



Acquisition of Barbero 1891 S.p.A.

BARBERO
1891

Conference call
Milan, 1 December 2003

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Executive summary

- > Campari announces today the signing of an agreement for the purchase of 100% of Barbero 1891 S.p.A. (“Barbero”)
- > The acquired brand portfolio includes Aperol, Aperol Soda and Barbieri liqueurs in the spirits segment, and Asti Mondoro and Serafino in the wines segment (sparkling wine brand Conte di Cavour not included as well as Frangelico brand)
- > Based in Canale, North-western Italy, Barbero was a wholly-owned subsidiary of the Irish Cantrell & Cochrane Group controlled by the UK private equity fund BC Partners
- > The enterprise consideration is € 150 million (a net cash position of €70 million will be included in the equity consideration)
- > The acquisition will be paid in cash and will be financed with part of the proceeds from the senior notes issued in July 2003

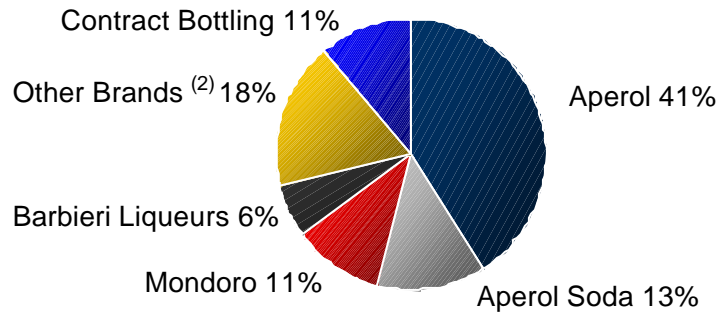
Barbero history

- > 1891: Barbero established as a wine company by the Barbero family
- > 1950: Production of sparkling wines and vermouth begins
- > 1960: Production of liqueurs begins
- > 1988: Serafino winery acquired
- > 1990: Sale to Cantrell & Cochrane
- > 1991: Acquisition of Barbieri S.p.A. (owner of Aperol)
- > 1995: Aperol Soda launched
- > 1999: Cantrell & Cochrane acquired by BC Partners from Allied Domecq

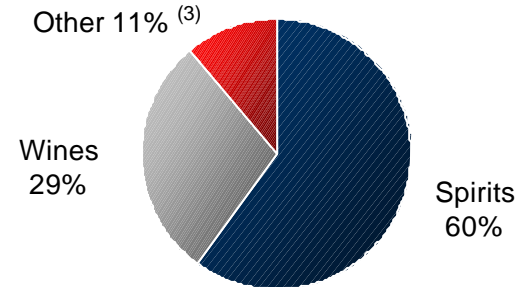
Overview of Barbero

- > A complete portfolio led by the key strategic brands Aperol, Aperol Soda and Barbieri liqueurs in the spirits segment and Asti Mondoro and Serafino in the wines segment
- > Contract bottling refers to Frangelico brand
- > Spirits account for 60% of net turnover
- > Italy contributes 67% of net turnover

12M to Feb 2004F Net Revenues by Brand⁽¹⁾



12M to Feb 2004F Net Revenues by Segment⁽¹⁾



Total Net Revenues € 55.2m

Source: Company information

Note: (1) Fiscal year ending February 2004, excluding Conte di Cavour

(2) Includes Serafino, L'Arazzo, Corkys, Diesus and miscellaneous

(3) Includes contract bottling

Aperol, a consolidated brand in a growing category



Brand highlights



- > Launched in Padova, North-eastern Italy, in 1919
- > Aperol's unique flavour and colour is achieved through a blend of bitter orange and herbs - using a secret recipe that has been unchanged since its first creation
- > Significant brand growth at the end of the 1960's as a result of successful television campaigns
- > Advertising campaign launched in 1987 highlighting the social nature of the brand
- > Export contributes to 6% of brand's current net revenues
- > Achieved sales growth (CAGR) of 16.5% in 2001-2003
- > 2004F volume of 534k 9-ltr cases

Aperol, a consolidated brand in a growing category (cont.)



Positioning and growth drivers



- > Increasing market share in on and off-trade
- > Happy hour moment has shown strong growth... expected to continue
- > Aperol is perfectly positioned to take full advantage
 - low in alcohol (11% by volume)
 - mixable
 - new, young consumers
 - the “Spritz” occasion
- > Aperol integrates Campari’s offer in the medium alcoholic content spirits segment which is experiencing a strong growth in Italy and internationally
- > High growth potential in Germany with increased marketing support

Aperol Soda



Brand highlights

- > Bitter-sweet single serve product mirroring the Aperol taste
- > Launched in 1995 proving immediately successful due to national distribution, unique positioning and Aperol heritage
- > New 125ml format launched in 2001
- > Sales and consumption trend consolidated
- > 2004F volume of 286k 9-ltr cases

Positioning

- > Unique positioning in the low alcohol beverage segment at 3% alcohol content
- > Typical consumer is younger than segment average



Barbieri liqueurs

BARBIERI

Brand highlights

PUNCH

- > Spirit consumed mostly in winter

**RUM
DES ANTILLES**

- > Imported from the Caribbean
- > Strong volume growth and potential

JUNIPER

- > Exclusively distributed through traditional channel
- > Stable volume and highly profitable

GRAPPA

- > Growing volumes

Mondoro, “The world’s finest Asti”

MONDORO

Brand highlights

- > Launched internationally in 1996
 - Highly successful in Russia with a 40% market share
 - Also successful in other international markets (Asia Pacific)
- > Fast growing brand: +18.5% volume CAGR in 2001-2004F
- > 2004F volume of 139k 9-ltr cases

Positioning

- > Premium Asti

Strategy

- > Mondoro strengthens the Campari Group’s offer in the premium Asti segment together with Cinzano and the newly acquired Riccadonna



Serafino, The Return of a Classic Cellar



Brand highlights

- > Classic Piedmont wines, local Roero and neighbouring Langhe and Monferrato (Barolo, Barbaresco, Barbera, Roero, Arneis, Dolcetto, Chardonnay, Grignolino)
- > Sparkling wines (Metodo Classico, Brachetto)
- > Domestic 2004F volume of 55k 9-ltr cases up from 51k in 2002

Positioning

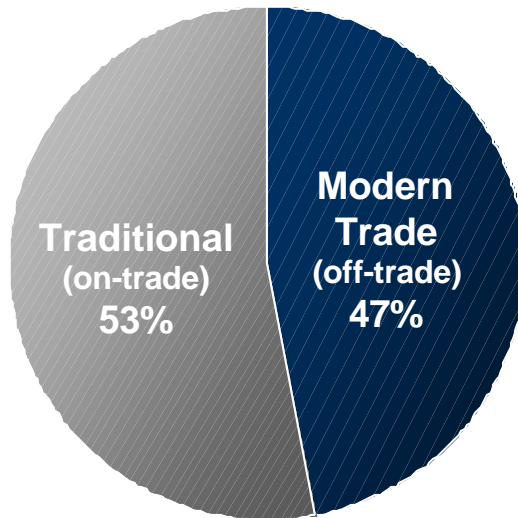
- > Complete range
- > High quality standards

Distribution

- > National distribution

Balanced and strong distribution

Breakdown By Channel ⁽¹⁾



- > Strong presence in the on-trade channel
- > Complementary distribution offers opportunity for reallocation of brands within different sales forces aiming at exploiting their strengths

Note:

(1) Based on domestic net turnover

Production facilities

- > Total area of 102,476 sq.m., of which 30,147 sq.m. is covered
- > Canale (Piedmont)
 - Production of spirits and wines
 - Factory: 16,648 sq.m.
 - Warehouse: 6,159 sq.m.



Financial Performance

- > Sales mix improvement driven by Aperol performance
- > Gross margin improvements and leverage of fixed costs

Fiscal year ending February (€ million)	2001	2002	2003	2004F	CAGR 01-04F	Pro-forma 2004F ⁽²⁾
Net Turnover⁽¹⁾	49.5	53.2	58.1	64.5	9.2%	55.2
Gross Profit	24.1	26.4	30.1	35.3	13.6%	
<i>% Margin</i>	48.6%	49.6%	51.8%	54.7%		
Net Brand Margin	11.0	12.2	16.1	19.3	20.8%	18.7
<i>% Margin</i>	22.2%	22.9%	27.7%	30.0%		33.9%
EBIT	5.1	6.0	9.6	12.5	34.8%	
<i>% Margin</i>	10.3%	11.3%	16.5%	19.4%		
EBITDA	6.0	6.8	10.4	13.3	30.7%	12.7
<i>% Margin</i>	12.0%	12.7%	17.8%	20.6%		23.0%

Source: Company information

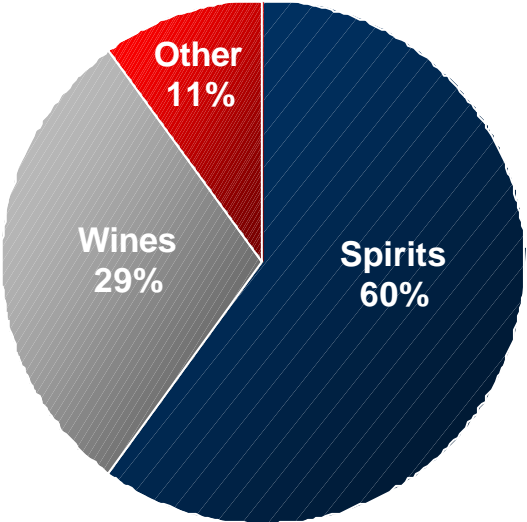
Note:

(1) Defined as gross turnover minus price support and duty

(2) Excluding Conte di Cavour brands

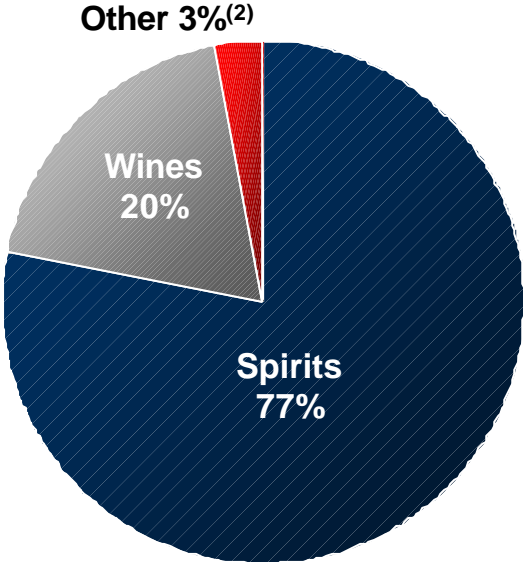
Analysis of net turnover and net brand margin

2004F Net Revenues by Segment ⁽¹⁾



Total Revenues €55.2m

2004F Net Brand Margin by Segment ⁽¹⁾



Net Brand Margin €18.7m

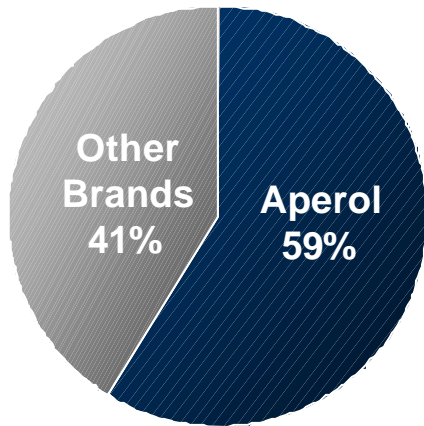
Note: Net brand margin does not include sales and marketing expenses (€3.6m) and G&A (€3.2m)

(1) Fiscal year ending February 2004

(2) Contract bottling

Advertising and promotion

2004F A&P Expenses by Brand ⁽¹⁾



Note:

(1) Excluding Conte di Cavour brands

- > Total A&P spending on Aperol of €5.9 million in 2004F
 - +12% CAGR in 2001-2004F
 - Represents 26% of brand turnover in 2004F

Acquisition rationale and conclusions

- > This acquisition represents a further strengthening in the spirits and wines markets
 - Aperol integrates Campari's offer in the medium-alcoholic content spirits segment which is experiencing a strong growth in Italy and internationally
 - Mondoro strengthens the strong position in the premium Asti segment on international markets together with Cinzano and the recently acquired Riccadonna