Campari announces very strong results for the first quarter of 2010

Double-digit rise across all performance indicators also on an organic basis

Cash flow generation once again very strong: € 37.4 million in the first quarter 2010

HIGHLIGHTS - FIRST QUARTER 2010

- **Sales: € 233.6 million (+22.9%, organic growth +14.5%)**
- **Contribution after A&P: € 93.7 million (+17.3%, organic growth +11.5%, 40.1% of sales)**
- **EBITDA before one-offs: € 59.1 million (+22.6%, organic growth +18.7%, 25.3% of sales)**
- **EBIT before one-offs: € 52.3 million (+21.3%, organic growth +19.0%, 22.4% of sales)**
- **Group pre-tax profit: € 43.3 million (+12.7%)**
- **Net financial debt: down to € 593.4 million**

Milan, May 13, 2010 - The Board of Directors of Davide Campari-Milano S.p.A. approved the results for the first quarter ending 31 March 2010.

In the first quarter 2010 Gruppo Campari achieved **very strong results with double-digit rises across all indicators also on an organic basis**. The business benefitted from a very good performance of all key brand and market combinations and, to a lesser extent, from an easy comparison base versus last year's first quarter, which was hit by the credit crunch and destocking activities. Moreover, the consolidation of the **Wild Turkey acquisition**, included in the Group's perimeter as of June 2009, **positively boosted growth. All operating profit indicators also posted double-digit growth, even on a like-for-like basis**, thanks to a favourable sales mix and notwithstanding a considerable increase in marketing spending.

Bob Kunze-Concewitz, Chief Executive Officer: '*Our performance in the first quarter of 2010 was very positive with significant growth across all key indicators, which enabled us to considerably increase our marketing investments without negatively impacting margins. Whilst results were helped by a return to a more normal trading patterns across the Americas as well as by the effects of the Wild Turkey acquisition, our overall performance continued to be mostly impacted by strong consumption momentum across key brand and market combinations, especially in our core aperitif business in Europe. Looking forward, we think that continued volatility might impact trading across quarters but remain cautiously optimistic about our full year prospects.*'

CONSOLIDATED RESULTS FOR THE FIRST QUARTER 2010

	1 January - 31 March 2010 (€ millions)	1 January - 31 March 2009 (€ millions)	Change at actual exchange rates	Change at constant exchange rates
Net sales	**233.6**	**190.1**	**+22.9%**	**+22.7%**
Contribution after A&P [(1)]	93.7	79.9	+17.3%	+17.9%
EBITDA before one-offs	**59.1**	**48.2**	**+22.6%**	**+23.7%**
EBITDA	58.6	47.7	+22.9%	+23.8%
EBIT before one-offs	**52.3**	**43.1**	**+21.3%**	**+22.6%**
EBIT	51.8	42.6	+21.5%	+22.7%
Group pre-tax profit	**43.3**	**38.4**	**+12.7%**	**+12.8%**

[(1)] EBIT before SG&A.

In the first quarter of 2010, Group sales totalled **€ 233.6 million** (**+22.9%**, +**14.5% organic growth**, **+0.2% exchange rate effect** and **+8.2% perimeter effect,** the latter mainly due to the acquisition of Wild Turkey).

Gross margin increased to **€ 133.6 million**, +27.9%, mainly thanks to a **favourable sales mix** driven by **double-digit spirits growth**.

Advertising and promotion (A&P) was up by +62.3% to **€ 39.9 million**, or 17.1% of sales.

Contribution after A&P (gross margin after A&P) was up by +17.3% to **€ 93.7 million** (+11.5% organic growth), or 40.1% of sales.

EBITDA before one-offs was up by +22.6% to **€ 59.1 million** (**+18.7% organic growth**), or 25.3% of sales.

EBIT before one-offs rose by +21.3% to **€ 52.3 million** (**+19.0% organic growth**), or 22.4% of sales.

EBITDA reached **€ 58.6 million**, an increase of +22.9%.

EBIT reached **€ 51.8 million**, an increase of +21.5%.

Pre-tax profit reached € 43.3 million (+12.7%; +12.8% at constant exchange rates).

As of 31 March 2010, **net financial debt** stood at **€ 593.4 million** (€ 630.8 million as of 31 December 2009), thus **confirming the Group's strong capability to generate cash flow** (€ 37.4 million in the first quarter, notwithstanding a negative exchange rate impact on the net financial position of € 17.9 million).

CONSOLIDATED SALES IN THE FIRST QUARTER 2010

Sales of **spirits** (76.2% of total sales, up from 70.5% in the first quarter 2009) grew +33.0%, the combined result of **organic growth of +22.2**%, a **positive exchange rate effect of +0.2%** and a **positive perimeter effect of +10.6%.**

Campari brand sales **increased by +18.2%** at constant exchange rates (+20.8% at actual exchange rates), thanks to a strong recovery particularly in Brazil. **SKYY** sales **grew by +17.9% at constant exchange rates** (+12.4% at actual exchange rates), driven by favourable comparison base versus last year's first quarter, a strong consumption trend of the Infusions business in the US and accelerating growth in key international markets. **Aperol confirmed its very strong momentum** (**+36.4% at constant exchange rates**) in Italy and in international markets (particularly Germany and Austria). **Campari Soda** was in line with the performance achieved in the first quarter 2009. The **Brazilian brands' sales experienced triple-digit sales growth**, thanks to the successful execution of the new commercial policy and a favourable comparison base versus the corresponding period last year. A positive performance was achieved by **GlenGrant** (**+50.7%** at constant exchange rates) and **Cynar** (**+3.5%** at constant exchange rates).

Wines, which accounted for 11.1% of total sales, registered an **increase of +7.4%**, due to the combination of a **positive organic performance of +2.6%,** a **positive perimeter effect of +4.6%** and a **positive exchange rate effect of +0.2%**. The segment's **positive results** were driven **by Cinzano sparkling wines** (**+17.5%** at constant exchange rates), thanks to a positive performance in Germany and Italy, and **Cinzano vermouth** (+**3.2%** at constant exchange rates), mainly thanks to a recovery in the key Russian market. **Sella & Mosca** was in line with last year, while **Riccadonna** posted a temporary slow-down due to its transition to the newly established distribution platform in the key Australian market.

Soft drinks (11.9% of total sales) recorded **a negative variation of -6.1**%, attributable to the weak performance of the soda range and mineral waters and to **Crodino** (-4.8%) due to a different phasing of promotional activities in the off trade channel.

Looking at sales **by region** in the first quarter 2010, sales in the **Italian market** (44.6% of total Group sales, down from 53.0% in the first quarter 2009) recorded an **increase of +3.4%**, thanks to organic growth (+4.0%), partly offset by a negative perimeter effect of -0.6%.

Sales in **Europe**, excluding Italy, (18.8% of consolidated sales) **increased by +18.9%**, driven by a **positive organic performance of +15.7%**, thanks to positive trading both in Western and Eastern European markets, a positive perimeter effect of +2.9% and a positive exchange rate effect of +0.3%.

The **Americas** (30.9% of total sales) posted an **overall growth of +66.5%**, driven by a **positive organic variation of +42.3%**, a **positive exchange rate effect (+0.7%)** and a **positive perimeter effect (+23.5%)**, the latter due to the acquisition of Wild Turkey. In the Americas, the **US market** registered an **organic increase of +18.7%**, mainly driven by a favourable comparison against last year's first quarter, a **negative exchange rate effect of -7.0%** and **positive perimeter effect of +28,4%**. In **Brazil, organic sales growth** registered a **triple-digit increase,** thanks to a return to regular trading after the full acceptance of the new commercial policy and a favourable comparison base. Performance in Brazil was also positively affected by a perimeter effect of +1.3% and a significant exchange rate effect.

Sales in the **rest of the world** (including duty free sales), which accounted for 5.8% of total sales, **grew by +47.3%** overall, driven by a positive perimeter effect of +55.0%**,** and a negative exchange rate effect of -0.1% and a negative organic change of 7.6%

OTHER RESOLUTIONS

Assignment of stock options. Pursuant to article 84-bis of Consob resolution no. 11971/99 (Regulations for Issuers), it should be noted that the Board of Directors has approved today the issuance of stock options for 2010 in accordance with the stock option plan approved by the Shareholders' meeting held on 30 April 2010. The information regarding the issuance of stock options is disclosed in the document 'Issuance of stock options for 2010 in accordance with the stock option plan approved by the Shareholders' meeting held on 30 April 2010' available on the website www.camparigroup.com under 'Investors' section.

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 **1:00 pm (CET) today, Thursday, 13 May 2010**, Campari's management will hold a conference call to present the Group's first quarter results 2010 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://www.camparigroup.com/en/investors/home.jsp

A **recording of the conference call** will be available from Friday, 14 May until Thursday, 20 May 2010.
To listen to it, please call the following number:

- **from Italy:** **02 72495**
- **from abroad:** **+44 207 0980 726**

(access code: **708#**).

FOR FURTHER INFORMATION

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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, Campari Soda, Cynar, GlenGrant, 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 March 2010		1 January - 31 March 2009		
	€ million	%	€ million	%	% change
Italy	104.2	44.6%	100.7	53.0%	3.4%
Europe	43.9	18.8%	36.9	19.4%	18.9%
Americas	72.1	30.9%	43.3	22.8%	66.5%
Rest of the world and duty free	13.5	5.8%	9.1	4.8%	47.3%
Total	**233.6**	**100.0%**	**190.1**	**100.0%**	**22.9%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Italy	3.4%	4.0%	-0.6%	0.0%
Europe	18.9%	15.7%	2.9%	0.3%
Americas	66.5%	42.3%	23.5%	0.7%
Rest of the world and duty free	47.3%	-7.6%	55.0%	-0.1%
Total	**22.9%**	**14.5%**	**8.2%**	**0.2%**

Consolidated net revenues by segment

	1 January - 31 March 2010		1 January - 31 March 2009		
	€ million	%	€ million	%	% change
Spirits	178.1	76.2%	133.9	70.5%	33.0%
Wines	25.8	11.1%	24.0	12.6%	7.4%
Soft drinks	27.8	11.9%	29.6	15.6%	-6.1%
Other revenues	1.9	0.8%	2.5	1.3%	-25.6%
Total	**233.6**	**100.0%**	**190.1**	**100.0%**	**22.9%**

Breakdown of % change	Total % change	Organic growth	External growth	Exchange rate effect
Spirits	33.0%	22.2%	10.6%	0.2%
Wines	7.4%	2.6%	4.6%	0.2%
Soft drinks	-6.1%	-6.1%	0.0%	0.0%
Other revenues	-25.6%	-40.3%	13.5%	1.2%
Total	**22.9%**	**14.5%**	**8.2%**	**0.2%**

Consolidated income statement

	1 January - 31 March 2010		1 January - 31 March 2009		Change
	€ million	%	€ million	%	%
Net sales [1]	**233.6**	**100.0%**	**190.1**	**100.0%**	**22.9%**
Total cost of goods sold [2]	(100.0)	-42.8%	(85.6)	-45.1%	16.7%
Gross margin	**133.6**	**57.2%**	**104.5**	**54.9%**	**27.9%**
Advertising and promotion	(39.9)	-17.1%	(24.6)	-12.9%	62.3%
Contribution after A&P	**93.7**	**40.1%**	**79.9**	**42.0%**	**17.3%**
SG&A [3]	(41.5)	-17.8%	(36.8)	-19.4%	12.7%
EBIT before one-off's	**52.3**	**22.4%**	**43.1**	**22.7%**	**21.3%**
One off's	(0.5)	-0.2%	(0.5)	-0.3%	-
Operating profit = EBIT	**51.8**	**22.2%**	**42.6**	**22.4%**	**21.5%**
Net financial income (expenses)	(8.3)	-3.6%	(3.9)	-2.0%	115.3%
Income from associates	(0.0)	-0.0%	(0.3)	-0.1%	-
Put option costs	(0.1)	-0.0%	0.0	0.0%	-
Profit before taxes and minority interests	**43.4**	**18.6%**	**38.5**	**20.3%**	**12.6%**
Minority interests	(0.1)	-0.0%	(0.1)	-0.0%	-
Group's pre-tax profit	**43.3**	**18.5%**	**38.4**	**20.2%**	**12.7%**
Depreciation and amortisation	(6.8)	-2.9%	(5.0)	-2.7%	34.4%
EBITDA before one-off's	**59.1**	**25.3%**	**48.2**	**25.3%**	**22.6%**
EBITDA	**58.6**	**25.1%**	**47.7**	**25.1%**	**22.9%**

(1) Net of discounts and excise duties.

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

(3) Includes selling, general and administrative costs.