Gruppo Campari

First-Half 2001 Results

11 September 2001

GRUPPO CAMPARI

Marco Perelli-Cippo

Group Chief Executive Officer

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Campari Group - Key items featuring the semester

- Total net sales growth of 9.6% in 1H 2001 to Euro 233,6 million, of which:
  - organic growth: + 2.5%
  - external growth: + 8.6%
  - negative currency effect: - 1.5%
- Group trading margin growth of 8.2% in 1H 2001 to Euro 64.4 million, of which:
  - organic growth: + 2.9%
  - external growth: + 5.3%
- Total net sales growth by segment:
  - Spirits: + 17.7%
  - Wines: + 2.8% (*)
  - Soft drinks: - 2.2%
- Initial Public Offering in July 2001
- Acquisition of Brazilian activities from Diageo in January 2001

(*) Adjusted for stock sold to Italian distributor in first-half 2000: + 9.5%

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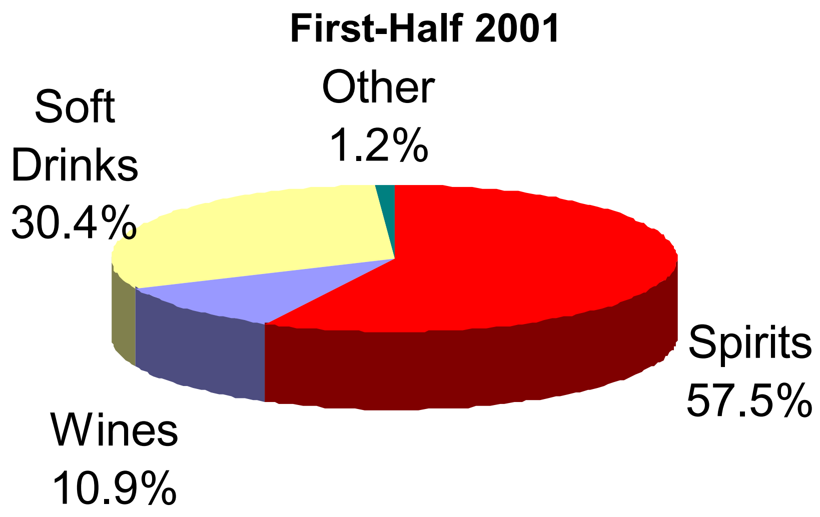
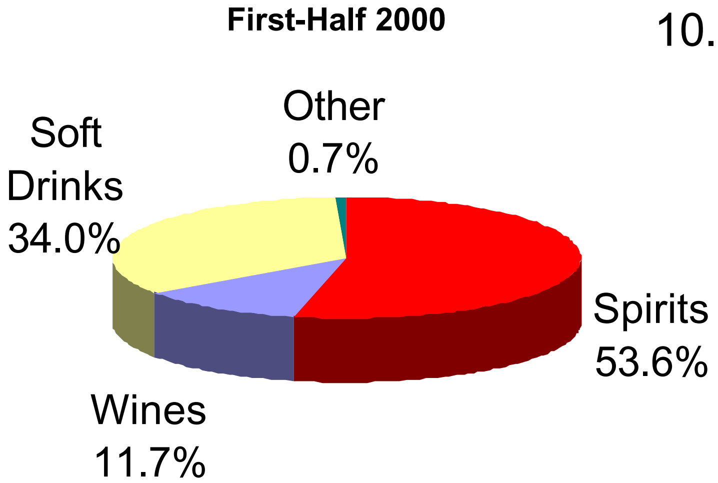
Total net sales by segment (as % of net sales)





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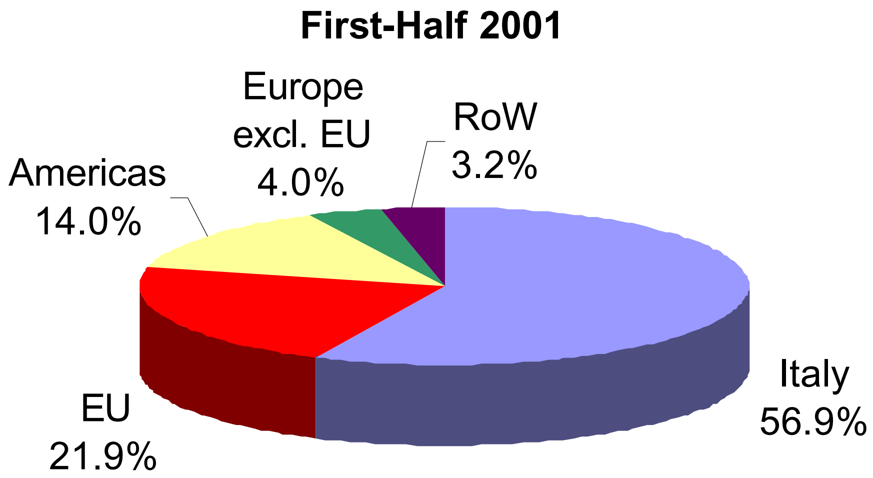
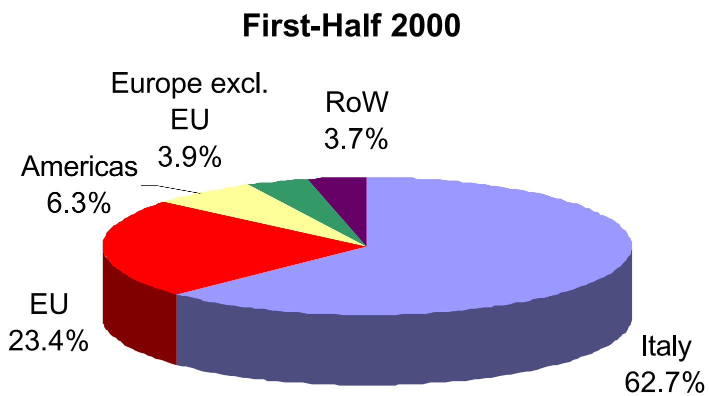
Total net sales by geographical area (as % of net sales)





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Products overview

	% change in value 1H 2001 vs. 1H 2000
Spirits	
Campari	(1.8)
CampariSoda	3.6
Cynar	23.3
Jaegermeister (*)	5.5
Skyy Vodka (*)	53.6
Wines	
Cinzano Vermouth	2.8
Cinzano Sparkling wines (**)	(2.3)
Soft drinks	
Crodino	1.7
Lemonsoda, Oransoda, Pelmosoda	(7.7)

(*) third party brand

(**) adjusted for stock sold to Italian distributor: increase of 12.9%

Paolo Marchesini

Group Chief Financial Officer

Consolidated income statement - Summary

	First-Half 2000		First-Half 2001		Growth
	Euro mn.	%	Euro mn.	%	%
Net sales	213.1	*100.0*	233.6	*100.0*	*9.6*
Trading Margin	59.5	*27.9*	64.4	*27.6*	*8.2*
EBIT before non recurring exp. and amortisation of GW and TM	46.2	*21.7*	49.6	*21.2*	*7.3*
EBIT before non recurring exp.	42.3	*19.9*	43.9	*18.8*	*3.7*
EBIT	41.9	*19.7*	39.9	*17.1*	*(4.8)*
Net income	32.8	*15.4*	22.7	*9.7*	*(30.8)*
Net income before non recurring expenses & GW amortisation	37.1	*17.4*	32.4	*13.9*	*(12.8)*
EBITDA bef. non recurring costs	52.3	*24.6*	56.1	*24.0*	*7.2*
EBITDA	51.9	*24.3*	52.1	*22.3*	*0.4*
Depreciation	5.3	*2.5*	5.4	*2.3*	
Amortisation, of which:	4.7	*2.2*	6.8	*2.9*	
- Brazil GW and TM amortisation	-	*0.0*	1.6	*0.7*	
- organic GW and TM amortisation	3.9	*1.8*	4.1	*1.7*	
- other amortisation	0.8	*0.4*	1.1	*0.5*	

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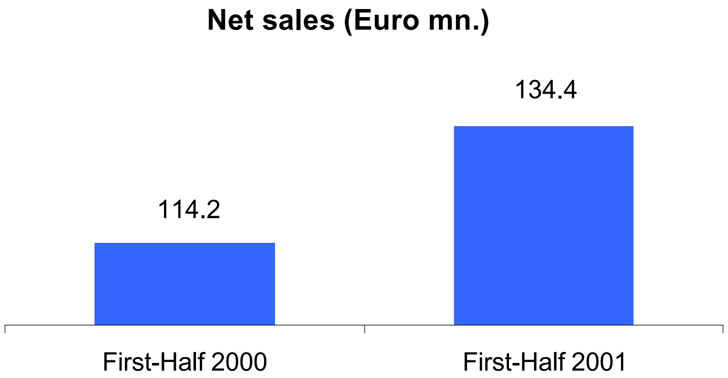
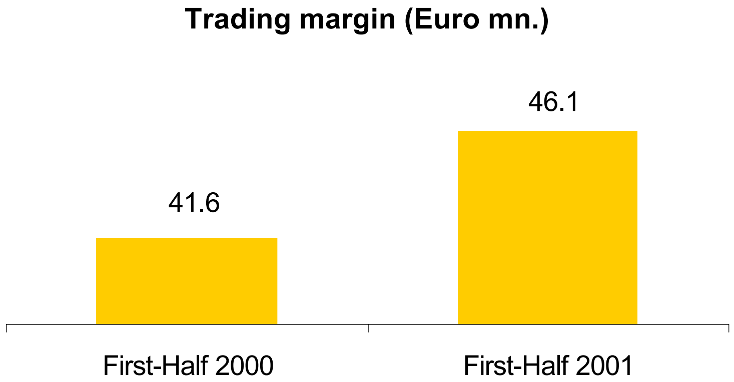
Spirits segment overview





	First-Half 2000	First-Half 2001	Growth
	Euro mn.	Euro mn.	%
Net sales	114.2	134.4	*17.7*
Trading Margin	41.6	46.1	*10.8*
as % of net sales	*36.5*	*34.3*	
as % Group tradin margin	*69.9*	*71.6*	

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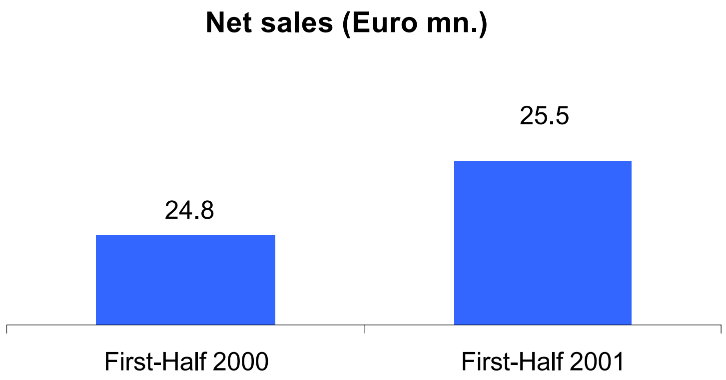
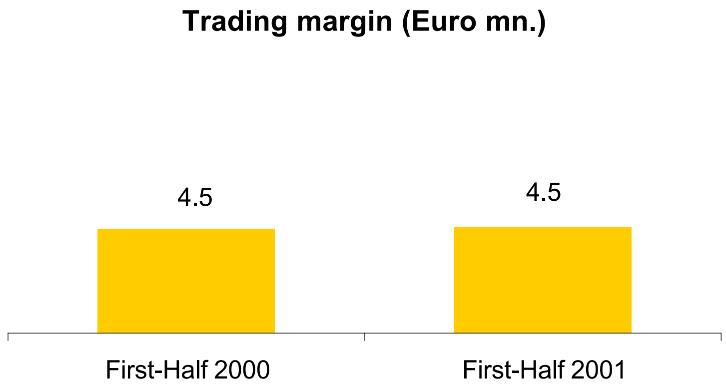
Wines segment overview

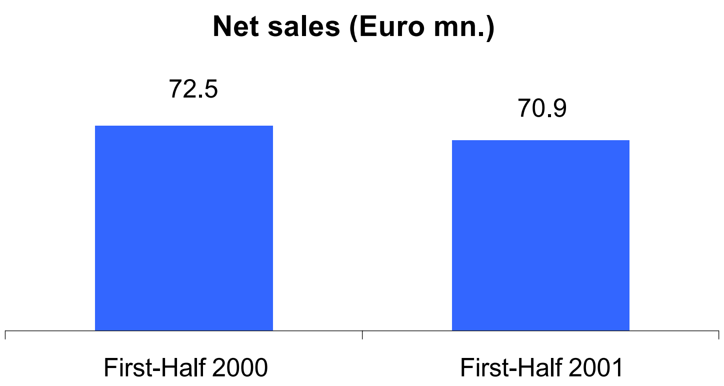


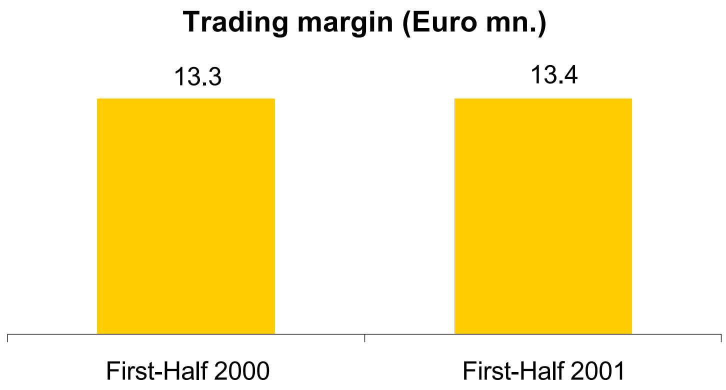


	First-Half 2000	First-Half 2001	Growth
	Euro mn.	Euro mn.	%
Net sales (*)	24.8	25.5	*2.8*
Trading Margin	4.5	4.5	*0.8*
as % of net sales	*18.2*	*17.8*	
as % Group tradin margin	*7.6*	*7.1*	

** Adjusted for stock sold to Italian distributor in First-Half 2000: +9.5% growth (Sparkling wines:+ 12.9% growth)*

Soft drinks segment overview





	First-Half 2000	First-Half 2001	Growth
	Euro mn.	**Euro mn.**	**%**
Net sales	72.5	70.9	*(2.2)*
Trading Margin	13.3	13.4	*0.4*
as % of net sales	*18.3*	*18.8*	
as % Group tradin margin	*22.3*	*20.7*	

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Gross margin

	First-Half 2000		First-Half 2001		Growth
	Euro mn.	%	Euro mn.	%	%
Net sales	213.1	*100.0*	233.6	*100.0*	*9.6*
Cost of goods sold	(86.8)	*(40.7)*	(97.9)	*(41.9)*	*12.8*
Gross margin	**126.3**	**59.3**	**135.7**	***58.1***	***7.4***

- Total net sales growth of 9.6% in 1H 2001, of which:
  - organic growth: + 2.5%
  - external growth: + 8.6%
  - negative currency effect: - 1.5%
- Increase in gross margin in absolute terms
- Increase in organic gross margin in % of organic sales
- Dilution of gross margin as % of net sales as a consequence of external growth

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Trading margin

	First-Half 2000		First-Half 2001		Growth
	Euro mn.	%	Euro mn.	%	%
Net sales	213.1	*100.0*	233.6	*100.0*	*9.6*
Gross margin	126.3	*59.3*	135.7	*58.1*	*7.4*
Advertising & Promotion	**(41.7)**	***(19.5)***	**(44.0)**	***(18.8)***	***5.6***
Selling & distribution expenses	**(25.1)**	***(11.8)***	**(27.3)**	***(11.7)***	***8.5***
Trading Margin	**59.5**	***27.9***	**64.4**	***27.6***	***8.2***

- Advertising & Promotion in line with physiologic spending as % of net sales
- Selling & Distribution slightly decreasing as % of net sales with respect to 1H 2000
- Trading margin increases in absolute terms (organic growth of 2.9% and external growth of 5.3%)

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EBIT

	First-Half 2000		First-Half 2001		Growth
	Euro mn.	%	Euro mn.	%	%
Net sales	213.1	*100.0*	233.6	*100.0*	*9.6*
Gross margin	126.3	*59.3*	135.7	*58.1*	*7.4*
Trading Margin	59.5	*27.9*	64.4	*27.6*	*8.2*
General & admin. expenses	**(13.3)**	***(6.2)***	**(14.8)**	***(6.4)***	***11.5***
EBIT before non recurring exp. and amortisation of GW and TM	**46.2**	***21.7***	**49.6**	***21.2***	***7.3***
Amorisation of GW and TM	**(3.9)**	***(1.8)***	**(5.7)**	***(2.4)***	
EBIT before non recurring exp.	**42.3**	***19.9***	**43.9**	***18.8***	***3.7***
Non recurring expenses	**(0.4)**	***(0.2)***	**(4.0)**	***(1.7)***	
EBIT	**41.9**	***19.7***	**39.9**	***17.1***	***(4.8)***

- Increase in G&A as of % of net sales as a consequence of Brazilian acquisition
- Increase in amortisation of GW and TM as % of net sales as a result of GW of Brazilian acquisition
- Non recurring expenses mainly attributable to IPO costs fully charged to 1H 2000
- Headcount rises from 914 to 1,169 units in 2001

Net income

	First-Half 2000		First-Half 2001	
	Euro mn.	%	Euro mn.	%
Net sales	213.1	*100.0*	233.6	*100.0*
EBIT before non recurring exp.	42.3	*19.8*	43.9	*18.8*
EBIT	41.9	*19.7*	39.9	*17.1*
Net interest income	**1.1**		**1.9**	
Exchange gain/(losses), net	**(0.2)**		**(4.6)**	
Other income/(expenses), net	**3.2**		**(0.1)**	
Minority interests	**(0.0)**		**0.0**	
Income before taxes	**46.1**		**37.0**	
Taxes	**(13.3)**		**(14.3)**	
Net income	**32.8**		**22.7**	

- Exchange loss, still unrealised, in connection with the outstanding financing in USD (parity rate: Euro/USD 0.9165)
- Decrease in other income in 1H 2001 compared to 1H 2000 of Euro 3.4 million, mainly attributable to positive effect of capital gains from real estate disposals in 1H 2000
- Increase in tax rate mainly attributable to the expiration of carried-forward fiscal losses

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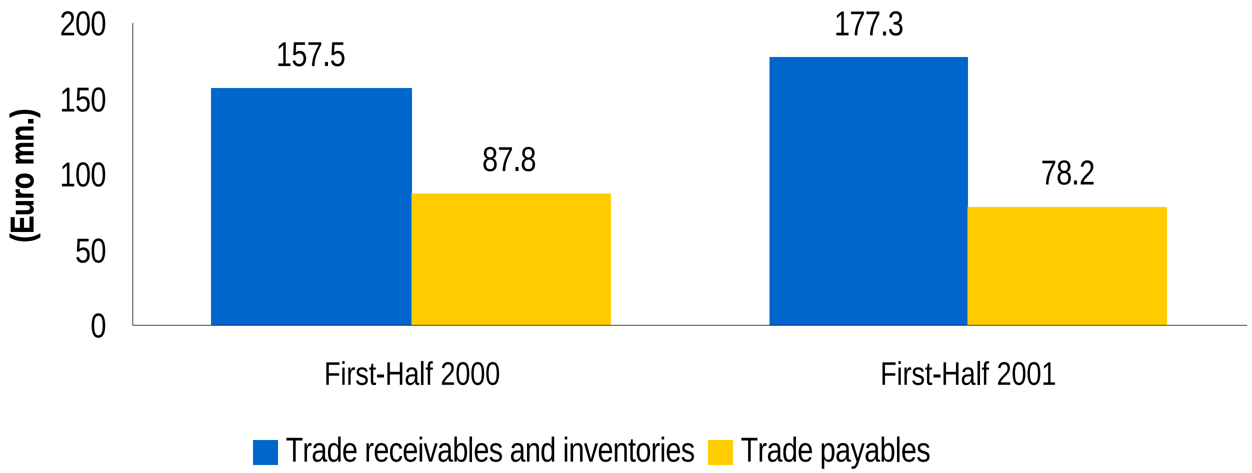
Consolidated Balance Sheet

Euro mn.	31 December 2000	30 June 2000	30 June 2001
Net working capital	71.4	69.6	99.1
Tangible fixed assets	88.1	88.7	92.3
Goodwill	83.4	86.8	158.0
Other intangible fixed assets	16.9	16.9	20.0
Financial fixed assets	17.2	18.1	19.9
Other assets	37.7	44.8	40.5
Provisions	(12.5)	(12.1)	(11.1)
Other liabilities	(86.8)	(77.7)	(99.2)
Net capital employed	**215.4**	**235.2**	**319.4**
Net cash & marketable securities	**188.3**	**147.8**	**74.7**
Minority interests	5.0	5.0	2.3
Shareholders' equity	398.7	377.9	391.8
Total shareholders' equity and minority interests	**403.7**	**382.9**	**394.1**
Net capital employed	**215.4**	**235.2**	**319.4**

Working Capital



Euro mn.	30 June 2000	30 June 2001
Trade receivables	101.3	109.3
Inventories	56.2	68.0
Trade payables	(87.8)	(78.2)
Net working capital (*)	**69.6**	**99.1**

(*) of which Brazilian net working capital acquired of Euro 18.4 million

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Statement of consolidated cash flow

Euro mn.	30 June 2001	31 December 2000
Net profit	22.7	52.8
Depreciation and amortisation	12.2	19.3
Adjustment and provisions	3.7	16.1
Change in Net Working Capital (organic)	(4.8)	16.5
Operating cash flows	**33.8**	**104.8**
Net cash from investing activities (*)	(109.4)	(42.5)
Net cash from financing activities	45.6	(28.7)
Net change in cash	**(30.0)**	**33.6**

(*) Includes:

- Brazilian acquisition of Euro 107.4 mn.

- acquisition of remaining 6% stake in Cinzano: Euro 5.2 mn.

- Capex of Euro 4.6 million, of which:
  - on tangible assets of Euro 3.2 million
  - on intangible assets of Euro 1.4 million

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Net financial position

Euro mn.	31 Dec 2000	30 June 2000	30 June 2001
Cash	167.7	161.3	137.7
Bank debt	(11.5)	(8.4)	(88.3)
Debt due to real estate leasing and other financial debt	(16.9)	(17.7)	(16.1)
Net cash	**139.4**	**135.3**	**33.4**
Marketable securities	48.9	12.5	41.3
Net cash and marketable securities	**188.3**	**147.8**	**74.7**
Net equity	**398.7**	**377.9**	**391.8**

- Positive net financial position for Euro 74.7 million as at 30 June 2001
- Change in net cash mainly attributable to:
  - Brazilian acquisition
  - payment of dividends for Euro 25.5 million

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Marco Perelli-Cippo

Group Chief Executive Officer

Brazilian acquisition

- Strong sales increase in the Q2 2001 after the completion of market destocking
- Good performance of net sales and profitability notwithstanding macroeconomic and market conditions
- Confirming hurdle rate (return on acquisition) of c.10% in the 12 months lasting June 2001 to June 2002
- Carrying through the integration of newly-acquired Brazilian business:
  - merger of distribution network completed
  - integration of administrative operations in progress
  - concentration of manufacturing plants expected to start in January 2002

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Outlook on this year - Business

- Spirits: delivering further operational synergies from Brazilian brands
- Wines: expected benefits from internalised distribution in the domestic market
- Soft drinks: sales recovery expected in July and August
- Dilution of negative impact of non-recurring expenses on operating results over the full year

Outlook on this year - Strategy

- Enhancing, through organic growth and acquisitions, our position in premium drinks - high margin, high growth business
- Strengthening our position among the leading players in the beverage industry
- Net cash position giving the Group a strong financial platform for further acquisition opportunities in the industry

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Questions & Answers

Thanks for your attention


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