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Diffusione presunta

Oggetto : Gruppo Campari to launch a friendly
takeover offer for SPML

Testo del comunicato

Please see attachment



Gruppo Campari to launch a friendly takeover offer for Société des Produits Marnier Lapostolle S.A., owner of Grand Marnier

Gruppo Campari appointed global and exclusive distributor of Grand Marnier spirits portfolio

Grand Marnier a perfect fit to Gruppo Campari's acquisition framework

HIGHLIGHTS

- **Gruppo Campari has reached an agreement with the controlling family shareholders of the French listed company Société des Produits Marnier Lapostolle S.A. ('SPML') to acquire control of the company as follows:**
 - **immediate acquisition of shares representing 17.19% in full ownership, 1.06% in bare ownership and 1.54% in usufruct of SPML's capital through block transactions with some of the controlling family shareholders**
 - **agreement to enable the acquisition as from 2021 via put and call options of all remaining shares currently held by the controlling family shareholders, representing 26.60% in full ownership and 2.24% in bare ownership of SPML's capital**
 - **filing of a public Tender Offer on all outstanding shares of SPML with the intention to take full control of the company**
 - **in the event that the outcome of the Tender Offer is such that Gruppo Campari comes to own less than 50.01% of SPML's capital and voting rights, the family shareholders who are parties to the put and call options have undertaken to sell their shares before 2021 and to relinquish their double voting rights to the extent necessary for Gruppo Campari to acquire a controlling stake in SPML**
- **Pursuant to the terms of the agreements reached with the controlling family shareholders, Gruppo Campari will launch a Tender Offer:**
 - **at a price of € 8,050¹ per share in cash (implying a 60.4%² premium to the current share price), plus an earn-out related to the potential sale of the real estate property in St. Jean Cap Ferrat (France) owned by SPML**
 - **excluding the effects of the sale of the real estate property and the related earn-out consideration, the total implied Equity Value for 100% of SPML would be € 684 million³ and the total implied Enterprise Value for 100% of SPML would be € 652 million**
 - **should Gruppo Campari's stake in SPML come to exceed 95% (including the shares subject to the put and call options agreements) as a result of the successful completion of the Tender**

¹ Cum 2015 final dividend

² Based on SPML share price of € 5,020 as of March 11, 2016

³ Based on 85,000 outstanding shares

Offer, Gruppo Campari shall buy out the residual free float shares, which will cause the delisting of SPML

- Finally, simultaneously to the acquisition of the initial stakes in SPML, Gruppo Campari has entered into an exclusive agreement with the target company for the worldwide distribution of the Grand Marnier spirits portfolio
- SPML perfectly fits Gruppo Campari's acquisition strategy:
 - SPML is a leading French spirits company, owner of the premium iconic Grand Marnier liqueur brand
 - renowned for its alluring blend of cognac and essence of bitter orange, Grand Marnier is one of the world's most recognized and storied spirits brands with a 150-year history and a strong presence in premium on-trade outlets
 - Grand Marnier is poised to enter Gruppo Campari's Global Priorities⁴ portfolio, thus reshaping, further strengthening and premiumising Gruppo Campari's offering. Moreover, it enables the Group to further capitalize on the revival of classic cocktails, particularly in the US
- The Group further leverages its expanded international route-to-market as well as its brand building capabilities, adds further critical mass across the Group's markets (particularly the key US market) and enhances its exposure to the premium on-trade channel as well as Global Travel Retail
- Positive financial and business mix impact. With Grand Marnier, Gruppo Campari is to:
 - consolidate a high-margin brand and cash generative business
 - add a premium and distinctive brand to its Global Priorities portfolio, thus driving richer product mix by brand and by market (the US expected to become the largest market in terms of the Group's net sales)
 - consolidate its position as the leading purveyor of premium liqueurs and bitter specialties worldwide
 - continue to leverage its acquisition framework in a very disciplined and consistent manner for future growth
 - the transaction is to be funded with available cash

Milan, March 15, 2016 - Gruppo Campari has reached an **agreement with the controlling family shareholders of SPML for the acquisition of a controlling stake of the company via a Tender Offer**, to be launched on the French Stock Exchange market pursuant to the applicable French regulations. Simultaneously, the Group has **entered into an agreement with SPML for the exclusive worldwide distribution of the Grand Marnier spirits portfolio**.

ACQUISITION STRUCTURE

Block transactions

Gruppo Campari has reached an agreement with the controlling family shareholders of French listed company SPML to acquire immediately shares, representing 17.19% in full ownership, 1.06% in bare ownership and 1.54% in usufruct of SPML's capital through block transactions with some of the controlling family shareholders

⁴ Include Campari, Aperol, SKYY, Wild Turkey and the Jamaican Rums

Put and Call options and Shareholders' Agreement with Family Shareholders

Gruppo Campari agreed via put and call options to acquire as from 2021 the remaining shares currently held by the controlling family shareholders, representing 26.60% in full ownership and 2.24% in bare ownership of SPML's share capital.

Gruppo Campari and the family shareholders who have entered into the call and put options also entered a shareholders' agreement on the governance of SPML up until the exercise of the above mentioned put and call options.

It should be noted that any dividend payable by SPML will be deducted from the value of the put and call options.

Tender Offer

Gruppo Campari has the intention to take full control of the company via a Tender Offer.

Pursuant to the conditions agreed with the controlling family shareholders, the Tender Offer price shall be equal to € 8,050 per share in cash, implying a 60.4% premium to the current share price⁵.

The payment of an additional earn-out consideration shall be conditional upon the sale of a real estate property currently owned by SPML and located in St. Jean Cap Ferrat (France).

The Tender Offer will be opened following due work's council consultations and antitrust clearance in the US.

In the event that the outcome of the Tender Offer is such that Gruppo Campari comes to own less than 50.01% of the shares and voting rights in SPML, **the controlling family shareholders parties to the call and put options have undertaken to sell in advance their shares and to relinquish their double voting rights to the extent that is necessary for Gruppo Campari to acquire a controlling stake in SPML.**

Should Gruppo Campari's stake in SPML come to exceed 95% (including the shares subject to the put and call options agreements) as a result of the successful completion of the Tender Offer, Campari shall buy out the residual free float shares, which will cause the delisting of SPML.

Excluding the effects of the sale of the real estate property and the related earn-out consideration, the total implied **Equity Value for 100% of SPML would be € 684 million⁶** and the total implied **Enterprise Value for 100% of SPML would be € 652 million⁷**. It should be noted that the **net proceeds from the disposal of the real estate property will be retained by Gruppo Campari up to a maximum amount of € 80 million, whilst any excess net of any tax and any other costs relating to the disposal will be distributed to all of the selling shareholders** (including the investors that will tender their shares in the context of the Tender Offer).

In order to facilitate the managerial transition, **François de Gasperis and Stéphane Marnier Lapostolle will remain respectively chairman of the *directoire* and in the management team** until the exercise of the put and call options.

DISTRIBUTION AGREEMENT

Finally, simultaneously to the acquisition of initial stakes in SPML, Gruppo Campari has entered into an agreement with SPML for the worldwide exclusive distribution of the Grand Marnier spirits portfolio.

⁵ SPML share price of € 5,020 as of March 11, 2016

⁶ Based on 85,000 outstanding shares

⁷ The Equity to Enterprise value bridge as of December 31, 2015 of € 32.6 million is composed by: net cash position of € 32.3 million, net pension liabilities of € (18.0) million (as of 31 December 2014) and minority interests of € (0.6) million, cash proceeds of the Tender Offer to the treasury shares of € 23.1 million, interim dividend of € (4.2) million paid on January 25, 2016

The distribution agreement will become effective on July 1, 2016 and will remain in force for a **period of five and a half years until December 31, 2021**. The initial agreement will be renewable for consecutive five year periods after 2021.

OVERVIEW OF ACQUIRED BUSINESS

SPML is a **French spirits company, focussed on manufacturing and selling premium liqueurs. Founded in 1827** the company quickly gained an outstanding reputation for its high quality eaux-de-vie. In 1880, the founder's descendant Louis-Alexandre Marnier Lapostolle had the idea of showcasing the organoleptic richness of cognacs by combining them with orange, a rare and precious fruit at the time. Since then, Grand Marnier has been **blended from the finest cognacs and essence of wild tropical oranges** combined with other ingredients and then **aged in oak casks**, according to a **secret recipe which has remained unchanged since it was created**. Grand Marnier is today **one of the world's most recognized and storied spirits brands** with a 150-year history. As a key ingredient of many classic cocktails, Grand Marnier enjoys a **premium positioning** and **qualifies as a must have premium brand in cocktail bars** thanks to its exceptional quality and international recognition.

The company is **headquartered in Paris**. SPML is listed on Euronext (Paris) and has a **market capitalisation of € 427 million as of March 11, 2016**.

Its main bottling and packaging site is located in Normandy, France.

In fiscal year ending December 31, 2015, SPML achieved a consolidated **annual turnover of € 151.7 million⁸**, of which **€ 129.5 million relating to sales of finished goods**, and a **consolidated EBITDA of € 30.8 million**. It should be noted that **SPML's EBITDA does not include the profits sitting at the distributor level**.

The **Grand Marnier spirit portfolio is SPML's core business, accounting for approx. 85% of the consolidated finished goods sales in 2015**. The Grand Marnier portfolio includes **Grand Marnier Cordon Rouge**, Cherry Marnier, Louis Alexandre, Cuvée du Centenaire, Cuvée du Cent Cinquantenaire and Quintessence.

With regards to its geographical reach, **SPML generated approx. 92% of its consolidated finished goods sales outside France**. Key markets are the **US, accounting for approx. 60%, Germany, Canada and France**. SPML brands are currently **distributed in over 150 countries through third party distributors**.

DEAL METRICS

Excluding the effects of the sale of the real estate property and the related earn-out consideration, the **corresponding implied multiple based on the total Enterprise Value for 100% of SPML of € 652 million** and a **pro-forma EBITDA pre one-off's of € 47.4 million in FY 2015**, which includes the estimated full year effects of the worldwide distribution agreement and excludes any potential synergies, **would be 13.7 times**.

This transaction is expected to have an immediate accretive effect on a pro-forma full year basis.

DEAL RATIONALE

Bob Kunze-Concewitz, Chief Executive Officer, commented: 'We are delighted to consolidate this alliance between the SPML controlling family shareholders and Gruppo Campari. Grand Marnier is a French icon, with a rich 150-year history for which we have profound respect. This acquisition represents a perfect fit with our external growth strategy in terms of brand profile, distribution and financial framework. With Grand Marnier, we add a premium and distinctive brand to our Global Priorities portfolio, thus driving

⁸ Source: Press release 'COMMUNIQUE FINANCIER SUR LES COMPTES ANNUELS 2015', published by SPML on March 15, 2016

richer product mix, and we further consolidate our position as the leading purveyor of premium liqueurs and bitter specialties worldwide. In terms of route-to-market, Grand Marnier is a unique opportunity to continue leveraging our enhanced international distribution capabilities benefiting from a perfect fit of the distribution reach of the acquired business. Moreover, **we continue leveraging our strong marketing capabilities and consolidated track record in re-launching and accelerating momentum of high potential brands. Thanks to its exceptional quality and international recognition, Grand Marnier enhances our exposure to the premium on-trade, across all markets, to the benefit of the Group's overall portfolio, as well as to Global Travel Retail. In particular, as a key ingredient in many classic cocktails and a must have premium brand in classic cocktail bars, Grand Marnier strengthens our quest to further capitalize on the revival of classic cocktails, particularly in the US. Importantly, a global trend unleashed in the US with mixologists and premium consumers showing growing interest in specialties and liqueurs in the on-premise channel. Grand Marnier will benefit from the strategic focus of the strengthened Gruppo Campari RTM as a key Brand within our Global Priorities portfolio across all markets. By acquiring Grand Marnier, we continue leveraging our acquisition framework in a very disciplined and consistent manner also from a financial view point as we consolidate a high-margin brand and cash generative business, expected to determine an immediate accretive effect on the existing business.'**

Bank of America Merrill Lynch and Philippe Villin acted as financial advisors to Gruppo Campari on this transaction. CACIB acted as joint financial advisor. Brandford Griffith&Associés and Pedersoli&Associati acted as legal advisors.

FORWARD-LOOKING STATEMENTS

Certain statements and information contained in this communication that are not statements of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified as such. Such forward-looking statements include, but are not limited to, statements as to the proposed acquisition of Société des Produits Marnier Lapostolle S.A. by Gruppo Campari, the anticipated timing of approvals relating to the transaction, the expected timetable for completing the transaction and commencing the mandatory tender offer, expected long-term growth for the Gruppo Campari after the completion of the transaction and any other statements about SPML's or Gruppo Campari's managements' future expectations, beliefs, goals, plans or prospects. Forward-looking statements are related to future, not past, events and are not guarantees of future performance. These statements are based on current expectations and projections about future events and, by their nature, address matters that are, to different degrees, uncertain and are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including changes in general economic, financial and market conditions and other changes in business conditions, changes in the market, the level of demand and financial performance of the major industries our portfolio companies serve, changes in regulations and institutional framework (whether in Italy or abroad), the parties' ability to obtain all necessary regulatory approvals of the pending transaction on the proposed terms and schedule, the possibility that certain conditions to the completion of the transaction will not be met, the possibility that competing offers may be made and many other factors, most of which are outside of the control of Gruppo Campari. The Group therefore expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these forward-looking statements or in connection with any use by any party of such forward-looking statements. Any forward-looking statements contained in this communication speak only as of the date of this communication and, except as required by law, neither Gruppo Campari nor SPML express any intention or undertake any obligation to update any of the present forward-looking statements to reflect events or circumstances occurred after the date of this press release and as a result, no undue reliance should be placed on these forward-looking statements. This communication does not represent investment advice neither a solicitation, nor a recommendation nor an invitation, nor an offer for the purchase or sale of financial products and/or of any kind of financial services as contemplated by the laws in any country or state.

ANALYST CONFERENCE CALL

At **11:00 am (CET) today, March 15, 2016**, Campari's management will hold a conference call to present the transaction. To participate, please dial one of the following numbers:

- from Italy: **02 8020911**
- from UK: **+44 1 212818004**
- from USA: **+1 718 7058796**

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, March 15 until Tuesday, March 22, 2016.

To listen to it, please call the following numbers:

- from Italy: **02 72495**
- from UK: **+44 1212 818005**
- from USA: **+1 718 7058797**

(Access code: **707#**).

FOR FURTHER INFORMATION

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<http://www.camparigroup.com/en/investor>

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<http://www.youtube.com/campariofficial>

<https://twitter.com/gruppocampari>

ABOUT GRUPPO CAMPARI

Davide Campari-Milano S.p.A., together with its affiliates ('Gruppo Campari'), is a major player in the global beverage sector, trading in **over 190 nations** around the world with leading positions in Europe and the Americas. The Group was founded in 1860 and today is **the sixth-largest player worldwide in the premium spirits industry**. The Group's portfolio, with over 50 brands, spans spirits, the core business, wines and soft drinks. Internationally-renowned brands include **Aperol, Appleton Estate, Campari, SKYY and Wild Turkey**. Headquartered in Sesto San Giovanni, Italy, Campari owns 16 plants and 2 wineries worldwide and has its own distribution network in 19 countries. The Group employs around 4,000 people. The shares of the parent company, Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM), are listed on the Italian Stock Exchange since 2001. For more information:

<http://www.camparigroup.com>

Please enjoy our brands responsibly.

AVAILABILITY OF THE DRAFT OFFER DOCUMENT (*PROJET DE NOTE D'INFORMATION*)

Copies of the draft offer document (*projet de note d'information*) relating to the tender offer may be obtain, free of charge, on the website of the French *Autorité des Marchés Financiers* (www.amf-france.org), at Davide Campari Milano S.p.A.'s registered office at via Franco Sacchetti 20, 20099 Sesto San Giovanni, Milan, Italy and on its website (<http://www.camparigroup.com/en/investor>) as well as at the French branch of Bank of America Merrill Lynch International Limited located at 112 avenue Kléber, 75773 Paris Cedex 16, France. The tender offer and the draft offer document (*projet de note d'information*) remain subject to the approval of the French *Autorité des Marchés Financiers*.

Fine Comunicato n.0530-6

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