



PRESS RELEASE

2006 FULL-YEAR RESULTS

Net sales: € 932.4 million (+15.1%)

EBITDA before one off's: € 210.6 million (+7.1%), 22.6% of net sales

EBIT before one off's: € 191.4 million (+6.8%), 20.5% of net sales

Group net profit: € 117.1 million

Enzo Visone, Chief Executive Officer, said: "In 2006 the results we achieved were positive and in line with our objectives. Going forward, we remain confident on a positive performance of our business."

Milan, 20 March 2007 - The Board of Directors of Davide Campari-Milano S.p.A. has approved the consolidated annual results for 2006. The Campari Group's 2006 results were positive, thanks to recent acquisitions (Glen Grant Old Smuggler and Braemar and Teruzzi & Puthod), the distribution of new brands (Jack Daniel's, the C&C portfolio and Midori) and organic growth.

Consolidated results	1 January - 31 December 2006 € million	1 January - 31 December 2005 € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	932.4	809.9	15.1%	14.4%
Trading profit	256.9	234.8	9.4%	8.8%
EBITDA before one-off's	210.6	196.6	7.1%	6.8%
EBITDA	209.7	201.3	4.2%	3.9%
EBIT before one-off's	191.4	179.1	6.8%	6.5%
EBIT	190.5	183.9	3.6%	3.3%
Group net profit	117.1	118.0	-0.8%	-1.4%

CONSOLIDATED RESULTS FOR 2006

In 2006, **Group sales** totalled **€ 932.4 million, an increase of 15.1%** (+14.4% at constant exchange rates).

The overall change in consolidated sales resulted from an **organic growth of 4.6%** and a positive exchange rate effect of 0.7%. **External growth**, which came in at **9.9%**, was driven by recent acquisitions (Glen Grant Scotch Old Smuggler and Braemar whiskies and Teruzzi & Puthod wines) and sales of third-party brands covered by new distribution agreements (the spirits portfolio of the C&C Group on the US and Brazilian markets, Midori liqueur on the US market and Jack Daniel's and other Brown-Forman brands on the Italian market).

Trading profit increased by 9.4% to € 256.9 million (+8.8% at constant exchange rates), or 27.6% of sales. Organic growth accounted for 4.0% and external growth for 4.9%, while positive exchange rate effects contributed 0.6%.

EBITDA before one-off's increased by 7.1% (+6.8% at constant exchange rates) to € 210.6 million, or 22.6% of sales.

EBITDA rose by 4.2% (+3.9% at constant exchange rates) to € 209.7 million, or 22.5% of sales.

EBIT before one-off's went up by 6.8% (+6.5% at constant exchange rates) to € 191.4 million, or 20.5% of sales.

EBIT increased by 3.6% (+3.3% at constant exchange rates) to € 190.5 million, or 20.4% of sales.

Profit before tax and minority interests was € 175.5 million, an **increase of 0.7%**.

Group net profit was € 117.1 million, a fall of 0.8% (-1.4% at constant exchange rates).

As of 31 December 2006, **net debt** stood at € 379.5 million (€ 371.4 million as of 31 December 2005). Note that 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 around € 130 million. The acquisition was financed by bank debt.

On 2 November 2006, the purchase of the remaining 11% of Skyy Spirits, LLC that the Group did not already own was completed at a cost of around € 49 million, paid in cash and financed by bank debt (Skyy Spirits, LLC is now therefore 100% owned by the Group). Note that the debt figure at 31 December 2005 already included borrowings of € 45.5 million relating to the put option on the remaining shares in Skyy Spirits, LLC.

CONSOLIDATED SALES IN 2006

The **spirits segment** (70.5% of total sales) recorded **growth of 19.1%**, the combined result of **organic growth of 5.3%**, a positive exchange rate effect of 0.9% and **external growth of 12.9%**. External growth was driven by the newly-acquired Glen Grant, Old Smuggler and Braemar Scotch whisky brands, and by new distribution agreements, notably for the spirits portfolio of the C&C Group on the US and Brazilian markets, Midori liqueur on the US market, and Jack Daniel's whisky on the Italian market. The **Campari** brand posted **growth of 1.3%** at constant exchange rates (2.6% at actual exchange rates). **SKYY** sales **rose by 12.0%** at constant exchange rates (+11.3% at actual exchange rates), thanks to a positive performance on both the US (+10.8% at constant exchange rates) and international markets (up by more than 20%). Regarding the other main brands, the spirits segment benefited from strong performances from **Aperol (+19.9%)**, **Ouzo 12 (+10.3%)** and the **Brazilian brands (+8.6%** at constant exchange rates), while **CampariSoda** and **Cynar** closed out 2006 with negative performances (-0.1% and -12.3% at constant exchange rates respectively). Of the brands under licence, **1800 Tequila** performed well (+15.7% at constant exchange rates) while **Scotch whisky** was in line with previous year (+0.2% at constant exchange rates).

The **wines segment**, which contributed 14.5% of total sales, registered **growth of 7.8%**, due to the combination of **organic growth of 3.9%**, a positive exchange rate effect of 0.3% and **external growth of 3.6%**, generated by the newly-acquired Teruzzi & Puthod. The segment's positive performance was driven by **Cinzano sparkling wines (+13.6%** at constant exchange rates) and **Cinzano vermouth (+4.2%** at constant exchange rates). As for the Group's other brands, **Mondoro** registered sales growth, but **Sella & Mosca** and **Riccadonna** suffered a decline in sales.

Sales of soft drinks (13.7% of total sales), which are generated almost entirely on the Italian market, show a positive performance by **Crodino (+1.9%)** and carbonated drinks (+1.6%). **Growth for Lipton Ice Tea was 6.9%**; it should be noted that the contract for distribution of this third-party brand ended in December 2006.

Looking now at results **by region**, sales on the **Italian market** (43.1% of total Group sales) recorded an **increase of 5.2%** in 2006. Italian sales were boosted by external growth of **+4.6%**, thanks to both newly-acquired brands (Glen Grant and Teruzzi & Puthod) and new distribution agreements (Jack Daniel's and the other Brown-Forman brands); organic sales growth was **0.6%**. Sales in **Europe** (18.8% of consolidated sales) **grew by 15.5%**, due to a combination of **external growth of 11.2%** (mainly generated by the new brands Glen Grant and Teruzzi & Puthod) and **organic growth of 4.4%**. In the Americas (33.7% of total sales), the **US market** registered **organic growth of 11.7%**, **external growth of 26.8%** and a negative exchange rate effect of 1.0%. In **Brazil**, sales registered **organic growth of 5.4%** at constant exchange rates. The exchange rate effect was positive at 11.4%, while external growth was a negative 2.7%. Sales in the **rest of the world** (including duty

free sales), which accounted for 4.4% of total sales, **grew by 18.5%** overall, driven by **organic growth of 15.4%**.

Enzo Visone, Chief Executive Officer, said: "In 2006 the results we achieved were positive and in line with our objectives. Going forward, we remain confident on a positive performance of our business."

OTHER RESOLUTIONS

Dividend. The Board of Directors has voted to propose a **dividend of € 0.10 per share** to the Shareholders' meeting scheduled for 24 April 2007. This is unchanged from the previous year. The dividend will be paid on 4 May 2007 (coupon no. 3 to be detached on 30 April 2007) except on own shares.

Own shares. The Board of Directors has approved the report to be presented to the Shareholders' meeting relating to the resolution to authorise the purchase and/or sale of own shares, mainly to be used to service the stock option plans. The authorisation concerns the purchase and/or sale of shares, which including existing own shares, will not exceed a maximum of 10% of the share capital. As of today's date, the proportion of own shares held is close to zero. The authorisation will remain valid until 30 June 2008. The unit price for the purchase and/or sale of own shares will not differ by more than 25% (whether higher or lower) from the weighted average closing price in the three stock market trading sessions prior to each transaction.

Merger of Glen Grant S.r.l. into Davide Campari-Milano S.p.A. On 20 March 2007 the Board of Directors of Davide Campari-Milano S.p.A. has approved the merger of Glen Grant S.r.l. into Davide Campari-Milano S.p.A. The purpose of this transaction is to rationalise the Group's organisational structure.

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CONFERENCE CALL

Please note that at **17.00 (CET) today, Tuesday 20 March 2007**, Campari's management will hold a conference call to present the Group's 2006 full year results 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 on Campari's website, at www.camparigroup.com/investors.

A **recording of the conference call** will be available from 21.00 (CET) on Tuesday 20 March until 21.00 (CET) on Tuesday 27 March 2007. To hear it, please call **+44 20 736 584 27** (access code: **123487**).

PRESENTATION OF 2006 RESULTS TO THE FINANCIAL COMMUNITY AND THE PRESS

Please note that at **10.00 (CET) tomorrow, Wednesday 21 March 2007**, Campari's management will present the Group's 2006 full year results to the financial community at **Four Seasons Hotel, Via Gesù 6/8 in Milan**.

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Gruppo Campari 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 - 31 December 2006		1 January - 31 December 2005		Change
	€ million	%	€ million	%	%
Spirits	657.1	70.5%	551.5	68.1%	19.1%
Wines	134.9	14.5%	125.2	15.5%	7.8%
Soft drinks	128.0	13.7%	124.9	15.4%	2.4%
Other revenues	12.4	1.3%	8.3	1.0%	49.1%
Total	932.4	100.0%	809.9	100.0%	15.1%

Consolidated net revenues by geographic area

	1 January - 31 December 2006		1 January - 31 December 2005		Change
	€ million	%	€ million	%	%
Italy	401.4	43.1%	381.5	47.1%	5.2%
Europe	175.2	18.8%	151.7	18.7%	15.5%
Americas	314.6	33.7%	242.0	29.9%	30.0%
Rest of the world and duty free	41.2	4.4%	34.8	4.3%	18.5%
Total	932.4	100.0%	809.9	100.0%	15.1%

Consolidated income statement

	1 January - 31 December 2006		1 January - 31 December 2005		Change
	€ million	%	€ million	%	%
Net sales ⁽¹⁾	932.4	100.0%	809.9	100.0%	15.1%
Total cost of goods sold	(410.2)	-44.0%	(345.1)	-42.6%	18.9%
Gross margin	522.2	56.0%	464.9	57.4%	12.3%
Advertising and promotion	(163.1)	-17.5%	(139.7)	-17.3%	16.7%
Selling and distribution expenses	(102.1)	-11.0%	(90.3)	-11.1%	13.1%
Trading profit	256.9	27.6%	234.8	29.0%	9.4%
General and administrative expenses and other net operating income	(65.5)	-7.0%	(55.7)	-6.9%	17.7%
EBIT before one-off's	191.4	20.5%	179.1	22.1%	6.8%
One-off's	(0.8)	-0.1%	4.7	0.6%	-118.0%
Operating profit = EBIT	190.5	20.4%	183.9	22.7%	3.6%
Net financial income (expenses)	(15.2)	-1.6%	(9.9)	-1.2%	53.3%
Income from associates	0.2	0.0%	0.3	0.0%	-34.8%
Pre-tax profit before minority interests	175.5	18.8%	174.2	21.5%	0.7%
Tax	(55.2)	-5.9%	(51.2)	-6.3%	7.9%
Net profit	120.3	12.9%	123.1	15.2%	-2.2%
Minority interests	(3.2)	-0.3%	(5.0)	-0.6%	-35.8%
Group's net profit	117.1	12.6%	118.0	14.6%	-0.8%
Depreciation and amortisation	(19.2)	-2.1%	(17.4)	-2.1%	10.5%
EBITDA before one-off's	210.6	22.6%	196.6	24.3%	7.1%
EBITDA	209.7	22.5%	201.3	24.8%	4.2%

(1) Net of discounts and excise duties.

GRUPPO CAMPARI

Consolidated balance sheet

	31 December 2006 € million	31 December 2005 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	146.3	152.5
Biological assets	15.0	13.5
Property	4.0	4.6
Goodwill and trademarks	816.4	750.6
Intangible assets	4.1	3.8
Interests in associates	0.5	0.6
Pre-paid taxes	18.5	16.5
Other non-current assets	7.7	11.1
Total non-current assets	1,012.6	953.2
Current assets		
Inventories	169.9	135.3
Trade receivables	257.1	237.4
Short-term financial receivables	1.0	3.2
Cash, bank and securities	240.3	247.5
Other receivables	41.3	24.2
Total current assets	709.6	647.6
Non-current assets for sale	3.9	0.1
Total assets	1,726.1	1,600.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	29.0	29.0
Reserves	766.8	664.5
Group's shareholders' equity	795.9	693.6
Minority interests	1.9	2.2
Total shareholders' equity	797.8	695.8
Non-current liabilities		
Bonds	322.7	374.6
Other non-current financial payables	70.1	122.8
Staff severance funds	12.6	14.3
Risks funds	10.9	10.1
Deferred tax	56.1	43.3
Total non-current liabilities	472.5	565.1
Current liabilities		
Banks loan	210.4	112.8
Other financial payables	20.5	17.2
Trade payables	161.9	150.2
Payables to tax authorities	26.7	25.1
Other current liabilities	36.3	34.8
Total current liabilities	455.8	340.0
Total liabilities and shareholders' equity	1,726.1	1,600.9

GRUPPO CAMPARI

Consolidated cash flow statement

	31 December 2006	31 December 2005
	€ million	€ million
Net profit	117.1	118.0
Amortisation and other non-cash items	22.6	26.8
Net change in tax payables and receivables and other non financial assets and liabilities	(1.9)	2.6
Cash flow from operating activities before change in operating net working capital	137.7	147.4
Change in operating net working capital	(25.5)	(50.2)
Cash flow from operating activities	112.2	97.1
Cash flow from investing activities	(18.8)	(15.0)
Free cash flow	93.4	82.1
Acquisitions and changes in perimeter	(179.4)	(130.7)
Other changes	32.9	2.1
Dividends paid	(28.1)	(28.1)
Cash flow from other activities	(174.7)	(156.7)
Other exchange rate differences and other movements	27.6	(24.6)
Net increase (decrease) in net financial position relating to activities	(53.6)	(99.2)
Debt for exercise of put option on stakes in Skyy Spirits, LLC	45.5	(45.5)
Net increase (decrease) in net financial position	(8.1)	(144.8)
Net financial position at start of period	(371.4)	(226.7)
Net financial position at end of period	(379.5)	(371.4)

DAVIDE CAMPARI-MILANO S.p.A.

Parent company income statement

	1 January - 31 December 2006 € million
Net sales	296,4
Total cost of goods sold	(225,3)
Gross margin	71,0
Advertising and promotion	(4,5)
Selling and distribution expenses	(8,4)
Trading profit	58,1
General and administrative expenses and other net operating income	(26,9)
One-off's	1,2
Operating profit	32,4
Dividends	112,4
Net financial income (expenses)	(15,0)
Pretax profit	129,8
Taxes	(10,2)
Net profit	119,6

Parent company balance sheet

	31 December 2006 € million
Total non current assets	1.088,9
Total current assets	208,5
Total assets	1.297,4
Total shareholders' equity	531,2
Total non current liabilities	302,6
Total current liabilities	463,6
Total liabilities and shareholders' equity	1.297,4

Parent company cash flow

	31 December 2006 € million
Cash flow from current activities	131,2
Cash flow from operations	(16,2)
Cash flow from investments	(294,0)
Cash flow used by financial operations	85,2
Increase (decrease) in cash and banks	(93,8)
Cash and banks at start of financial year	102,0
Increase (decrease) in cash and banks	(93,8)
Cash and banks at end of financial year	8,2