



PRESS RELEASE

2008 FIRST HALF RESULTS

Sales: €431.2 million (-2.1%)

Organic sales growth: +3.0%

EBITDA before one-off's: €100.4 million (-2.0%), 23.3% of sales

EBIT before one-off's: €90.8 million (-2.1%), 21.1% of sales

Organic EBIT before one-off's growth: +4.1%

Group net profit: €59.8 million (+5.1%)

Bob Kunze-Concewitz, Chief Executive Officer: “In a very tough environment we achieved solid results, improving in the second quarter the momentum of our key brands across all regions. Overall, our outlook for 2008 remains unchanged”

Milan, 8 August 2008 - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the first half ending 30 June 2008.

Consolidated results	1 January - 30 June 2008 €million	1 January - 30 June 2007 €million	Change at actual exchange rates	Change at constant exchange rates
Net sales	431.2	440.6	-2.1%	0.3%
Contribution after A&P ⁽¹⁾	162.2	159.6	1.6%	4.4%
EBITDA before one-off's	100.4	102.4	-2.0%	1.0%
EBITDA	102.0	100.8	1.2%	4.2%
EBIT before one-off's	90.8	92.7	-2.1%	1.1%
EBIT	92.5	91.1	1.5%	4.6%
Pre-tax profit before minority interests	83.7	82.7	1.3%	4.2%
Group net profit	59.8	56.9	5.1%	7.4%

⁽¹⁾ EBIT before SG&A (G&A, other operating income/expenses and selling expenses)

CONSOLIDATED RESULTS FOR THE FIRST HALF OF 2008

In 2008 we introduced a new P&L format. Referring to the line selling and distribution expenses, according to the new format, distribution expenses are included in the COGS line, while selling expenses are classified in the SG&A line, together with G&A and other operating income / expenses.

In the first half of 2008, Group sales totalled **€431.2 million**, a decrease of **2.1%** (+0.3% at constant exchange rates).

The overall change in consolidated sales resulted from an **organic growth of 3.0%**, a **negative exchange rate effect of 2.5%** and a **negative perimeter effect of 2.7%**. The latter was due to the announced termination of tequila 1800 distribution contract in US, which was partially offset by Cabo Wabo and X-Rated (whose sales started on 1 August 2007), as well as Bowmore and Flor de Caña.

Contribution after A&P (gross margin after distribution costs and A&P) increased by 1.6% to € 162.2 million (+4.4% at constant exchange rates), or 37.6% of sales. Organic growth accounted for 5.3% and external growth was a negative for 0.8%, lastly exchange rate effects negatively contributed for 2.8%.

EBITDA before one-off's decreased by 2.0% (+1.0% at constant exchange rates) to € 100.4 million, or 23.3% of sales.

EBITDA rose by 1.2% (+4.2% at constant exchange rates) to € 102.0 million, or 23.7% of sales.

EBIT before one-off's went down by 2.1% (+1.1% at constant exchange rates) to € 90.8 million, or 21.1% of sales. Organic growth accounted for 4.1%

EBIT increased by 1.5% (+4.6% at constant exchange rates) to € 92.5 million, or 21.4% of sales. Organic growth accounted for 7.7%

Profit before tax and minority interests was € 83.7 million, an **increase of 1.3%**.

The Group net profit was € 59.8 million, with a **progression of 5.1%** (+7.4% at constant exchange rates).

As of 30 June 2008, after payments of € 31.8 million as dividends and US\$ 80.8 million (approximately € 57 million) for 80% of Cabo Wabo, **net debt** stood at € 354.8 million (€ 288.1 million as of 31 December 2007). The net debt includes € 18.4 million estimated debt for possible exercise of put option on remaining 20% minority stake in Cabo Wabo.

CONSOLIDATED SALES FOR THE FIRST HALF OF 2008

The **spirits segment** (70.6% of total sales) recorded a **decrease of 4.5%**, the combined result of an **organic growth of 2.2%**, a **negative exchange rate effect of 3.1%** and a **negative perimeter effect of 3.7%**.

The **Campari** brand posted a **growth of 4.8%** at constant exchange rates (4.3% at actual exchange rates). **SKYY** sales **grew by 8.5%** at constant exchange rates (-4.4% at actual exchange rates). Regarding the other main brands, **CampariSoda** finished the first half with a slight decrease of **1.1%**; **Aperol** confirmed the positive trend and recorded a strong growth of **+12.0%** at constant exchange rates. The **Brazilian brands** (-15.8% at constant exchange rates) and **Cynar** (-8.5% at constant exchange rates) registered a decrease, a short term effect due to a tax change in Sao Paulo state; while **Glen Grant** ended up the first half almost in line with last year (-0.6% at constant exchange rates)

Regarding agency brands, **Jack Daniel's** performed well (**+6.5%** at constant exchange rates).

The **wines segment**, which contributed 13.9% of total sales, registered a **growth of 5.6%**, due to the combination of **organic growth of 6.2%** and a **negative exchange rate effect of 0.6%**. The segment's positive performance was driven by **Cinzano vermouth** (**+5.6%** at constant exchange rates) and by **Cinzano sparkling wines** (**+4.8%** at constant exchange rates). The still wines segment also benefited from the positive performance of **Sella & Mosca** (**+5.3%**).

Sales of soft drinks (13.5% of total sales), which are generated almost entirely by the Italian market, recorded an **organic growth of 1.8%**, driven by **Crodino** (**+6.5%**), while the **Lemonsoda** range registered a decrease (**-1.6%**) due to poor weather condition in Q2.

Looking at results **by region**, sales on the **Italian market** (45.9% of total Group sales) recorded an **increase of 2.8%**, thanks to good organic growth. Sales in **Europe** (21.0% of consolidated sales) **grew by 4.8%**, driven by the **organic sales growth of 5.6%**, thanks to positive performances from key markets; the exchange rate effect was negative at 0.8%. In the Americas (28.2% of total sales), the **US market** registered an organic **growth of 1.3%**, a negative exchange rate effect of **9.6%** and a negative perimeter effect of **11.6%**. In **Brazil**, sales registered an organic **decrease of 11.7%**. The exchange rate effect was positive at 4.2%. Sales in the **rest of the world** (including duty free sales), which accounted for 4.8% of total sales, **grew by 14.9%** overall, driven by an **organic growth of 16.8%**.

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CONFERENCE CALL

Please note that at **15.00 (CET) today, Friday 8 August 2008**, Campari's management will hold a conference call to present the Group's 2008 first half results to analysts, investors and media. To participate, please dial one of the following numbers:

- **from Italy: 800 785 163 (toll free number)**
- **from abroad: +39 02 6968 2741**

Access code: 711416

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 22.00 (CET) on Friday 8 August until 22.00 (CET) on Friday 15 August 2008.

To hear it, please call **+44 20 713 69233** (access code: **99262438#**).

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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 - 30 June 2008		1 January - 30 June 2007		Change
	€million	%	€million	%	%
Spirits	304.3	70.6%	318.7	72.3%	-4.5%
Wines	60.1	13.9%	56.9	12.9%	5.6%
Soft drinks	58.4	13.5%	57.4	13.0%	1.8%
Other revenues	8.4	1.9%	7.6	1.7%	11.0%
Total	431.2	100.0%	440.6	100.0%	-2.1%

Consolidated net revenues by geographic area

	1 January - 30 June 2008		1 January - 30 June 2007		Change
	€million	%	€million	%	%
Italy	198.1	45.9%	192.6	43.7%	2.8%
Europe	90.7	21.0%	86.5	19.6%	4.8%
Americas	121.6	28.2%	143.3	32.5%	-15.1%
Rest of the world and duty free	20.9	4.8%	18.2	4.1%	14.9%
Total	431.2	100.0%	440.6	100.0%	-2.1%

Consolidated income statement

	1 January - 30 June 2008		1 January 30 June 2007		Change
	€million	%	€million	%	%
Net sales ⁽¹⁾	431.2	100.0%	440.6	100.0%	-2.1%
Total cost of goods sold ⁽²⁾	(193.6)	-44.9%	(201.1)	-45.7%	-3.7%
Gross margin after distribution costs	237.6	55.1%	239.4	54.3%	-0.8%
Advertising and promotion	(75.4)	-17.5%	(79.8)	-18.1%	-5.6%
Contribution after A&P	162.2	37.6%	159.6	36.2%	1.6%
SG&A ⁽³⁾	(71.5)	-16.6%	(66.9)	-15.2%	6.9%
EBIT before one-off's	90.8	21.1%	92.7	21.0%	-2.1%
One off's	1.7	0.4%	(1.6)	-0.4%	-
Operating profit = EBIT	92.5	21.4%	91.1	20.7%	1.5%
Net financial income (expenses)	(8.2)	-1.9%	(8.5)	-1.9%	-3.8%
Income from associates	0.2	0.0%	0.1	0.0%	-
Put option costs	(0.7)	0.4%	0.0	0.0%	-
Pre-tax profit before taxes and minority interests	83.7	19.4%	82.7	18.8%	1.3%
Taxes	(23.7)	-5.5%	(25.7)	-5.8%	-7.5%
Net profit	60.0	13.9%	57.0	12.9%	5.2%
Minority interests	(0.1)	0.0%	(0.0)	0.0%	-
Group's net profit	59.8	13.9%	56.9	12.9%	5.1%
Depreciation and amortisation	(9.6)	-2.2%	(9.7)	-2.2%	-1.0%
EBITDA before one-off's	100.4	23.3%	102.4	23.2%	-2.0%
EBITDA	102.0	23.7%	100.8	22.9%	1.2%

(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

	30 June 2008 €million	31 December 2007 €million
ASSETS		
Non-current assets		
Net tangible fixed assets	159.1	155.4
Biological assets	16.6	15.9
Property	0.7	4.0
Goodwill and trademarks	861.6	812.2
Intangible assets	5.0	5.1
Interests in associates	0.5	0.6
Pre-paid taxes	15.4	15.9
Other non-current assets	8.1	10.0
Total non-current assets	1,067.0	1,019.1
Current assets		
Inventories	172.0	166.9
Trade receivables	266.2	280.0
Financial receivables	3.5	2.9
Cash and cash equivalents	110.3	199.8
Other receivables	32.3	37.1
Total current assets	584.3	686.7
Non-current assets for sale	12.7	2.5
Total assets	1, 664.0	1,708.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	29.0	29.0
Reserves	861.9	847.6
Group's shareholders' equity	890.9	876.6
Minority interests	2.1	1.9
Total shareholders' equity	893.0	878.6
Non-current liabilities		
Bonds	268.5	287.7
Other non-current financial payables	97.0	72.6
Staff severance funds	10.6	11.7
Risks funds	9.1	11.0
Deferred tax	64.9	60.7
Total non-current liabilities	450.2	443.6
Current liabilities		
Banks loan	86.4	114.4
Other financial payables	20.7	21.2
Trade payables	135.8	156.6
Payables for taxes	44.0	54.6
Other current liabilities	34.0	39.4
Total current liabilities	320.8	386.1
Total liabilities and shareholders' equity	1, 664.0	1,708.3

GRUPPO CAMPARI

Consolidated cash flow statement

	30 June 2008 €million	30 June 2007 €million
EBIT	92.5	91.1
Amortisation and depreciation	9.6	9.7
Other changes in non-cash items	(9.0)	(2.2)
Change in non financial assets and payables	(0.2)	0.9
Income taxes paid	(28.8)	(6.1)
Cash flow from operating activities before change in operating working capital	64.0	93.4
Net change in operating working capital	(14.7)	(14.3)
Cash flow from operating activities	49.3	79.2
Net interest paid	(7.5)	(8.4)
Cash flow from investing activities	(12.7)	(6.8)
Free cash flow	29.1	64.0
Acquisitions	(57.0)	(1.2)
Other changes	0.2	8.2
Dividends paid	(31.8)	(29.0)
Cash flow from other activities	(88.7)	(22.0)
Exchange rate differences and other movements	11.2	9.5
Net increase (decrease) in net financial position from activities	(48.3)	(51.5)
Net financial position from activities at start of period	(288.1)	(379.5)
Net financial position from activities at end of period	(336.4)	(328.1)
Future exercise for <i>put option</i> on Cabo Wabo minority stake	(18.4)	-
Net financial position	(354.8)	(328.1)