



**Campari announces solid 2008 results**  
**Organic sales growth +2.7%, net profit up +1.1%**  
**Excellent cash flow generation from operating activities: €171.5 million**

**HIGHLIGHTS:**

- **Sales: €942.3 million (-1.6%, organic growth +2.7%)**
- **EBITDA before one-offs: €218.3 million (-2.1%, organic growth +2.2%, 23.2% of sales)**
- **Group's net profit: €126.5 million (+1.1%)**
- **Cash flow from operating activities up, at €171.5 million**
- **2009 proposed dividend confirmed at 2008 level (€0.11 per share)**

**Milan, 18 March 2009** - The Board of Directors of Davide Campari-Milano S.p.A. approved the full year results for the year ending 31 December 2008.

Campari achieved a **solid performance during the full year 2008** despite the worsening economic environment. Highlights include achieving **2.7% organic sales growth** and **improved net profit** (+1.1% at actual exchange rates, +3.1% at constant exchange rates).

The Group demonstrated **excellent cash flow generation from operating activities - €171.5 million** - also thanks to **disciplined working capital management**.

**Bob Kunze-Concewitz, Chief Executive Officer:** *"In 2008 we achieved solid results in spite of a significantly worsening economic environment. We obtained positive organic growth in sales as well as in all operating profit indicators thanks to cost containment. Moreover we had excellent cash flow generation driven by disciplined working capital management. While we will maintain a cautious stance during the current year, we are positive about the company's prospects: the underlying business is healthy and the Group's key brands' consumption continues to grow and outperform market trends".*

## CONSOLIDATED RESULTS FOR 2008

Consolidated results	1 January - 31 December 2008 €million	1 January - 31 December 2007 €million	Change at constant exchange rates	Change at actual exchange rates
<b>Net sales</b>	<b>942.3</b>	<b>957.5</b>	<b>+0.1%</b>	<b>-1.6%</b>
Contribution after A&P <sup>(1)</sup>	341.2	341.5	+1.7%	-0.1%
EBITDA before one-offs	218.3	223.0	-0.1%	-2.1%
<b>EBITDA</b>	<b>214.7</b>	<b>220.1</b>	<b>-0.4%</b>	<b>-2.5%</b>
EBIT before one-offs	<b>199.0</b>	203.4	-0.1%	-2.1%
<b>EBIT</b>	<b>195.4</b>	<b>200.6</b>	<b>-0.4%</b>	<b>-2.6%</b>
<b>Group's net profit</b>	<b>126.5</b>	<b>125.2</b>	<b>+3.1%</b>	<b>+1.1%</b>

<sup>(1)</sup> EBIT before SG&A (G&A, other operating income/expenses and selling expenses), based on new P&L format introduced in 2008.

In 2008, Group sales totalled **€942.3 million** (-1.6%, **+2.7% organic growth**, **-1.6% exchange rate effect** and **-2.7% perimeter effect**, the latter due to the announced changes in the US portfolio).

**Contribution after A&P** (gross margin after distribution costs and A&P) was **€341.2 million** (-0.1%; **+2.8% organic growth**), or 36.2% of sales.

**EBITDA before one-offs** was **€218.3 million** (-2.1%; **+2.2% organic growth**), or 23.2% of sales.

EBITDA was €214.7 million (-2.5%; -0.4% at constant exchange rates).

**EBIT before one-offs** was **€199.0 million** (-2.1%; -0.1% at constant exchange rates, **+2.4% organic growth**), or 21.1% of sales.

EBIT was €195.4 million (-2.6%; -0.4% at constant exchange rates).

Profit before tax and minority interests was €172.4 million (-5.9%; -3.9% at constant exchange rates).

**The Group net profit** rose to **€126.5 million**, an **increase of 3.1% at constant exchange rates** and +1.1% at actual exchange rates.

As of 31 December 2008 **net financial debt** stood at **€326.2 million** (€288.1 million as of 31 December 2007) after provisions for potential put options and earn outs on minority stakes for €26.6 million. Before provisions net financial debt was €299.7 million (€288.1 million as of 31 December 2007).

### CONSOLIDATED SALES FOR 2008

Sales variation in **spirits** (70.5% of total sales) was -3.4%, the combined result of **organic growth of 2.4%**, an exchange rate effect of -2.0% and a perimeter effect of -3.8%.

The **Campari** brand posted **growth of 2.0%** at constant exchange rates (+1.3% at actual exchange rates). **SKYY** sales **grew by 11.1% at constant exchange rates** (+4.1% at actual exchange rates). **Aperol** confirmed its tremendous growth trend (**+13.3% at constant exchange rates**). The **Brazilian brands**, notwithstanding a positive consumption trend, were flat (-0.5% at constant exchange rates, -0.8% at actual exchange rates) driven by wholesalers de-stocking at year end. **CampariSoda** decreased by 6.3%. **Glen Grant**, despite a decline (-4.6% at constant exchange), gained market share in the whisky category in Italy.

**Wines**, which accounted for 16.7% of total sales, registered a **growth of 4.1%**, due to the combination of an **organic growth of +4.4%**, an exchange rate effect of -0.6% and a perimeter effect of +0.3%. **The segment's positive performance was driven by Cinzano vermouth (+9.5% at constant exchange rates)**, **Cinzano sparkling wines** (+1.5% at constant exchange rates) and, among the still wines, **Sella & Mosca** and **Teruzzi & Puthod**.

**Soft drinks** (10.9% of total sales) recorded a **positive change of 0.6%**, entirely attributable to **organic growth**, driven by **Crodino (+4.1%)**. While the **Lemonsoda** range was in line with the previous year, the low margin Crodo sodas and mineral water declined.

Looking at results **by region** in 2008, **Europe**, accounting for 22.6% of consolidated sales, **grew** (+7.8%, +8.3% organic growth), thanks to positive performances from Germany, Russia and other major European markets; the **Italian market** (41.1% of total Group sales) slightly declined (-1.5%). In the Americas (31.5% of total sales), the **US market** registered **organic growth of 5.9%** (eroded by an exchange rate effect of -5.4% and a perimeter effect of -11.9%); in **Brazil**, sales declined (-3.6% organic performance): the positive consumption trend was offset by a slow-down in orders also due to the impact of some changes in fiscal duties. The **rest of the world** (which includes duty free sales and accounts for 4.8% of total sales) grew (+4.0%; +5.1% organic growth).

## CONCLUSION AND OUTLOOK 2009

Campari keeps a cautious stance focusing on cost containment, working capital management and cash generation throughout the year.

The Group expects positive consumption momentum due to the strength of its portfolio brands' equities. Unless the economy deteriorates further, destocking is expected to ease during the year. Furthermore, the Group expects lower input costs from raw materials and more favourable currency exchange rates.

## OTHER RESOLUTIONS

**Dividend.** The Board of Directors has voted to propose a full year **dividend of €0.11 per share** to the Shareholders' meeting scheduled for 30 April 2009. This is unchanged from the previous year. The dividend will be paid on 21 May 2009 (coupon no. 5 to be detached on 18 May 2008) except on own shares.

**Own shares.** The Board of Directors has approved a resolution to be presented to the Shareholders' meeting authorising 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, shall not exceed a maximum of 10% of the share capital. The authorisation will remain valid until 30 June 2010. 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 approved a resolution to be presented to the Shareholders' meeting authorising a stock option plan pursuant to Art. 114-bis of the Consolidated Law on Financial Intermediation. The plan has been prepared in accordance with the stock option master plan approved by the Board of Directors of 18 March 2009 in replacement of the previous master plan of 2 May 2001. The company will disclose an information document regarding the issuance of stock options pursuant to the applicable law (Art. 84-bis, Consob Regulation no. 11971/99).

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## CONFERENCE CALL

Please note that at **17.00 (CET) today, Wednesday 18 March 2009**, Campari's management will hold a conference call to present the Group's 2008 results to analysts, investors and media. To participate, please dial one of the following numbers:

- **from Italy: 800 785 165 (toll free number)**
- **from abroad: +39 02 6968 2742**

**Access code: 518758#**

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 **Thursday 19 March** until **Thursday 26 March 2009**.

To hear it, please call **+44 20 713 69233** (access code: 33018523#).

\* \* \*

*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.*

\* \* \*

**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 USA and Continental Europe. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment its internationally renowned brands, such as Campari and SKYY Vodka, stand out. It also has leading regional brands including Aperol, Cabo Wabo, CampariSoda, Cynar, Glen Grant, Ouzo 12, X-Rated, Zedda Piras and the local Brazilian brands Dreher, Old Eight and Drury's. Its wine segment boasts the global brand Cinzano, as well as important regional brands including Liebfraumilch, Mondoro, Odessa, Riccadonna, Sella & Mosca and Teruzzi & Puthod. The soft drinks segment comprises the non-alcoholic aperitif Crodino and Lemonsoda as well as its respective line extension dominating the Italian market. The Group employs 2,000 people. The shares of the parent company, Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM), are listed on the Italian Stock Exchange. [www.camparigroup.com](http://www.camparigroup.com)

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## GRUPPO CAMPARI

### Consolidated net revenues by geographic area

	1 January - 31 December 2008		1 January - 31 December 2007		Change
	€million	%	€million	%	%
Italy	387.3	41.1%	393.2	41.1%	-1.5%
Europe	212.9	22.6%	197.6	20.6%	7.8%
Americas	296.5	31.5%	322.9	33.7%	-8.2%
Rest of the world and duty free	45.6	4.8%	43.8	4.6%	4.0%
<b>Total</b>	<b>942.3</b>	<b>100.0%</b>	<b>957.5</b>	<b>100.0%</b>	<b>-1.6%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Italy	-1.5%	-1.5%	0.0%	0.0%
Europe	7.8%	8.3%	0.0%	-0.5%
Americas	-8.2%	4.1%	-8.0%	-4.3%
Rest of the world and duty free	4.0%	5.1%	0.4%	-1.5%
<b>Total</b>	<b>-1.6%</b>	<b>2.7%</b>	<b>-2.7%</b>	<b>-1.6%</b>

### Consolidated net revenues by segment

	1 January - 31 December 2008		1 January - 31 December 2007		Change
	€million	%	€million	%	%
Spirits	663.9	70.5%	687.1	71.8%	-3.4%
Wines	157.6	16.7%	151.3	15.8%	4.1%
Soft drinks	103.0	10.9%	102.4	10.7%	0.6%
Other revenues	17.8	1.9%	16.7	1.7%	6.6%
<b>Total</b>	<b>942.3</b>	<b>100.0%</b>	<b>957.5</b>	<b>100.0%</b>	<b>-1.6%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
<i>Spirits</i>	-3.4%	2.4%	-3.8%	-2.0%
<i>Wines</i>	4.1%	4.4%	0.3%	-0.6%
<i>Soft drinks</i>	0.6%	0.6%	0.0%	0.0%
Other revenues	6.6%	14.2%	0.0%	-7.6%
<b>Total</b>	<b>-1.6%</b>	<b>2.7%</b>	<b>-2.7%</b>	<b>-1.6%</b>

### Contribution after A&P by segment

Contribution after A&P	2008		2007		Change
	€million	%	%	%	%
<i>Spirits</i>	266.5	78.1%	269.7	79.0%	-1.2%
<i>Wines</i>	32.8	9.6%	30.4	8.9%	8.0%
<i>Soft drinks</i>	38.4	11.3%	38.5	11.3%	-0.1%
Other	3.5	1.0%	2.9	0.9%	20.2%
<b>Total</b>	<b>341.2</b>	<b>100.0%</b>	<b>341.5</b>	<b>100.0%</b>	<b>-0.1%</b>

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
<i>Spirits</i>	-1.2%	2.3%	-1.6%	-1.9%
<i>Wines</i>	8.0%	9.2%	0.6%	-1.8%
<i>Soft drinks</i>	-0.1%	-0.1%	-	-
Other	20.2%	34.8%	-	-14.6%
<b>Total</b>	<b>-0.1%</b>	<b>2.8%</b>	<b>-1.2%</b>	<b>-1.8%</b>

## Consolidated income statement

	1 January - 31 December 2008		1 January - 31 December 2007		Change %
	€million	%	€million	%	
<b>Net sales</b> <sup>(1)</sup>	<b>942.3</b>	<b>100.0%</b>	<b>957.5</b>	<b>100.0%</b>	<b>-1.6%</b>
Total cost of goods sold <sup>(2)</sup>	(428.2)	-45.4%	(441.4)	-46.1%	-3.0%
<b>Gross margin after distribution costs</b>	<b>514.1</b>	<b>54.6%</b>	<b>516.2</b>	<b>53.9%</b>	<b>-0.4%</b>
Advertising and promotion	(172.9)	-18.3%	(174.6)	-18.2%	-1.0%
<b>Contribution after A&amp;P</b>	<b>341.2</b>	<b>36.2%</b>	<b>341.5</b>	<b>35.7%</b>	<b>-0.1%</b>
SG&A <sup>(3)</sup>	(142.2)	-15.1%	(138.1)	-14.4%	3.0%
<b>EBIT before one-off's</b>	<b>199.0</b>	<b>21.1%</b>	<b>203.4</b>	<b>21.2%</b>	<b>-2.1%</b>
One off's	(3.6)	-0.4%	(2.8)	-0.3%	-
<b>Operating profit = EBIT</b>	<b>195.4</b>	<b>20.7%</b>	<b>200.6</b>	<b>20.9%</b>	<b>-2.6%</b>
Net financial income (expenses)	(22.2)	-2.4%	(17.0)	-1.8%	30.7%
Income from associates	0.2	0.0%	(0.3)	0.0%	-175.8%
Put option costs	(1.0)	-0.1%	0.0	0.0%	-
<b>Pre-tax profit before taxes and minority interests</b>	<b>172.4</b>	<b>18.3%</b>	<b>183.3</b>	<b>19.1%</b>	<b>-5.9%</b>
Taxes	(45.7)	-4.8%	(58.1)	-6.1%	-21.4%
<b>Net profit</b>	<b>126.7</b>	<b>13.5%</b>	<b>125.2</b>	<b>13.1%</b>	<b>1.2%</b>
Minority interests	(0.2)	-0.0%	(0.0)	0.0%	-
<b>Group's net profit</b>	<b>126.5</b>	<b>13.4%</b>	<b>125.2</b>	<b>13.1%</b>	<b>1.1%</b>
Depreciation and amortisation	(19.3)	-2.0%	(19.5)	-2.0%	-1.3%
<b>EBITDA before one-off's</b>	<b>218.3</b>	<b>23.2%</b>	<b>223.0</b>	<b>23.3%</b>	<b>-2.1%</b>
<b>EBITDA</b>	<b>214.7</b>	<b>22.8%</b>	<b>220.1</b>	<b>23.0%</b>	<b>-2.5%</b>

(1) Net of discounts and excise duties.

(2) Includes cost of materials, production costs and distribution expenses.

(3) Includes G&A, other operating income/expenses and selling expenses.

## GRUPPO CAMPARI

### Consolidated balance sheet

	31 December 2008 €million	31 December 2007 €million
<b>ASSETS</b>		
<b>Non-current assets</b>		
Net tangible fixed assets	176.5	155.4
Biological assets	18.0	15.9
Property	0.7	4.0
Goodwill and trademarks	920.3	812.2
Intangible assets	5.1	5.1
Interests in associates	1.1	0.6
Pre-paid taxes	14.4	15.9
Other non-current assets	7.5	10.1
<b>Total non-current assets</b>	<b>1,143.5</b>	<b>1,019.1</b>
<b>Current assets</b>		
Inventories	165.7	166.9
Trade receivables	272.1	280.0
Financial receivables	4.1	2.9
Cash and cash equivalents	172.6	199.8
Other receivables	32.4	37.1
<b>Total current assets</b>	<b>646.9</b>	<b>686.7</b>
Non-current assets for sale	12.7	2.5
<b>Total assets</b>	<b>1,803.1</b>	<b>1,708.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	29.0	29.0
Reserves	923.8	847.6
Group's shareholders' equity	952.9	876.6
Minority interests	2.1	1.9
<b>Total shareholders' equity</b>	<b>955.0</b>	<b>878.6</b>
<b>Non-current liabilities</b>		
Bonds	316.9	287.7
Other non-current financial payables	56.7	72.6
Staff severance funds	10.7	11.7
Risks funds	9.0	11.0
Deferred tax	69.5	60.7
<b>Total non-current liabilities</b>	<b>462.7</b>	<b>443.6</b>
<b>Current liabilities</b>		
Banks loan	107.5	114.4
Other financial payables	25.8	21.2
Trade payables	152.1	156.6
Payables for taxes	59.3	54.6
Other current liabilities	40.7	39.4
<b>Total current liabilities</b>	<b>385.4</b>	<b>386.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,803.1</b>	<b>1,708.3</b>

## GRUPPO CAMPARI

### Consolidated cash flow statement

	31 December 2008 €million	31 December 2007 €million
EBIT	195.4	200.6
Amortisation and depreciation	19.3	19.5
Other changes in non-cash items	(10.8)	(1.4)
Change in non financial assets and payables	6.6	20.0
Taxes on income paid	(38.2)	(39.5)
<b>Cash flow from operating activities before change in operating working capital</b>	<b>172.4</b>	<b>199.2</b>
Net change in operating working capital	(0.9)	(29.3)
<b>Cash flow from operating activities</b>	<b>171.5</b>	<b>169.9</b>
Net interest paid	(15.9)	(15.7)
<b>Cash flow from investing activities</b>	<b>(32.6)</b>	<b>(28.9)</b>
<b>Free cash flow</b>	<b>123.0</b>	<b>125.3</b>
Acquisitions	(86.6)	(29.3)
Other changes	(5.9)	3.0
Dividends paid	(31.8)	(29.0)
<b>Cash flow from other activities</b>	<b>(124.3)</b>	<b>(55.4)</b>
Exchange rate differences and other movements	(10.3)	21.5
<b>Net increase (decrease) in net financial position as a result of operating activities</b>	<b>(11.6)</b>	<b>91.4</b>
Future exercise for put options and payment of earn outs	(26.6)	-
<b>Net increase (decrease) in net financial position</b>	<b>(38.1)</b>	<b>91.4</b>
<b>Net financial position at start of period</b>	<b>(288.1)</b>	<b>(379.5)</b>
<b>Net financial position at end of period</b>	<b>(326.2)</b>	<b>(288.1)</b>



**DAVIDE CAMPARI-MILANO S.p.A.****Parent company income statement**

	<b>1 January - 31 December 2008 €million</b>	<b>1 January - 31 December 2007 €million</b>
<b>Net sales</b>	<b>310.3</b>	<b>310.8</b>
Total cost of goods sold	(250.6)	(249.4)
<b>Gross margin</b>	<b>59.7</b>	<b>61.4</b>
Advertising and promotion	(5.8)	(4.9)
<b>Contribution after A&amp;P</b>	<b>53.8</b>	<b>56.5</b>
SG&A	(20.1)	(28.8)
Of which One-off's	9.9	(1.2)
<b>Operating profit</b>	<b>33.8</b>	<b>27.7</b>
Income from associates	32.0	30.1
Net financial income (expenses)	(31.5)	(27.9)
<b>Pretax profit</b>	<b>34.3</b>	<b>30.0</b>
Taxes	(0.8)	(2.5)
<b>Net profit</b>	<b>33.5</b>	<b>27.5</b>

**Parent company balance sheet**

	<b>31 December 2008 €million</b>	<b>31 December 2007 €million</b>
Total non current assets	1.106.1	1.175.5
Total current assets	199.8	194.6
<b>Total assets</b>	<b>1,318.0</b>	<b>1,370.1</b>
Total shareholders' equity	548.5	543.7
Total non current liabilities	305.7	304.2
Total current liabilities	463.9	522.2
<b>Total liabilities and shareholders' equity</b>	<b>1,318.0</b>	<b>1,370.1</b>

**Parent company cash flow**

	<b>31 December 2008 €million</b>	<b>31 December 2007 €million</b>
Cash flow from operating activities	43.0	31.1
Cash flow from investing activities	99.1	(61.3)
Cash flow from financing activities	(134.8)	28.9
Increase (decrease) in cash and banks	7.2	(1.4)
<b>Cash and banks at start of financial year</b>	<b>6.9</b>	<b>8.2</b>
<b>Cash and banks at end of financial year</b>	<b>14.1</b>	<b>6.9</b>