



# First quarter results to 31 March 2003

*Conference call*

*12 May 2003*

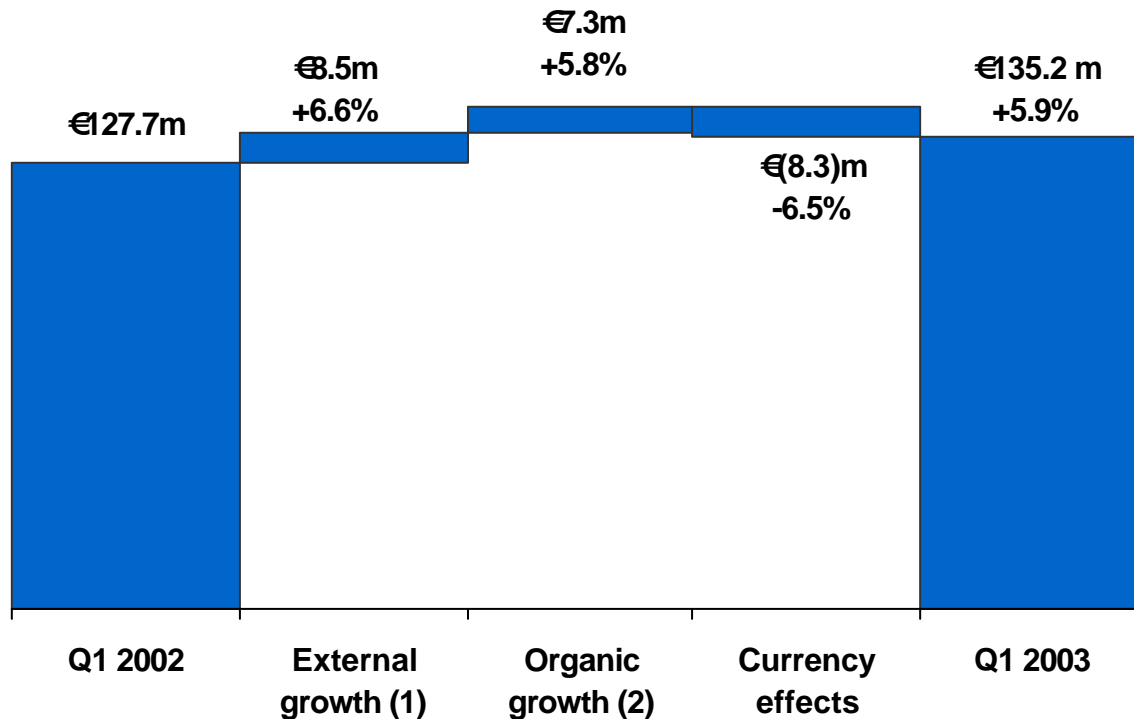
# Financial overview

- Growth in sales and in profitability:
  - Net sales +12.4% (at constant exchange rates)
  - EBIT +7.2% (at constant exchange rates)
- ...despite:
  - adverse impact of currencies
  - difficult trading environment
  - shift of Easter from March to April

	<b>Q1 2003</b> €million	<b><i>reported</i></b> <b><i>change %</i></b>
<b>Net sales</b>	135.2	+5.9%
<b>EBITDA</b>	31.7	+2.5%
<b>EBITA</b>	28.3	+4.5%
<b>EBIT</b>	21.3	+5.4%
<b>Group pretax</b>	15.3	+5.9%

# Sales growth analysis

Unfavourable impact of foreign exchange rates



(1) New distribution agreement of Tequila 1800 in US market

(2) At constant exchange rates

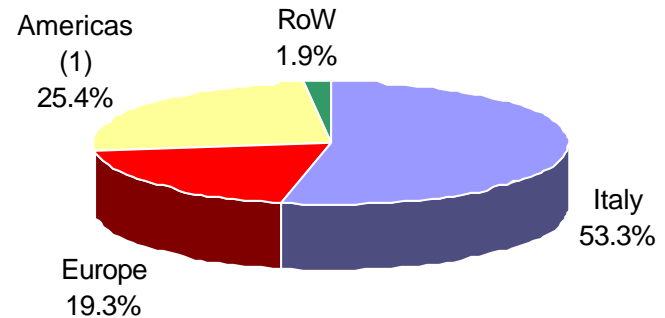
GRUPPO

**CAMPARI**

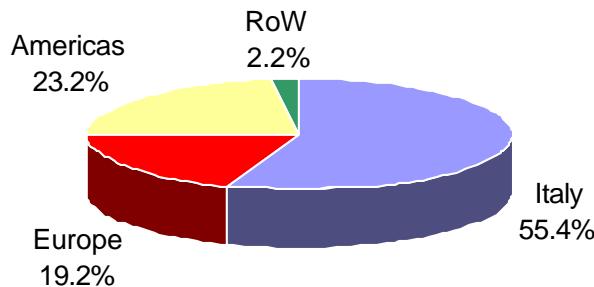
# Sales breakdown by region

Positive performance in all regions

**Q1 2003 sales by region**  
 €135.2 m



**Q1 2002 sales by region**  
 €127.7 m



<i>(1) of which:</i>	
- USA	21.4%
- Brazil	3.0%
- Other	1.0%
<b>Total Americas</b>	<b>25.4%</b>

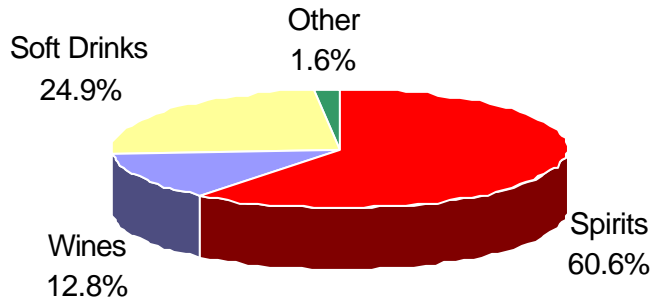
	Change %	of which:		
		external	organic	currency
Italy	1.8%	0.0%	1.8%	0.0%
Europe	6.7%	0.0%	6.7%	0.0%
Americas	16.1%	28.7%	14.7%	-27.3%
RoW	-6.4%	0.0%	2.4%	-8.8%
<b>Total</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.8%</b>	<b>-6.5%</b>

# Sales breakdown by segment

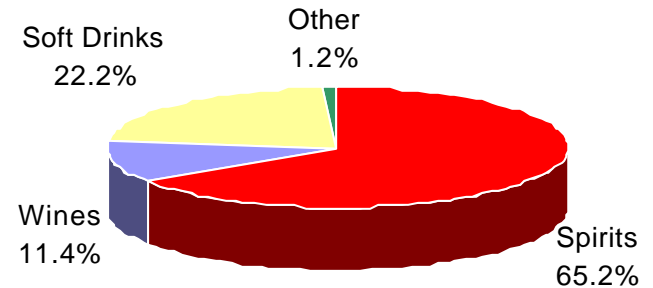
Performance is driven by spirits

- Introduction
- Highlights
- Brands
- Financials
- Outlook

Q1 2002 sales by segment  
€127.7 m



Q1 2003 sales by segment  
€135.2 m



	Change %	of which:		
		external	organic	currency
Spirits	14.0%	11.0%	12.7%	-9.7%
Wines	-6.1%	0.0%	-2.8%	-3.3%
Soft drinks	-5.6%	0.0%	-5.6%	0.0%
Other rever	-25.2%	0.0%	-12.5%	-12.7%
<b>Total</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.8%</b>	<b>-6.5%</b>

# Performance of key brands

Q1 2003 / Q1 2002 change in value	at constant exchange rates	currency effects
<b><u>Spirits</u></b>		
Campari <sup>(1)</sup>	+0.7%	-5.4%
CampariSoda	+7.7%	0.0%
SKYY <sup>(2)</sup>	+32.7%	-23.2%
Cynar	-7.1%	-1.2%
Ouzo 12	+41.0%	-1.2%
Dreher	+30.3%	-57.7%
Admix whiskies	+9.8%	-48.7%
Jaegermeister <sup>(3)</sup>	+12.1%	-0.5%
<b><u>Wines</u></b>		
Cinzano sparkling wines	-6.4%	-1.0%
Cinzano vermouths	-9.5%	-6.3%
Sella & Mosca	-4.9%	-1.0%
<b><u>Soft drinks</u></b>		
Crodino	-2.9%	0.0%
Carbonated soft drinks	-10.4%	0.0%

(1) Campari: Italy +7.3%, Brazil +17.1% (in local currency), Germany -5.5%

(2) SKYY Vodka +28.6% (at constant rates); SKYY flavoured vodkas +83.8% (at constant rates)

(3) Agency brand

# Consolidated trading profit

	Q1 2003		Q1 2002		Change
	€ million	%	€ million	%	%
<b>Net revenues (1)</b>	<b>135.2</b>	<b>100.0%</b>	<b>127.7</b>	<b>100.0%</b>	<b>5.9%</b>
Materials	(43.1)	-31.9%	(40.0)	-31.3%	7.7%
Production costs (2)	(10.0)	-7.4%	(11.0)	-8.6%	-8.9%
<b>Total cost of goods sold</b>	<b>(53.1)</b>	<b>-39.3%</b>	<b>(51.0)</b>	<b>-39.9%</b>	<b>4.1%</b>
<b>Gross margin</b>	<b>82.1</b>	<b>60.7%</b>	<b>76.7</b>	<b>60.1%</b>	<b>7.1%</b>
Advertising and promotion	(27.3)	-20.2%	(25.1)	-19.7%	8.8%
Selling and distribution expenses	(17.5)	-12.9%	(16.8)	-13.2%	3.9%
<b>Trading profit</b>	<b>37.3</b>	<b>27.6%</b>	<b>34.8</b>	<b>27.3%</b>	<b>7.3%</b>

(1) Net of discounts and excise duty

(2) Fixed operating costs amounting to €0.6m reclassified from Production costs to G&A in Q1 2003

- Gross margin up from 60.1% to 60.7% on sales
  - Materials up 0.6% on sales due to Tequila 1800 (purchase costs of finished products)
  - Production costs down 1.2% on sales

# Consolidated EBIT

	Q1 2003		Q1 2002		Change
	€ million	%	€ million	%	%
<b>Trading profit</b>	<b>37.3</b>	<b>27.6%</b>	<b>34.8</b>	<b>27.3%</b>	<b>7.3%</b>
General and administrative expenses	(10.2)	-7.5%	(10.9)	-8.5%	-6.1%
Other operating income	1.2	0.9%	3.7	2.9%	-66.1%
Amortisation of goodwill and trademarks	(6.9)	-5.1%	(6.8)	-5.3%	1.7%
Non-recurring expenses	(0.1)	-0.1%	(0.6)	-0.5%	-78.8%
<b>EBIT</b>	<b>21.3</b>	<b>15.8%</b>	<b>20.2</b>	<b>15.8%</b>	<b>5.4%</b>

Depreciation	(2.9)	-2.1%	(3.2)	-2.5%	-10.1%
Amortization of GW, TM and other intangibles	(7.6)	-5.6%	(7.5)	-5.9%	0.1%
<b>Total depreciation and amortization</b>	<b>(10.4)</b>	<b>-7.7%</b>	<b>(10.7)</b>	<b>-8.4%</b>	<b>-2.9%</b>
<b>EBITDA</b>	<b>31.7</b>	<b>23.5%</b>	<b>31.0</b>	<b>24.3%</b>	<b>2.5%</b>
<b>EBITA (1)</b>	<b>28.3</b>	<b>20.9%</b>	<b>27.0</b>	<b>21.1%</b>	<b>4.5%</b>

(1) EBITA = EBIT before amortization of goodwill and trademarks

- Other operating revenues mainly attributable to net royalty from SKYY Blue: amount in Q1 2002 benefited from higher sales in connection with product launch
- Decrease in depreciation is attributable to transition from returnable (amortised) to non-returnable bottles and crates (expensed) for CampariSoda and Crodino. Process is to be completed in 2003
- EBIT growth at constant exchange rates is 7.2%



# Consolidated pretax profit

	Q1 2003		Q1 2002		Change
	€ million	%	€ million	%	%
<b>EBIT</b>	<b>21.3</b>	<b>15.8%</b>	<b>20.2</b>	<b>15.8%</b>	<b>5.4%</b>
Net interest income (charges)	(2.4)	-1.8%	(1.3)	-1.0%	80.9%
Exchange-rate gains (losses), net	(0.6)	-0.4%	(0.9)	-0.7%	-38.5%
Other non operating income (charges)	(0.4)	-0.3%	(0.5)	-0.4%	-11.5%
<b>Income before taxes</b>	<b>17.9</b>	<b>13.3%</b>	<b>17.5</b>	<b>13.7%</b>	<b>2.4%</b>
Minority interests	(2.6)	-1.9%	(3.0)	-2.3%	-14.4%
<b>Group income before taxes</b>	<b>15.3</b>	<b>11.3%</b>	<b>14.5</b>	<b>11.4%</b>	<b>5.9%</b>

- Increase in net interest charges is due to change from short-term variable rates to long-term fixed rates in connection with the issue of senior guaranteed notes (private placement) in second half of 2002
- Decrease in minority interests, related mostly to Skyy Spirits, is entirely attributable to currency effect

# Net financial debt

	31 Mar 2003	31 Dec 2002	31 Mar 2002
	€ million	€ million	€ million
Cash	90.3	103.5	53.6
Marketable securities	4.1	4.2	14.8
Short term bank debt	(109.2)	(120.2)	(261.2)
Capital lease and other financial debt	(20.3)	(23.2)	(30.9)
Private placement	(156.0)	(163.1)	0.0
<b>Net cash/(debt)</b>	<b>(191.1)</b>	<b>(198.8)</b>	<b>(223.7)</b>

- Net financial debt amounts to €191.1 million down from €198.8 million as at 31 December 2002
- Difference in net debt includes €16 million non-operating cash outflows (reduction in net debt before non operating cash outflows amounts to c.€23 million)

# Outlook

- Strengths...
  - Positive results in difficult trading environment
  - Good performance in key markets continues (Italy, USA)
- ...but challenges
  - Foreign currencies (falling US dollar)
  - Economic environment is still uncertain

# Appendixes

- Appendix A - Consolidated income statement
- Appendix B - Currency effects on net sales
- Appendix C - Average exchange rates in Q1 2003

# Appendix A

## Consolidated income statement

	Q1 2003		Q1 2002		Change
	€ million	%	€ million	%	%
<b>Net revenues (1)</b>	<b>135.2</b>	<b>100.0%</b>	<b>127.7</b>	<b>100.0%</b>	<b>5.9%</b>
Materials	(43.1)	-31.9%	(40.0)	-31.3%	7.7%
Production costs	(10.0)	-7.4%	(11.0)	-8.6%	-8.9%
<b>Total cost of goods sold</b>	<b>(53.1)</b>	<b>-39.3%</b>	<b>(51.0)</b>	<b>-39.9%</b>	<b>4.1%</b>
<b>Gross margin</b>	<b>82.1</b>	<b>60.7%</b>	<b>76.7</b>	<b>60.1%</b>	<b>7.1%</b>
Advertising and promotion	(27.3)	-20.2%	(25.1)	-19.7%	8.8%
Selling and distribution expenses	(17.5)	-12.9%	(16.8)	-13.2%	3.9%
<b>Trading profit</b>	<b>37.3</b>	<b>27.6%</b>	<b>34.8</b>	<b>27.3%</b>	<b>7.3%</b>
General and administrative expenses	(10.2)	-7.5%	(10.9)	-8.5%	-6.1%
Other operating income	1.2	0.9%	3.7	2.9%	-66.1%
Amortisation of goodwill and trademarks	(6.9)	-5.1%	(6.8)	-5.3%	1.7%
Non-recurring expenses	(0.1)	-0.1%	(0.6)	-0.5%	-78.8%
<b>EBIT</b>	<b>21.3</b>	<b>15.8%</b>	<b>20.2</b>	<b>15.8%</b>	<b>5.4%</b>
Net interest income (charges)	(2.4)	-1.8%	(1.3)	-1.0%	80.9%
Exchange-rate gains (losses), net	(0.6)	-0.4%	(0.9)	-0.7%	-38.5%
Other non operating income (charges)	(0.4)	-0.3%	(0.5)	-0.4%	-11.5%
<b>Income before taxes</b>	<b>17.9</b>	<b>13.3%</b>	<b>17.5</b>	<b>13.7%</b>	<b>2.4%</b>
Minority interests	(2.6)	-1.9%	(3.0)	-2.3%	-14.4%
<b>Group income before taxes</b>	<b>15.3</b>	<b>11.3%</b>	<b>14.5</b>	<b>11.4%</b>	<b>5.9%</b>
Depreciation	(2.9)	-2.1%	(3.2)	-2.5%	-10.1%
Amortization of goodwill, trademarks and c	(7.6)	-5.6%	(7.5)	-5.9%	0.1%
Total depreciation and amortization	(10.4)	-7.7%	(10.7)	-8.4%	-2.9%
<b>EBITDA</b>	<b>31.7</b>	<b>23.5%</b>	<b>31.0</b>	<b>24.3%</b>	<b>2.5%</b>
<b>EBITA (2)</b>	<b>28.3</b>	<b>20.9%</b>	<b>27.0</b>	<b>21.1%</b>	<b>4.5%</b>

(1) Net of discounts and excise duty

(2) EBITA = EBIT before amortization of goodwill and trademarks

# Appendix B

## Currency effects on net sales

### Consolidated net sales by segment

	Q1 2003		Q1 2002		Change %	of which:		
	€ million	%	€ million	%		external	organic	currency
Spirits	88.2	65.2%	77.4	60.6%	<b>14.0%</b>	11.0%	12.7%	-9.7%
Wines	15.4	11.4%	16.4	12.8%	<b>-6.1%</b>	0.0%	-2.8%	-3.3%
Soft drinks	30	22.2%	31.8	24.9%	<b>-5.6%</b>	0.0%	-5.6%	0.0%
Other revenues	1.6	1.2%	2.1	1.6%	<b>-25.2%</b>	0.0%	-12.5%	-12.7%
<b>Total</b>	<b>135.2</b>	<b>100.0%</b>	<b>127.7</b>	<b>100.0%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.8%</b>	<b>-6.5%</b>

### Consolidated net sales by region

	Q1 2003		Q1 2002		Change %	of which:		
	€ million	%	€ million	%		external	organic	currency
Italy	72.1	53.3%	70.8	55.4%	<b>1.8%</b>	0.0%	1.8%	0.0%
Europe	26.2	19.3%	24.5	19.2%	<b>6.7%</b>	0.0%	6.7%	0.0%
Americas	34.3	25.4%	29.6	23.2%	<b>16.1%</b>	28.7%	14.7%	-27.3%
RoW	2.6	1.9%	2.8	2.2%	<b>-6.4%</b>	0.0%	2.4%	-8.8%
<b>Total</b>	<b>135.2</b>	<b>100.0%</b>	<b>127.7</b>	<b>100.0%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.8%</b>	<b>-6.5%</b>

### Breakdown of Americas

	Q1 2003		Q1 2002		Change %	of which:		
	€ million	%	€ million	%		external	organic	currency
USA	28.9	84.2%	22.6	76.3%	<b>28.2%</b>	37.6%	11.0%	-20.4%
Brazil	4.1	12.0%	5.9	20.1%	<b>-30.6%</b>	0.0%	23.9%	-54.5%
Other countries	1.3	3.8%	1.1	3.6%	<b>21.4%</b>	0.0%	42.6%	-21.2%
<b>Total</b>	<b>34.3</b>	<b>100.0%</b>	<b>29.6</b>	<b>100.0%</b>	<b>16.1%</b>	<b>28.7%</b>	<b>14.7%</b>	<b>-27.3%</b>

# Appendix C

## Average exchange rates in Q1 2003

Average exchange rate	Q1 2003	Q1 2002	change
Brazilian Real : 1 Euro	3.7500	2.0880	79.6%
Euro : 1 Brazilian Real	0.2666	0.4789	-44.3%
US dollar : 1 Euro	1.0730	0.8760	22.5%
Euro : 1 US dollar	0.9316	1.1415	-18.4%



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