



**PRESS RELEASE**

**CAMPARI APPROVES RESULTS FOR THE FIRST NINE MONTHS  
TO 30 SEPTEMBER 2005**

**Growth continues in sales and at all levels of profitability**

**Consolidated net sales €543.3 million (+3.3%)**

**EBITDA €135.9 million (+5.8%)**

**EBIT €123.1 million (+6.4%)**

**Group's pretax profit €112.8 million (+16.8%)**

**Milan, 14 November 2005** - The Board of Directors of Davide Campari-Milano S.p.A. has approved the quarterly report as at 30 September 2005. The Group's consolidated results for the first nine months of 2005, prepared according to IAS / IFRS accounting standards, were positive and showed growth in sales and at all levels of profitability compared to the same period last year.

Consolidated results	2005 nine-months results €million	2004 nine-months results €million	Change at actual exchange rates	Change at constant exchange rates
Net sales	543.3	526.2	3.3%	3.4%
Trading profit	158.6	153.9	3.1%	4.2%
EBITDA before one-off's	132.4	127.0	4.3%	5.8%
EBITDA	135.9	128.4	5.8%	7.3%
EBIT before one-off's	119.5	114.3	4.5%	6.4%
Operating profit = EBIT	123.1	115.7	6.4%	8.2%
Group's pre-tax profit	112.8	96.6	16.8%	18.5%

**CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2005**

In the first nine months of 2005, **Group sales** totalled **€543.3 million**, an **increase of 3.3%** (+3.4% at constant exchange rates).

Note that with the introduction of new international accounting standards, the Campari Group, in line with the practices of the main international operators in the spirits and wines sector, has adopted a strict interpretation of IAS 18 in relation to expenses that may be classed as discounts in calculating its revenues. According to the standard interpretation, trade allowances have been reclassified as discounts, and therefore have a direct impact on net sales.

The overall change in consolidated sales, shown in accordance with the new interpretation, resulted from **organic growth** of **2.2%** and a negative exchange rate effect of 0.1%. **External growth of 1.1%** came from sales of third-party brands that the Group has begun distributing (Jack Daniel's and other Brown-Forman brands on the Italian market, and to a lesser extent, Martin Miller's gin in the US).

**Trading profit** increased by **3.1%** to €158.6 million (+4.2% at constant exchange rates), or 29.2% of sales.

**EBITDA before one-off's** increased by 4.3% (+5.8% at constant exchange rates) to € 132.4 million, or 24.4% of sales.

**EBITDA rose by 5.8%** (+7.3% at constant exchange rates) to € 135.9 million, or 25.0% of sales.

**EBIT before one-off's went up by 4.5%** (+6.4% at constant exchange rates) to € 119.5 million, or 22.0% of sales.

**EBIT increased by 6.4%** (+8.2% at constant exchange rates) to € 123.1 million, or 22.7% of sales.

With regard to **depreciation and amortisation**, please note that following the adoption of IAS / IFRS, the amortisation of intangible assets no longer includes goodwill and trademark amortisation.

**The Group's pre-tax profit** was € 112.8 million, an **increase of 16.8%** (+18.5% at constant exchange rates).

At 30 September 2005, **net debt** stood at € 327.5 million (€ 355.8 million at 30 June 2005).

## **SALES IN THE FIRST NINE MONTHS OF 2005**

The **spirits segment**, which accounts for 66.0% of total sales, recorded **growth of 4.8%**, the combination of **organic growth of 3.1%** and external growth of 1.7%. The **Campari brand grew by 1.1%** at constant exchange rates (+1.7% at actual exchange rates). Sales of **SKYY Vodka, including the flavoured lines, rose by 8.8%** at constant exchange rates (+5.8% at actual exchange rates), thanks to a positive performance in both the US (+6.2% at constant exchange rates) and international markets (over 30% approximately, at constant exchange rates). Regarding the other main brands, the spirits segment benefited from strong performances from **Aperol (+19.2%)**, **Cynar (+19.4%** at constant exchange rates), the **Brazilian brands (+4.0%** at constant exchange rates) and **Zedda Piras liqueurs (+4.6%)**. Sales of **CampariSoda** and **Ouzo 12** declined by **1.8%** and **3.1%** at constant exchange rates respectively. Of the brands under licence, **1800 tequila** performed well (**+12.2%** at constant exchange rates).

The **wines segment**, which accounts for 13.9% of total sales, recorded **growth of 5.9%**, resulting from **organic growth of 6.5%** and a negative exchange rate effect of 0.6%. The positive performance of the business was driven by sales of **Cinzano vermouth**, which grew by **15.0%** at constant exchange rates, thanks to a good showing in Italy and other major European markets. Sales of **Cinzano sparkling wines** rose by **3.3%** at constant exchange rates. Sales of wines were also supported by a sound performance from **Riccadonna (+32.1%** at constant exchange rates) and **Mondoro (+15.3%** at constant exchange rates), while sales of **Sella & Mosca** were substantially flat.

**Soft drink sales**, 19.0% of total sales, recorded almost entirely on the Italian market, **fell by 2.1%**. The solid performance of **Crodino (+3.3%)** was offset by a disappointing performance of the less profitable **Lipton Ice Tea (-11.3%)**. Sales of the **Lemonsoda, Oransoda and Pelmosoda** range, thanks to a good third quarter, remained broadly stable compared to last year (-0.1%).

Looking now at results **by region**, sales on the **Italian market**, which accounts for 48.8% of total Group sales, recorded a modest increase of **0.3%** in the first nine months of 2005. The Italian business benefited from a positive contribution from external growth (**+1.9%**), as the Group began distributing Jack Daniel's and other Brown-Forman brands. In contrast, the decline in organic growth was entirely due to the poor performance of Campari Mixx and Lipton Ice Tea, two low-margin products. The Group's core business, however, was boosted by strong sales of Aperol, Campari, Crodino and Cinzano vermouth. Sales in **Europe** (18.6% of consolidated sales) **grew by 5.8%**, thanks to the strong performance in Germany, Switzerland and other major European markets. In the Americas, which account for 28.0% of total sales, **organic growth of 5.0%** at constant exchange rates was recorded on the **US market** (2.3% at actual exchange rates). Sales in **Brazil** rose by 5.0% at constant exchange rates (**+20.8%** at actual exchange rates). Sales to the **rest of the world**, which include duty free sales and account for 4.7% of the total, **posted organic growth of 11.3% at constant exchange rates**. This result was boosted in particular by a positive performance on the Australian and New Zealand markets.

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## **CONFERENCE CALL**

Please note that at **5.00 p.m. (CET) today, Monday 14 November 2005**, Campari's management will hold a conference call to present the Group's 2005 nine-months results to analysts, investors and journalists. To participate, please dial one of the following numbers:

- **from Italy: 800 914 576 (toll free number)**
- **from abroad: +39 02 3700 8208**

The **presentation** can be downloaded before the conference call from the Investor Relations homepage of Campari's website, at [www.campari.com/investors](http://www.campari.com/investors).

A **recording of the conference call** will be available from 8.00 p.m. (CET) on Monday 14 November until 7.00 p.m. (CET) on Monday, 21 November. To hear it, please call +44 1296 618 700 (access code: 454464).

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## **The Campari Group**

The Campari Group 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. 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, Aperol, Aperol Soda, Sella & Mosca, Zedda Piras, Biancosarti, Lemonsoda, Oransoda and Pelmosoda in Italy, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil, Gregson's in Uruguay, Riccadonna in Australia and New Zealand and Mondoro in Russia. The Group has over 1,500 employees and shares of the parent company Davide Campari-Milano S.p.A are listed on the Italian stock exchange.

## **FOR FURTHER INFORMATION:**

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## CAMPARI GROUP

### Consolidated net revenues by segment

	1 January - 30 September 2005		1 January - 30 September 2004		Change
	€million	%	€million	%	%
Spirits	358.3	66.0%	341.8	65.0%	4.8%
Wines	75.6	13.9%	71.4	13.6%	5.9%
Soft drinks	103.3	19.0%	105.5	20.1%	-2.1%
Other revenues	6.1	1.1%	7.4	1.4%	-18.4%
<b>Total</b>	<b>543.3</b>	<b>100.0%</b>	<b>526.2</b>	<b>100.0%</b>	<b>3.3%</b>

### Consolidated net revenues by geographic area

	1 January - 30 September 2005		1 January - 30 September 2004		Change
	€million	%	€million	%	%
Italy	265.0	48.8%	264.1	50.2%	0.3%
Europe	100.8	18.6%	95.3	18.1%	5.8%
Americas	152.1	28.0%	143.4	27.2%	6.1%
Rest of the world and duty free	25.4	4.7%	23.4	4.5%	8.4%
<b>Total</b>	<b>543.3</b>	<b>100.0%</b>	<b>526.2</b>	<b>100.0%</b>	<b>3.3%</b>

## CAMPARI GROUP

### Consolidated income statement

	1 January - 30 September 2005		1 January - 30 September 2004		Change
	€million	%	€million	%	%
<b>Net sales (1)</b>	<b>543.3</b>	<b>100.0%</b>	<b>526.2</b>	<b>100.0%</b>	<b>3.3%</b>
Total cost of goods sold	(228.2)	-42.0%	(222.0)	-42.2%	2.8%
<b>Gross margin</b>	<b>315.1</b>	<b>58.0%</b>	<b>304.2</b>	<b>57.8%</b>	<b>3.6%</b>
Advertising and promotion	(92.3)	-17.0%	(88.1)	-16.7%	4.8%
Selling and distribution expenses	(64.2)	-11.8%	(62.1)	-11.8%	3.4%
<b>Trading profit</b>	<b>158.6</b>	<b>29.2%</b>	<b>153.9</b>	<b>29.3%</b>	<b>3.1%</b>
General and administrative expenses and other net operating income	(39.0)	-7.2%	(39.7)	-7.5%	-1.8%
<b>EBIT before one-off's</b>	<b>119.5</b>	<b>22.0%</b>	<b>114.3</b>	<b>21.7%</b>	<b>4.5%</b>
One-off's	3.5	0.6%	1.4	0.3%	150.0%
<b>Operating profit = EBIT</b>	<b>123.1</b>	<b>22.7%</b>	<b>115.7</b>	<b>22.0%</b>	<b>6.4%</b>
Net financial income (expenses)	(6.8)	-1.3%	(6.7)	-1.3%	1.5%
Income from associates	(0.4)	-0.1%	(1.2)	-0.2%	-66.7%
<b>Pre-tax profit</b>	<b>115.8</b>	<b>21.3%</b>	<b>107.8</b>	<b>20.5%</b>	<b>7.4%</b>
Minority interests	(3.1)	-0.6%	(11.3)	-2.1%	-72.6%
<b>Group's pre-tax profit</b>	<b>112.8</b>	<b>20.8%</b>	<b>96.6</b>	<b>18.4%</b>	<b>16.8%</b>
<i>Other information:</i>					
Depreciation and amortisation	(12.8)	-2.4%	(12.7)	-2.4%	0.8%
<b>EBITDA before one-off's</b>	<b>132.4</b>	<b>24.4%</b>	<b>127.0</b>	<b>24.1%</b>	<b>4.3%</b>
<b>EBITDA</b>	<b>135.9</b>	<b>25.0%</b>	<b>128.4</b>	<b>24.4%</b>	<b>5.8%</b>

(1) Net of discounts and excise duty.