



## PRESS RELEASE

### Campari approves Quarterly Report as of March 31, 2002

- Consolidated net revenues of € 127.7 million, up 38.5%
- EBITDA of € 31.0 million, up 40.8%
- EBITA of € 27.0 million, up 47.4%
- Income before taxes of € 17.5 million, up 18.1%

Milan, May 13, 2002 – The Board of Directors of Davide Campari-Milano S.p.A. approved the consolidated results for the quarter from January 1 through March 31, 2002. The first quarter closed with rapidly growing results, mostly thanks to the consolidation of the newly acquired companies Skyy Spirits, LLC, and Zedda Piras S.p.A. and Sella & Mosca S.p.A.

In the first quarter 2002, the Group's net sales were € 127.7 million, up 38.5% over the first quarter 2001. This increase is due to a considerable organic growth which, net of exchange rates effects, amounted to 8.6%, and to the significant impact of recent acquisitions, which altogether generated a growth of 29.9%. In particular, Skyy Spirits, LLC, with net sales of € 20.1, led to a growth of 21.8% on the total consolidated turnover, while Zedda Piras S.p.A. and Sella & Mosca S.p.A., with net sales of € 6.9 million, generated a growth of 7.5% over the same quarter of the previous year. The remaining 0.6% is due to the Brazilian acquisition for the non-consolidated period in 2001.

The recent acquisitions have further enhanced the role of spirits as the Group's core business, with total sales of € 77.4 million; this segment has increased its share of total turnover from 57.4% to 60.6%. In particular, SKYY Vodka, with sales of € 15.3 million, 93.7% of which in the United States, became the Group's third leading brand in size terms. The acquisition of Zedda Piras S.p.A. and Sella & Mosca S.p.A. contributed net sales of € 2.1 million to the spirits segment, mainly due to the Mirto di Sardegna brand. Organic growth of the spirits segment was 3.3%, aided by the good performance of the brands already in the portfolio, especially CampariSoda (+3.2%), Cynar (+3.5%) and Jägermeister (+6.3%). The wines segment, with sales of € 16.4 million, grew by 49.5% overall, with 43.2% deriving from the consolidation of Sella & Mosca S.p.A. and the remaining 6.3% due to organic growth, driven by the good performance of the Cinzano sparkling wines. The soft drinks segment had sales of € 31.8 million, up 16.1%, led by the excellent performance of Crodino, up 16.5%, and driven by an intense promotional activity carried out on the Italian market in March on the products of this segment.

The following table shows the break-down of consolidated net sales by segment.

	1 January – 31 March 2002		1 January – 31 March 2001		Change
	€million	%	€million	%	%
Spirits	77.4	60.6%	53.0	57.4%	46.1%
Wines	16.4	12.9%	11.0	11.9%	49.5%
Soft Drinks	31.8	24.9%	27.4	29.7%	16.1%
Other revenues	2.1	1.7%	0.9	0.9%	142.5%
<b>Total</b>	<b>127.7</b>	<b>100.0%</b>	<b>92.2</b>	<b>100.0%</b>	<b>38.5%</b>

In terms of the geographic distribution of sales, the Italian market accounted for 55.4% of total turnover, with sales up 27.6%. This result is due in part to significant organic growth, amounting to 16.5%, and to the acquisition of Zedda Piras S.p.A. and Sella & Mosca S.p.A. for the remaining part. Thanks to the acquisition of Skyy Spirits, LLC the Group more than trebled the weight of the Americas area, which grew from 7.0% to 23.2% of total turnover. Europe and the rest of the world represent, respectively, 19.2% and 2.2% of total net sales.

The Group's operating profitability also benefited considerably from the effect deriving from the consolidation of the acquisitions of Skyy Spirits, LLC and Zedda Piras S.p.A. and Sella & Mosca S.p.A.

Trading profit was € 34.8 million, up 32.7%, with its proportion of net sales down from 28.4% to 27.3%. This effect is due to the organic sales mix in the first quarter 2002, characterized by strong growth by some less profitable products in the soft drinks segment.

EBIT was € 20.2 million, up 28.5% and amounting to 15.8% of sales.

EBITA, i.e. the operating result before goodwill and trademark amortization, was € 27.0 million, up 47.4% and with its incidence on net sales increasing from 19.8% to 21.1%. This result can be attributed to the positive operating impact of the recent acquisitions. Moreover, other revenues for € 3.7 million were recorded, mainly due to the royalties paid to Skyy Spirits, LLC by Miller Brewing Co. for sales of SKYY Blue, the new ready-to-drink recently launched by the two companies in the US market.

EBITDA was € 31.0 million, up 40.8% and amounting to 24.3% of net sales.

Income before taxes for the period was € 17.5 million, up 18.1%.

As of March 31, 2002, following the payment of the above mentioned acquisitions, the net financial position is negative for € 223.7 million.

Among significant events after the first quarter 2002, it's worth mentioning that on April 22, 2002 the Campari Group, in line with its strategy of enhancing its own distributive structure in key international markets, announced its intention to launch a new joint venture with Morrison Browmore Distillers Ltd, a subsidiary of the Japanese group Suntory, with which the Campari Group already has well established business relations, for the promotion and the distribution, in the United Kingdom, of the two companies' products and, with particular reference to the Group's portfolio, of Campari, Cinzano, and SKYY Vodka.

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### **ANALYST CONFERENCE CALL**

At 18:30 (CET) today, Monday May 13, 2002, a conference call will be held during which Campari's management will present the results of the first quarter 2002. To participate in the conference call, simply dial one of the following numbers:

- From Italy: 800 990 927 (toll-free number)
- From abroad: +39 06 8740 9831

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*The Campari Group is one of the world's leading alcoholic beverage players with a leading position in the Italian and Brazilian markets and a strong presence in the USA, Germany and Switzerland. The Group, which has more than 140 years experience in the business, has always had a strong international bias, with over 50% of consolidated sales deriving from the export of its brands to more than 190 countries. Following an intensive acquisition campaign undertaken over the last few years, the Group today has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. The Group's portfolio includes a combination of strong international brands, such as Campari, SKYY Vodka, Cynar and Cinzano and leading local brands, such as CampariSoda, Crodino, Sella & Mosca, Zedda Piras, Biancosarti, Lemonsoda, Oransoda and Pelmosoda in Italy, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil and Gregson's in Uruguay. The Group has its headquarters in Milan, while its main subsidiaries are located in Monaco, USA, Brazil, Germany, Switzerland and France. The Group has over 1,300 employees, and shares of the parent company Davide Campari-Milano S.p.A have been listed on the Milan stock exchange since July 2001.*

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## Attachment 1) CAMPARI GROUP

## CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER 2002

	1 January – 31 March 2002		1 January – 31 March 2001		Change
	(€million)	%	(€million)	%	%
<b>Net revenues <sup>(1)</sup></b>	<b>127.7</b>	<b>100.0</b>	<b>92.2</b>	<b>100.0</b>	<b>38.5</b>
Cost of materials	(40.0)	-31.3	(26.4)	-28.6	
Manufacturing costs	(11.0)	-8.6	(8.7)	-9.4	
<b>Total cost of sales</b>	<b>(51.0)</b>	<b>-39.9</b>	<b>(35.1)</b>	<b>-38.1</b>	<b>45.6</b>
<b>Gross Margin</b>	<b>76.7</b>	<b>60.1</b>	<b>57.1</b>	<b>61.9</b>	<b>34.1</b>
Advertising and promotion	(25.1)	-19.7	(18.4)	-20.0	35.9
Selling and distribution expenses	(16.8)	-13.2	(12.5)	-13.6	34.6
<b>Trading margin</b>	<b>34.8</b>	<b>27.3</b>	<b>26.2</b>	<b>28.4</b>	<b>32.7</b>
General and administrative expenses	(10.9)	-8.5	(7.5)	-8.1	45.9
Other operating revenues	3.7	2.9	0.2	0.2	
Amortization of goodwill and trademarks	(6.8)	-5.3	(2.6)	-2.8	
<b>EBIT before non-recurring expenses</b>	<b>20.8</b>	<b>16.3</b>	<b>16.4</b>	<b>17.8</b>	<b>27.1</b>
Non-recurring expenses	(0.6)	-0.5	(0.6)	-0.7	
<b>EBIT after non-recurring expenses</b>	<b>20.2</b>	<b>15.8</b>	<b>15.8</b>	<b>17.1</b>	<b>28.5</b>
Net interest income (charges)	(1.3)	-1.0	1.6	1.7	
Exchange-rate gains (losses), net	(0.9)	-0.7	(3.0)	-3.3	
Other non operating income (charges)	(0.5)	-0.4	0.5	0.5	
<b>Income before taxes</b>	<b>17.5</b>	<b>13.7</b>	<b>14.9</b>	<b>16.2</b>	<b>18.1</b>
Minority interests	(3.0)	-2.3	0.0	0.0	
<b>Group income before taxes</b>	<b>14.5</b>	<b>11.4</b>	<b>14.9</b>	<b>16.2</b>	<b>-2.4</b>
Depreciation	(3.2)	-2.5	(3.1)	-3.4	2.0
Amortization	(7.5)	-5.9	(3.1)	-3.4	141.3
<b>Total depreciation and amortization</b>	<b>(10.7)</b>	<b>-8.4</b>	<b>(6.2)</b>	<b>-6.7</b>	<b>71.8</b>
(1) Net of discounts and excise duty					
<b>EBITDA before non-recurring expenses</b>	<b>31.5</b>	<b>24.7</b>	<b>22.6</b>	<b>24.5</b>	<b>39.4</b>
<b>EBITDA</b>	<b>31.0</b>	<b>24.3</b>	<b>22.0</b>	<b>23.9</b>	<b>40.8</b>
<b>EBITA before non-recurring expenses <sup>(2)</sup></b>	<b>27.6</b>	<b>21.6</b>	<b>19.0</b>	<b>20.6</b>	<b>45.5</b>
<b>EBITA <sup>(2)</sup></b>	<b>27.0</b>	<b>21.1</b>	<b>18.3</b>	<b>19.8</b>	<b>47.4</b>
(2) EBITA = EBIT before amortization of goodwill and trademarks					