



## PRESS RELEASE

### RESULTS FOR THE FIRST HALF TO 30 JUNE 2006

**Net sales €417.8 million (+14.8%)**

**EBITDA €95.2 million (+3.5%), 22.8% of net sales**

**EBIT €85.9 million (+2.8%), 20.6% of net sales**

**Group net profit €55.5 million (+4.0%)**

**Milan, 11 September 2006** - The Board of Directors of Davide Campari-Milano S.p.A. has approved the half-year accounts to 30 June 2006. The Campari Group's results for the period were positive, thanks to the recent acquisitions (Glen Grant and Teruzzi & Puthod), the distribution of new brands (Jack Daniel's, C&C brands and Midori), and organic growth.

Consolidated results	First half 2006 € million	First half 2005 € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	417.8	363.9	14.8%	12.2%
Trading profit	115.3	107.5	7.3%	5.1%
EBITDA before one-off's	95.3	89.4	6.6%	4.8%
EBITDA	95.2	92.0	3.5%	1.7%
EBIT before one-off's	86.0	81.0	6.2%	4.4%
EBIT	85.9	83.6	2.8%	1.0%
Profit before taxes	80.4	78.6	2.3%	0.4%
Group's net profit	55.5	53.4	4.0%	2.0%

#### CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2006

In the first half of 2006, **Group sales** totalled **€ 417.8 million, an increase of 14.8%** (+12.2% at constant exchange rates).

The overall change in consolidated sales resulted from **organic growth of 2.5%** and a positive exchange rate effect of 2.6%. **External growth**, which came in at **9.8%**, was driven by recent acquisitions (Glen Grant Scotch whisky and Teruzzi & Puthod wines) and third-party brands covered by new distribution agreements (C&C's spirits portfolio on the US and Brazilian markets, Jack Daniel's and other Brown-Forman brands on the Italian market and Midori liqueur and Martin Miller's gin on the US market).

**Trading profit increased by 7.3%** to € 115.3 million (+5.2% at constant exchange rates), or 27.6% of sales. Organic growth accounted for 2.0%, external growth for 3.2% and positive exchange rate effects for 2.1%.

**EBITDA before one-off's increased by 6.6%** (+4.8% at constant exchange rates) to € 95.3 million, or 22.8% of sales.

**EBITDA rose by 3.5%** (+1.7% at constant exchange rates) to € 95.2 million, or 22.8% of sales.

**EBIT before one-off's went up by 6.2%** (+4.4% at constant exchange rates) to € 86.0 million, or 20.6% of sales.

**EBIT increased by 2.8%** (+1.0% at constant exchange rates) to € 85.9 million, or 20.6% of sales.

With regard to **depreciation and amortisation**, please note that following the adoption of IAS / IFRS, the amortisation of intangible assets no longer includes goodwill and trademark amortisation.

**Profit before tax and minority interests** was € 80.4 million, an **increase of 2.3%** (+0.4% at constant exchange rates).

**Net profit attributable to the Group** was € 55.5 million, a **rise** of 4.0% (+2.0% at constant exchange rates).

**Shareholders' equity** was € 725.1 million at 30 June 2006.

At 30 June 2006, **net debt** stood at € 479.5 million (€ 371.4 million at 31 December 2005). On 15 March 2006, the Campari Group completed the acquisition of the Glen Grant, Old Smuggler and Braemar Scotch whisky brands and related assets, for a cash consideration of € 128.9 million. The acquisition was financed by bank debt.

### CONSOLIDATED SALES IN THE FIRST HALF OF 2006

The **spirits segment**, which accounts for 70.2% of sales, recorded **growth of 20.6%**, the combined result of **organic growth of 3.7%**, a positive exchange rate effect of 3.7% and **external growth of 13.3%**. External growth was driven by the newly acquired Glen Grant, Old Smuggler and Braemar Scotch whiskies and by new distribution agreements, notably for C&C's spirits portfolio on the US and Brazilian markets, Jack Daniel's whisky on the Italian market and Midori liqueur on the US market. **Campari brand sales dipped by 6.7%** at constant exchange rates (-4.6% at actual exchange rates), because of a slowdown in sales in the second quarter, as stocks were reduced in view of the introduction of new packaging. Sales of **SKYY Vodka rose by 12.9%** at constant exchange rates (+17.9% at actual exchange rates), thanks to a positive performance on both the US (+12.3% at constant exchange rates) and international markets (+17.9%). Regarding the other main brands, the spirits segment benefited from strong performances from **Aperol (+23.2%)**, **Ouzo 12 (+13.8%)** and **Brazilian brands (+10.4% at constant exchange rates)**, while **Campari Soda** and **Cynar** put in negative first-half performances (-1.7% and -12.9% respectively at constant exchange rates). Of the brands under licence, **Scotch whiskies (+12.6%** at constant exchange rates), **1800 tequila (+9.2%** at constant exchange rates) and **Jägermeister (+5.3%** at constant exchange rates) performed well.

The **wines segment**, which contributed 11.4% of sales, registered **growth of 3.9%**, due to the combination of **negative organic growth of 0.8%**, a positive exchange rate effect of 0.8% and **external growth of 3.9%**, generated by the newly-acquired Teruzzi & Puthod. The segment's positive performance was driven by **Cinzano sparkling wines (15.7%)** and **Sella & Mosca wines (+3.5%)**, while **Cinzano vermouth** registered a decline of **9.1%** at constant exchange rates. As for the Group's other brands, **Mondoro** registered sales growth, but **Riccadonna** suffered a decline in sales.

**Sales of soft drinks**, which came in at 17.2% of sales and were generated almost entirely on the Italian market, show a positive performance by **Crodino (+3.3%)** and the third-party brand **Lipton Ice Tea (+1.4%)**. Sales of the carbonated soft drinks dropped by 3.4%.

Looking now at results **by region**, first-half sales on the **Italian market**, which account for 46.5% of sales, recorded an **increase of 4.6%**. Italian sales were boosted by external growth of **4.8%**, deriving mainly from Glen Grant and the distribution of Jack Daniel's and the other Brown-Forman brands (since May 2005); organic sales growth was **negative** at **0.2%**. Sales in **Europe** (16.6% of consolidated sales) **grew by 7.9%**, entirely due to **external growth (+9.1%)** mainly generated by the new brands Glen Grant and Teruzzi & Puthod. In the Americas, which account for 32.9% of total sales, the **US market** registered **organic growth of 10.5%**, **external growth of 28.0%** and a positive exchange rate effect of 5.1%. In **Brazil**, sales registered **organic growth of 3.7%** at constant exchange rates and a positive exchange rate effect of 23.4%. External growth was a negative 0.9%. Sales in the **rest of the world** (including duty free sales), which account for 4.0% of total sales, **grew by 14.0%** in total, driven by **organic growth of 9.4%**.

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#### **CONFERENCE CALL**

Please note that at **17.00 (CET) today, Monday 11 September 2006**, Campari's management will hold a conference call to present the Group's first-half results for 2006 to analysts, investors and journalists. To participate, please dial one of the following numbers:

- **from Italy: 800 914 576 (toll free number)**
- **from abroad: +39 02 3700 8208**

The **presentation** slides can be downloaded before the conference call from the main investor relations page of Campari's website, at [www.campari.com/investors](http://www.campari.com/investors).

A **recording of the conference call** will be available from 21.00 (CET) on Monday 11 September until 21.00 (CET) on Monday 18 September. To hear it, please call **+44 1296 618 700** (access code: **631317**).

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The **Campari Group** is a major player in the global beverage sector, trading in over 190 nations around the world with a leading position in the Italian and Brazilian markets and a strong presence in the US, Germany and Switzerland. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment stand out internationally renowned brands, such as Campari, SKYY Vodka and Cynar together with leading local brands, such as Aperol, CampariSoda, Glen Grant, Ouzo 12 and Zedda Piras and the Brazilian brands Dreher, Old Eight, Drury's. In the wine segment together with Cinzano, known world-wide, are Liebfraumilch, Mondoro, Riccadonna, Sella & Mosca and Teruzzi & Puthod all respected wines in their category. In the soft drinks segment are Crodino, Lemonsoda and its respective line extension dominating the Italian market. The Group has over 1,500 employees. The shares of the parent company, Davide Campari-Milano, are listed on the Italian Stock Exchange.

#### **FOR FURTHER INFORMATION:**

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## GRUPPO CAMPARI

### Consolidated net revenues by segment

	1 January- 30 June 2006		1 January- 30 June 2005		Change
	€million	%	€million	%	%
<i>Spirits</i>	293.2	70.2%	243.1	66.8%	<b>20.6%</b>
<i>Wines</i>	47.5	11.4%	45.8	12.6%	<b>3.9%</b>
<i>Soft drinks</i>	71.9	17.2%	71.8	19.7%	<b>0.2%</b>
Other revenues	5.1	1.2%	3.2	0.9%	<b>61.1%</b>
<b>Total</b>	<b>417.8</b>	<b>100.0%</b>	<b>363.9</b>	<b>100.0%</b>	<b>14,8%</b>

### Consolidated net revenues by geographic area

	1 January- 30 June 2006		1 January- 30 June 2005		Change
	€million	%	€million	%	%
Italy	194.2	46.5%	185.6	51.0%	<b>4.6%</b>
Europe	69.5	16.6%	64.4	17.7%	<b>7.9%</b>
Americas	137.5	32.9%	99.3	27.3%	<b>38.5%</b>
Rest of the world and <i>duty free</i>	16.6	4.0%	14.5	4.0%	<b>14.0%</b>
<b>Total</b>	<b>417.8</b>	<b>100.0%</b>	<b>363.9</b>	<b>100.0%</b>	<b>14.8%</b>

### Consolidated income statement

	1 January- 30 June 2006		1 January- 30 June 2005		Change
	€million	%	€million	%	%
<b>Net sales</b> <sup>(1)</sup>	<b>417.8</b>	<b>100.0%</b>	<b>363.9</b>	<b>100.0%</b>	<b>14.8%</b>
Total cost of goods sold	(181.6)	-43.5%	(150.3)	-41.3%	20.8%
<b>Gross margin</b>	<b>236.3</b>	<b>56.5%</b>	<b>213.6</b>	<b>58.7%</b>	<b>10.6%</b>
Advertising and promotion	(70.9)	-17.0%	(62.9)	-17.3%	12.8%
Selling and distribution expenses	(50.0)	-12.0%	(43.2)	-11.9%	15.7%
<b>Trading profit</b>	<b>115.3</b>	<b>27.6%</b>	<b>107.5</b>	<b>29.5%</b>	<b>7.3%</b>
General and administrative expenses and other net operating income	(29.4)	-7.0%	(26.5)	-7.3%	10.8%
<b>EBIT before one-off's</b>	<b>86.0</b>	<b>20.6%</b>	<b>81.0</b>	<b>22.3%</b>	<b>6.2%</b>
One-off's	(0.1)	0.0%	2.6	0.7%	-102.9%
<b>Operating profit = EBIT</b>	<b>85.9</b>	<b>20.6%</b>	<b>83.6</b>	<b>23.0%</b>	<b>2.8%</b>
Net financial income (expenses)	(5.5)	-1.3%	(4.7)	-1.3%	16.2%
Income from associates	(0.0)	0.0%	(0.2)	-0.1%	-92.7%
<b>Pre-tax profit before minority interests</b>	<b>80.4</b>	<b>19.2%</b>	<b>78.6</b>	<b>21.6%</b>	<b>2.3%</b>
Taxes	(22.5)	-5.4%	(23.4)	-6.4%	-3.7%
<b>Net profit before minority Interests</b>	<b>57.9</b>	<b>13.9%</b>	<b>55.2</b>	<b>15.2%</b>	<b>4.8%</b>
Minority interests	(2.3)	-0.6%	(1.8)	-0.5%	28.4%
<b>Group's net profit</b>	<b>55.5</b>	<b>13.3%</b>	<b>53.4</b>	<b>14.7%</b>	<b>4.0%</b>
Depreciation & Amortization	(9.3)	-2.2%	(8.5)	-2.3%	10.4%
<b>EBITDA before one-off's</b>	<b>95.3</b>	<b>22.8%</b>	<b>89.4</b>	<b>24.6%</b>	<b>6.6%</b>
<b>EBITDA</b>	<b>95.2</b>	<b>22.8%</b>	<b>92.0</b>	<b>25.3%</b>	<b>3.5%</b>

(1) Net of discounts and excise duties.

## GRUPPO CAMPARI

### Consolidated balance sheet

	30 June 2006 €million	31 December 2005 €million
<b>ASSETS</b>		
<b>Non-current assets</b>		
Net tangible fixed assets	156.5	152.5
Biological assets	14.4	13.5
Property	4.6	4.6
Goodwill and trademarks	839.0	750.6
Intangible assets	3.7	3.8
Interests in associates	0.6	0.6
Pre-paid taxes	16.7	16.5
Other non-current assets	6.4	11.1
<b>Total non-current assets</b>	<b>1,041.8</b>	<b>953.2</b>
<b>Current assets</b>		
Inventories	187.0	135.3
Trade receivables	229.2	237.4
Short-term financial receivables	2.8	3.2
Cash, bank and securities	361.0	247.5
Other receivables	22.6	24.2
<b>Total current assets</b>	<b>802.5</b>	<b>647.6</b>
Non-current assets for sale	0.1	0.1
<b>Total assets</b>	<b>1,844.4</b>	<b>1,600.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	29.0	29.0
Reserves	693.9	664.5
Group's shareholders' equity	722.9	693.6
Minority interests	2.2	2.2
<b>Total shareholders' equity</b>	<b>725.1</b>	<b>695.8</b>
<b>Non-current liabilities</b>		
Bonds	335.8	374.6
Other non-current financial payables	138.0	122.8
Staff severance funds	14.4	14.3
Risks funds	6.4	10.1
Deferred tax	45.6	43.3
<b>Total non-current liabilities</b>	<b>540.3</b>	<b>565.1</b>
<b>Current liabilities</b>		
Banks loan	353.5	112.8
Other financial payables	16.2	17.2
Trade payables	147.0	150.2
Payables to tax authorities	29.2	25.1
Other current liabilities	33.2	34.8
<b>Total current liabilities</b>	<b>579.1</b>	<b>340.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,844.4</b>	<b>1,600.9</b>

## GRUPPO CAMPARI

### Consolidated cash flow statement

	30 June 2006 €million	30 June 2005 €million
Net profit	55.5	53.4
Amortisation and other non-cash items	10.2	14.4
Net change in tax payables and receivables and other non financial assets and liabilities	2.1	8.8
<b>Cash flow from operating activities before change in operating working capital</b>	<b>67.8</b>	<b>76.6</b>
Net change in operating working capital	(27.3)	(29.3)
<b>Cash flow from operating activities</b>	<b>40.5</b>	<b>47.3</b>
<b>Cash flow from investing activities</b>	<b>(9.5)</b>	<b>(7.4)</b>
<b>Free cash flow</b>	<b>30.9</b>	<b>39.9</b>
Acquisitions and changes in perimeter	(128.9)	(118.2)
Other changes	(0.1)	0.5
Dividends paid	(28.1)	(28.1)
<b>Cash flow from other activities</b>	<b>(157.1)</b>	<b>(145.8)</b>
Other exchange rate differences and other movements	18.1	(19.9)
<b>Net increase (decrease) in net financial position</b>	<b>(108.1)</b>	<b>(125.8)</b>
Net financial position at start of period	(371.4)	(230.0)
Net financial position at end of period	(479.5)	(355.8)

## DAVIDE CAMPARI-MILANO S.p.A.

### Parent company income statement

	1 January - 30 June 2006 € million	1 January - 30 June 2005 € million
<b>Net sales</b>	<b>113.9</b>	<b>111.1</b>
Total cost of goods sold	(85.3)	(80.2)
<b>Gross margin</b>	<b>28.6</b>	<b>30.9</b>
Advertising and promotion	(3.8)	(3.2)
Selling and distribution expenses	(3.4)	(2.1)
<b>Trading profit</b>	<b>21.4</b>	<b>25.6</b>
General and administrative expenses and other net operating income	(11.0)	(9.6)
One-off's	0.0	0.0
<b>Operating profit</b>	<b>10.3</b>	<b>16.0</b>
Income from associates	35.4	26.3
Net financial income (expenses)	(6.6)	(5.4)
<b>Pretax profit</b>	<b>39.1</b>	<b>36.9</b>
Taxes	(2.7)	(4.1)
<b>Net profit</b>	<b>36.4</b>	<b>32.9</b>

### Parent company balance sheet

	30 June 2006 € million	31 December 2005 € million
Total non current assets	1,002.1	872.8
Total current assets	286.5	262.6
<b>Total assets</b>	<b>1,288.7</b>	<b>1,135.4</b>
Total shareholders' equity	456.9	447.3
Total non current liabilities	295.9	298.3
Total current liabilities	535.9	389.8
<b>Total liabilities and shareholders' equity</b>	<b>1,288.7</b>	<b>1,135.4</b>

### Parent company cash flow

	30 June 2006 € million	30 June 2005 € million
Net profit	39.1	37.0
Adjustments to reconcile net profit with cash flow from operations	0.7	6.5
Changes in operating assets and liabilities	3.5	8.1
Cash flow from operations	43.3	51.6
Cash flow from investments	(134.9)	(3.9)
Cash flow used by financial operations	95.2	(11.3)
Increase (decrease) in cash and banks	3.7	36.4
Cash and banks at start of financial year	<b>102.0</b>	<b>55.7</b>
Cash and banks at end of financial year	<b>105.7</b>	<b>92.2</b>