



## PRESS RELEASE

### RESULTS FOR THE FIRST NINE MONTHS TO 30 SEPTEMBER 2003

**Continuing strong sales performance: € 505.7 million, +10.6% compared with the first nine months of 2002 (+17.1% at constant exchange rates)  
Sales growth accelerates during third quarter: +14.7% compared with the third quarter of 2002**

**Growth in all levels of operating profitability  
EBIT: € 85.5 million, +7.8% compared with the first nine months of 2002 (+15.6% at constant exchange rates)  
Group's pre-tax profit: +53.8% (including real estate capital gains)**

**Net financial debt down € 71.6 million with respect to 30 June 2003, from € 232.9 million to € 161.3 million**

**Milan, 10 November 2003** - The Board of Directors of Davide Campari-Milano S.p.A. has approved the Quarterly Report as of 30 September 2003, showing **strong growth in sales and all levels of operating profitability**. These results benefited from **accelerated sales during the third quarter** of 2003 and a slight attenuation of the negative impact of exchange rates relative to the first half of the year, although still severely penalising.

It should be stressed, in this regard, that if the operating results were considered before exchange rates impact, they would exhibit an even stronger performance, with **double-digit growth** as compared to the equivalent period last year.

	First nine months 2003 (€ million)	% change at actual exchange rates	% change at constant exchange rates
• Net sales	505.7	+10.6%	+17.1%
• EBITDA	118.7	+6.2%	+12.4%
• EBITA	106.4	+6.3%	+12.5%
• EBIT = Operating income	85.5	+7.8%	+15.6%
• Group's profit before taxes	102.1	+53.8%	+58.2%

EBITA = EBIT (Operating income) before amortisation of goodwill and trademarks.

### CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2003

In the first nine months of 2003 **Group sales** were € 505.7 million, **up 10.6%**. **Organic growth**, at constant exchange rates, was **10.8%**, while the negative impact of exchange rates, mainly because of the devaluation of the US Dollar and the Brazilian Real, amounted to 6.5%. **External growth of 6.3%** is entirely due to the new distribution agreement of tequila 1800 in the US market.

**Trading profit** was € 136.4 million, **up 6.6%**, amounting to 27,0% of sales.

**EBITDA** was € 118.7 million, **up 6.2%** (+12.4% at constant exchange rates), amounting to 23.5% of sales.

**EBITA** was € 106.4 million, **up 6.3%** (+12.5% at constant exchange rates), amounting to 21.0% of sales.

**EBIT** was € 85.5 million, **up 7.8%** (+15.6% at constant exchange rates), amounting to 16.9% of sales.

**Profit before taxes and minority interests** was € 114.1 million, **up 47.8%** (+54.6% at constant exchange rates), as it benefits from the capital gain resulting from the sale of the head office building in Milan, Via Filippo Turati, completed in July, which amounted to € 33.7million.

**Group's profit before taxes**, i.e. profit before taxes net of minority interests, was € 102.1 million, up 53.8% (+58.2% at constant exchange rates).

As of 30 September 2003 **net financial debt** was € 161.3 million (€ 232.9 million as of 30 June 2003).

### SALES IN THE FIRST NINE MONTHS OF 2003

The **spirits segment**, with sales of € 323.5 million, amounting to 64.0% of total turnover, **grew by 21.6%** at constant exchange rates (+12.1% at actual exchange rates). Organic growth was 11.7% at constant exchange rates (+2.3% at actual exchange rates). The **Campari** brand's growth was 0.3% at constant exchange rates (-4.3% at actual exchange rates). In geographic terms, Campari's sales continue to show **their positive trend in Italy** (+3.6%) and in **Brazil**, while in **Germany** they confirm the **positive trend reversal** recorded since the beginning of the year, with slight growth in the first nine months of the year. **SKYY Vodka** provided a significant contribution to growth in the spirits segment during the first nine months, recording a total **increase**, including the new flavoured vodkas, **of 25.3%** at constant exchange rates (+5.2% at actual exchange rates); within the SKYY range, also the new line of flavoured vodkas launched in March 2003 continued its upward sales trend, achieving, over the first nine months, a percentage of 17% of total SKYY sales. The spirits segment also benefited from the **positive performance of CampariSoda** (+4.9% at constant exchange rates), **Ouzo 12** (+10.3% at constant exchange rates), **Jägermeister** (+2.0% at constant exchange rates) and from **Campari Mixx** sales, which exhibited the expected seasonality peak during the summer months. **External growth**, deriving from tequila 1800, was **9.9%** (at constant exchange rates).

The **wines segment**, which accounts for 11.6% of total sales, **grew 6.0%** at constant exchange rates (+2.9% at actual exchange rates). This result was brought about by the **positive performance of the Cinzano brands**: in particular, **Cinzano vermouth** grew 7.2% at constant exchange rates, mainly due to increased distribution in Eastern European markets. **Cinzano sparkling wines** saw a rise of 7.7% at constant exchange rates, exhibiting strong and consistent growth on the Italian market, partly offset by a slowdown in sales in the German market during the third quarter. **Sella & Mosca** sales were down 1.2% at constant exchange rates, entirely due to limited product availability, especially for white wines, as a result of the extremely poor 2002 harvest.

**Soft drinks sales**, accounting for 23.3% of total sales, **grew 13.8%**, with a strong acceleration in the third quarter thanks to the particularly favourable climatic conditions. The **Lemonsoda, Oransoda** and **Pelmosoda** range and **Lipton Ice Tea** grew respectively by **17.8%** and **27.4%** in the first nine months. **Crodino**, whose sales are less closely correlated to climatic variations, was up **5.5%**.

In terms of **geographic split**, sales in the first nine months of 2003 on the **Italian market** accounted for 49.4% of the Group's sales and rose **9.3%** thanks to the **positive performance of the three business segments**, and in particular of all spirits and soft drinks brands. **Sales in the European area**, 19.4% of total sales, **grew by 12.5%**, due to the introduction of Campari Mixx in Germany and Austria, to the good sales results of the Cinzano vermouths and to the first signs of recovery of the German market. In the Americas area, which represents 28.9% of total sales, sales in **Brazil** confirmed **last year's levels**, at constant exchange rates (-28.5% at actual exchange rates, entirely attributable to the devaluation of the Brazilian Real): the government measures recently adopted to confront the high inflation rate, among which the increase in interest rates, led to a slowdown in third quarter orders, which should be at least partly recovered during the final months of the year. The **US market grew by 29.5%**, as a result of the contribution provided by the new distribution contract for tequila 1800 (+31.9%) and of solid organic growth (+16.9% at constant exchange rates), led by the positive performance of SKYY Vodka.

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### CONFERENCE CALL

At 5:00 p.m. (CET) today, Monday 10 November 2003, there will be a conference call, during which Campari's management will present the results for the first nine months of 2003 to analysts, investors and journalists. To take part in the conference call, simply dial one of the following numbers:

- from Italy: 800 914 551 (toll-free number)
- from abroad: +39 02 3700 8206

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## CAMPARI GROUP - RESULTS FOR THE FIRST NINE MONTHS OF 2003

Table 1) Campari Group - net revenues by segment

	1 January - 30 September 2003		1 January - 30 September 2002		Change %
	€ million	%	€ million	%	
Spirits	323.5	64.0%	288.4	63.1%	12.1%
Wines	58.8	11.6%	57.1	12.5%	2.9%
Soft Drinks	118.0	23.3%	103.7	22.7%	13.8%
Other revenues	5.4	1.1%	8.0	1.8%	-32.3%
<b>Total</b>	<b>505.7</b>	<b>100.0%</b>	<b>457.3</b>	<b>100.0%</b>	<b>10.6%</b>

Table 2) Campari Group - net revenues by geographic area

	1 January - 30 September 2003		1 January - 30 September 2002		Change %
	€ million	%	€ million	%	
Italy	249.9	49.4%	228.6	50.0%	9.3%
Europe	98.1	19.4%	87.2	19.1%	12.5%
Americas	146.2	28.9%	128.5	28.1%	13.7%
Rest of the world	11.5	2.3%	13.0	2.8%	-11.2%
<b>Total</b>	<b>505.7</b>	<b>100.0%</b>	<b>457.3</b>	<b>100.0%</b>	<b>10.6%</b>

Table 3) Campari Group - consolidated income statement for the first nine - months of 2003

	1 January - 30 September 2003		1 January - 30 September 2002		Change %
	€ million	%	€ million	%	
<b>Net revenues <sup>(1)</sup></b>	<b>505.7</b>	<b>100.0%</b>	<b>457.3</b>	<b>100.0%</b>	<b>10.6%</b>
Cost of materials	(180.3)	-35.7%	(155.3)	-33.9%	16.2%
Production costs	(30.9)	-6.1%	(34.4)	-7.5%	-10.4%
<b>Total cost of goods sold</b>	<b>(211.2)</b>	<b>-41.8%</b>	<b>(189.7)</b>	<b>-41.5%</b>	<b>11.3%</b>
<b>Gross margin</b>	<b>294.5</b>	<b>58.2%</b>	<b>267.6</b>	<b>58.5%</b>	<b>10.0%</b>
Advertising and promotion	(102.1)	-20.2%	(87.1)	-19.1%	17.1%
Selling and distribution expenses	(56.0)	-11.1%	(52.5)	-11.5%	6.7%
<b>Trading profit</b>	<b>136.4</b>	<b>27.0%</b>	<b>128.0</b>	<b>28.0%</b>	<b>6.6%</b>
General and administrative expenses	(33.9)	-6.7%	(31.1)	-6.8%	8.9%
Other operating revenues	5.1	1.0%	4.1	0.9%	25.2%
Amortisation of goodwill and trademarks	(20.9)	-4.1%	(20.8)	-4.5%	0.6%
Non - recurring expenses	(1.2)	-0.2%	(0.8)	-0.2%	53.4%
<b>EBIT = Operating income</b>	<b>85.5</b>	<b>16.9%</b>	<b>79.4</b>	<b>17.4%</b>	<b>7.8%</b>
Net interest income (charges)	(7.0)	-1.4%	(4.5)	-1.0%	53.9%
Exchange-rate gains (losses), net	1.9	0.4%	9.1	2.0%	-78.8%
Other non operating income (charges)	33.7	6.6%	(6.8)	-1.5%	-593.4%
<b>Profit before taxes and minority interests</b>	<b>114.1</b>	<b>22.6%</b>	<b>77.2</b>	<b>16.9%</b>	<b>47.8%</b>
Minority interests	(12.0)	-2.4%	(11.2)	-2.4%	10.7%
<b>Group's profit before taxes</b>	<b>102.1</b>	<b>20.2%</b>	<b>66.0</b>	<b>14.5%</b>	<b>53.8%</b>
Depreciation	(10.2)	-2.0%	(9.5)	-2.1%	6.9%
Amortisation of goodwill, trademarks and other intangibles	(23.0)	-4.5%	(22.8)	-5.0%	0.7%
<b>Total depreciation and amortisation</b>	<b>(33.1)</b>	<b>-6.6%</b>	<b>(32.3)</b>	<b>-7.1%</b>	<b>2.5%</b>
<b>EBITDA</b>	<b>118.7</b>	<b>23.5%</b>	<b>111.7</b>	<b>24.4%</b>	<b>6.2%</b>
<b>EBITA <sup>(2)</sup></b>	<b>106.4</b>	<b>21.0%</b>	<b>100.2</b>	<b>21.9%</b>	<b>6.3%</b>

(1) Net of discounts and excise duty.

(2) EBITA = EBIT before amortisation of goodwill and trademarks.

**Table 4) Campari Group - consolidated income statement for the third quarter of 2003**

	1 January - 30 September 2003		1 January - 30 September 2002		Change %
	€ million	%	€ million	%	
<b>Net revenues <sup>(1)</sup></b>	<b>173.0</b>	<b>100.0%</b>	<b>150.8</b>	<b>100.0%</b>	<b>14.7%</b>
Cost of materials	(66.4)	-38.4%	(52.4)	-34.7%	26.8%
Production costs	(10.1)	-5.9%	(11.1)	-7.3%	-8.5%
<b>Total cost of goods sold</b>	<b>(76.5)</b>	<b>-44.2%</b>	<b>(63.5)</b>	<b>-42.1%</b>	<b>20.7%</b>
<b>Gross margin</b>	<b>96.5</b>	<b>55.8%</b>	<b>87.3</b>	<b>57.9%</b>	<b>10.4%</b>
Advertising and promotion	(32.9)	-19.0%	(29.5)	-19.6%	11.3%
Selling and distribution expenses	(18.6)	-10.8%	(16.0)	-10.6%	16.4%
<b>Trading profit</b>	<b>45.0</b>	<b>26.0%</b>	<b>41.8</b>	<b>27.8%</b>	<b>7.4%</b>
General and administrative expenses	(10.3)	-6.0%	(9.1)	-6.1%	13.5%
Other operating revenues	1.6	0.9%	0.1	0.1%	n.s.
Amortisation of goodwill and trademarks	(7.0)	-4.0%	(6.9)	-4.6%	0.7%
Non - recurring expenses	(0.7)	-0.4%	(0.2)	-0.2%	189.8%
<b>EBIT = Operating income</b>	<b>28.6</b>	<b>16.5%</b>	<b>25.7</b>	<b>17.0%</b>	<b>11.4%</b>
Net interest income (charges)	(2.0)	-1.2%	(2.3)	-1.5%	-12.4%
Exchange-rate gains (losses), net	2.5	1.4%	1.7	1.1%	42.9%
Other non operating income (charges)	33.6	19.4%	(0.1)	-0.1%	n.s.
<b>Profit before taxes and minority interests</b>	<b>62.7</b>	<b>36.2%</b>	<b>25.0</b>	<b>16.6%</b>	<b>150.9%</b>
Minority interests	(4.1)	-2.4%	(3.5)	-2.3%	17.5%
<b>Group's profit before taxes</b>	<b>58.6</b>	<b>33.8%</b>	<b>21.5</b>	<b>14.2%</b>	<b>172.7%</b>
Depreciation	(3.4)	-2.0%	(3.0)	-2.0%	12.3%
Amortisation of goodwill, trademarks and other intangibles	(7.8)	-4.5%	(7.7)	-5.1%	1.3%
<b>Total depreciation and amortisation</b>	<b>(11.2)</b>	<b>-6.5%</b>	<b>(10.7)</b>	<b>-7.1%</b>	<b>4.4%</b>
<b>EBITDA</b>	<b>39.8</b>	<b>23.0%</b>	<b>36.4</b>	<b>24.1%</b>	<b>9.3%</b>
<b>EBITA <sup>(2)</sup></b>	<b>35.6</b>	<b>20.6%</b>	<b>32.6</b>	<b>21.6%</b>	<b>9.0%</b>

(1) Net of discounts and excise duty.

(2) EBITA = EBIT before amortisation of goodwill and trademarks.

### The Campari Group

The Campari Group is the sixth player in the global spirits sector, trading in over 190 markets around the world with a leading position in the Italian and Brazilian markets and a strong presence in the US, Germany and Switzerland. Following an intensive acquisition campaign undertaken over the last few years, the Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. The Group's portfolio includes a combination of strong international brands, such as Campari, SKYY Vodka, Cynar and Cinzano and leading local brands, such as CampariSoda, Campari Mixx, Crodino, Sella & Mosca, Zedda Piras, Biancosarti, Lemonsoda, Oransoda and Pelmosoda in Italy, SKYY Blue in the US, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil, Gregson's in Uruguay and Riccadonna in Australia and New Zealand. The Group has 1,400 employees, and shares of the parent company Davide Campari-Milano S.p.A have been listed on the Milan stock exchange since July 2001.

### FOR FURTHER INFORMATION:

#### Investor enquiries:

Chiara Garavini

Tel.: +39 02 6225 330

Email: investor.relations@campari.com

Website: [www.campari.com](http://www.campari.com)

#### Media enquiries:

Chiara Bressani

Tel.: +39 02 6225 206

Email: chiara.bressani@campari.com

Moccagatta Pogliani & Associati

Tel.: +39 02 8693806

Email: segreteria@moccagatta.it