



Results for the Nine months to September 30, 2002

Conference call

12 November 2002

Nine months 2002 summary results

- Net revenues up 31.7% to €457.3 million
- EBITDA up 53.8% to €111.7 million
- EBITA up 60.0% to €100.2 million
- EBIT up 47.2% to € 79.4 million
- PBT up 38.3% to €77.2 million
(Group PBT up 18.2% to €66.0 million)
- Net debt of €206.4 million

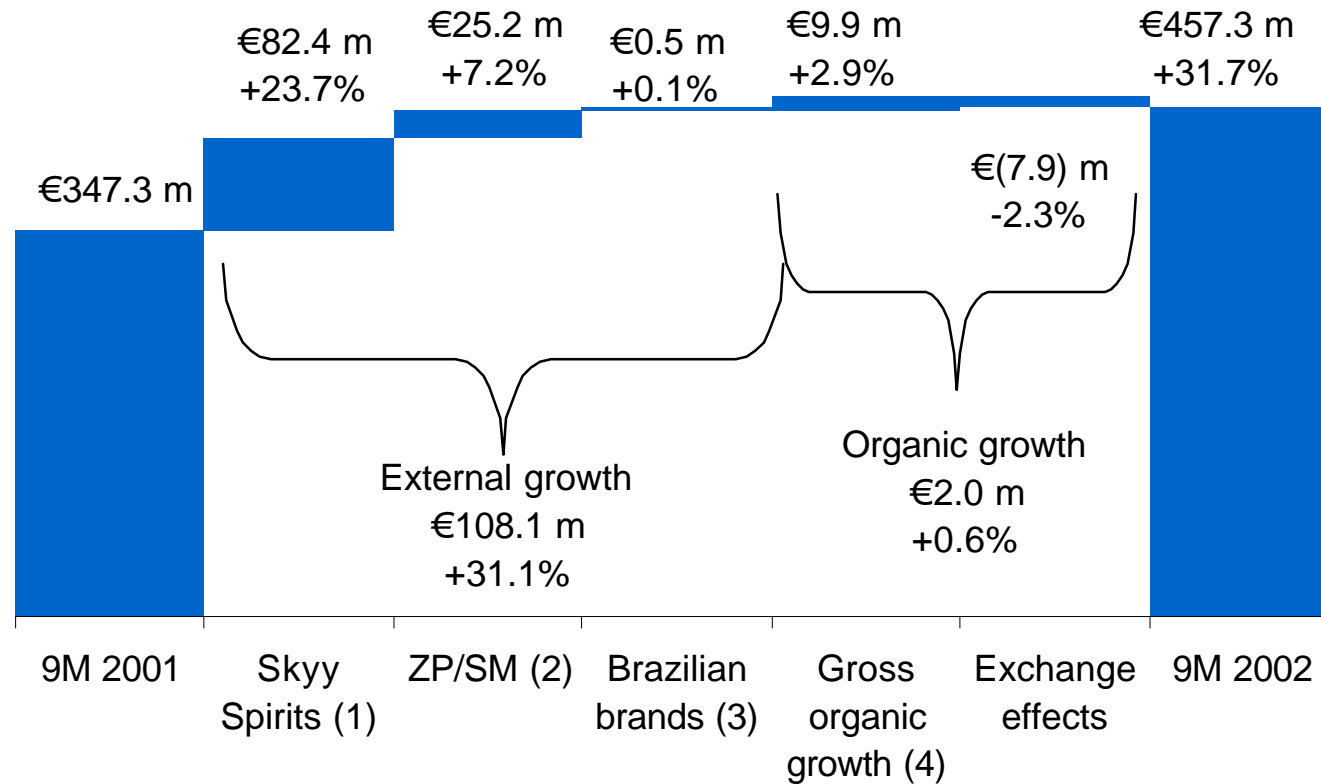


Key items featuring in the third quarter 2002

- Continuing strong performance of SKYY Vodka on the US and the international markets
- Successful introduction of Campari Mixx, the new Campari's RTD, on the Italian and Swiss markets
- Re-start of the sell-in activity for Cinzano vermouths
- Negative impact of the Real devaluation on the Brazilian turnover, despite the upward sales trends
- Strong performance of organic profitability in Q3 2002 compares with weak results in Q3 2001, affected by a heavy de-stocking after September 11 and a stronger advertising spending



Net turnover - organic and external growth

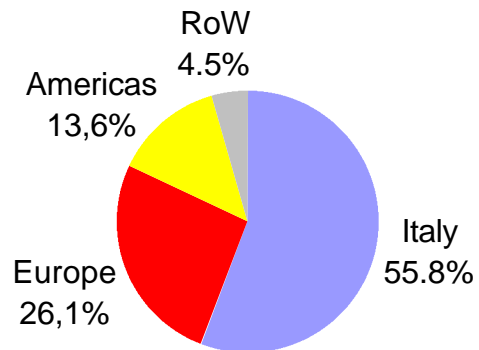


- (1) Split by brand: SKYY Vodka + SKYY Citrus = €61.9m; other spirits = €20.5
- (2) Split by brand: Zedda Piras = €8.2m; Sella&Mosca = €16.7m; other spirits = €0.2m
- (3) Period non-consolidated in 2001
- (4) Of which: Campari MIXX = €4.3m

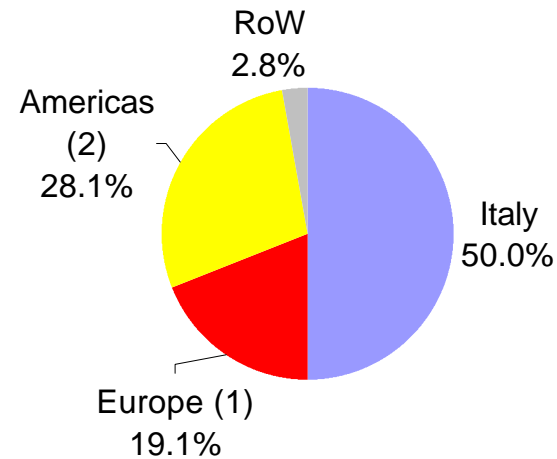


Net turnover by region

Nine months 2001
Net turnover €347.3 m



Nine months 2002
Net turnover €457.3 m



(1) of which:

- Germany	9.1%
- Other	10.0%
Total Europe	19.1%

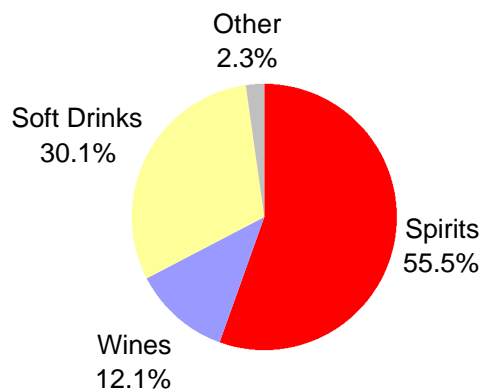
(2) of which:

- US	19.6%
- Brazil	7.6%
- Other	0.9%
Total Americas	28.1%

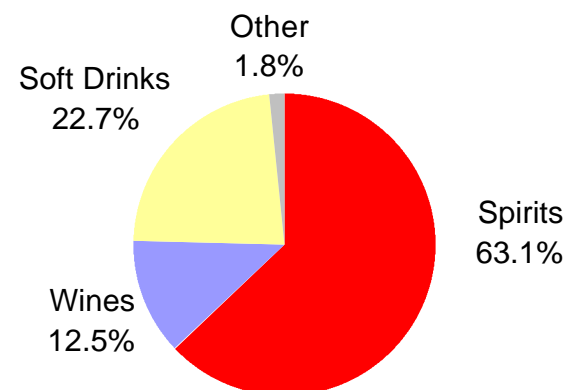


Net turnover by segment

Nine months 2001
Net turnover €347.3 m



Nine months 2002
Net turnover €457.3 m



	Net turnover growth	of which: organic growth
	% change in value	
Spirits	49,7%	2,5%
Wines	35,6%	-4,1%
Soft Drinks	-0,8%	-0,8%
Other	1,8%	-2,5%
Total	31,7%	0,6%



Existing portfolio: key brand performance

	9M 2002 over 9M 2001
	% change (in value)
<u>Spirits</u>	
Campari ⁽¹⁾	-2.8%
CampariSoda	+5.6%
Skyy Vodka ⁽²⁾	+50.5%
Cynar	-5.4%
Ouzo 12	+7.6%
Brazilian brands ⁽³⁾	-4.3%
Jaegermeister ⁽⁴⁾	+8.4%
<u>Wines</u>	
Cinzano Sparkling wines	+3.5%
Cinzano Vermouth	-5.1%
<u>Soft drinks</u>	
Crodino	+4.7%
Lemonsoda, Oransoda, Pelmosoda	-9.1%

(1) Performance gross of Brazilian Real effect: -0.7%

(2) Sales performance outside the US market

(3) Change in local currency: +16.6%

(4) Agency brand



Trading profit

	9M 2001		9M 2002		Change
	€ m	%	€ m	%	%
Net turnover	347.3	100.0	457.3	100.0	31.7
COGS	(151.7)	-43.7	(189.7)	-41.5	25.1
Gross margin	195.6	56.3	267.6	58.5	36.8
Advertising & promotion	(67.3)	-19.4	(87.1)	-19.1	29.5
Sales and distribution expenses	(39.4)	-11.4	(52.5)	-11.5	33.2
Trading profit	88.9	25.6	128.0	28.0	44.0

- Increase in gross margin from 56.3% to 58.5% on net sales as a consequence of:
 - decrease in cost of materials as % of sales due to:
 - favourable sales mix (higher proportion of spirits)
 - increase in cost of materials lower than price increase
 - decrease in production costs as % of sales due to:
 - consolidation of Skyy Spirits (production is entirely outsourced)
 - higher absorption of fixed production costs



EBIT

	9M 2001		9M 2002		Change
	€ m	%	€ m	%	%
Trading profit	88.9	25.6	128.0	28.0	44.0
G&A	(22.1)	-6.4	(31.1)	-6.8	40.9
Other operating income	0.4	0.1	4.1	0.9	840.6
Amortisation of goodwill and trademarks	(8.7)	-2.5	(20.8)	-4.5	139.7
EBIT before non-recurring	58.5	16.9	80.2	17.5	37.0
Non recurring expenses	(4.6)	-1.3	(0.8)	-0.2	-82.5
EBIT	53.9	15.5	79.4	17.4	47.2

- Increase in G&A as % of sales due to restructuring costs in Brazil and Germany
- Other operating income of €4.1m, of which €3.8m attributable to net royalties from SKYY Blue⁽¹⁾
- Amortisation of goodwill and trademarks of €20.8m consists of:
 - Skyy Spirits: €9.4m
 - SM/ZP: €2.2m
 - Brazilian Acquisition: €2.9m
 - other brands: €6.3m

(1) Launched jointly by Skyy Spirits (brand owner) and SABMiller (licensee) on the US market in 2002. Net sales are not consolidated by Skyy Spirits



Income before taxes

	9M 2001		9M 2002		Change
	€ m	%	€ m	%	%
EBIT	53.9	15.5	79.4	17.4	47.2
Net financial income (losses)	2.5	0.7	(4.5)	-1.0	-280.6
Income (losses) on net exchange rates	(1.6)	-0.5	9.1	2.0	-675.3
Other non operat. income (losses)	1.0	0.3	(6.8)	-1.5	-789.2
Income before taxes	55.8	16.1	77.2	16.9	38.3
Minority interest	0.0	0.0	(11.2)	-2.4	-
Group income before taxes	55.8	16.1	66.0	14.4	18.2

- Income on exchange rates includes gain from the closing of credit lines in US dollars (€2.5m) and other non-cash items (€5.4m)
- Other non operating losses include capital gain on real estate disposal (€3.3m) and provisions relating to industrial rationalisation plan in Italy (€10.0m)
- Minorities relate to 41.1% in Skyy Spirits and 22.38% in Sella&Mosca



Net financial position

€ million	31 Dec 01	30 June 2002	30 Sept 2002
Cash	177.8	62.8	100.8
Bank borrowing	(112.3)	(293.1)	(121.2)
Capital lease and other financial debt	(15.3)	(21.1)	(23.3)
Private placement	0.0	0.0	(172.4)
Net cash	50.2	(251.4)	(216.1)
Marketable securities	46.4	12.0	9.7
Net cash and marketable securities	96.6	(239.4)	(206.4)

- Total investment of €358.0 million in Skyy Spirits and SM/ZP acquisitions in Q1⁽¹⁾
- Increase in long-term debt due to the issue of senior guaranteed notes (private placement) for USD170m in July 2002
- Strong cash flow generated by good business performance and decrease in working capital requirement in Q3
- Capex of €14.7m in Novi Ligure plant in the first nine months 2002, of which €7.5m in Q3

(1) Skyy Spirits: equity value of €235.4m and net debt of €29.2m; SM/ZP: equity value of €72.0m and net debt of €21.4m



Outlook on 2002

- Positive contribution from acquisitions expected to continue in the fourth quarter
- Organic performance expected to benefit from the introduction of Campari Mixx and the relaunch of Cinzano sparkling wines on the domestic market in the fourth quarter



Financial appendix

9M 2002 consolidated income statement



9M 2002 consolidated income statement

	9M 2001		9M 2002		Change
	€ m	% of net revenues	€ m	% of net revenues	%
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Group income before taxes	55.8	16.1	66.0	14.4	18.2
EBITDA before non-recurring	77.3	22.2	112.5	24.6	45.6
EBITDA	72.6	20.9	111.7	24.4	53.8
EBITA before non-recurring ⁽²⁾	67.2	19.4	101.0	22.1	50.2
EBITA ⁽²⁾	62.6	18.0	100.2	21.9	60.0

(1) Net of excise and duties

(2) EBIT before amortisation of goodwill and trademarks



Q&A

Thank you

