Campari announces solid 2009 results with strong growth across all key performance indicators

Excellent generation of cash flow (free cash flow): € 184.3 million

Proposed dividend increased by 9.1%

HIGHLIGHTS - 2009

- **Sales: € 1,008.4 million (+7.0%, organic growth -1.0%)**
- **Contribution after A&P: € 401.2 million (+17.6%, organic growth +7.6%, 39.8% of sales)**
- **EBITDA before one-offs: € 265.1 million (+21.4%, organic growth +9.2%, 26.3% of sales)**
- **EBIT before one-offs: € 239.7 million (+20.4%, organic growth +8.6%, 23.8% of sales)**
- **Group's net profit: € 137.1 million (+8.3%)**
- **Excellent cash generation (free cash flow): € 184.3 million**
- **Bonus share capital increase, in the proportion of one new share for each old share owned**
- **Proposed dividend increased by 9.1%**

Milan, March 31, 2010 - The Board of Directors of Davide Campari-Milano S.p.A. approved the full year results for the year ending 31 December 2009.

In 2009 Campari achieved **solid results with strong growth across all indicators**. The consolidation of the sales and profit results of the **Wild Turkey acquisition**, included in the Group's perimeter as of June 2009, **significantly impacted the full year results**, which were **very good even at a constant perimeter and exchange rates**. In particular, the slight decline in organic net sales (-1.0%) can be considered a satisfactory result given the tough economic environment, and, most of all, the return to positive organic growth in the second half of 2009 (+0.7%). **All operating profit indicators posted strong growth on a like for like basis**, thanks to the favourable sales mix and the effective cost containment.

Moreover, Campari achieved a **strong cash generation (free cash flow) - € 184.3 million** - thanks also to a **disciplined management of working capital**. As a result, the Group obtained a **fast deleveraging**, reaching objectives a year ahead of plan.

Bob Kunze-Concewitz, Chief Executive Officer: '*In 2009 we achieved strong results. Looking forward to 2010 we are confident of the positive development of our business, despite a relatively volatile environment. In 2010 we will benefit from the full year effect of the consolidation of our acquisitions in our distribution network. With regards to our key brand and geography combinations, we expect a balanced situation in terms of trading risks and opportunities*'.

CONSOLIDATED RESULTS FOR 2009

	1 January - 31 December 2009 (€ millions)	1 January - 31 December 2008 (€ millions)	Change at actual exchange rates	Change at constant exchange rates
Net sales	**1,008.4**	**942.3**	**+7.0%**	**+6.3%**
Contribution after A&P (1)	401.2	341.2	+17.6%	+16.1%
EBITDA before one-offs	**265.1**	**218.3**	**+21.4%**	**+19.7%**
EBITDA	261.0	214.7	+21.6%	+19.8%
EBIT before one-offs	**239.7**	**199.0**	**+20.4%**	**+18.5%**
EBIT	235.6	195.4	+20.6%	+18.6%
Group net profit	**137.1**	**126.5**	**+8.3%**	**+6.6%**

(1) EBIT before SG&A.

In 2009, Group sales totalled **€ 1,008.4 million** (**+7.0%**, **-1.0% organic growth**, **+0.7% exchange rate effect** and **+7.3% perimeter effect,** the latter due to the acquisitions of Wild Turkey, Destiladora San Nicolas, Sabia and Odessa, and two new agency brands, i.e. Licor 43 in Germany and Cointreau in Brazil).

Gross margin increased to **€ 572.8 million**, up 11.4%, mainly thanks to a **favourable sales mix** driven by **double digit spirits growth**.

Contribution after A&P (gross margin after A&P) was up by 17.6% to **€ 401.2 million** (+7.6% organic growth), or 39.8% of sales.

EBITDA before one-offs was up by 21.4% to **€ 265.1 million** (**+9.2% organic growth**), or 26.3% of sales.

EBIT before one-offs rose by 20.4% to **€ 239.7 million** (**+8.6% organic growth**), or 23.8% of sales.

EBITDA reached **€ 261.0 million**, an increase of 21.6%.

EBIT reached **€ 235.6 million**, an increase of 20.6%.

Profit before tax and minority interests reached € 198.3 million (+15.0%; +13.0% at constant exchange rates).

The Group net profit rose to **€ 137.1 million**, an **increase of 8.3% at constant exchange rates** and +6.6% at actual exchange rates.

As of 31 December 2009, thanks to **excellent cash flow generation (cash flow from operating activities of € 271.4 million and free cash flow of € 184.3 million)**, **net financial debt** stood at **€ 630.8 million** (€ 326.2 million as of 31 December 2008) after payment of the Wild Turkey acquisition (€ 418.4 million) and the Odessa acquisition (€ 14.8 million).

CONSOLIDATED SALES FOR 2009

Sales of **spirits** (73.3% of total sales) grew +11.4%, the combined result of **organic growth of 0.9**%, a **positive exchange rate effect of 1.0%** and a **positive perimeter effect of 9.5%.**

Campari brand sales **declined by 7.3%** at constant exchange rates, entirely attributable to destocking in Brazil and Eastern Europe. **SKYY** sales **grew by 1.3% at constant exchange rates** (+6.1% at actual exchange rates), also driven by strong growth in the international markets. **Aperol confirmed its spectacular growth trend** (**+40.3% at constant exchange rates**) in Italy and in international markets (particularly Germany). **Campari Soda** finished 2009 with a positive performance of **2.2%**. The **Brazilian brands' sales** were **impacted by the increase in the excise duties and wholesalers' de-stocking** (**decline of 14.9**% at constant exchange rates and 17.8% at actual exchange rates). A positive performance was achieved by **Ouzo 12 (+7%** at constant exchange rates) and **Cynar** (+**17.1%** at constant exchange rates). **GlenGrant** registered a **decrease of 3.8%** at constant exchange, mainly attributable to the Italian market, where the brand is market leader and gained market share in a declining market.

Wines, which accounted for 15.4% of total sales, registered a **decrease of 1.7%**, due to the combination of **negative organic performance of 5.6%** and a positive perimeter effect of **3.9%.** The segment's **negative performance** was driven **by Cinzano vermouth** (-**15.5%** at constant exchange rates) due to heavy de-stocking in Russia. **Cinzano sparkling wines grew (+2.5%** at constant exchange rates). **Riccadonna** was positive (**+3.2%** at constant exchange rates) thanks to good performance in the key Australian market. Among still wines, **Sella & Mosca** registered a decrease of 4.4% at constant exchange rates mainly due to a slow-down in consumption in the restaurants channel in Italy.

Soft drinks (9.9% of total sales) recorded **a negative variation of 2.6**%, mainly attributable to the weak performance of the soda range and mineral waters. **Crodino** was basically stable (-0.1%).

Looking at results **by region** in 2009, sales in the **Italian market** (38.5% of total Group sales) recorded an **increase of 0.2%**, thanks to organic growth (+0.8%), partly offset by a negative perimeter effect of 0.6%. Sales in **Europe**, excluding Italy, (23.0% of consolidated sales) **increased by 8.8%**, driven by a **positive organic performance of 4.5%**, with positive trading in Western European markets (in particular Germany and Austria) which compensated the decline in Eastern Europe, and a positive perimeter effect of 4.3%. The **Americas** (32.3% of total sales) posted a **negative organic variation of 7.2%**, partially offset by a positive exchange rate effect (+2.0%) and a positive perimeter effect (+14.9%) due to the acquisitions of Wild Turkey, Destiladora San Nicolas and Sabia. In the Americas, the **US market** registered an organic **decrease of 9.6%**, driven by destocking, offset by a positive exchange rate effect of 4.9% and positive perimeter effect of 16,8%. In **Brazil,** sales registered an **organic decrease of 13.6%**, a positive perimeter effect of 1.8% and a negative exchange rate effect of 2.9%. Sales in the **rest of the world** (including duty free sales), which accounted for 6.3% of total sales, **grew by 39.3%** overall, driven by a **positive perimeter effect** of **38.9**% and an **organic growth of 1.5%** and a positive exchange rate effect of **1.9%**.

CONCLUSION AND OUTLOOK 2010

In 2009 Campari achieved **solid and satisfactory results**. The **positive consumption trend** in some key developed markets helped **alleviate the negative impact driven by the destocking activities** operated by distributors in other markets. The Group **significantly enhanced its commercial set up**, in terms of brand portfolio and distribution network. A **strong growth in the cash flow generation** allowed the Group to fund major acquisitions and carry out investments in new projects. These achievements led the company to propose a bonus share capital increase (which, ***ceteris paribus*****, will amount to halving the current stock price**) and a **dividend increase**.

Looking forward to 2010 the Group is **confident of the positive development of the business, despite a relatively volatile environment.** Hence, this will allow **A&P spend to return back to a normalised trend**, as the Group expects accelerated competitive pressure in key markets. This year, moreover, we will benefit from the **full year effect of the consolidation of recent acquisitions in the Group's distribution network**. With regards to our key brand and geography combinations, the Group expects an **overall balanced situation in terms of risks and opportunities**.

OTHER RESOLUTIONS

Proposal for a bonus share capital increase. The Board of Directors has voted to propose to the extraordinary and ordinary Shareholders' meeting convened for 30 April 2010 **a bonus share capital increase** with the issuance of 290,400,000 new shares with a par value of € 0.10 each. The new shares will be granted to current shareholders **in the proportion of one new share for each share owned**, converting for the purpose corresponding reserves into share capital.

The capital increase will be effected as soon as possible either on 10 May 2010 or otherwise on 17 May 2010, depending on inscription timings. The new shares' entitlement is effective 1 January 2009. Further to the bonus capital increase, the share capital shall be equal to € 58.080.000 divided into 580,800,000 shares.

It should be noted that, ***ceteris paribus*****, the execution of the bonus share capital increase will amount to halving the current stock price.**

Dividend. The Board of Directors has voted to propose to the Shareholders' meeting a **full year dividend of € 0.06 (with an increase of 9.1% vs. the 2008 dividend of € 0.055 on a pro-forma basis) for each of the shares resulting from the bonus capital increase** with the exception of own shares. Should the proposed bonus share capital increase not be approved by the Shareholders meeting, the proposed dividend would be of € 0.12 per share (with an increase of 9.1% vs. the 2008 dividend of € 0.11). The dividend will be paid on 27 May 2010 (after the execution of the bonus capital increase) with the prior detachment of coupon no. 7 on 24 May 2010.

Auditors. Upon proposal from the Board of Statutory Auditors, the Board of Directors has voted to propose to the Shareholders' meeting the engagement of the audit firm PricewaterhouseCoopers S.p.A. for the period 2010-2018, as the audit mandate of Reconta Ernst & Young S.p.A. has expired and cannot be renewed further.

Own shares. The Board of Directors has approved a resolution to be presented to the Shareholders' meeting authorising the purchase and/or sale of own shares, mainly to be used to service the stock option plans. The authorisation concerns the purchase and/or sale of shares, which, including existing own shares, shall not exceed a maximum of 10% of the share capital. The authorisation will remain valid until 30 June 2011. The unit price for the purchase and/or sale of own shares will not differ by more than 25% (whether upwards or downwards) from the weighted average price in the three stock market trading sessions prior to each transaction.

Stock options. The Board of Directors has approved a resolution to be presented to the Shareholders' meeting approving a stock option plan pursuant to Art. 114-bis of the Consolidated Law on Financial Intermediation and in accordance with the stock option master plan approved by the Board of Directors of 18 March 2009 and by the Shareholders' meeting of 30 April 2009. The company will in due course and pursuant to applicable law (Art. 84-bis, Consob Regulation no. 11971/99) disclose an information document regarding the new stock option plan.

Statutory changes. The Board of Directors has voted to propose to the Shareholders' meeting several changes in the bylaws of the Company reflecting the regulatory measures introduced by Legislative Decree no. 27/2010 transposing Directive 2007/36/EC. The Board has also voted to propose the renewal for a further period of five years of the authorisation to the Board of Directors to proceed to share capital increases, issue convertible bonds and other financial instruments.

The Manager in charge of preparing Davide Campari-Milano S.p.A.'s financial reports, Paolo Marchesini, certifies - pursuant to article 154 bis, paragraph 2 of the Legislative Decree 58/1998 (Consolidated Law on Financial intermediation) - that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

CONFERENCE CALL

Please note that at **12.00 am (CET) today, Wednesday, 31 March 2009**, Campari's management will hold a conference call to present the Group's 2009 full year results to analysts, investors and media. To participate, please dial one of the following numbers:

- **from Italy: 02 8058 811**
- **from abroad: +44 203 147 47 96**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Gruppo Campari's website, at http://investors.camparigroup.com.

A **recording of the conference call** will be available from 1 April until 7 April 2010.
To listen to it, please call the following number:

- **from Italy: 02 74951**
- **from abroad: +44 207 0980 726**

(access code: **740#**).

FOR FURTHER INFORMATION

Investor enquiries:
Chiara Garavini
Tel.: +39 02 6225 330
Email: chiara.garavini@campari.com

Alex Balestra
Tel. : +39 02 6225 364
Email: alex.balestra@campari.com

www.camparigroup.com

Media enquiries:
Chiara Bressani
Tel.: +39 02 6225 206
Email: chiara.bressani@campari.com

CitySavvy, Jana Sanchez
Tel.: +44 20 7395 1000
Email: jana@citysavvy.com

http://www.camparigroup.com/en/investors/home.jsp

http://www.camparigroup.com/en/press_media/image_gallery/group_images.jsp

ABOUT GRUPPO CAMPARI

Gruppo Campari 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 USA and Continental Europe. The Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. In the spirits segment its internationally renowned brands, such as Campari, SKYY Vodka and Wild Turkey stand out. It also has leading regional brands including Aperol, Cabo Wabo, CampariSoda, Cynar, Glen Grant, Ouzo 12, X-Rated, Zedda Piras and the local Brazilian brands Dreher, Old Eight and Drury's. Its wine segment boasts the global brand Cinzano, as well as important regional brands including Liebfraumilch, Mondoro, Odessa, Riccadonna, Sella & Mosca and Teruzzi & Puthod. The soft drinks segment comprises the non-alcoholic aperitif Crodino and Lemonsoda as well as its respective line extension dominating the Italian market. The Group employs over 2,000 people. The shares of the parent company, Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM), are listed on the Italian Stock Exchange.
www.camparigroup.com

- tables to follow -

GRUPPO CAMPARI

Consolidated net revenues by geographic area

	1 January - 31 December 2009		1 January - 31 December 2008		
	€ million	%	€ million	%	% change
Italy	388.1	38.5%	387.3	41.1%	0.2%
Europe	231.6	23.0%	212.9	22.6%	8.8%
Americas	325.3	32.3%	296.5	31.5%	9.7%
Rest of the world and duty free	63.5	6.3%	45.6	4.8%	39.3%
Total	**1,008.4**	**100.0%**	**942.3**	**100.0%**	**7.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Italy	0.2%	0.8%	-0.6%	0.0%
Europe	8.8%	4.5%	4.3%	0.0%
Americas	9.7%	-7.2%	14.9%	2.0%
Rest of the world and duty free	39.3%	-1.5%	38.9%	1.9%
Total	**7.0%**	**-1.0%**	**7.3%**	**0.7%**

Consolidated net revenues by segment

	1 January - 31 December 2009		1 January - 31 December 2008		
	€ million	%	€ million	%	% change
Spirits	739.6	73.3%	663.9	70.5%	11.4%
Wines	154.9	15.4%	157.6	16.7%	-1.7%
Soft drinks	100.3	9.9%	103.0	10.9%	-2.6%
Other revenues	13.7	1.4%	17.8	1.9%	-23.1%
Total	**1,008.4**	**100.0%**	**942.3**	**100.0%**	**7.0%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	11.4%	0.9%	9.5%	1.0%
Wines	-1.7%	-5.6%	3.9%	0.0%
Soft drinks	-2.6%	-2.6%	0.0%	0.0%
Other revenues	-23.1%	-20.8%	0.0%	-2.3%
Total	**7.0%**	**-1.0%**	**7.3%**	**0.7%**

Contribution after A&P by segment

Contribution after A&P	1 January - 31 December 2009		1 January - 31 December 2008		Change
	€ million	%	€ million	%	%
Spirits	330.9	82.5%	266.5	78.1%	24.2%
Wines	30.8	7.7%	32.8	9.6%	-6.1%
Soft drinks	37.5	9.3%	38.4	11.3%	-2.5%
Other	2.0	0.5%	3.5	1.0%	-43.4%
Total	**401.2**	**100.0%**	**341.2**	**100.0%**	**17.6%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	24.2%	11.6%	10.8%	1.8%
Wines	-6.1%	-6.9%	0.9%	0.0%
Soft drinks	-2.5%	-2.5%	-	-
Other revenues	-43.4%	-47.4%	-	4.0%
Total	**17.6%**	**7.6%**	**8.5%**	**1.4%**

Consolidated income statement

	1 January - 31 December 2009		1 January – 31 December 2008		Change
	€ million	%	€ million	%	%
Net sales [(1)]	**1,008.4**	**100.0%**	**942.3**	**100.0%**	**7.0%**
Total cost of goods sold [(2)]	(435.6)	-43.2%	(428.2)	-45.4%	1.7%
Gross margin	**572.8**	**56.8%**	**514.1**	**54.6%**	**11.4%**
Advertising and promotion	(171.6)	-17.0%	(172.9)	-18.3%	-0.7%
Contribution after A&P	**401.2**	**39.8%**	**341.2**	**36.2%**	**17.6%**
SG&A [(3)]	(161.4)	-16.0%	(142.2)	-15.1%	13.5%
EBIT before one-off's	**239.7**	**23.8%**	**199.0**	**21.1%**	**20.4%**
One off's	(4.1)	-0.4%	(3.6)	-0.4%	-
Operating profit = EBIT	**235.6**	**23.4%**	**195.4**	**20.7%**	**20.6%**
Net financial income (expenses)	(28.9)	-2.9%	(18.9)	-2.0%	52.9%
One off's financial expenses	(7.7)	-0.8%	(3.3)	-0.4%	-
Income from associates	(0.8)	-0.1%	0.2	0.0%	-
Put option costs	0.0	0.0%	(1.0)	-0.1%	-
Profit before taxes and minority interests	**198.3**	**19.7%**	**172.4**	**18.3%**	**15.0%**
Taxes	(60.8)	-6.0%	(45.7)	-4.8%	33.1%
Net profit	**137.5**	**13.6%**	**126.7**	**13.5%**	**8.5%**
Minority interests	(0.4)	-0.0%	(0.2)	-0.0%	-
Group net profit	**137.1**	**13.6%**	**126.5**	**13.4%**	**8.3%**
Depreciation and amortisation	(25.4)	-2.5%	(19.3)	-2.0%	31.6%
EBITDA before one-off's	**265.1**	**26.3%**	**218.3**	**23.2%**	**21.4%**
EBITDA	**261.0**	**25.9%**	**214.7**	**22.8%**	**21.6%**

(1) Net of discounts and excise duties.

(2) Includes cost of materials, production and logistics costs.

(3) Includes selling, general and administrative costs.

GRUPPO CAMPARI

Consolidated balance sheet

	31 December 2009 € million	31 December 2008 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	284.0	180.0
Biological assets	18.5	18.0
Property	0.7	0.7
Goodwill and trademarks	1,199.4	919.9
Intangible assets	5.5	5.1
Interests in associates	0.7	1.1
Pre-paid taxes	28.1	14.4
Other non-current assets	162.3	7.5
Total non-current assets	**1,699.1**	**1,146.7**
Current assets		
Inventories	271.4	165.6
Trade receivables	236.2	271.6
Financial receivables	6.7	4.1
Cash and cash equivalents	129.6	172.6
Other receivables	24.3	32.4
Total current assets	**668.2**	**646.3**
Non-current assets for sale	11.1	12.7
Total assets	**2,378.4**	**1,805.6**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	29.0	29.0
Reserves	1,014.4	923.8
Group's shareholders' equity	1,043.5	952.9
Minority interests	2.5	2.1
Total shareholders' equity	**1,046.0**	**955.0**
Non-current liabilities		
Bonds	806.4	316.9
Other non-current financial payables	77.7	56.7
Staff severance funds	9.8	10.7
Risks funds	10.7	9.0
Deferred tax	87.9	72.4
Total non-current liabilities	**992.5**	**465.6**
Current liabilities		
Banks loan	17.3	107.5
Other financial payables	25.1	25.8
Trade payables	179.1	151.7
Payables for taxes	75.8	59.3
Other current liabilities	42.7	40.7
Total current liabilities	**339.9**	**385.0**
Total liabilities and shareholders' equity	**2,378.4**	**1,805.6**

GRUPPO CAMPARI

Consolidated cash flow statement

	31 December 2009 € million	31 December 2008 € million
EBIT	235.6	195.4
Amortisation and depreciation	25.4	19.3
Other changes in non-cash items	(1.2)	(10.8)
Change in non financial assets and payables	8.2	6.6
Taxes on income paid	(43.0)	(38.2)
Cash flow from operating activities before change in operating working capital	**224.9**	**172.4**
Net change in operating working capital	46.5	(0.9)
Cash flow from operating activities	**271.4**	**171.5**
Net interest paid	(32.3)	(15.9)
Cash flow from investing activities	**(54.8)**	**(32.6)**
Free cash flow	**184.3**	**123.0**
Acquisitions	(441.1)	(86.6)
Other changes	(7.0)	(5.9)
Dividends paid	(31.7)	(31.8)
Cash flow from other activities	**(479.8)**	**(124.3)**
Exchange rate differences and other movements	(18.7)	(10.3)
Net increase (decrease) in net financial position as a result of operating activities	**(314.2)**	**(11.6)**
Future exercise for put options and payment of earn outs	9.6	(26.6)
Net increase (decrease) in net financial position	**(304.6)**	**(38.1)**
Net financial position at start of period	**(326.2)**	**(288.1)**
Net financial position at end of period	**(630.8)**	**(326.2)**

DAVIDE CAMPARI-MILANO S.p.A.

Parent company income statement

	1 January - 31 December 2009 € million	1 January - 31 December 2008 € million
Net sales	**309.0**	**310.3**
Total cost of goods sold	(245.9)	(250.6)
Gross margin	**63.1**	**59.7**
Advertising and promotion	(1.9)	(5.8)
Contribution after A&P	**61.2**	**53.8**
SG&A	(32.2)	(20.1)
Of which one-off's	0.8	9.9
Operating profit	**29.0**	**33.8**
Income from associates	36.3	32.0
Net financial income (expenses)	(30.2)	(31.5)
Of which one off's financial expenses	(4.9)	(0.8)
Pretax profit	**35.0**	**34.3**
Taxes	(2.5)	(0.8)
Net profit	**32.5**	**33.5**

Parent company balance sheet

	31 December 2009 € million	31 December 2008 € million
Total non current assets	1,398.1	1,106.1
Total current assets	197.3	199.8
Total non current assets designed for sale	10.6	12.2
Total assets	**1,606.0**	**1,318.0**
Total shareholders' equity	532.3	548.5
Total non current liabilities	660.8	305.7
Total current liabilities	413.0	463.9
Total liabilities and shareholders' equity	**1,606.0**	**1,318.0**

Parent company cash flow

	31 December 2009 € million	31 December 2008 € million
Cash flow from operating activities	26.4	43.0
Cash flow from investing activities	(213.9)	99.1
Cash flow from financing activities	184.3	(134.8)
Increase (decrease) in cash and banks	(3.2)	7.2
Cash and banks at start of financial year	**14.1**	**6.9**
Cash and banks at end of financial year	**10.9**	**14.1**