



## PRESS RELEASE

### 2007 RESULTS

**Sales: €957.5 million (+2.7%)**

**Organic sales growth: +7.1%**

**EBITDA before one off's: €223.0 million (+5.9%), 23.3% of sales**

**EBIT before one off's: €203.4 million (+6.3%), 21.2% of sales**

**Group net profit: €125.2 million (+6.9%)**

**Excellent cash flow generation from operating activities: €169.9 million**

**Proposed dividend: €0.11 per share (+10%)**

**Bob Kunze-Concewitz, Chief Executive Officer: "2007 was a highly successful year, with accelerating organic growth, improved marginality and excellent cash flow generation. Looking forward, we expect our businesses to maintain its positive evolution"**

**Milan, 18 March 2008** - The Board of Directors of Davide Campari-Milano S.p.A. approved the consolidated annual results as of 31 December 2007.

Consolidated results	1 January - 31 December 2007 €million	1 January - 31 December 2006 €million	Change at actual exchange rates	Change at constant exchange rates
Net sales	957.5	932.4	2.7%	4.9%
Trading profit	270.6	256.9	5.3%	7.8%
EBITDA before one-off's	223.0	210.6	5.9%	8.6%
EBITDA	220.1	209.7	4.9%	7.6%
EBIT before one-off's	203.4	191.4	6.3%	9.2%
EBIT	200.6	190.5	5.3%	8.2%
Group net profit	125.2	117.1	6.9%	9.1%

### CONSOLIDATED RESULTS FOR 2007

In 2007, Group sales totalled **€957.5 million**, an **increase of 2.7% (+4.9% at constant exchange rates)**.

The overall change in sales resulted from an **organic growth of 7.1%**, a negative exchange rate effect of 2.2% and a negative perimeter effect of 2.2%. The last was due to the announced termination of the Lipton Ice Tea distribution contract on the Italian market, in part offset by **Glen Grant and Old Smuggler** (whose sales started on 15 March 2006) and the newly acquired **X-Rated brands** (whose sales started on 1 August 2007).

**Trading profit increased by 5.3%** to €270.6 million (**+7.8% at constant exchange rates**), or 28.3% of sales. **Organic growth** accounted for **7.1%** and **external growth for 0.7%**, while **exchange rate effects negatively contributed 2.5%**.

**EBITDA before one-off's increased by 5.9% (+8.6% at constant exchange rates) to € 223.0 million, or 23.3% of sales.**

**EBITDA rose by 4.9% (+7.6% at constant exchange rates) to €220.1 million, or 23.0% of sales.**

**EBIT before one-off's went up by 6.3% (+9.2% at constant exchange rates) to €203.4 million, or 21.2% of sales.**

**EBIT increased by 5.3% (+8.2% at constant exchange rates) to € 200.6 million, or 20.9% of sales.**

**The Group's profit before tax and minority interests was € 183.3 million, an increase of 4.4% (+7.2% at constant exchange rates).**

**Group's net profit was €125.2 million, an increase of 6,9% (+9,1% at constant exchange rates).**

**Group shareholders equity as of 31 December 2007 was €878.6 million.**

As of 31 December 2007, **net debt** stood at € 288.1 million, a **decrease of €91.4 million** from 31 December 2006, **following the dividend payment** (€ 29 million paid on 4 May 2007) **and the acquisition of X-Rated** (€ 29 million), closed on 1 August 2007. This significant improvement was achieved thanks to the **very strong cash flow generation from operating activities: €169.9 million**. The **net debt to equity ratio** as of 31 December 2007 was **32.8%**.

As regards events taking place after the end of 2007, it's worth mentioning that on 2 January 2008, the Group finalised the **acquisition of a 80% stake in Cabo Wabo Tequila**, ultra premium brand in the US spirit market. The total value, paid in cash, was of **US\$ 80.8 million** (approx. € 55 million at closing's exchange rate). A more detailed disclosure of the acquisition was circulated following the announcement of the deal on 7 May 2007.

## **SALES 2007**

The **spirits segment** (71.8% of total sales) recorded **growth of 4.6%**, the combined result of **organic growth of 6.3%**, a negative exchange rate effect of 3.0% and **external growth of 1.3%** (Glen Grant, Old Smuggler and X-Rated). The **Campari** brand posted **growth of 3.5%** at constant exchange rates, thanks to a positive performance, in particular, in Brazil and Italy. **SKYY** sales **rose by 11.1%** at constant exchange rates, thanks to a positive performance on both the US and international markets. Regarding the other main brands, the spirits segment benefited from strong performances from **Aperol (+21.8%** at constant exchange rates), **Cynar (+11.9%** at constant exchange rates), the **Brazilian brands (+9.4%** at constant exchange rates), and **Ouzo 12 (+2.7%** at constant exchange rates). **CampariSoda's** sales decreased by 1,3%. **Glen Grant** and **Old Smuggler** posted growth of **22.2%** at constant perimeter and exchange rates. Regarding agency brands, **1800** and **Gran Centenario tequilas** posted a **growth of 3.1%** at constant exchange rates in USA.

The **wines segment**, which contributed 15.8% of total sales, registered **growth of 12.2%**, due to the combination of **strong organic growth of 12.5%** and a negative exchange rate effect of 0.3%. The segment's strong performance was driven by **Cinzano vermouth (+18.7%** at constant exchange rates) and by **Cinzano sparkling wines (+12.7%** at constant exchange rates). The wines segment also benefited from positive performances from **Sella & Mosca (+6.8%** at constant exchange rates) as well as **Mondoro, Riccadonna** and **Cantina Serafino**.

**Sales of soft drinks** (10.7% of total sales), which are generated almost entirely on the Italian market, recorded an **organic growth of 3.5%**, driven by strong performance of **Crodino (+6.1%)**, the **Lemonsoda** range (+1.1%) and other carbonated drinks. The overall change was negative by 20.0% due to a negative perimeter effect of 23.5%, attributable to the termination of Lipton Ice Tea sales on the Italian market.

Looking at results **by region**, in 2007 sales on the **Italian market** (41.1% of total Group sales) recorded an **organic growth of +5.2%**. The overall change was negative by 2.0%, due to a negative perimeter effect (-7.2%), attributable to Lipton Ice Tea. Sales in **Europe** (20.6% of consolidated sales) **grew by 12.8%**, boosted by **organic sales growth of 10.6%**, thanks to positive performances from markets such as Germany and Russia and **external growth of 2.6%**. In the Americas (33.7% of total sales), the **US market** registered **organic growth of 4.9%**, a negative exchange rate effect of

8.7% and **external growth of 1.7%**. In **Brazil**, sales registered **organic growth of 11.8%** and a positive exchange rate effect of 2.8%. Sales in the **rest of the world**, which accounted for 4.6% of total sales, **grew by 6.3%** overall, driven by **organic growth of 8.2%**.

## **OTHER RESOLUTIONS**

**Dividend.** The Board of Directors has voted to propose a **dividend of € 0.11 per share** to the Shareholders' meeting scheduled for 29 April 2008. This corresponds to an increase of 10% on last year's dividend of € 0,10. The dividend will be paid on 8 May 2008 (coupon no. 4 to be detached on 5 May 2008) 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 2009. 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.

### **Stock options.**

The Board of Directors has granted to 113 Group managers a total of 7.653.738 stock options, in accordance with the existing stock option plan as approved by the Shareholders' meeting. The company will disclose an information document regarding the issuance of stock options pursuant to applicable law ( art. 84-bis, Regolamento Emittenti).

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## **CONFERENCE CALL**

At **5.00 PM (CET) today, Tuesday 18 March 2008**, Gruppo Campari's management will hold a conference call to present the Group's 2007 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 69682741**

**Access code: 872710**

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

A **recording of the conference call** will be available from 10.00 PM (CET) on Tuesday 18 March until Tuesday 25 March 2008. To hear it, please call **+44 (0)207 136 9233** (access code: **70486787**).

**PRESENTATION OF 2007 RESULTS TO THE FINANCIAL COMMUNITY AND THE PRESS**

At **10.00 AM (CET) tomorrow, Wednesday 19 March 2008**, Campari's management will present the Group's 2007 results to the financial community at **Four Seasons Hotel, Via del Gesù 6/8 in Milan**.

\* \* \*

*The Manager in charge of preparing Davide Campari-Milano S.p.A.'s financial reports, Paolo Marchesini, certifies - pursuant to article 154 bis, paragraph 2 of the Consolidated Law on Financial intermediation (Legislative Decree 58/1998) - that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.*

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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, Cabo Wabo, CampariSoda, Glen Grant, Ouzo 12, Zedda Piras, X-Rated 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 2007		1 January - 31 December 2006		Change %
	€million	%	€million	%	
Spirits	687.1	71.8%	657.1	70.5%	4.6%
Wines	151.3	15.8%	134.9	14.5%	12.2%
Soft drinks	102.4	10.7%	128.0	13.7%	-20.0%
Other revenues	16.7	1.7%	12.4	1.3%	34.4%
<b>Total</b>	<b>957.5</b>	<b>100.0%</b>	<b>932.4</b>	<b>100.0%</b>	<b>2.7%</b>

### Consolidated net revenues by geographic area

	1 January - 31 December 2007		1 January - 31 December 2006		Change %
	€million	%	€million	%	
Italy	393.2	41.1%	401.4	43.1%	-2.0%
Europe	197.6	20.6%	175.2	18.8%	12.8%
Americas	322.9	33.7%	314.67	33.7%	2.6%
Rest of the world and duty free	43.8	4.6%	41.2	4.4%	6.3%
<b>Total</b>	<b>957.5</b>	<b>100.0%</b>	<b>932.4</b>	<b>100.0%</b>	<b>2.7%</b>

### Consolidated income statement

	1 January - 31 December 2007		1 January - 31 December 2006		Change %
	€million	%	€million	%	
<b>Net sales</b> <sup>(1)</sup>	<b>957.5</b>	<b>100.0%</b>	<b>932.4</b>	<b>100.0%</b>	<b>2.7%</b>
Total cost of goods sold	(407.2)	-42.5%	(410.2)	-44.0%	-0.7%
<b>Gross margin</b>	<b>550.3</b>	<b>57.5%</b>	<b>522.2</b>	<b>56.0%</b>	<b>5.4%</b>
Advertising and promotion	(174.6)	-18.2%	(163.1)	-17.5%	7.1%
Selling and distribution expenses	(105.1)	-11.0%	(102.1)	-11.0%	2.9%
<b>Trading profit</b>	<b>270.6</b>	<b>28.3%</b>	<b>256.9</b>	<b>27.6%</b>	<b>5.3%</b>
General and administrative expenses and other net operating income	(67.2)	-7.0%	(65.5)	-7.0%	2.6%
<b>EBIT before one-off's</b>	<b>203.4</b>	<b>21.2%</b>	<b>191.4</b>	<b>20.5%</b>	<b>6.3%</b>
One off's	(2.8)	-0.3%	(0.8)	-0.1%	-
<b>Operating profit = EBIT</b>	<b>200.6</b>	<b>20.9%</b>	<b>190.5</b>	<b>20.4%</b>	<b>5.3%</b>
Net financial income (expenses)	(17.0)	-1.8%	(15.2)	-1.6%	11.8%
Income from associates	(0.3)	0.0%	0.2	0.0%	-
<b>Pre-tax profit before taxes and minority interests</b>	<b>183.3</b>	<b>19.1%</b>	<b>175.5</b>	<b>18.8%</b>	<b>4.4%</b>
Taxes	(58.1)	-6.1%	(55.2)	-5.9%	5.2%
<b>Net profit</b>	<b>125.2</b>	<b>13.1%</b>	<b>120.3</b>	<b>12.9%</b>	<b>4.1%</b>
Minority interests	(0.0)	0.0%	(3.2)	-0.3%	-99.0%
<b>Group's net profit</b>	<b>125.2</b>	<b>13.1%</b>	<b>117.1</b>	<b>12.6%</b>	<b>6.9%</b>
Depreciation and amortisation	(19.5)	-2.0%	(19.2)	-2.1%	1.7%
<b>EBITDA before one-off's</b>	<b>223.0</b>	<b>23.3%</b>	<b>210.6</b>	<b>22.6%</b>	<b>5.9%</b>
<b>EBITDA</b>	<b>220.1</b>	<b>23.0%</b>	<b>209.7</b>	<b>22.5%</b>	<b>4.9%</b>

(1) Net of discounts and excise duties

## GRUPPO CAMPARI

### Consolidated balance sheet

	31 December 2007 €million	31 December 2006 €million
<b>ASSETS</b>		
<b>Non-current assets</b>		
Net tangible fixed assets	155.4	146.3
Biological assets	15.9	15.0
Property	4.0	4.0
Goodwill and trademarks	812.2	816.4
Intangible assets	5.1	4.1
Interests in associates	0.6	0.5
Pre-paid taxes	15.9	18.5
Other non-current assets	10.1	7.7
<b>Total non-current assets</b>	<b>1,019.1</b>	<b>1,012.6</b>
<b>Current assets</b>		
Inventories	166.9	169.9
Trade receivables	280.0	257.1
Financial receivables	2.9	4.8
Cash and cash equivalents	199.8	239.0
Other receivables	37.1	38.8
<b>Total current assets</b>	<b>686.7</b>	<b>709.6</b>
Non-current assets for sale	2.5	3.9
<b>Total assets</b>	<b>1,708.3</b>	<b>1,726.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	29.0	29.0
Reserves	847.6	766.8
Group's shareholders' equity	876.6	795.9
Minority interests	1.9	1.9
<b>Total shareholders' equity</b>	<b>878.6</b>	<b>797.8</b>
<b>Non-current liabilities</b>		
Bonds	287.7	322.7
Other non-current financial payables	72.6	70.1
Staff severance funds	11.7	12.6
Risks funds	11.0	10.9
Deferred tax	60.7	56.1
<b>Total non-current liabilities</b>	<b>443.6</b>	<b>472.5</b>
<b>Current liabilities</b>		
Banks loan	114.4	210.4
Other financial payables	21.2	20.5
Trade payables	156.6	161.9
Payables for taxes	54.6	26.7
Other current liabilities	39.4	36.3
<b>Total current liabilities</b>	<b>386.1</b>	<b>455.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,708.3</b>	<b>1,726.1</b>

## GRUPPO CAMPARI

### Consolidated cash flow statement

	31 December 2007 €million	31 December 2006 €million
EBIT	200.6	190.5
Amortisation and depreciation	19.5	19.2
Other changes in non-cash items	(1.4)	10.8
Change in non financial assets and payables	20.0	(8.7)
Taxes on income paid	(39.5)	(37.0)
<b>Cash flow from operating activities before change in operating working capital</b>	<b>199.2</b>	<b>153.3</b>
Net change in operating working capital	(29.3)	(25.5)
<b>Cash flow from operating activities</b>	<b>169.9</b>	<b>127.8</b>
Net interest paid	(15.7)	(12.6)
<b>Cash flow from investing activities</b>	<b>(28.9)</b>	<b>(18.8)</b>
<b>Free cash flow</b>	<b>125.3</b>	<b>96.5</b>
Acquisitions	(29.3)	(179.4)
Other changes	3.0	33.1
Dividends paid	(29.0)	(28.1)
<b>Cash flow from other activities</b>	<b>(55.4)</b>	<b>(174.5)</b>
Exchange rate differences and other movements	21.5	24.4
<b>Net increase (decrease) in net financial position</b>	<b>91.4</b>	<b>(53.6)</b>
<b>Net financial position at start of period</b>	<b>(379.5)</b>	<b>(371.4)</b>
<b>Net financial position at end of period</b>	<b>(288.1)</b>	<b>(379.5)</b>

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

### Parent company income statement

	1 January - 31 December 2007 €million	1 January - 31 December 2006 €million
<b>Net sales</b>	<b>310.8</b>	<b>296.4</b>
Total cost of goods sold	(242.4)	(225.3)
<b>Gross margin</b>	<b>68.4</b>	<b>71.0</b>
Advertising and promotion	(4.9)	(4.5)
Selling and distribution expenses	(8.7)	(8.4)
<b>Trading profit</b>	<b>54.9</b>	<b>58.1</b>
General and administrative expenses and other net operating income	(25.9)	(26.9)
One-off's	(1.2)	1.2
<b>Operating profit</b>	<b>27.7</b>	<b>32.4</b>
Income from associates	30.1	112.4
Net financial income (expenses)	(27.9)	(15.0)
<b>Pretax profit</b>	<b>30.0</b>	<b>129.8</b>
Taxes	(2.5)	(10.2)
<b>Net profit</b>	<b>27.5</b>	<b>119.6</b>

### Parent company balance sheet

	31 December 2007 €million	31 December 2006 €million
Total non current assets	1,175.5	1,088.9
Total current assets	194.6	208.5
<b>Total assets</b>	<b>1,370.1</b>	<b>1,297.4</b>
Total shareholders' equity	543.7	531.2
Total non current liabilities	304.2	302.6
Total current liabilities	522.2	463.6
<b>Total liabilities and shareholders' equity</b>	<b>1,370.1</b>	<b>1,297.4</b>

### Parent company cash flow

	31 December 2007 €million	31 December 2006 €million
Cash flow from operating activities	31.1	27.5
Cash flow from investing activities	(61.3)	(182.8)
Cash flow from financing activities	28.9	61.4
Other differences and movements	0.0	0.1
Increase (decrease) in cash and banks	(1.4)	(93.8)
<b>Cash and banks at start of financial year</b>	<b>8.2</b>	<b>102.0</b>
<b>Cash and banks at end of financial year</b>	<b>6.9</b>	<b>8.2</b>