



PRESS RELEASE

DAVIDE CAMPARI-MILANO S.p.A.: ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

2005 results approved

Net sales €809.9 million (+7.8%)

EBITDA €201.3 million (+9.1%), or 24.9% of net sales

Group's net profit €118.0 million (+21.8%)

Dividend of €0.10 per share approved

Milan, 24 April 2006 - The Shareholders' meeting of Davide Campari-Milano S.p.A. today approved the company's 2005 results.

The meeting approved a **dividend of € 0.10 per share**, unchanged from the previous year. The dividend will be paid from 11 May 2006 (coupon no. 2 to be detached on 8 May 2006).

2005 CONSOLIDATED RESULTS

As indicated on 21 March, the 2005 results were very positive and showed **growth in sales and at all levels of profitability** compared to the previous year.

In 2005, **Group sales** totalled € 809.9 million, **an increase of 7.8%** (+6.6% at constant exchange rates).

The overall change in consolidated sales resulted from **organic growth of 4.1%** and a positive exchange rate effect of 1.2%. **External growth of 2.5%** came from sales of third-party brands that the Group has begun distributing (Jack Daniel's and the other Brown-Forman brands on the Italian market, and to a lesser extent, Martin Miller's gin in the US).

Trading profit increased by 7.1% (+6.8% at constant exchange rates), to € 234.8 million, or 29.0% of sales. The total change is composed of 5.7% organic growth, 1.1% external growth and 0.3% positive currency effect.

EBITDA before one off's increased by 7.8% (+7.9% at constant exchange rates) to € 196.6 million, or 24.3% of sales.

EBITDA rose by 9.1% (+8.9% at constant exchange rates) to € 201.3 million, or 24.9% of sales.

EBIT before one off's went up by 8.9% (+9.1% at constant exchange rates) to € 179.1 million, or 22.1% of sales.

EBIT increased by 10.3% (+10.3% at constant exchange rates) to € 183.9 million, or 22.7% of sales.

With regard to **depreciation and amortisation**, please note that following the adoption of the international accounting standards IAS / IFRS, the amortisation of intangible assets no longer includes goodwill and trademark amortisation.

Profit before tax and minority interests was € 174.2 million, an **increase** of 10.9% (+10.7% at constant exchange rates).

Group's net profit was € 118.0 million, a **rise of 21.8%** (+22.1% at constant exchange rates).

Shareholders' equity was € 695.8 million at 31 December 2005.

At 31 December 2005, **net financial debt** stood at € 371.4 million (€ 327.5 million at 30 September 2005). **The debt to equity ratio** at 31 December 2005 was 53.4%.

EVENTS TAKING PLACE AFTER THE END OF 2005

On 15 March 2006, the Campari Group completed the acquisition from Pernod Ricard of Scotch whisky brands Glen Grant, Old Smuggler and Braemar as well as related assets, including the Glen Grant distillery in Rothes, Scotland. The agreement was announced on 22 December 2005. The payment of the acquisition of € 130 million, financed via bank debt, was made in cash.

OTHER RESOLUTIONS

Own shares. The Shareholders' meeting authorised the purchase and/or sale of own shares, mainly to be used to service the stock option plans. The authorisation shall concern the purchase and/or sale of a total number of shares, including existing own shares, up to 10% of the share capital. As of today, the company has own shares corresponding to 3.11% of the share capital. The authorisation shall remain valid until 30 June 2007. The corresponding minimum and maximum purchase and/or sale price will be determined at a unit price which, as regards the said price range, shall not be less than 25% and shall not exceed 25% than the average reference price determined by the three Stock Market sessions prior to each single transaction.

Amendments to the company's by-laws. The extraordinary Shareholders' Meeting approved an amendment to the company's by-laws to give directors the authorisation to increase the share capital (both free or against payment) and issue bonds (both convertible and not) and other financial instruments.

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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. 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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CAMPARI GROUP

Consolidated net revenues by segment

	1 January - 31 December 2005		1 January - 31 December 2004		Change %
	€ million	%	€ million	%	
Spirits	551.5	68.1%	493.1	65.6%	11.9%
Wines	125.2	15.5%	120.8	16.1%	3.6%
Soft drinks	124.9	15.4%	127.4	17.0%	-1.9%
Other revenues	8.3	1.0%	9.9	1.3%	-15.9%
Total	809.9	100.0%	751.1	100.0%	7.8%

Consolidated net revenues by geographic area

	1 January - 31 December 2005		1 January - 31 December 2004		Change %
	€ million	%	€ million	%	
Italy	381.5	47.1%	363.6	48.4%	4.9%
Europe	151.7	18.7%	141.8	18.9%	6.9%
Americas	242.0	29.9%	214.6	28.6%	12.8%
Rest of the world and duty free	34.8	4.3%	31.1	4.1%	11.9%
Total	809.9	100.0%	751.1	100.0%	7.8%

Reclassified consolidated income statement

	1 January - 31 December 2005		1 January - 31 December 2004		Change %
	€ million	%	€ million	%	
Net sales ⁽¹⁾	809.9	100.0%	751.1	100.0%	7.8%
Total cost of goods sold	(345.1)	-42.6%	(316.6)	-42.1%	9.0%
Gross margin	464.9	57.4%	434.6	57.9%	7.0%
Advertising and promotion	(139.7)	-17.2%	(131.3)	-17.5%	6.4%
Sales and distribution expenses	(90.3)	-11.1%	(84.1)	-11.2%	7.4%
Trading profit	234.8	29.0%	219.2	29.2%	7.1%
G&A and other operating income / expenses	(55.7)	-6.9%	(54.7)	-7.3%	1.8%
EBIT before one-off's	179.1	22.1%	164.4	21.9%	8.9%
One-off's	4.7	0.6%	2.2	0.3%	113.6%
Operating profit = EBIT	183.9	22.7%	166.7	22.2%	10.3%
Net financial income (expenses)	(9.9)	-1.2%	(9.6)	-1.3%	3.1%
Income from associates	0.3	0.0%	0.0	0.0%	
Pretax profit	174.2	21.5%	157.1	20.9%	10.9%
Taxes	(51.2)	-6.3%	(43.1)	-5.7%	18.8%
Net profit	123.1	15.2%	114.0	15.2%	8.0%
Minority interests	(5.0)	-0.6%	(17.1)	-2.3%	-70.8%
Group's net profit	118.0	14.6%	96.9	12.9%	21.8%

Other information:

Depreciation	(17.4)	-2.1%	(17.8)	-2.4%	-2.2%
EBITDA before one-off's	196.6	24.3%	182.3	24.2%	7.8%
EBITDA	201.3	24.9%	184.5	24.5%	9.1%

(1) Net of discounts and excise duty.

CAMPARI GROUP

Reclassified consolidated balance sheet

	31 December 2005 € million	31 December 2004 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	152.5	144.2
Biological assets	13.5	9.5
Property	4.6	4.1
Goodwill and trademarks	750.6	575.6
Intangible assets	3.8	3.4
Interests in associates	0.6	0.4
Pre-paid taxes	16.5	15.5
Other non-current assets	11.1	34.9
Total non-current assets	953.2	787.7
Current assets		
Inventories	135.3	114.4
Trade receivables	237.4	166.3
Short-term financial receivables	3.2	3.9
Cash at bank and securities	247.5	246.0
Other receivables	24.2	22.9
Total current assets	647.6	553.4
Non-current assets for sale	0.1	0.1
Total assets	1,600.9	1,341.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	29.0	29.0
Reserves	664.5	595.8
Group's shareholders' equity	693.6	624.8
Minority interests	2.2	4.4
Total shareholders' equity	695.8	629.2
Non-current liabilities		
Bonds	374.6	378.0
Other non-current financial payables	122.8	27.2
Staff severance fund	14.3	15.2
Risks fund	10.1	14.3
Deferred tax	43.3	25.1
Total non-current liabilities	565.1	459.7
Current liabilities		
Banks borrowings	112.8	55.6
Other financial payables	17.2	15.3
Trade payables	150.2	127.6
Payables to tax authorities	25.1	20.5
Other current liabilities	34.8	33.3
Total current liabilities	340.0	252.3
Total liabilities and shareholders' equity	1,600.9	1,341.2

CAMPARI GROUP

Consolidated cash flow statement

	31 December 2005 € million	31 December 2004 € million
Net profit	118.0	96.9
Non cash items	29.3	13.7
Cash flow from operating activities before changes in working capital	147.3	110.6
Net change in working capital	(50.2)	4.2
Cash flow from operating activities (A)	97.1	114.8
Cash flow from investing activities (capex) (B)	(15.0)	(16.4)
Free cash flow (A + B)	82.1	98.4
Acquisitions	(130.7)	(14.1)
Other changes	2.1	2.1
Dividends paid	(28.1)	(24.7)
Cash flow from other activities (C)	(156.7)	(36.7)
Exchange rate differences and other movements (D)	(24.6)	6.4
Net increase (decrease) in net financial position (A + B + C + D)	(99.2)	68.1
Expected cost relating to eventual exercise of put option on Skyy Spirits, LLC minority stake	(45.5)	
Net increase (decrease) in net financial position	(144.7)	68.1
Net financial position at start of period	(226.7)	(294.8)
Net financial position at end of period	(371.4)	(226.7)

DAVIDE CAMPARI-MILANO S.p.A.

Parent company income statement (summary statutory accounts)

	31 December 2005 € million
Value of production	306.7
Production costs	294.2
Difference between value and cost production	12.5
Total financial income and charges	19.3
Total extraordinary items	2.6
Profit before tax	34.4
Corporate income tax	2.2
Net profit	32.2

Parent company balance sheet (summary statutory accounts)

	31 December 2005 € million
Total non - current assets	854.1
Total current assets	264.9
Total accruals and deferrals	5.6
Total assets	1,124.6
Total shareholders' equity	458.0
Total provisions for risks and charges	8.2
Staff severance fund	8.3
Total payables	635.9
Total accruals and deferrals	14.1
Total liabilities	1,124.6

Parent company cash flow (summary statutory accounts)

	31 December 2005 € million
Net profit	32.2
Adjustments to reconcile net profit with cash flow from operations	19.2
Changes in operating assets and liabilities	(3.0)
Cash flow from operations	48.4
Cash flow from investments	(20.0)
Cash flow used by financial operations	17.9
Increase (decrease) in cash and banks	46.3
Cash and banks at start of financial year	55.7
Cash and banks at end of financial year	102.0