



PRESS RELEASE

CAMPARI APPROVES FIRST QUARTER RESULTS TO 31 MARCH 2005

Consolidated net sales €152.6 million (+0.9%)

EBITDA €37.6 million (+7.9%)

EBITA €33.2 million (+9.0%)

EBIT €23.0 million (+6.3%)

Group profit before taxes €20.0 million (+7.1%)

Milan, 13 May 2005 - The Board of Directors of Davide Campari-Milano S.p.A. has approved the first quarter results to 31 March 2005. The results of the Campari Group in the first quarter, which historically have been low owing to seasonal factors, were positive, with net sales and profitability showing growth against the same period of last year: sales rose by a modest 0.9%, while trading profit and all other profitability indicators did better, posting increases of between 6% and 9%.

Consolidated results	2005 first quarter € million	2004 first quarter € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	152.6	151.3	+0.9%	+1.7%
EBITDA	37.6	34.8	+7.9%	+9.3%
EBITA ⁽¹⁾	33.2	30.4	+9.0%	+10.6%
EBIT = Operating profit	23.0	21.6	+6.3%	+8.5%
Group profit before taxes	20.0	18.6	+7.1%	+8.8%

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

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2005

In the first quarter of 2005, **Group sales** stood at €152.6 million, **an increase of 0.9%**. This was the combined effect of **organic growth of 1.7%** and a negative exchange rate effect of 0.8%. There were no changes to the basis of consolidation compared with last year.

Trading profit increased by **6.1% (+7.3% at constant exchange rates)** to €46.2 million, or 30.3% of sales.

EBITDA rose by 7.9% (+9.3% at constant exchange rates) to €37.6 million, or 24.6% of sales.

EBITA increased by 9.0% (+10.6% at constant exchange rates) to €33.2 million, or 21.7% of sales.

EBIT went up by 6.3% (+8.5% at constant exchange rates) to €23.0 million, or 15.0% of sales.

The Group profit before taxes was €20.0 million, an **increase of 7.1% (+8.8% at constant exchange rates)**.

At 31 March 2005, **net debt** stood at €327.1 million (€228.7 million at 31 December 2004). On 25 February 2005, the Campari Group acquired a further 30.1% stake in Skyy Spirits, LLC, for a total amount of around €118 million paid in cash.

CONSOLIDATED SALES IN THE FIRST QUARTER OF 2005

The **spirits segment**, which accounted for 66.0% of total sales, recorded **growth of 3.3%**, following **organic growth of 4.4%** and a negative exchange rate effect of 1.1%. The **Campari** brand saw its sales **fall by 4.6%** at constant exchange rates (-4.9% at actual exchange rates), due both to an unfavourable comparison with the same period of last year and to a reorganisation of the distribution system in Austria and Russia, which triggered a temporary drop in sales to the distributors in those markets. Sales in Campari's main markets were positive overall. Sales of **SKYY Vodka, including the flavours, grew by 14.6%** at constant exchange rates (9.8% at actual exchange rates), thanks to a positive performance in both the United States (+9.6% at constant exchange rates) and on the international markets (in excess of 50% at constant exchange rates). As regards the other main brands, the spirits segment was boosted by good growth from **Aperol (+11.5%)**, the **Brazilian brands (+50.4%** at constant exchange rates) and **Cynar (+31.6%** at constant exchange rates). **CampariSoda** saw its sales decline by **0.3%**, while **Ouzo 12** sales dropped by **33.0%** following a reduction in stocks by distributors in Greece in anticipation of the launch of a new packaging. Sales in the spirits segment also benefited from the positive performance of the brands under licence **tequila 1800 (+8.1%** at constant exchange rates) and **Jägermeister (+14.3%)**.

The **wines segment**, which accounted for 13.2% of total sales, recorded **growth of 0.3%**, following **organic growth of 0.9%** and a negative exchange rate effect of 0.6%. **Cinzano sparkling wines** saw their sales fall by **9.3%**, while **Cinzano vermouths** posted growth of **21.7%** at constant exchange rates, thanks to good sales in Italy and the main European markets. Wines also benefited from a solid performance from **Mondoro** and **Riccadonna**, while sales by **Sella & Mosca** slid by **12.3%**.

Soft drinks (19.8% of total sales, almost entirely on the Italian market) saw their **sales fall by 4.4%**. **Crodino** sales declined by **0.5%**, owing to an unfavourable comparison with the same period of last year. Sales of the **Lemonsoda, Oransoda and Pelmosoda** range dropped by **14.3%**, while **Lipton Ice Tea** sales dipped by **3.7%**.

By **region**, first quarter 2005 sales on the **Italian market** (which accounts for 57.3% of total Group sales), posted **organic growth of 1.3%**. This was due to a good performance from Campari and the other main spirits, combined with a slight dip in wine sales and a more marked fall in sales of soft drinks and Campari Mixx. Sales in **Europe fell by 6.8%**, mainly because of the reorganisation of the distribution system in Austria and Russia, which triggered a temporary drop in sales to the distributors in those markets. In the Americas, which account for 22.8% of total sales, the **US market** posted **growth of 3.4%** at constant exchange rates, which was completely wiped out by negative exchange rate movements (**-4.7%**), while sales in **Brazil grew by 37.5%** in local currency terms. Sales to the **rest of the world**, accounting for 2.7% of the total, **saw organic growth of 16.9% at constant exchange rates**, thanks in particular to a positive performance from the Australian market.

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CONFERENCE CALL

Please note that at **5.00 p.m. (CET) today, Friday 13 May 2005**, Campari's management will hold a conference call to present the Group's 2005 first quarter results to analysts, investors and journalists. To participate, please dial one of the following numbers:

- **from Italy: 800 914 576 (toll free number)**
- **from abroad: +39 02 3700 8208**

The **presentation** can be downloaded before the conference call from the Investor Relations homepage of Campari's website, at www.campari.com/investors

A **recording of the conference call** will be available from 8.00 p.m. (CET) on Friday 13 May until 7.00 p.m. (CET) on Friday, 20 May. To hear it, please call +44 1296 618 700 (access code: 736821).

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The Campari Group

The Campari Group 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. 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, Aperol, Aperol Soda, Sella & Mosca, Zedda Piras, Biancosarti, Lemonsoda, Oransoda and Pelmosoda in Italy, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil, Gregson's in Uruguay, Riccadonna in Australia and New Zealand and Mondoro in Russia. The Group has over 1,500 employees and shares of the parent company Davide Campari-Milano S.p.A are listed on the Italian stock exchange.

FOR FURTHER INFORMATION:

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CAMPARI GROUP

Consolidated net revenues by segment

	1 January - 31 March 2005		1 January - 31 March 2004		Change
	€ million	%	€ million	%	%
Spirits	100.8	66.0%	97.6	64.5%	3.3%
Wines	20.1	13.2%	20.0	13.2%	0.3%
Soft drinks	30.3	19.8%	31.7	20.9%	-4.4%
Other revenues	1.5	1.0%	2.0	1.3%	-27.3%
Total	152.6	100.0%	151.3	100.0%	0.9%

Consolidated net revenues by geographic area

	1 January - 31 March 2005		1 January - 31 March 2004		Change
	€ million	%	€ million	%	%
Italy	87.4	57.3%	86.3	57.0%	1.3%
Europe	26.2	17.2%	28.1	18.6%	-6.8%
Americas	34.8	22.8%	33.2	21.9%	5.0%
Rest of the world	4.2	2.7%	3.7	2.5%	11.3%
Total	152.6	100.0%	151.3	100.0%	0.9%

Reclassified consolidated income statement

	1 January - 31 March 2005		1 January - 31 March 2004		Change
	€ million	%	€ million	%	%
Net revenues ⁽¹⁾	152.6	100.0%	151.3	100.0%	0.9%
Total cost of goods sold	(59.3)	-38.9%	(60.0)	-39.6%	-1.1%
Gross margin	93.3	61.1%	91.3	60.4%	2.2%
Advertising and promotion	(27.6)	-18.1%	(27.7)	-18.3%	-0.5%
Selling and distribution expenses	(19.6)	-12.8%	(20.1)	-13.3%	-2.7%
Trading profit	46.2	30.3%	43.5	28.8%	6.1%
General and administrative expenses	(13.1)	-8.6%	(13.1)	-8.6%	0.1%
Other operating revenues	0.1	0.0%	0.0	0.0%	
Amortisation of goodwill and trademarks	(10.2)	-6.7%	(8.8)	-5.8%	15.5%
EBIT = Operating income	23.0	15.0%	21.6	14.3%	6.3%
Net interest income (charges)	(2.4)	-1.6%	(2.1)	-1.4%	15.9%
Exchange - rate gains (losses), net	(0.4)	-0.3%	0.1	0.1%	
Exceptional income (charges)	0.2	0.1%	0.5	0.3%	-52.4%
Profit before taxes and minority interests	20.4	13.4%	20.1	13.3%	1.5%
Minority interests	(0.4)	-0.3%	(1.5)	-1.0%	-70.3%
Group profit before taxes	20.0	13.1%	18.6	12.3%	7.1%
Depreciation	(3.8)	-2.5%	(3.8)	-2.5%	-0.3%
Amortisation of goodwill, trademarks and other intangibles	(10.9)	-7.1%	(9.4)	-6.2%	15.0%
Total depreciation and amortisation	(14.6)	-9.6%	(13.2)	-8.7%	10.6%
EBITDA	37.6	24.6%	34.8	23.0%	7.9%
EBITA ⁽²⁾	33.2	21.7%	30.4	20.1%	9.0%

(1) Net of discounts and excise duty.

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