



## PRESS RELEASE

### SHAREHOLDERS' MEETING OF DAVIDE CAMPARI-MILANO S.p.A.

#### 2006 results approved

#### Dividend of € 0.10 per share approved

#### New Board of Directors appointed with nine members

#### Luca Garavoglia confirmed as Chairman

Milan, 24 April 2007 - The Shareholders' meeting of Davide Campari-Milano S.p.A. today **approved the company's 2006 accounts**.

The Shareholders' meeting approved a **dividend of € 0.10 per share**, 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.

The Shareholders' meeting **appointed a new Board of Directors for the 2007 - 2009 period**, comprised of Eugenio Barcellona, Luca Garavoglia, Paolo Marchesini, Marco Perelli-Cippo, Stefano Saccardi, Enzo Visone and, qualified as independent, Enrico Corradi, Cesare Ferrero and Renato Ruggiero.

In order to ensure the Company's a more agile governance, **Directors were reduced from eleven to nine**.

The Shareholders' meeting **confirmed Luca Garavoglia as Chairman** of the Company.

Chairman Luca Garavoglia thanked the outgoing directors for their strong commitment to the Group and their very capable work during the past years.

In addition, the Shareholders' meeting **appointed the new Board of Statutory Auditors** for the 2007 - 2009 period, comprised of Antonio Ortolani, Chairman and Alberto Lazzarini and Giuseppe Pajardi, auditors.

The Shareholders' meeting also approved the extension of Auditing engagement conferred to Reconta Ernst & Young S.p.A. for the 2007 - 2009 period.

#### CONSOLIDATED RESULTS FOR 2006

As indicated on 20 March 2007, 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 slight decline 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, Gruppo Campari 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.

## **OTHER RESOLUTIONS**

**Own shares.** The Shareholders' meeting authorised 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 nil. 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.

\* \* \*

**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%
<b>Total</b>	<b>932.4</b>	<b>100.0%</b>	<b>809.9</b>	<b>100.0%</b>	<b>15.1%</b>

### 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%
<b>Total</b>	<b>932.4</b>	<b>100.0%</b>	<b>809.9</b>	<b>100.0%</b>	<b>15.1%</b>

### Consolidated income statement

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

(1) Net of discounts and excise duties.

## GRUPPO CAMPARI

### Consolidated balance sheet

	31 December 2006 € million	31 December 2005 € million
<b>ASSETS</b>		
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>1,012.6</b>	<b>953.2</b>
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>709.6</b>	<b>647.6</b>
Non-current assets for sale	3.9	0.1
<b>Total assets</b>	<b>1,726.1</b>	<b>1,600.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
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
<b>Total shareholders' equity</b>	<b>797.8</b>	<b>695.8</b>
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>472.5</b>	<b>565.1</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>455.8</b>	<b>340.0</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,726.1</b>	<b>1,600.9</b>

## 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
<b>Cash flow from operating activities before change in operating net working capital</b>	<b>137.7</b>	<b>147.4</b>
Change in operating net working capital	(25.5)	(50.2)
<b>Cash flow from operating activities</b>	<b>112.2</b>	<b>97.1</b>
<b>Cash flow from investing activities</b>	<b>(18.8)</b>	<b>(15.0)</b>
<b>Free cash flow</b>	<b>93.4</b>	<b>82.1</b>
Acquisitions and changes in perimeter	(179.4)	(130.7)
Other changes	32.9	2.1
Dividends paid	(28.1)	(28.1)
<b>Cash flow from other activities</b>	<b>(174.7)</b>	<b>(156.7)</b>
Other exchange rate differences and other movements	27.6	(24.6)
<b>Net increase (decrease) in net financial position relating to activities</b>	<b>(53.6)</b>	<b>(99.2)</b>
Debt for exercise of put option on stakes in Skyy Spirits, LLC	45.5	(45.5)
<b>Net increase (decrease) in net financial position</b>	<b>(8.1)</b>	<b>(144.8)</b>
<b>Net financial position at start of period</b>	<b>(371.4)</b>	<b>(226.7)</b>
<b>Net financial position at end of period</b>	<b>(379.5)</b>	<b>(371.4)</b>

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

### Parent company income statement

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

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### Parent company balance sheet

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

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### Parent company cash flow

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	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
<b>Increase (decrease) in cash and banks</b>	<b>(93,8)</b>
<b>Cash and banks at start of financial year</b>	<b>102,0</b>
<b>Increase (decrease) in cash and banks</b>	<b>(93,8)</b>
<b>Cash and banks at end of financial year</b>	<b>8,2</b>

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