



PRESS RELEASE

RESULTS FOR THE FIRST QUARTER TO 31 MARCH 2006

A very positive performance in the first quarter of 2006

Net sales: €182.1 million (+24.0%)

EBITDA €43.2 million (+14.3%) - 23.7% of sales

EBIT: €38.6 million (+15.3%)

Group profit before tax: €34.6 million (+15.5%)

Milan, 11 May 2006 - The Board of Directors of Davide Campari-Milano SpA has approved the results for the quarter ending 31 March 2006. The Group's results for the first quarter of 2006 were extremely positive.

Consolidated results	First quarter 2006 € million	First quarter 2005 € million	Change at actual exchange rates	Change at constant exchange rates
Net sales	182.1	146.8	24.0%	20.6%
Trading profit	54.3	46.2	17.4%	14.9%
EBITDA before one-offs	43.5	37.4	16.3%	14.4%
EBITDA	43.2	37.8	14.3%	12.4%
EBIT before one-offs	38.9	33.1	17.5%	15.8%
EBIT	38.6	33.5	15.3%	13.6%
Group's profit before tax	34.6	30.0	15.5%	14.4%

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2006

In the first quarter of 2006, **Group sales** totalled **€ 182.1 million**, with an **increase of 24.0%** (+20.6% at constant exchange rates).

The overall change in consolidated sales resulted from **organic growth of 9.3%** and a positive exchange rate effect of 3.3%. **External growth**, which came in at **11.3%**, was driven by sales of third-party brands covered by new distribution agreements (Jack Daniel's and other Brown-Forman brands on the Italian market, Martin Miller's Gin and Midori liqueur on the US market, and the spirits portfolio of the C&C Group on the US and Brazilian markets), as well as by recent acquisitions (Teruzzi & Puthod wines and, to a lesser extent, Glen Grant Scotch whisky).

Trading profit rose by 17.4% (+14.9% at constant exchange rates), to € 54.3 million, or 29.8% of sales. Organic growth accounted for 10.5% of the total, external growth for 4.4% and positive exchange rate effects for 2.5%.

EBITDA before one-offs increased by 16.3% (+14.4% at constant exchange rates) to € 43.5 million, or 23.9% of sales.

EBITDA rose by 14.3% (+12.4% at constant exchange rates) to € 43.2 million, or 23.7% of sales.

EBIT before one-offs went up by 17.5% (+15.8% at constant exchange rates) to € 38.9 million, or 21.4% of sales.

EBIT increased by 15.3% (+13.6% at constant exchange rates) to € 38.5 million, or 21.2% 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.

Profit before tax and minority interests was € 35.6 million, with an **increase of 16.8%** (+15.1% at constant exchange rates).

The Group's profit before tax was € 34.6 million, with an **advance of 15.5%** (+14.4% at constant exchange rates).

At 31 March 2006, **net debt** stood at € 461.6 million (€ 371.4 million at 31 December 2005). On 15 March 2006, the Campari Group completed the acquisition of the Glen Grant, Old Smuggler and Braemar Scotch whisky brands and related assets, for a cash consideration of € 130 million. The acquisition was financed by bank debt.

CONSOLIDATED SALES IN THE FIRST QUARTER OF 2006

The **spirits segment**, which accounts for 70.9% of total sales, recorded **growth of 32.6%**, the combination of **organic growth of 11.5%**, due to a good performance from the main brands, **external growth of 16.3%** and a positive exchange rate effect of 4.8%. External growth was driven by new distribution agreements, notably for Jack Daniel's whisky on the Italian market, Midori liqueur on the US market and the spirits portfolio of the C&C Group on the US and Brazilian markets. The **Campari** brand registered **growth of 8.8%** at constant exchange rates (+12.1% at actual exchange rates), owing to a positive performance on all key markets. Sales of **SKYY Vodka rose by 22.7%** at constant exchange rates (+32.8% at actual exchange rates), thanks to a positive performance on both the US (+24.0% at constant exchange rates) and international markets. In other key markets, the spirits segment was boosted by excellent performances from **CampariSoda (+28.6%)**, **Aperol (+10.4%)** and **Ouzo 12 (+67.0%)**. However, **Cynar** and the **Brazilian brands** put in negative first-quarter performances, at **-17.2%** and **-12.3%** respectively (at constant exchange rates). Of the brands under licence, **1800 Tequila (+14.9%** at constant exchange rates) and the **Scotch whiskies (+11.1%** at constant exchange rates) performed well; **Jaegermeister** declined by **10.7%** at constant exchange rates.

The **wines segment**, which contributed 10.9% of total sales, registered **growth of 1.0%**, due to the combination of a **slight decline in existing business of 2.5%**, a positive exchange rate effect of 0.8% and **external growth of 2.7%**, generated by the newly-acquired Teruzzi & Puthod. The segment's positive performance was driven by **Sella & Mosca wines (+22.6%)**, while the **vermouths** and **Cinzano** sparkling wines registered respective declines of **15.8%** and **1.0%** at constant exchange rates. As for the Group's other brands, **Mondoro** sales grew, but **Riccadonna** suffered a decline..

Sales of soft drinks, which came in at 17.0% of total sales and were generated almost entirely on the Italian market, show a positive performance by **Crodino (+7.5%)**, the **Lemonsoda**, **Oransoda** and **Pelmosoda** range (**+13.2%**) and the third-party brand **Lipton Ice Tea (+14.7%)**.

Looking now at results **by region**, first-quarter sales on the **Italian market**, which account for 50.8% of total Group sales, recorded an increase of **13.2%** in the first quarter of 2006. Italian sales were boosted by external growth of **+6.1%**, deriving mainly from the distribution of Jack Daniel's and the other Brown-Forman brands (from May 2005), and **organic growth of 7.1%**, thanks to a **positive performance from all key brands**. **European sales**, which came in at 15.2% of total consolidated sales, registered **growth of 12.4%**, combining **organic growth of 9.5%**, driven by the positive results achieved in strategically important European markets, including Germany, a negative exchange rate effect of 0.1%, and **external growth of 3.0%**, chiefly generated by Teruzzi & Puthod. In the Americas, which account for 30.2% of total sales, the **US market** registered **organic growth of 20.9%** at constant exchange rates, **external growth of 40.7%** and a positive exchange rate effect of 10.9%. In **Brazil, sales** registered **decline in existing business of 12.8%** at constant exchange rates, a positive exchange rate effect of 28.3% and external growth of 0.3%. Sales in the **rest of the**

world (including duty free sales), which account for 3.7% of total sales, **grew** by **16.8%** in total, driven by **organic growth of 10.4%**.

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CONFERENCE CALL

Please note that at **17.00 today, Thursday 11 May 2006**, Campari's management will hold a conference call to present the Group's first quarter results for 2006 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** slides can be downloaded before the conference call from the main investor relations page of Campari's website, at **www.campari.com/investors**.

A **recording of the conference call** will be available from 21.00 on Thursday 11 May until 19.00 on Thursday 18 May. To hear it, please call +44 1296 618 700 (access code: 755896).

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. In the spirits segment stand out internationally renowned brands, such as Campari, SKYY Vodka and Cynar together with leading local brands, such as Aperol, CampariSoda, Glen Grant, Ouzo 12 and Zedda Piras and the Brazilian brands Dreher, Old Eight, Drury's. In the wine segment together with Cinzano, known world-wide, are Liebfraumilch, Mondoro, Riccadonna, Sella & Mosca and Teruzzi & Puthod all respected wines in their category. In the soft drinks segment are Crodino, Lemonsoda and its respective line extension dominating the Italian market. The Group has over 1,500 employees. The shares of the parent company, Davide Campari-Milano, are listed on the Italian Stock Exchange.

FOR FURTHER INFORMATION:

Investor enquiries:

Chiara Garavini

Tel.: +39 02 6225 330

Email: investor.relations@campari.com

Website: www.campari.com

Media enquiries:

Chiara Bressani

Tel.: +39 02 6225 206

Email: chiara.bressani@campari.com

Moccagatta Pogliani & Associati

Tel.: +39 02 8693806

Email: segreteria@moccagatta.it

CAMPARI GROUP

Consolidated net revenues by segment

	1 January - 31 March 2006		1 January - 31 March 2005		Change %
	€ million	%	€ million	%	
Spirits	129.0	70.9%	97.3	66.2%	32.6%
Wines	19.8	10.9%	19.6	13.4%	1.0%
Soft drinks	31.0	17.0%	28.5	19.4%	9.0%
Other revenues	2.2	1.2%	1.5	1.0%	49.6%
Total	182.1	100.0%	146.8	100.0%	24.0%

Consolidated net revenues by geographic area

	1 January - 31 March 2006		1 January - 31 March 2005		Change %
	€ million	%	€ million	%	
Italy	92.5	50.8%	81.8	55.7%	13.2%
Europe	27.8	15.2%	24.7	16.8%	12.4%
Americas	55.0	30.2%	34.6	23.6%	59.0%
Rest of the world and duty free	6.8	3.7%	5.8	3.9%	16.8%
Total	182.1	100.0%	146.8	100.0%	24.0%

Reclassified consolidated income statement

	1 January - 31 March 2006		1 January - 31 March 2005		Change %
	€ million	%	€ million	%	
Net sales (1)	182.1	100.0%	146.8	100.0%	24.0%
Total cost of goods sold	(78.4)	-43.1%	(59.3)	-40.4%	32.3%
Gross margin	103.7	56.9%	87.6	59.6%	18.4%
Advertising and promotion	(25.4)	-14.0%	(21.8)	-14.8%	16.8%
Sales and distribution expenses	(24.0)	-13.2%	(19.6)	-13.3%	22.5%
Trading profit	54.3	29.8%	46.2	31.5%	17.4%
G&A and other operating income / expenses	(15.3)	-8.4%	(13.1)	-8.9%	17.1%
EBIT before one-off's	38.9	21.4%	33.1	22.6%	17.5%
One-off's	(0.3)	-0.2%	0.4	0.3%	-174.9%
Operating profit = EBIT	38.6	21.2%	33.5	22.8%	15.3%
Net financial income (expenses)	(3.0)	-1.6%	(3.0)	-2.0%	-0.7%
Income from associates	(0.2)	-0.1%	(0.2)	-0.1%	25.0%
Pretax profit	35.5	19.5%	30.4	20.7%	16.8%
Minority interests	(0.9)	-0.5%	(0.4)	-0.3%	105.6%
Group's pretax profit	34.6	19.0%	30.0	20.4%	15.5%

Other information:

Depreciation	(4.5)	-2.5%	(4.3)	-2.9%	6.7%
EBITDA before one-off's	43.5	23.9%	37.4	25.5%	16.3%
EBITDA	43.2	23.7%	37.8	25.7%	14.3%

(1) Net of discounts and excise duty.