



PRESS RELEASE

HALF-YEAR RESULTS TO 30 JUNE 2003

Continued strong performance of sales: €332.7 million (+8.5%)

Net sales growth in all business segments: spirits, wines and soft drinks

Growth in all operating income levels

Slight decline in net income entirely due to return to normalised tax rate

Milan, 8 September 2003 - The Board of Directors of Davide Campari-Milano S.p.A. has approved the half-yearly report as of 30 June 2003, showing **more than satisfactory results**, both in terms of **sales growth** and of **increase at all levels of operating profitability**, especially in the light of the substantial negative exchange rate impact.

In fact, before exchange rate impact, performance is even stronger, with **double-digit growth** as compared to the equivalent period last year.

	2003 half-year results (€ million)	% change at constant exchange rates	% change at actual exchange rates
• Consolidated net sales	332.7	+16.7%	+8.5%
• EBITDA	78.9	+13.2%	+4.8%
• EBITA	70.9	+13.5%	+4.9%
• EBIT (Operating income)	56.9	+16.8%	+6.1%
• Net profit	28.0	-5.2%	-12.6%

EBITA = EBIT (Operating result) before amortisation of goodwill and trademarks.

Where not specified, growth percentages are at actual exchange rates, i.e. net of exchange rate differences.

CONSOLIDATED RESULTS FOR THE FIRST 6 MONTHS OF 2003

In the first six months of 2003 **Group sales** were € 332.7 million, **up 8.5%**. **Organic growth**, at constant exchange rates, was **10.7%**, while the negative impact of exchange rates on sales amounted to 8.1%, mainly because of the devaluation of the US Dollar and the Brazilian Real. **External growth of 6.0%** is entirely due to the new distribution agreement of tequila 1800 in the US market.

Trading profit was €91.5 million, **up 6.2%**, amounting to 27.5% of sales.

EBITDA was €78.9 million, **up 4.8%**, amounting to 23.7% of sales.

EBITA was €70.9 million, **up 4.9%**, amounting to 21.3% of sales.

EBIT was €56.9 million, **up 6.1%**, amounting to 17.1% of sales.

Profit before taxes and minority interests was €51.4 million, showing a slight decrease of 1.5%, mainly as a result of higher financial charges attributable to the different structure and amount of average financial debt in the two periods.

The Group's profit before taxes, i.e. profit before taxes and minority interests net of minority interests, was €43.6 million, down 3.0%.

The Group's net profit was €28.0 million, down 12.6% because of the higher tax burden as compared to the previous period, when the Company had benefited from the "DIT" and "Tremonti bis" tax breaks.

Shareholders' equity as of 30 June 2003 amounted to €494.2 million.

As of 30 June 2003 **net financial debt** was €232.9 million.

2003 FIRST HALF-YEAR SALES

The **spirits segment**, with sales of € 217.8 million, amounting to 65.5% of total turnover, saw **23.6% growth** at constant exchange rates (+11.6% net of exchange rate impact). Organic growth, amounting to 14.2% at constant exchange rates (+2.2% net of exchange rate impact), was helped by the **positive sales trend** of **CampariSoda** (+2.1%), **Ouzo 12** (+14.5%) and **Jägermeister** (+3.9%). The **Campari** brand's growth was 1.5% at constant exchange rates (-5.0% net of exchange rate impact). In geographic terms, Campari sales continue to show **a positive trend in Italy** (+4.5%) and in **Brazil**, while in Germany sales continued to recover slightly, which can be interpreted in a very positive light, as a sign that the downturn that has characterised the brand in the last few years in this market is relenting. Overall sales of **Campari Mixx**, which benefited from the expansion of distribution in Germany and Austria and from the introduction of the new Campari Mixx Orange line extension on the domestic market, have attained the planned goals in Italy and achieved the expected dynamic growth in the second quarter. **SKYY Vodka** confirmed its **highly positive sales trend**, with growth of 27.1% at constant exchange rates (+4.0% net of exchange rate impact), inclusive of the flavoured vodkas; as for the SKYY range, the new flavoured vodkas launched in March 2003 (SKYY Berry, SKYY Spiced and SKYY Vanilla, which joined the existing SKYY Citrus) continued their upward sales trend, achieving, in the first half-year, a percentage of about 15% of total SKYY sales. **External growth**, deriving from tequila 1800, was **9.4%**.

The **wines segment** recorded **9.7% growth** at constant exchange rates (+6.9% net of exchange rate effect). This result, up sharply from the first quarter of 2003, was due to **an upturn in all brands: Cinzano vermouth** sales, in particular, rose by 13.3% at constant exchange rates (+7.0% net of exchange rate impact), mainly due to increased distribution in Eastern European markets. **Cinzano sparkling wines** saw a rise of 7.4% at constant exchange rates (+6.7% net of exchange rate impact), thanks to the upward trend in the Italian market and to the recovery of consumption in the German market. **Sella & Mosca** saw a 2.8% increase, thanks to the particularly positive trend in the Italian market.

Soft drinks sales rose by **5.6%**, a significant recovery on the first quarter. Thanks to favourable climatic conditions, **Lemonsoda, Oransoda and Pelmosoda** and **Lipton Ice Tea** grew by **9.9%** and **8.6%** respectively. **Crodino**, whose sales are less closely correlated to climatic variations, was up **3.4%**.

In terms of **geographic split**, sales in the first half of 2003 on the **Italian market** accounted for 50.8% of the Group's sales and rose **6.1%** thanks to the **significant upturn in all business segments. Sales in the European area**, 19.4% of the total, **grew by 17.1%**, due to the introduction of Campari Mixx in Germany and Austria, to the start of the new distribution agreement for the Russian market and to the first signs of recovery in Germany. Regarding Americas, **the US market grew by 26.2%**, thanks to the new distribution contract for tequila 1800 (+31.5%) and to positive organic growth (+16.6% at constant exchange rates), led by SKYY Vodka. **Brazil too has undergone an upward turn**, with a 14.1% increase in sales in local currency terms, due to the good results achieved by Campari and Dreher.

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CONFERENCE CALL

At 5.30 p.m. today, Monday 8 September 2003, there will be a conference call, during which Campari's management will present the results for the first half of 2003 to analysts, investors and journalists. To take part in the conference call, simply dial one of the following numbers:

- from Italy: 800 990 927 (toll-free number)
- from abroad: +39 02 3700 8210

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CAMPARI GROUP - 2003 HALF-YEAR RESULTS TO 30 JUNE 2003

Annex 1) Campari Group - split of net revenues

Net revenues by segment

	1 January - 30 June 2003		1 January - 30 June 2002		Change %
	€ million	%	€ million	%	
Spirits	217.8	65.5%	195.2	63.7%	11.6%
Wines	36.4	10.9%	34.0	11.1%	6.9%
Soft Drinks	75.5	22.7%	71.4	23.3%	5.6%
Other revenues	3.0	0.9%	5.8	1.9%	-47.7%
Total	332.7	100.0%	306.5	100.0%	8.5%

Net revenues by geographic area

	1 January - 30 June 2003		1 January - 30 June 2002		Change %
	€ million	%	€ million	%	
Italy	169.1	50.8%	159.4	52.0%	6.1%
Europe	64.4	19.4%	55.0	17.9%	17.1%
Americas	94.3	28.4%	86.5	28.2%	9.0%
Rest of the world	4.8	1.4%	5.5	1.8%	-13.3%
Total	332.7	100.0%	306.5	100.0%	8.5%

Annex 2) Campari Group - consolidated income statement

	1 January - 30 June 2003		1 January - 30 June 2002		Change %
	€ million	%	€ million	%	
Net revenues⁽¹⁾	332.7	100.0%	306.5	100.0%	8.5%
Cost of materials	(113.9)	-34.2%	(102.9)	-33.6%	10.7%
Production costs	(20.7)	-6.2%	(23.4)	-7.6%	-11.3%
Total cost of goods sold	(134.6)	-40.5%	(126.2)	-41.2%	6.7%
Gross margin	198.0	59.5%	180.2	58.8%	9.9%
Advertising and promotion	(69.2)	-20.8%	(57.6)	-18.8%	20.1%
Selling and distribution expenses	(37.4)	-11.2%	(36.5)	-11.9%	2.4%
Trading profit	91.5	27.5%	86.1	28.1%	6.2%
General and administrative expenses	(23.7)	-7.1%	(21.9)	-7.2%	7.0%
Other operating revenues	3.5	1.1%	4.0	1.3%	-12.4%
Amortisation of goodwill and trademarks	(13.9)	-4.2%	(13.9)	-4.5%	0.5%
Non-recurring expenses	(0.5)	-0.2%	(0.6)	-0.2%	-5.9%
EBIT = Operating income	56.9	17.1%	53.7	17.5%	6.1%
Net interest income (charges)	(5.0)	-1.5%	(2.2)	-0.7%	122.5%
Exchange-rate gains (losses), net	(0.5)	-0.2%	7.4	2.4%	-107.3%
Other non operating income (charges)	(0.0)	0.0%	(6.7)	-2.2%	-99.4%
Profit before taxes and minority interests	51.4	15.5%	52.2	17.0%	-1.5%
Minority interests	(7.8)	-2.4%	(7.3)	-2.4%	7.3%
Group's profit before taxes	43.6	13.1%	44.9	14.7%	-3.0%
Taxes	(15.6)	-4.7%	(12.9)	-4.2%	20.8%
Group's net profit	28.0	8.4%	32.0	10.4%	-12.6%
Depreciation	(6.8)	-2.0%	(6.5)	-2.1%	4.4%
Amortisation of goodwill, trademarks and other intangibles	(15.2)	-4.6%	(15.1)	-4.9%	0.4%
Total depreciation and amortisation	(22.0)	-6.6%	(21.6)	-7.1%	1.6%
EBITDA	78.9	23.7%	75.3	24.6%	4.8%
EBITA (2)	70.9	21.3%	67.5	22.0%	4.9%

(1) Net of discounts and excise duty.

(2) EBITA = EBIT before amortisation of goodwill and trademarks.

Annex 3) Campari Group - consolidated balance sheet

	30 June 2003	31 December 2002	Change
	€million	€million	€million
Cash and banks	55.6	103.5	(47.9)
Marketable securities	1.9	4.2	(2.3)
Accounts receivable, net of devaluation reserve	160.5	132.9	27.6
Inventories	104.2	94.9	9.3
Other current assets	44.1	49.0	(4.9)
Total current assets	366.3	384.5	(18.2)
Tangible assets, net	154.2	144.2	10.0
Goodwill, net	427.6	437.3	(9.7)
Other intangible assets, net	14.9	16.0	(1.1)
Financial assets	7.6	8.7	(1.1)
Other non-current assets	3.5	3.4	0.1
Treasury shares	31.0	31.0	0.0
Total non-current assets	638.8	640.6	(1.8)
Total assets	1,005.1	1,025.1	(20.0)
Short-term financial debt	122.4	122.1	0.3
Accounts payable	115.8	134.3	(18.5)
Other current liabilities	62.7	53.7	9.0
Total current liabilities	300.9	310.1	(9.2)
Medium and long term loans	165.1	181.0	(15.9)
Employee's termination pay	13.3	13.1	0.2
Other non-current liabilities	27.4	32.0	(4.6)
Minority interests	4.2	10.0	(5.8)
Total non-current liabilities	210.0	236.1	(26.1)
Shareholders' equity	494.2	478.9	15.3
Total liabilities and shareholders' equity	1,005.1	1,025.1	(20.0)

The Campari Group

The Campari Group is the sixth player in the global spirits sector, trading in over 190 markets around the world with a leading position in the Italian and Brazilian markets and a strong presence in the US, Germany and Switzerland. Following an intensive acquisition campaign undertaken over the last few years, the Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. The Group's portfolio includes a combination of strong international brands, such as Campari, SKYY Vodka, Cynar and Cinzano and leading local brands, such as CampariSoda, Campari Mixx, Crodino, Sella & Mosca, Zedda Piras, Biancosarti, Lemonsoda, Oransoda and Pelmosoda in Italy, SKYY Blue in the US, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil, Gregson's in Uruguay and Riccadonna in Australia and New Zealand. The Group has 1,400 employees, and shares of the parent company Davide Campari-Milano S.p.A have been listed on the Milan stock exchange since July 2001.

FOR FURTHER INFORMATION :

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