



## PRESS RELEASE

### ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

**2003 results approved unanimously**

**New Board of Directors appointed with majority of independent directors**

**Luca Garavoglia confirmed as Chairman**

**Luca Cordero di Montezemolo joins the Board of Directors**

**Dividend of €0.88 per share approved**

\* \* \*

Milan, 29 April 2004 - The shareholders' meeting of Davide Campari-Milano S.p.A. **today unanimously approved the company's 2003 results.**

The meeting approved **a dividend of €0.88 per share** gross of all applicable withholding taxes (unchanged from last year), with the detachment of coupon no. 4 on 10 May 2004 and payable as of 13 May 2004.

In addition, the meeting also unanimously appointed a **new Board of Directors** formed of Luca Cordero di Montezemolo, Cesare Ferrero, Luca Garavoglia, Franzo Grande Stevens, Paolo Marchesini, Marco P. Perelli-Cippo, Giovanni Rubboli, Renato Ruggiero, Stefano Saccardi, Vincenzo Visone and Anton Machiel Zondervan.

In the new Board, composed of eleven Directors, **six members, the majority, are independent**, confirming the capability of the Company to represent a model of excellence also in its decisions of corporate governance.

The meeting unanimously confirmed **Luca Garavoglia as Chairman of the Company.**

The Board of Directors shall grant the necessary mandates to the directors at its next meeting on 10 May, when **Enzo Visone** will officially become **Chief Executive Officer.**

Marco P. Perelli-Cippo will remain on the Board of Directors, although he requested his office not be renewed at the time of natural expiry.

Chairman and shareholders' sincere thanks are extended to Marco P. Perelli-Cippo for his highly effective and capable work as the head of the Group, during a **period of exceptional growth** in which Campari rose in global rankings and achieved very high levels of profitability. Thanks and gratitude are also extended to all the outgoing directors.

In response to the appointment of **Luca Cordero di Montezemolo** to the Board of Directors of Davide Campari-Milano S.p.A., **Chairman Luca Garavoglia commented:** *"Thanks to his **successful experience** in the management and development of manufacturing companies, particularly as regards creating brands endowed with a strong image and international reputation, which favoured him in obtaining the chairmanship of the Italian leading organisation of entrepreneurs, I believe that Luca Cordero di Montezemolo, alongside the other Directors, will make a **major contribution** to the future growth of the Campari Group."*

The shareholders' meeting also unanimously appointed the **new Board of Statutory Auditors** formed of Umberto Tracanella, Alberto Lazzarini and Antonio Ortolani.

## 2003 CONSOLIDATED RESULTS

As indicated on 22 March, the consolidated results for 2003 showed **strong growth in sales** and **at all levels of operating profitability**. The results were more than satisfactory, particularly in light of the substantial impact of exchange rate movements.

**Group sales** in 2003 totalled € 714.1 million, **an increase of 8.1%** (+14.5% at constant exchange rates).

**Organic growth** was **9.6%**, while exchange rate movements had a negative effect of 6.4%, mainly because of the fall in value of the US dollar and the Brazilian real.

**External growth, at 4.9%**, was largely driven by the new distribution agreement for 1800 Tequila on the US market (+4.3%). Barbero 1891 made a minimal contribution (+0.6%), as it was consolidated only for the month of December.

**Trading profit increased by 6.8%** to €193.1 million, or 27% of sales.

**EBITDA increased by 5.8%** (+12.4% at constant exchange rates) to € 169.2 million, or 23.7% of sales.

**EBITA increased by 5.8%** (+12.8% at constant exchange rates) to € 150.7 million, or 21.1% of sales.

**EBIT increased by 6.6%** (+15.3% at constant exchange rates) to € 122.2 million, or 17.1% of sales.

**Profit before tax and minority interests** was € 138.1 million, up 11.9% (+19.2% at constant exchange rates). The result was boosted by net non-operating income of € 23.1 million, which includes the capital gain generated by the sale of the head office building in Milan's Via Filippo Turati in July 2003.

**Group profit before tax**, i.e. profit before taxes and after minority interests, was € 120.2 million, up 11.8%.

**Group net profit** fell 7.9% to € 79.8 million, because of the higher tax burden than in the previous year, when the company benefited from dual income tax relief and the "Tremonti bis" tax incentive.

**Consolidated shareholders' equity** was € 548.2 million at 31 December 2003.

At 31 December 2003, **net debt** was € 297.1 million (€ 198.8 million at 31 December 2002). The debt to equity ratio at 31 December 2003 was 54.2%. On 3 December 2003, the group completed the acquisition of Barbero 1891 for € 147.1 million, paid in cash using part of the proceeds of the senior notes issued in 2003.

In 2003, the Group fully achieved its aims of delivering both organic (despite the negative impact of exchange rate movements) and external growth (which continued with the acquisitions of Barbero 1891 and Riccadonna). These results lay the foundations for further growth in 2004, despite the unfavourable economic outlook: the Group is expected to deliver organic growth of 5 - 6%, in line with previous years.

## OTHER RESOLUTIONS

**Appointment of independent auditors, own shares, changes to articles of association and merger of Campari-Crodo S.p.A. into Davide-Campari S.p.A.** At the ordinary shareholders' meeting, Ernst & Young were appointed as the independent auditors for the three years from 2004 to 2006, and the Board of Directors was authorised to purchase and/or sell own shares. Lastly, at the extraordinary shareholders' meeting, the proposed changes to the articles of association were authorised, partly to bring these into line with the new regulations contained in Legislative Decree 6/2003, and the proposal of the Board of Directors to merge Campari-Crodo S.p.A. into Davide Campari-Milano S.p.A. was approved, with the aim of rationalising the Group's organisational structure.

## CAMPARI GROUP - 2003 FULL YEAR RESULTS

Table 1) Campari Group - consolidated income statement

	1 January - 31 December 2003		1 January - 31 December 2002		Change %
	€million	%	€million	%	
<b>Net revenues <sup>(1)</sup></b>	<b>714.1</b>	<b>100.0%</b>	<b>660.6</b>	<b>100.0%</b>	<b>8.1%</b>
Cost of materials	(256.3)	-35.9%	(230.4)	-34.9%	11.3%
Production costs	(44.9)	-6.3%	(45.9)	-6.9%	-2.2%
<b>Total cost of goods sold</b>	<b>(301.2)</b>	<b>-42.2%</b>	<b>(276.3)</b>	<b>-41.8%</b>	<b>9.0%</b>
<b>Gross margin</b>	<b>412.9</b>	<b>57.8%</b>	<b>384.3</b>	<b>58.2%</b>	<b>7.4%</b>
Advertising and promotion	(143.7)	-20.1%	(130.8)	-19.8%	9.9%
Selling and distribution expenses	(76.1)	-10.7%	(72.7)	-11.0%	4.7%
<b>Trading profit</b>	<b>193.1</b>	<b>27.0%</b>	<b>180.8</b>	<b>27.4%</b>	<b>6.8%</b>
General and administrative expenses	(46.9)	-6.6%	(43.3)	-6.6%	8.1%
Other operating revenues	6.9	1.0%	5.8	0.9%	19.6%
Amortisation of goodwill and trademarks	(28.4)	-4.0%	(27.8)	-4.2%	2.5%
Non-recurring expenses	(2.5)	-0.3%	(0.8)	-0.1%	206.2%
<b>EBIT = Operating income</b>	<b>122.2</b>	<b>17.1%</b>	<b>114.7</b>	<b>17.4%</b>	<b>6.6%</b>
Net interest income (charges)	(8.8)	-1.2%	(6.1)	-0.9%	45.5%
Exchange-rate gains (losses). net	1.6	0.2%	8.2	1.2%	-80.1%
Other non operating income (charges)	23.1	3.2%	6.6	1.0%	246.6%
<b>Profit before taxes and minority interests</b>	<b>138.1</b>	<b>19.3%</b>	<b>123.4</b>	<b>18.7%</b>	<b>11.9%</b>
Minority interests	(17.9)	-2.5%	(15.8)	-2.4%	12.7%
<b>Group's profit before taxes</b>	<b>120.2</b>	<b>16.8%</b>	<b>107.6</b>	<b>16.3%</b>	<b>11.8%</b>
Taxes	(40.4)	-5.7%	(20.9)	-3.2%	93.4%
<b>Group's net profit</b>	<b>79.8</b>	<b>11.2%</b>	<b>86.7</b>	<b>13.1%</b>	<b>-7.9%</b>
Depreciation	(15.4)	-2.2%	(14.4)	-2.2%	7.3%
Amortisation of goodwill, trademarks and other intangibles	(31.6)	-4.4%	(30.9)	-4.7%	2.1%
<b>Total depreciation and amortisation</b>	<b>(47.0)</b>	<b>-6.6%</b>	<b>(45.3)</b>	<b>-6.9%</b>	<b>3.7%</b>
<b>EBITDA</b>	<b>169.2</b>	<b>23.7%</b>	<b>160.0</b>	<b>24.2%</b>	<b>5.8%</b>
<b>EBITA <sup>(2)</sup></b>	<b>150.7</b>	<b>21.1%</b>	<b>142.4</b>	<b>21.6%</b>	<b>5.8%</b>

(1) Net of discounts and excise duty.

(2) EBITA = EBIT before amortisation of goodwill and trademarks.

**Table 2) Campari Group - consolidated balance sheet**

	31 December 2003	31 December 2002	Change
	€million	€million	€million
Cash and banks	133.6	103.5	30.1
Marketable securities	1.9	4.2	(2.3)
Accounts receivable, net of devaluation reserve	174.2	137.7	36.5
Inventories	106.4	94.9	11.5
Other current assets	55.4	44.2	11.2
<b>Total current assets</b>	<b>471.5</b>	<b>384.5</b>	<b>87.0</b>
Tangible assets, net	152.4	144.2	8.2
Goodwill, net	552.2	437.3	114.9
Other intangible assets, net	19.4	16.0	3.4
Financial assets	7.8	8.7	(0.9)
Other non-current assets	5.8	3.4	2.4
Treasury shares	31.0	31.0	0.0
<b>Total non-current assets</b>	<b>768.6</b>	<b>640.6</b>	<b>128.0</b>
<b>Total assets</b>	<b>1,240.1</b>	<b>1,025.1</b>	<b>215.0</b>
Short-term financial debt	30.1	122.1	(92.0)
Accounts payable	127.6	135.5	(7.9)
Other current liabilities	78.1	52.5	25.6
<b>Total current liabilities</b>	<b>235.8</b>	<b>310.1</b>	<b>(74.3)</b>
Medium and long term loans	398.1	181.0	217.1
Employee's termination pay	15.6	13.1	2.5
Other non - current liabilities	37.7	32.0	5.7
Minority interests	4.7	10.0	(5.3)
<b>Total non - current liabilities</b>	<b>456.1</b>	<b>236.1</b>	<b>220.0</b>
<b>Shareholders' equity</b>	<b>548.2</b>	<b>478.9</b>	<b>69.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,240.1</b>	<b>1,025.1</b>	<b>215.0</b>

### The Campari Group

The Campari Group is the sixth player in the global spirits sector, trading in over 190 markets around the world with a leading position in the Italian and Brazilian markets and a strong presence in the US, Germany and Switzerland. Following an intensive acquisition campaign undertaken over the last few years, the Group has an extensive portfolio that spans three business segments: spirits, wines and soft drinks. The Group's portfolio includes a combination of strong international brands, such as Campari, SKYY Vodka, Cynar and Cinzano and leading local brands, such as CampariSoda, Campari Mixx, Crodino, Aperol, Aperol Soda, Sella & Mosca, Zedda Piras, Biancosarti, Barbieri, Enrico Serafino, Lemonsoda, Oransoda and Pelmosoda in Italy, SKYY Blue in the US, Ouzo 12 in Greece and in Germany, Dreher, Old Eight, Drury's and Liebfraumilch in Brazil, Gregson's in Uruguay, Riccadonna in Australia and New Zealand and Mondoro in Russia. The Group has 1.500 employees, and shares of the parent company Davide Campari-Milano S.p.A have been listed on the Milan stock exchange since July 2001.

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