



Acquisition of Glen Grant



Conference call
Milan, 23 December 2005

Deal terms

- > Campari announces the signing of an agreement for the purchase of the whisky brands **Glen Grant, Old Smuggler** and **Braemar** from Pernod Ricard
- > Moreover, as part of the deal, **Campari is acquiring the Glen Grant distillery**, located in Rothes, Scotland, and **the stock** relative to the existing business
- > The transaction follows certain undertakings by Pernod Ricard to divest certain brands and assets further to its acquisition of Allied Domecq
- > The total **price paid for the acquisition is € 130 million**, including **€ 115 million for Glen Grant** (9.2 x the brand direct contribution in 2004) and **€ 15 million for Old Smuggler and Braemar** (2.5 x the brand direct contribution in 2004)
- > The acquisition, which is subject to the authorisation by the EU commission, will be paid in cash

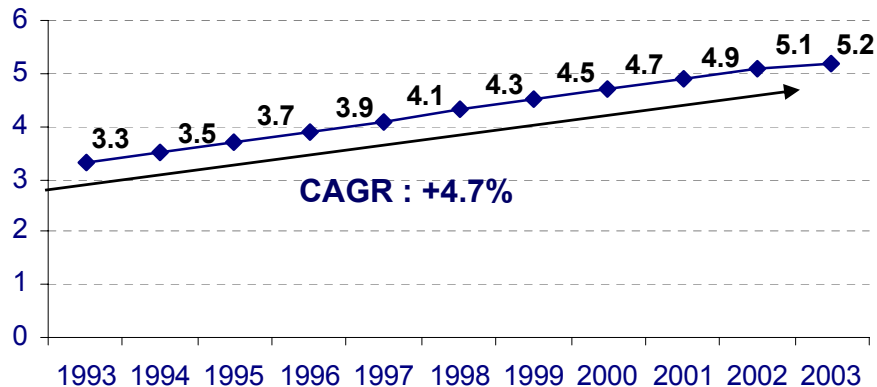


Malt Scotch whisky – Market overview

- > The emergence of new markets and mature markets still showing growth suggest that there are **opportunities for single malt Scotch to further expand**
- > Single malt is **highly attractive spirits category** also in light of the recent M&A activity

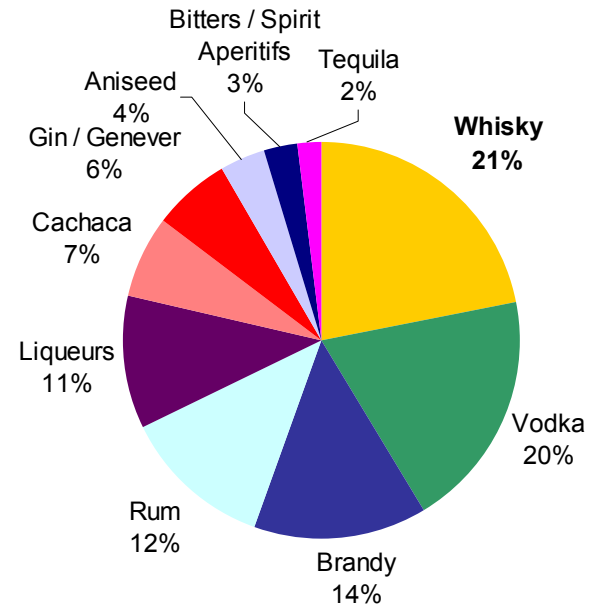


Malt whisky market evolution 1993-2003 (in million 9L-cases)



Source - IWSR

World spirits market by category - 2004



Glen Grant – Brand overview

- > A genuine single malt dating from 1840, with a **volume of approximately 350,000 9-liter cases**
- > **#2 selling single malt whisky in the world**
- > **#1 best selling Scotch whisky in Italy**
- > **#2 best selling single malt in Germany**
- > Potential growth opportunities in **untapped markets**, most notably in **Latin America, Asia and US**



World-wide malt Scotch whisky market Top 8 brands

('000 9L-cases)	2004
Glenfiddich	653
Glen Grant	381
The Glenlivet	369
The Macallan	298
Cardhu	278
Glenmorangie	252
UD Classic malts	178
Aberlour	161
Total Top 8	2,570

Source - IWSR

Top 8 players market shares of whisky market in Italy

Market shares	Dec 04/ Jan 05
Glen Grant	13.2%
Ballantine's Finest (PR)	10.6%
Johnnie Walker Red (Diageo)	8.6%
Jack Daniels (Brown Forman)	8.8%
J&B (Diageo)	7.0%
Chivas (PR)	5.9%
The Glenlivet (PR)	0.6%
William Lawson (Bacardi)	3.7%

Source - Nielsen

Glen Grant – Brand overview (cont'd)

- > Glen Grant started enjoying a **great success in Italy** 15 years ago
- > “Clear colour, pure taste” provides Glen Grant with a **clearly different proposition**
- > **Broad consumer profile** and strong among young consumer between 24 and 44 years old
- > **Very high brand awareness** in relevant markets (93% in Italy)
- > **Italy** is the **core market**
- > **Growth potential** in untapped markets



Glen Grant – Production facility

- > The whisky is produced at the Glen Grant Distillery, located in **Roths, Scotland**
- > Annual capacity of 5.9m litres of alcohol and dunnage cask store with a capacity of 12,000 barrels
- > The Glen Grant distillery is **ranked # 4 in terms of capacity** among malt distilleries in Scotland



List of top malt distilleries

Capacity - '000 litres of alcohol

Glenfiddich (William Grant)	10,000
Tomatin (Tomatin)	7,000
Macallan (Edrington)	6,000
Glan Grant (Campari)	5,900
The Glenlivet (Pernod Ricard)	5,900
Balvenie (William Grant)	5,600
Glenrothes (Edrington)	5,600
Miltoduff (Pernod Ricard)	5,240
Kinivie (William Grant)	4,400
Ardmore (Pernod Ricard)	4,200
Dufftown (Diageo)	4,000
Tamdhu (Edrington)	4,000
Glenmorangie (LVMH)	4,000

Source: The Scotch Whisky Industry Review 2004

Old Smuggler and Braemar - Brand overview

Old Smuggler

- > A **blended Scotch whisky** brand created in 1835, sold in a unique and distinctive bottle at an attractive price
- > A **leading player** in the US Scotch market
- > **# 2** best selling whisky in **Argentina**
- > **Strong growth** and **leading positions** in Eastern Europe (Czech Republic, Hungary)



Braemar

- > Positioned as an **authentic blended Scotch** at an attractive consumer price
- > It is predominantly an entry-level Scotch for consumer new to the category in emerging markets
- > Braemar has **enjoyed considerable success** in recent years in a number of Eastern European markets and in Thailand

Key financials

Sales

- > Based on data and representations received from the seller, **sales in 2004** for the three brands totalled some **€ 40 million (pre IAS / IFRS)**

Stock

- > The **stock associated with the brands** (included in the consideration paid) totals approximately **€ 26 million**

Capex

- > Estimated **capex of € 0.3 million** per annum

Fixed assets

- > Approximately **€ 6.5 million**

Acquisition rationale and conclusions

- > Further **strengthening in the spirits** segment
- > **Entrance into the Scotch whisky category** of strategic importance in some key geographic areas
- > Glen Grant has **great potential in untapped markets** (Latin America, Asia and US)
- > **Among the top four largest distilleries** in Scotland
- > Acquired business has a **good fit with existing Campari organisation**

— G R U P P O —



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