vautrin and Michel Klersy declared that they qualify as Independent Directors as defined in article 148 of the Consolidation Law on Financial Intermediation and by Borsa Italiana's Corporate Governance Code.

Michel Klersy was appointed based on the list of candidates for directors, submitted and voted by various minority shareholders (as identified in the list of candidates published on the Company's website), holding 1.04% of the share capital and 0.66% of the voting rights overall, whilst the other directors were appointed based on the lists submitted and voted by the majority shareholder Lagfin S.C.A., holding 51% of the share capital and 64.36% of the voting rights (at the record date of April 5th, 2019).

The List of candidates for Directors presented by the majority shareholder Lagfin S.C.A. received favourable votes equal to 74.5% of the total amount of voting rights.

The Shareholders' meeting **confirmed Luca Garavoglia as Chairman for the 2019-2021 period.**

In addition, the Shareholders' meeting **appointed a new Board of Statutory Auditors for the 2019-2021 period**, comprised of Ines Gandini, Chairman, and Fabio Facchini and Chiara Lazzarini, auditors, and determined the corresponding remuneration.

Ines Gandini was appointed based on the list of candidates for auditors, submitted and voted by various minority shareholders as indicated above. The other auditors were appointed based on the list submitted and voted by the majority shareholder Lagfin S.C.A.

The List of candidates for auditors submitted by the majority shareholder Lagfin S.C.A. received favourable votes equal to 74.5% of the total amount of voting rights.

The curriculum vitae of the directors and auditors appointed are available on the company's website www.camparigroup.com/en/investor/agm.

The Chairman Luca Garavoglia thanked the outgoing directors and auditors for their strong commitment to the Group and their very valuable contribution during the past years.

OTHER RESOLUTIONS

Remuneration Report. The Shareholders' meeting approved the Remuneration Report of officers in accordance to article 123-*ter* of Consolidated Law on Financial Intermediation.

Stock options. The Shareholders' meeting approved a stock option plan pursuant to article 114-bis of the Consolidated Law on Financial Intermediation, and in accordance with the stock option Regulation in effect, that does not concern the Company's directors, granting the relevant bodies the authorization for the plan execution by June 30th, 2020.

Own shares. The Shareholders' meeting authorized the Board of Directors for the purchase and/or the sale of own shares in the market, mainly aimed at the replenishment of the reserve of own shares to serve stock option plans for the Group's management, according to the limits and procedures foreseen by the applicable laws and regulations. The authorisation will remain valid until June 30th, 2020.

BOARD OF DIRECTORS OF DAVIDE CAMPARI-MILANO S.P.A.

The new Board of Directors, in a meeting held after the Shareholders' meeting, confirmed as managing directors **Robert Kunze-Concewitz, Chief Executive Officer**, and **Paolo Marchesini, Chief Financial Officer**.

AnnaLisa Elia Loustau, Alessandra Garavoglia, Catherine Gérardin-Vautrin and Michel Klersy qualify as non-executive directors.

The Board of Directors verified the independent status of the above-mentioned directors AnnaLisa Elia Loustau, Catherine Gérardin-Vautrin and Michel Klersy based on the information received by the parties concerned and available to the Company. The Board of Directors declare that they qualify as independent directors as defined by article 148 of TUF and Borsa Italiana's Corporate Governance Code.

Eugenio Barcellona, AnnaLisa Elia Loustau and Catherine Gérardin Vautrin were appointed members of the Internal Audit Commitee and the Remuneration and Appointments Committee.

The Board of Statutory Auditors verified that all its members met the independent status as required by article 148 of the Consolidated Law on Financial Intermediation and by Borsa Italiana's Corporate Governance Code, and it communicated the outcome to the Board of Directors.

As of the date of the Shareholders' meeting, the members holding direct shareholdings in Davide Campari-Milano S.p.A., based on the Company's available information, are Luca Garavoglia, 760,000 shares; Eugenio Barcellona, 130,000 shares; Robert Kunze-Concewitz, 300,170 shares.

2018 FULL YEAR RESULTS

With reference to the consolidated results, approved by the Board of Directors on March 5th, 2019, in 2018, **Group sales** reached **€1,711.7 million**, showing an **organic increase of +5.3%**, with **profit indicators growing ahead of sales** on the back of a **favourable sales mix by brand and market,** driven by the **Global Priority brands (+8.9%)**. Concomitantly, **on a reported basis,** Group sales were down by **-2.4%** as the **positive organic performance of the business** was more than offset by the combined effects of **forex (-4.2%** or **-€73.5 million)**, driven by the strengthened Euro against all Group currencies, and **perimeter (-3.4%** or **-€60.2 million)**, driven by the sale of non-core businesses (in particular Carolans and Lemonsoda) and agency brands distribution termination, partially offset by the Bisquit acquisition.

Gross profit reached **€1,028.1 million** (60.1% of net sales), up by +1.6% on a reported basis (+230bps accretion). The **organic growth** was +**7.5%**, ahead of sales, generating an **organic margin expansion** of **+120 bps**, driven by the outperformance of key high-margin global and regional priorities in core developed markets, offsetting the dilutive effect of both the adverse agave purchase price, progressively more impactful over the last part of the year, and the losses on sugar business.

Advertising and Promotion spending (A&P) reached **€289.2 million** (16.9% of net sales), up by +3.3% in value on a reported basis. The **organic growth** was **+7.8%**, reflecting **higher marketing investments in brand building initiatives,** particularly behind global brands (Aperol, Campari, SKYY, Wild Turkey and Grand Marnier).

CAAP (Contribution after A&P) reached **€738.9 million** (43.2% of net sales), up by +0.9% in value on a reported basis (up **organically** by **+7.4%**).

Structure costs, i.e. selling, general and administrative costs, totalled **€360.1 million** (21.0% of net sales), up by +2.3% in value on a reported basis. The **organic growth** was +**7.1%**, reflecting selective strengthening of both the Group's on-premise commercial capabilities and the Global Travel Retail channel.

EBITDA adjusted was **€432.6 million** (25.3% of net sales), down by -1.1% in value on a reported basis, mainly due to negative FX and perimeter effects, offsetting a **solid organic growth of +6.8%**.

EBIT adjusted was **€378.8 million** (22.1% of net sales), showing a slight decline equal to -0.4% in value on a reported basis (+40bps accretion). The **organic growth** was **+7.6%**, ahead of sales growth, leading to **a margin accretion of +50bps**, thanks to positive gross margin expansion, more than offsetting higher investments in brand building and business infrastructure.

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Operating adjustments were positive by **€1.9 million**, mainly attributable to the gain on the Lemonsoda business disposal (€38.5 million), net of provisions for restructuring initiatives[1].

EBITDA reached **€434.5 million** (25.4% of net sales), down -3.8% in value on a reported basis, after the exchange rate and perimeter effects.

EBIT reached **€380.7 million** (22.2% of net sales), down -3.5% in value on a reported basis, after the exchange rate and perimeter effects.

Net financial charges were **€33.8 million**, down by €6.3 million (€40.0 million in 2017), thanks to a reduction in the average indebtedness (€1,144.0 million in 2017 vs. €925.4 million in 2018) and forex.

Positive financial adjustments of **€1.8 million**, mainly related to some minor financial assets sale[2].

Group pre-tax profit adjusted came in **€347.1 million,** up **+2.8%** in value on a reported basis**. Group pre-tax profit** was **€350.8 million**, up **+7.4%** in value on a reported basis.

Tax expenses totalled **€54.5 million, including** the **'Patent box' one-off tax benefit of €26.0 million**, as well as other fiscal adjustments.

Group net profit adjusted reached €249.3 million, up **+6.8%** in value on a reported basis**. Group net profit was €296.3 million,** down **-16.8%** in value on a reported basis, due to a challenging comparison base which benefitted from significant positive adjustments**.**

Free cash flow was €235.6 million overall in 2018. The **recurring free cash flow amounted to €267.7 million (+7.2%),** up to **61.9% of EBITDA adjusted**, from 57.1% in full year 2017.

Net financial debt stood at **€846.3 million** as of December 31st, 2018, down from €981.5 million as of December 31st, 2017, thanks to the positive free cash flow generation, the proceeds from the sale of the Lemonsoda business, net of the acquisition of Bisquit, the dividend payment and the net purchase of own shares[3].

Net debt to EBITDA pro-forma ratio was **1.9 times as of December 31st, 2018** (vs 2.0 times as of December 31st, 2017).

IFRS 16-Leases (applicable from 1 January 2019)

The new accounting standard IFRS 16, to be implemented as of fiscal year 2019, introduces a single accounting model for leases in the financial statements of tenants. The lessee recognizes an asset, which represents the right to use the underlying leased asset, and a liability, which reflects the obligation to pay the lease instalments. Furthermore, the nature of the costs related to the leases will change, as IFRS 16 will replace the accounting on a straight-line basis of the costs for operating leases with the amortization of the right of use and the financial charges arising from the lease as net borrowing.

The estimated effects of the IFRS 16 application on the key performance indicators and on the net financial debt, calculated based on the Group's current assessment of its outstanding lease contracts as of December 31st, 2018, are shown in the appendix.

The impacts showed have to be considered as preliminary estimates. Moreover, different values could be determined in 2019 as a result of new lease contracts.

FILING OF DOCUMENTATION

The annual financial report and the non-financial declaration at 31 December 2018 have been made available to the general public at the Company's head office and on the 1INFO circuit for the storage of Regulated Information, operated by Computershare (www.1Info.it) within the limits expressed by the law. The documentation is also available in the 'Investors' section of the website www.camparigroup.com/en and by all other means allowed by applicable regulations.

The minutes of the Shareholders' meeting will be made available by the applicable regulations, pursuant to articles 77 and 85 of Consob Regulation No. 11971/99.

[1] In 2017 positive operating adjustments of €13.9 million, mainly due to Carolans and Irish Mist disposal gain, equal to €49.7 million, net of transaction costs and provisions for restructuring projects.
[2] Negative financial adjustments of €(24.8) million in 2017, attributable to a one-off liability management transaction completed in April 2017.
[3] Lemonsoda business disposal of €80.2 million, inclusive of price adjustments. Bisquit Cognac acquisition for €52.7 million, inclusive of price adjustments.

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.

FOR FURTHER INFORMATION

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ABOUT CAMPARI GROUP

Campari Group 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, Campari, SKYY**, **Grand Marnier, Wild Turkey** and **Appleton Estate**. 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. Campari 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 Group owns 18 plants worldwide and has its own distribution network in 20 countries. Campari 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: http://www.camparigroup.com/en

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- Appendix to follow -

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Consolidated income statement for the full year 2018

	1 January-31 December 2018		1 January-31 December 2017		
	€ million	%	€ million	%	Change
Net sales[1]	**1,711.7**	**100.0**	**1,753.4**	**100.0**	**-2.4%**
Total cost of goods sold[2]	(683.6)	(39.9)	(741.1)	(42.3)	-7.7%
Gross profit	**1,028.1**	**60.1**	**1,012.3**	**57.7**	**1.6%**
Advertising and promotion	(289.2)	(16.9)	(279.9)	(16.0)	3.3%
Contribution after A&P	**738.9**	**43.2**	**732.4**	**41.8**	**0.9%**
SG&A[3]	(360.1)	(21.0)	(351.9)	(20.1)	2.3%
EBIT adjusted	**378.8**	**22.1**	**380.5**	**21.7**	**-0.4%**
Operating adjustments	1.9	0.1	13.9	0.8	-86.6%
Operating profit=EBIT	**380.7**	**22.2**	**394.3**	**22.5**	**-3.5%**
Financial income (expenses)	(33.8)	(2.0)	(40.0)	(2.3)	-15.6%
Adjustments to financial income (expenses)	1.8	0.1	(24.8)	(1.4)	-107.3%
Profit (loss) related to companies valued at equity	(0.2)	(0.0)	-	-	-
Put options income (charges)	2.3	0.1	(2.8)	(0.2)	-182.3%
Profit before taxes and non-controlling interests	**350.8**	**20.5**	**326.7**	**18.6**	**7.4%**
Group profit before taxes adjusted	**347.1**	**20.3**	**337.7**	**19.3**	**2.8%**
Income Tax expense	(54.5)	(3.2)	29.7	1.7	-283.6%
Net Profit	**296.3**	**17.3**	**356.4**	**20.3**	**-16.8%**
Minority interests	-	0.0	-	-	-
Group net profit	**296.3**	**17.3**	**356.4**	**20.3**	**-16.8%**
Group net profit adjusted	**249.3**	**14.6**	**233.4**	**13.3**	**6.8%**
Depreciation and amortisation	(53.8)	(3.1)	(57.1)	(3.3)	-5.8%
EBITDA adjusted	**432.6**	**25.3**	**437.6**	**25.0**	**-1.1%**
EBITDA	**434.5**	**25.4**	**451.4**	**25.7**	**-3.8%**

(1) Net of discounts and excise duties.
(2) Includes cost of material, production and logistics costs.
(3) Includes selling, general and administrative costs.

CAMPARI GROUP

Consolidated balance sheet as of 31 December 2018

	31 December 2018 € million	31 December 2017 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	454.4	430.9
Biological assets	1.0	1.0
Investment property	122.8	120.9
Goodwill and trademarks	2,341.0	2,302.7
Intangible assets with a finite life	42.9	32.8
Investments in associates and joint ventures	0.4	(0.0)
Deferred tax assets	38.4	43.1
Other non-current assets	23.9	46.5
Total non-current assets	**3,024.9**	**2,978.0**
Current assets		
Inventories	565.3	491.4
Current biological assets	0.8	0.4
Trade receivables	285.9	317.5
Short-term financial receivables	29.1	9.3
Cash and cash equivalents	613.9	514.5
Income tax receivables	22.4	28.6
Other receivables	32.3	31.8
Total current assets	**1,549.8**	**1,393.4**
Assets held for sale	7.8	47.7
Total assets	**4,582.5**	**4,419.1**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	2,104.7	1,884.5
Parent company's portion of shareholders' equity	2,162.8	1,942.6
Non-controlling interests' portion of shareholders' equity	-	-
Total shareholders' equity	**2,162.8**	**1,942.6**
Non-current liabilities		
Bonds	778.7	995.6
Other non-current liabilities	463.7	493.6
Defined benefit obligations	31.6	34.4
Provisions for risks and charges	118.7	123.7
Deferred tax liabilities	368.2	364.0
Total non-current liabilities	**1,760.9**	**2,011.3**
Current liabilities		
Payables to banks	4.5	13.8
Bonds	218.6	-
Other financial liabilities	52.5	62.1
Trade payables	216.0	225.6
Income tax payables	13.9	21.8
Other current liabilities	153.4	141.7
Total current liabilities	**658.9**	**465.1**
Liabilities held for sale	-	0.1
Total liabilities	**2,419.7**	**2,476.5**
Total liabilities and shareholders' equity	**4,582.5**	**4,419.1**

Consolidated reclassified cash flow statement as of 31 December 2018

	31 December 2018	31 December 2017
	€ million	€ million
EBITDA Adjusted	**432.6**	**437.6**
Provisions and other changes from operating activities	(31.1)	(26.5)
Taxes paid	(48.5)	(41.3)
Cash flow from operating activities before changes in working capital	**353.0**	**369.9**
Changes in net operating working capital	(25.5)	(58.6)
Cash flow from operating activities	**327.5**	**311.3**
Net interests paid	(22.8)	(27.0)
Adjustments to financial income (charges)	1.8	(24.8)
Net capital expenditure	(70.9)	(32.5)
Free cash flow	**235.6**	**227.0**
(Acquisition) and sale of companies or business division	22.2	147.0
Dividend paid out by the Parent Company	(57.5)	(52.1)
Other changes	(62.0)	(53.8)
Total cash flow used in other activities	**(97.3)**	**41.0**
Exchange rate differences and other changes	**(4.0)**	**(26.6)**
Change in net financial position due to operating activities	**134.3**	**241.4**
Put option and earn-out changes	1.0	(23.5)
Opening restatements	-	(7.2)
Net cash flow of the period = change in net financial position	**135.3**	**210.8**
Net financial position at the beginning of the period	**(981.5)**	**(1,192.4)**
Net financial position at the end of the period	**(846.3)**	**(981.5)**

IFRS 16 'Leases' estimated effects as of 31 December 2018

	FY 2018 reported	IFRS 16 estimated impact		FY 2018 after IFRS 16 estimated impact
	€ million	**€ million**	**%**	**€ million**
EBITDA adjusted	432.6	15.9	3.7%	448.5
EBIT adjusted	378.8	2.4	0.6%	381.2
Group profit before taxes adjusted	347.1	(0.7)	-0.2%	346.5
EBITDA	434.5	15.9	3.7%	450.4
EBIT	380.7	2.4	0.6%	383.1
Group profit before taxes	350.8	(0.7)	-0.2%	350.1
Depreciation	(53.8)	(13.5)	25.0%	(67.3)
Net financial charges	(33.8)	(3.1)	9.2%	(36.9)

	Year end 2018	IFRS 16 estimated impact		Opening balance 2019 after IFRS 16 estimated impact
	€ million	**€ million**	**%**	**€ million**
Net financial debt	846.3	83.3	9.8%	929.6

CAMPARI GROUP

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DAVIDE CAMPARI-MILANO S.p.A.

Parent company income statement

	1 January-31 December 2018	1 January-31 December 2017
	€ million	€ million
Net sales	**630.5**	**650.6**
Cost of goods sold	(250.8)	(291.9)
Gross margin	**379.7**	**358.6**
Advertising and promotional	(62.5)	(52.6)
Contribution after A&P	**317.2**	**306.0**
Structure costs[(1)]	(62.1)	(75.4)
Operating result	**255.1**	**230.6**
Financial income (charges)	(41.9)	(70.3)
Dividends	16.2	41.1
Put option income (charges)	(3.0)	(3.3)
Profit before tax	**226.4**	**198.1**
Tax	(26.8)	10.7
Net profit	**199.6**	**208.9**

(1) Including operating adjustments of €48.0 million for FY 2018 (vs €37.3 million for FY 2017).

Parent company balance sheet

	31 December 2018	31 December 2017
	€ million	€ million
Total non-current assets	2,762.4	2,789.3
Total current assets	585.1	500.5
Total assets held for sale	1.0	7.7
Total assets	**3,348.5**	**3,297.5**
Total shareholders' equity	1,355.2	1,274.0
Total non-current liabilities	1,257.0	1,670.8
Total current liabilities	736.3	352.7
Liabilities held for sale	-	-
Total liabilities and shareholders' equity	**3,348.5**	**3,297.5**

Parent company cash flow

	31 December 2018	31 December 2017
	€ million	€ million
Cash flow generated from (used in) operating activities	198.1	196.5
Cash flow generated from (used in) investing activities	76.6	156.4
Cash flow generated from (used in) financing activities	(256.9)	(232.0)
Cash and cash equivalents from mergers	0.1	-
Net change in cash and cash equivalents: increase (decrease)	**17.9**	**120.9**
Cash and cash equivalents at the beginning of period	217.5	96.7
Cash and cash equivalents at end of period	**235.5**	**217.5**