



## PRESS RELEASE

### 2007 FIRST QUARTER RESULTS

**Very positive first quarter results, with strong growth in sales and profitability**

**Net sales € 196.6 million (+8.0%)**

**EBITDA € 46.5 million (+7.7%), 23.6% of net sales**

**EBIT € 41.7 million (+7.9%), 21.2% of net sales**

**Group pretax profit: € 37.5 million (+8.5%)**

### BOB KUNZE-CONCEWITZ APPOINTED CHIEF EXECUTIVE OFFICER

**Milan, 8 May 2007** - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the quarter ending 31 March 2007. Thanks to the extremely positive development of the business, **sales and all profit indicators showed solid growth**. Moreover, following Enzo Visone's decision to leave the Group, the Board of Directors has **appointed Bob Kunze-Concewitz as Chief Executive Officer**.

Consolidated results	1 January - 31 March 2007 € million	1 January - 31 March 2006 € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	196.6	182.1	8.0%	10.6%
Trading profit	57.7	54.3	6.3%	8.4%
EBITDA before one-off's	46.4	43.5	6.8%	9.0%
EBITDA	46.5	43.2	7.7%	9.9%
EBIT before one-off's	41.7	38.9	7.0%	9.3%
EBIT	41.7	38.6	7.9%	10.3%
Group pretax profit	37.5	34.6	8.5%	10.6%

### MANAGEMENT

Following Enzo Visone's decision to leave the Group, the Board of Directors has appointed **Bob Kunze-Concewitz** as **Chief Executive Officer** of **Gruppo Campari**.

Enzo Visone stated: *"After 20 years in Campari I felt the necessity to seek new stimuli and face new professional and entrepreneurial challenges. For this reason I have made this difficult choice that I face in full professional maturity and with a track record of excellence. I leave the Group in excellent health and good hands for I am sure that Bob Kunze-Concewitz, an international and truly capable manager, will be able to give Gruppo Campari continuity in the direction of its business and in its growth strategy, thanks also to the passion that motivates all the managers of our Group in the world."*

After expressing his regret following Enzo Visone's decision as well as great appreciation for his strong commitment and the results obtained in the past years, Chairman Luca Garavoglia said: *"Bob Kunze-Concewitz is a very young, extremely talented manager with an international outlook and high profile experiences in world class companies. At the same time, Bob is an internal choice and one of continuity that will give new and important contributions to the global expansion of the Group in line with our ambitious growth strategies."*

Bob Kunze-Concewitz, an Austrian native aged 40, joined Gruppo Campari in 2005 as Group Marketing Officer. In his role, he has developed and implemented new marketing strategies for most of the Group's core international brands across all markets. He graduated from a French high school and acquired his degree *cum laude* in the USA followed by an MBA in the UK. Fully fluent in five languages, he is a truly international manager with experiences in Italy, Germany, Great Britain, France, Benelux, the USA and Switzerland. Over the years he has occupied positions of increasing responsibility within Procter & Gamble Global Prestige Products division, leading to Corporate Marketing Director at global headquarters.

## CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2007

In the first quarter of 2007, Group sales totalled **€ 196.6 million**, an increase of **8.0%** (+10.6% at constant exchange rates).

The overall change in consolidated sales resulted from an **organic growth of 11.3%** and a negative exchange rate effect of 2.6%. The perimeter effect, which came in at negative **0.7%**, was negatively affected by the announced termination of the Lipton Ice Tea distribution contract on the Italian market and partially offset by Glen Grant, Old Smuggler and Braemar (whose sales started on 15 March 2006).

**Trading profit increased by 6.3%** to € 57.7 million (+8.4% at constant exchange rates), or 29.4% of sales. Organic growth accounted for 6.7% and external growth for 1.7%, while exchange rate effects negatively contributed 2.1%.

**EBITDA before one-off's increased by 6.8%** (+9.0% at constant exchange rates) to € 46.4 million, or 23.6% of sales.

**EBITDA rose by 7.7%** (+9.9% at constant exchange rates) to € 46.5 million, or 23.6% of sales.

**EBIT before one-off's went up by 7.0%** (+9.3% at constant exchange rates) to € 41.7 million, or 21.2% of sales.

**EBIT increased by 7.9%** (+10.3% at constant exchange rates) to € 41.7 million, or 21.2% of sales.

**Profit before tax and minority interests was € 37.6 million, an increase of 5.9%.**

**The Group's profit before tax was € 37.5 million, with an advance of 8.5%** (+10.6% at constant exchange rates).

As of 31 March 2007, **net debt** stood at € 303.9 million (€ 379.5million as of 31 December 2006).

## CONSOLIDATED SALES IN THE FIRST QUARTER OF 2007

The **spirits segment** (70.8% of total sales) recorded **growth of 7.9%**, the combined result of **organic growth of 8.5%**, a negative exchange rate effect of 3.6% and **external growth of 3.0%**. External growth was driven by Glen Grant, Old Smuggler and Braemar. The **Campari** brand posted **growth of 10.7%** at constant exchange rates (9.4% at actual exchange rates). **SKYY sales rose by 21.5%** at constant exchange rates (+12.4% at actual exchange rates), thanks to a very positive performance on both the US and international markets. Regarding the other main brands, the spirits segment benefited from strong performances from the **Brazilian brands (+38.4%** at constant exchange rates), **Aperol (+10.8%** at constant exchange rates), **Cynar (+18.8%** at constant exchange rates) and **Ouzo 12 (+4.2%** at constant exchange rates); **CampariSoda** closed out the first quarter with a negative performance of **14.8%**, mainly due to the tough comparison quarter on quarter (+28.6% in the first quarter of 2006). Of the brands under licence, **1800 Tequila (+1.7%** at constant exchange rates), **Jägermester (+8.9%)** and **Scotch whiskies (+12.2%** at constant exchange rates) all performed well.

The **wines segment**, which contributed 13.1% of total sales, registered **growth of 29.5%**, due to the combination of **strong organic growth of 30.1%** and a negative exchange rate effect of 0.6%. The segment's strongly positive performance was driven by **Cinzano vermouth (+70.0%** at constant exchange rates) and by **Cinzano sparkling wines (+35.8%** at constant exchange rates). The wines segment also benefited from positive performances from **Sella & Mosca (+7.8%)** and all the Group's other brands (**Mondoro, Riccadonna, Teruzzi & Puthod** and **Cantina Serafino**).

**Sales of soft drinks** (14.3% of total sales), which are generated almost entirely on the Italian market, recorded a decline of 9.3%, due to the combination of a negative perimeter effect of 20.3%, attributable to the termination of Lipton Ice Tea's sales, and an organic growth of 11.0%, driven by **Crodino (+16.7%)** and of the **Lemonsoda** range and other carbonated drinks **(+8.2%)**.

Looking at results **by region**, sales on the **Italian market** (48.3% of total Group sales) recorded an **increase of 2.7%**, due to the combination of a positive organic growth **(+8.2%)** and a negative perimeter effect (-5.5%), attributable to Lipton Ice Tea. Sales in **Europe** (18.7% of consolidated sales) **grew by 32.1%**, boosted by both **external growth of 12.1%** and an **organic sales growth of 20.3%**, thanks to positive performances from important markets such as Germany and Russia. In the Americas (29.1% of total sales), the **US market** registered **organic growth of 9.4%**, a **negative exchange rate effect of 9.0%** and **external growth of 1.1%**. In **Brazil**, sales registered **organic growth of 27.6%** at constant exchange rates. The exchange rate effect was negative at 5.7% and the perimeter effect was a negative 0.2%. Sales in the **rest of the world** (including duty free sales), which accounted for 3.9% of total sales, **grew by 12.9%** overall, driven by **organic growth of 14.9%**.

#### **OTHER RESOLUTIONS**

**Merger of Glen Grant S.r.l. into Davide Campari-Milano S.p.A.** The Board of Directors of Davide Campari-Milano S.p.A. 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.

**Independent directors.** The Board of Directors of Davide Campari-Milano S.p.A. has determined that, based on the information provided by the ones concerned, three directors are independent pursuant to Art. 3.1 of Corporate Governance Code and Art. 148 of Consolidated Law on Financial Intermediation.

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#### **CONFERENCE CALL**

Please note that at **17.00 (CET) today, Tuesday 8 May 2007**, Campari's management will hold a conference call to present the Group's 2007 first quarter results to analysts, investors and the press. To participate, please dial one of the following numbers:

- **from Italy: 800 785 163 (toll free number)**
- **from abroad: +39 02 6968 2741**

**Access code: C132971**

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

A **recording of the conference call** will be available from 21.00 (CET) on Tuesday 8 May until 21.00 (CET) on Tuesday 15 May 2007.

To hear it, please call **+44 20 713 69233** (access code: **25772275 #**).

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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 March 2007		1 January - 31 March 2006		Change %
	€ million	%	€ million	%	
Spirits	139.2	70.8%	129.0	70.9%	7.9%
Wines	25.7	13.1%	19.8	10.9%	29.5%
Soft drinks	28.1	14.3%	31.0	17.0%	-9.3%
Other revenues	3.6	1.8%	2.2	1.2%	61.6%
<b>Total</b>	<b>196.6</b>	<b>100.0%</b>	<b>182.1</b>	<b>100.0%</b>	<b>8.0%</b>

### Consolidated net revenues by geographic area

	1 January - 31 March 2007		1 January - 31 March 2006		Change %
	€ million	%	€ million	%	
Italy	95.0	48.3%	92.5	50.8%	2.7%
Europe	36.7	18.7%	27.8	15.2%	32.1%
Americas	57.3	29.1%	55.0	30.2%	4.1%
Rest of the world and duty free	7.6	3.9%	6.8	3.7%	12.9%
<b>Total</b>	<b>196.6</b>	<b>100.0%</b>	<b>182.1</b>	<b>100.0%</b>	<b>8.0%</b>

### Consolidated income statement

	1 January - 31 March 2007		1 January - 31 March 2006		Change %
	€ million	%	€ million	%	
<b>Net sales</b> <sup>(1)</sup>	<b>196.6</b>	<b>100.0%</b>	<b>182.1</b>	<b>100.0%</b>	<b>8.0%</b>
Total cost of goods sold	(81.7)	-41.6%	(78.4)	-43.1%	4.3%
<b>Gross margin</b>	<b>114.8</b>	<b>58.4%</b>	<b>103.7</b>	<b>56.9%</b>	<b>10.8%</b>
Advertising and promotion	(31.8)	-16.2%	(25.4)	-14.0%	25.0%
Selling and distribution expenses	(25.3)	-12.9%	(24.0)	-13.2%	5.7%
<b>Trading profit</b>	<b>57.7</b>	<b>29.4%</b>	<b>54.3</b>	<b>29.8%</b>	<b>6.3%</b>
General and administrative expenses and other net operating income	(16.0)	-8.2%	(15.3)	-8.4%	4.6%
<b>EBIT before one-off's</b>	<b>41.7</b>	<b>21.2%</b>	<b>38.9</b>	<b>21.4%</b>	<b>7.0%</b>
One off's	0.0	0.0%	(0.3)	-0.2%	-115.0%
<b>Operating profit = EBIT</b>	<b>41.7</b>	<b>21.2%</b>	<b>38.6</b>	<b>21.2%</b>	<b>7.9%</b>
Net financial income (expenses)	(4.2)	-2.1%	(3.0)	-1.6%	41.5%
Income from associates	0.0	0.0%	(0.2)	-0.1%	-121.1%
<b>Pre-tax profit before minority interests</b>	<b>37.6</b>	<b>19.1%</b>	<b>35.5</b>	<b>19.5%</b>	<b>5.9%</b>
Minority interests	(0.0)	0.0%	(0.9)	-0.5%	-95.7%
<b>Group's pre-tax profit</b>	<b>37.5</b>	<b>19.1%</b>	<b>34.6</b>	<b>19.0%</b>	<b>8.5%</b>
Depreciation and amortisation	(4.8)	-2.4%	(4.5)	-2.5%	5.3%
<b>EBITDA before one-off's</b>	<b>46.4</b>	<b>23.6%</b>	<b>43.5</b>	<b>23.9%</b>	<b>6.8%</b>
<b>EBITDA</b>	<b>46.5</b>	<b>23.6%</b>	<b>43.2</b>	<b>23.7%</b>	<b>7.7%</b>

(1) Net of discounts and excise duties.