



2006 First Half Results

Conference call

11 September 2006



Results highlights and sales review

Enzo Visone, CEO



GRUPPO
CAMPARI

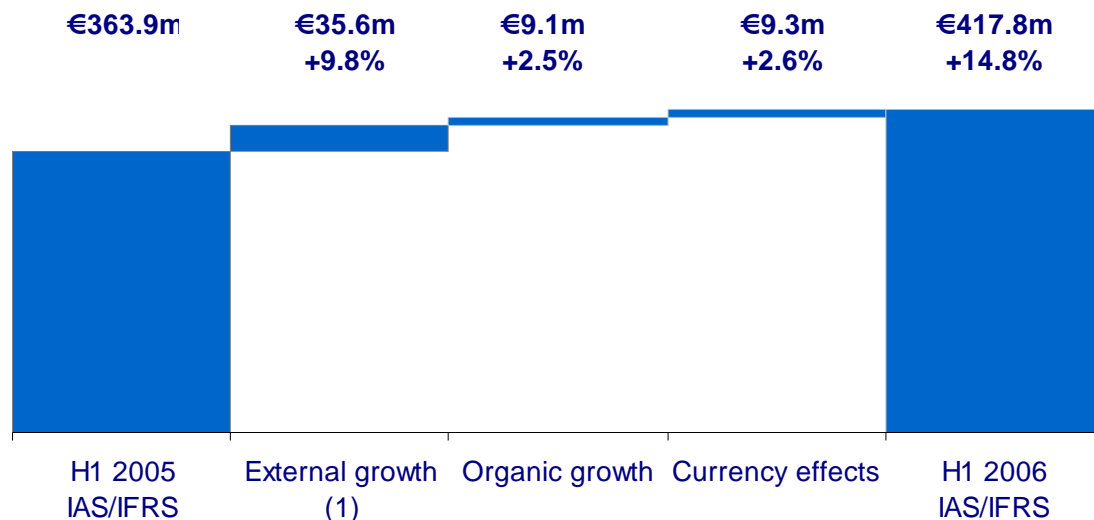
Six months ended 30 June 2006

IAS/IFRS results	H1 2006 € million	% change at actual exchange	% change at constant exchange
Net sales	417.8	+14.8%	+12.2%
Trading profit	115.3	+7.3%	+5.1%
EBITDA before one-off's	95.3	+6.6%	+4.8%
EBITDA	95.2	+3.5%	+1.7%
EBIT before one-off's	86.0	+6.2%	+4.4%
Operating profit = EBIT	85.9	+2.8%	+1.0%
Group's net profit	55.5	+4.0%	+2.0%

- > 2006 first half results were positive, thanks to positive contribution of new business and organic growth.



2006 First half net sales growth drivers



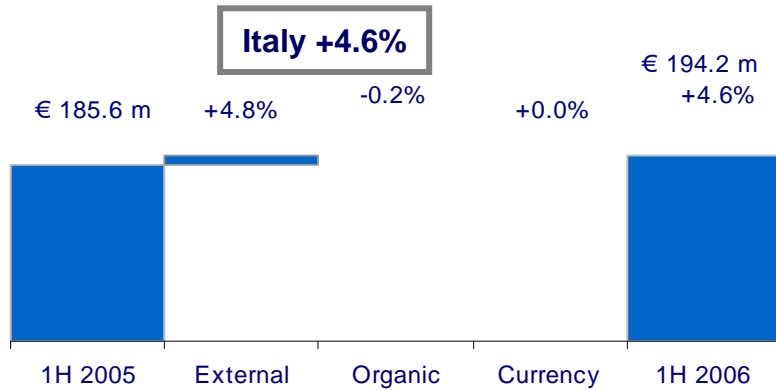
(1) External growth

Brands	€ m
Total acquisitions	9.2
Total agency brands	26.4
Total external growth	35.6

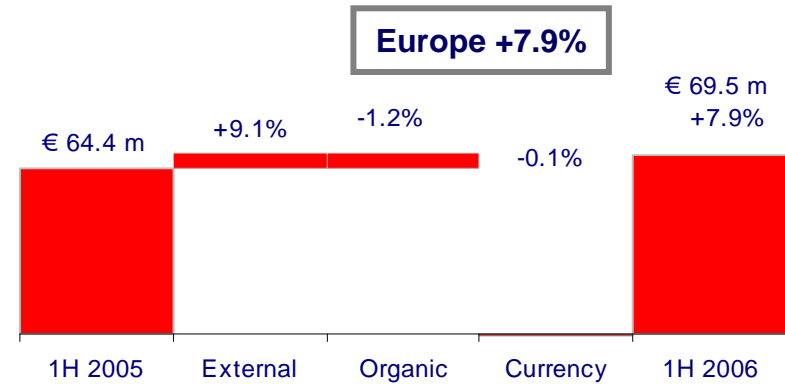
- > **Organic growth** is driven by a particularly **good performance on some of the core brands (SKYY Vodka, Aperol)**, notwithstanding **temporary slowdown of some brands** (Campari and Cinzano vermouth) **due to one-off's effects**
- > **External growth** relates to the recent acquisitions (Glen Grant and Teruzzi & Puthod) and to various **new distribution agreements** (C&C brands, Jack Daniel's and Midori)
- > Positive currency effect is attributable to Brazilian Real and US Dollar



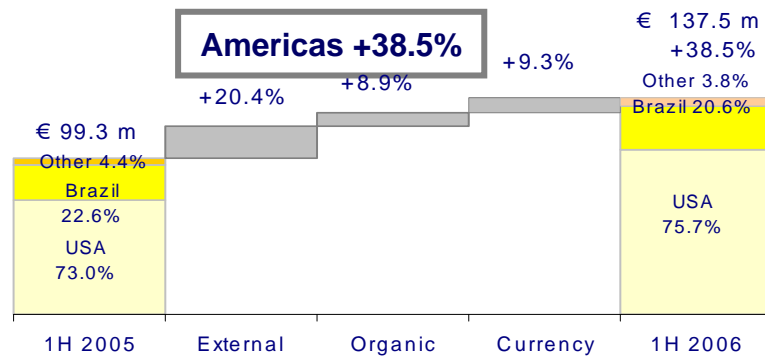
Net sales by region



- > External growth mainly generated by the distribution of **Brown-Forman brands** and **Glen Grant**
- > Growth in **Aperol** and **Crodino** offset by Campari and wines

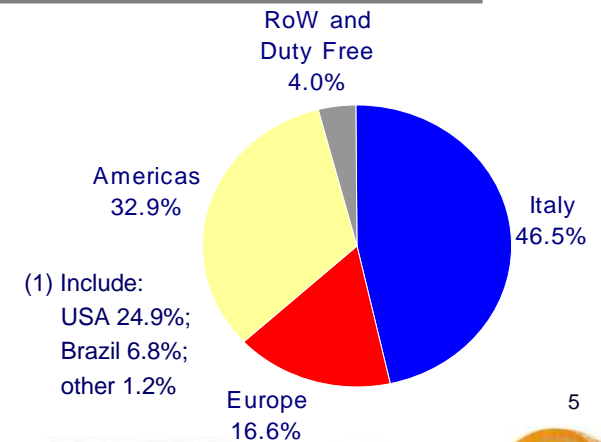


- > Positive results in **Germany** and **Russia** offset by other slower European markets
- > External growth mainly generated by **Glen Grant** and by **Teruzzi & Puthod** wines

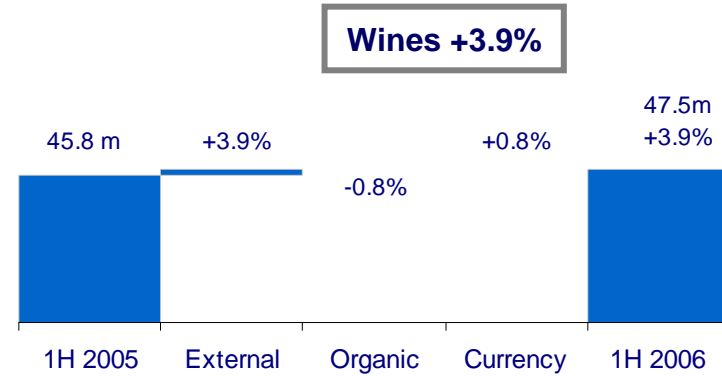
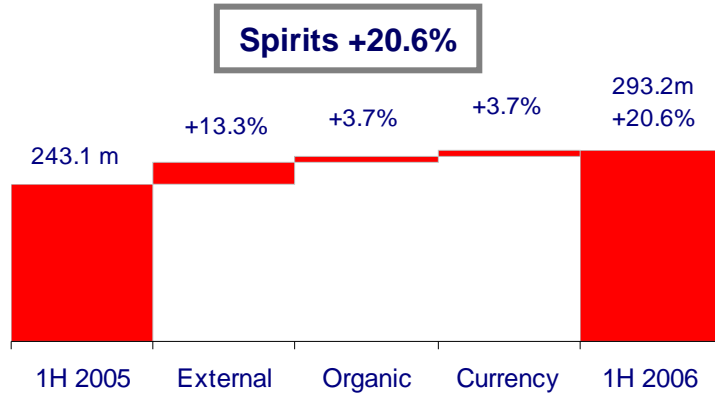


- > Organic growth driven by **US (+10.5%)**, thanks to solid performance on all brands, and Brazil (+3.7%)
- > External growth driven by **new distribution contracts in US**

H1 2006 sales by region € 417.8 m

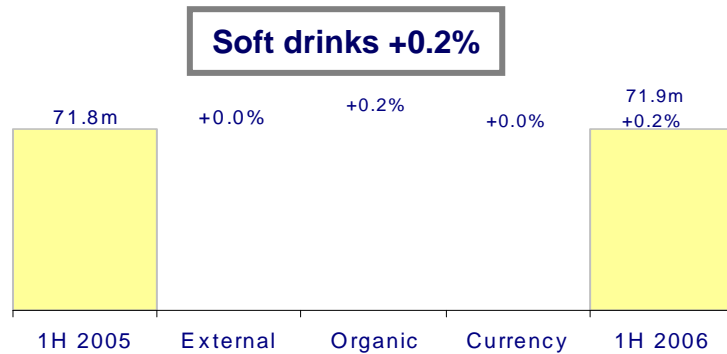


Net sales by segment

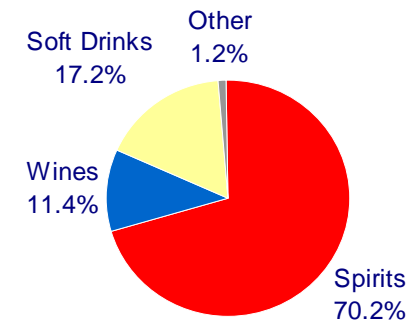


- > Organic growth mainly driven by **SKYY** and **Aperol**
- > External growth driven by **Glen Grant** and **new distribution contracts**

- > Positive performance on **Cinzano sparkling wines** and **Sella & Mosca** offset by **Cinzano vermouth**
- > External growth generated by **Teruzzi & Puthod**



H1 2006 sales by segment € 417.8 m



- > Positive contribution mainly generated by **Crodino**



Review of main brands (1 of 2)

% change in value H1 2006 / H1 2005	at constant exchange	at actual exchange	
Spirits			
Campari	-6.7%	-4.6%	> Slowdown in the second quarter due to destocking activities linked to the introduction of a packaging upgrade.
SKYY	+12.9%	+17.9%	> Strong growth in the US (+12.3% at constant exchange). US depletions show consistent double digit growth in SKYY core. Strong growth in sales also outside US (+17.9%).
CampariSoda	-1.7%	-1.7%	> Performance for this brand, concentrated on the Italian market, is as expected due to the concentration of marketing activities planned for the second half of the year.
Aperol	+23.1%	+23.2%	> Excellent performance on key Italian market and good progression in other markets.
Brazilian brands	+10.4%	+35.9%	> Solid growth for Dreher and admix whiskies sales.
Cynar	-12.9%	-9.5%	> Weaker performance in European markets together with tough comparison base.
Ouzo 12	+13.3%	+13.8%	> Strong growth in Germany.
tequila 1800	+9.2%	+14.3%	> Continuing growth in key US market.
Jägermeister	+5.3%	+5.7%	> Mainly concentrated in the Italian market.



Review of main brands (2 of 2)

% change in value H1 2006 / H1 2005	at constant exchange	at actual exchange	
Wines			
Cinzano sparkling wines	+15.7%	+15.4%	> Positive result driven mainly by German market.
Cinzano vermouths	-9.1%	-7.3%	> Volatility in sales due to sell-in policies implemented by local distributors in non-controlled markets. Consumption pattern unchanged.
Sella & Mosca	+3.5%	+3.7%	> Positive performance mainly driven by international markets.
Soft drinks			
Crodino	+3.3%	+3.3%	> Positive trend sustained by strong brand awareness and leadership in its core market.
Carbonated soft drinks	-3.4%	-3.4%	> Marketing activities should positively influence sales in second half.

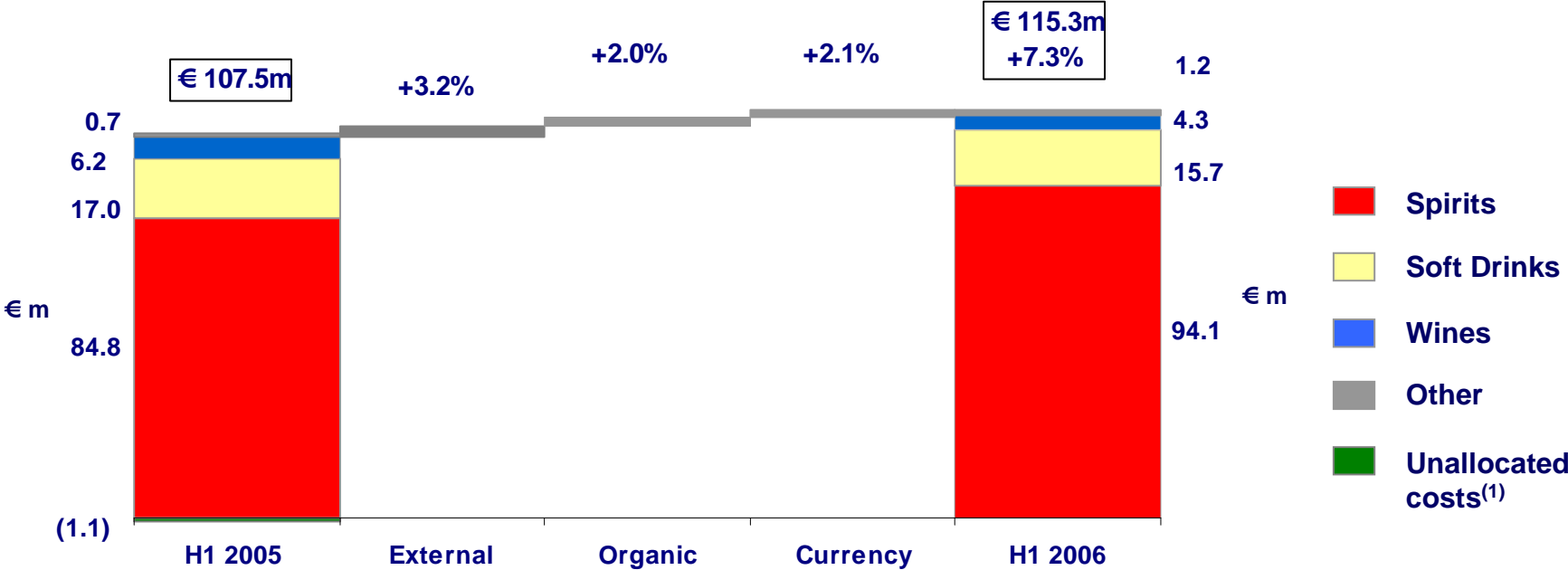


Profitability by business area

Paolo Marchesini, CFO



Consolidated trading profit



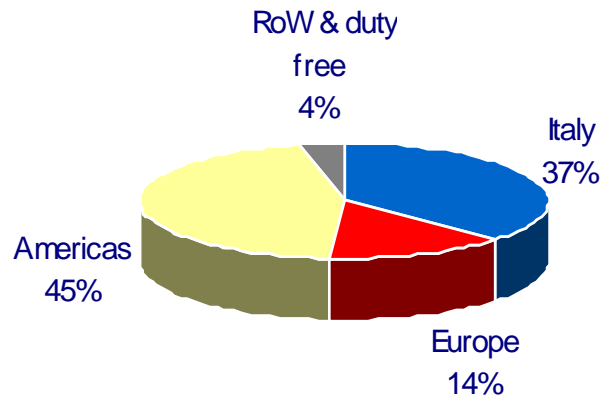
Notes:

(1) Unallocated costs in H1 2005 relating to incremental production fixed costs generated by transition to new plant in Novi Ligure. Transition was completed in 2005.

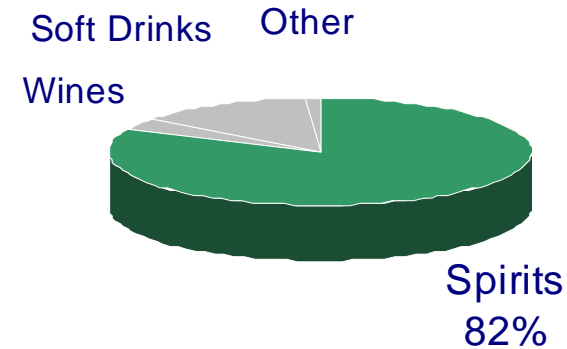


Spirits - trading profit analysis

Spirits sales by region



Spirits as % of Group trading profit



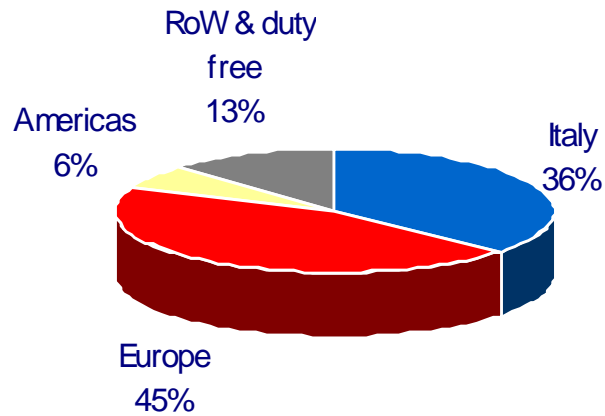
	H1 2006		H1 2005		Change
	€ million	%	€ million	%	%
Net sales	293.2	100.0%	243.1	100.0%	20.6%
Gross margin	180.7	61.6%	162.0	66.6%	11.5%
Trading profit	94.1	32.1%	84.8	34.9%	11.0%

- > Dilution in gross margin entirely attributable to agency brands (increase in gross margin in organic business)
- > At constant perimeter, increase in trading margin from 34.9% on sales in H1 2005 to 35.4% on sales in H1 2006 (+5.2% organic growth in trading profit vs. +3.7% organic growth in sales), **driven by positive performance on SKYY and Aperol**

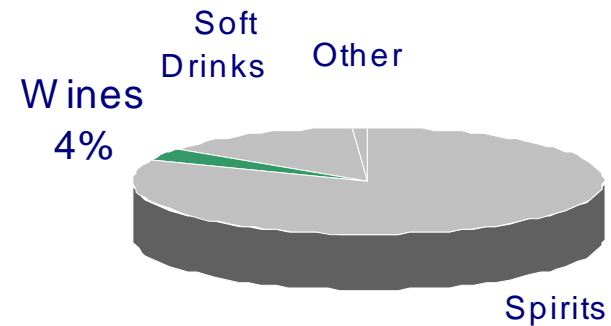


Wines - trading profit analysis

Wines sales by region



Wines as % of Group trading profit



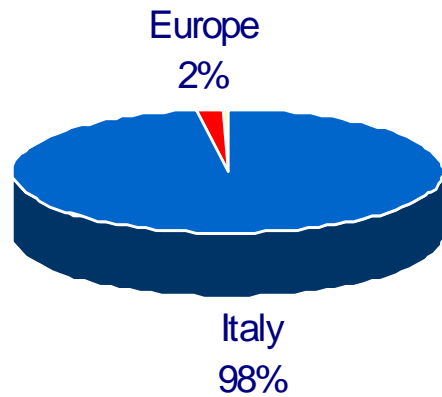
	H1 2006		H1 2005		Change
	€ million	%	€ million	%	
Net sales	47.5	100.0%	45.8	100.0%	3.9%
Gross margin	22.3	46.9%	20.2	44.1%	10.5%
Trading profit	4.3	9.1%	6.2	13.5%	-29.5%

- > Increase in gross margin as % of sales due to savings in production fixed costs after reorganisation of industrial plants
- > Decrease in trading profit by €1.9m is attributable to a shift in A&P investments

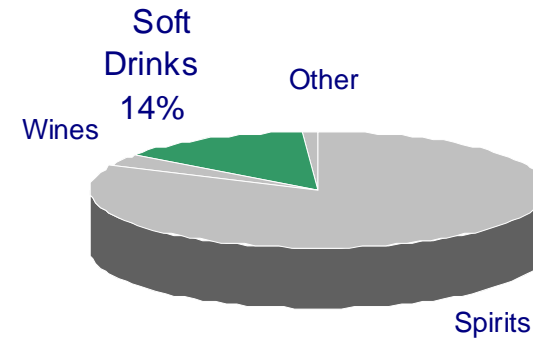


Soft Drinks - trading profit analysis

Soft drinks sales by region



Soft drinks as % of Group trading profit



	H1 2006		H1 2005		Change
	€ million	%	€ million	%	%
Net sales	71.9	100.0%	71.8	100.0%	0.2%
Gross margin	31.8	44.2%	31.9	44.4%	-0.2%
Trading profit	15.7	21.8%	17.0	23.7%	-7.7%

> Decrease in trading profit entirely attributable to a shift in A&P investments



H1 2006 consolidated results

Paolo Marchesini, CFO



Consolidated EBIT

	H1 2006		H1 2005		Change at actual exchange	Change at constant exchange
	€ m	%	€ m	%	%	
Net turnover	417.8	100.0%	363.9	100.0%	14.8%	+12.2%
COGS	(181.6)	-43.5%	(150.3)	-41.3%	20.8%	
Gross margin	236.3	56.5%	213.6	58.7%	10.6%	
Advertising and promotion	(70.9)	-17.0%	(62.9)	-17.3%	12.8%	
Sales and distribution expenses	(50.0)	-12.0%	(43.2)	-11.9%	15.7%	
Trading profit	115.3	27.6%	107.5	29.5%	7.3%	+5.1%
G&A and other operating income/expenses	(29.4)	-7.0%	(26.5)	-7.3%	10.8%	
EBIT before one-off's	86.0	20.6%	81.0	22.3%	6.2%	+4.4%
One-off's ⁽¹⁾	(0.1)	0.0%	2.6	0.7%	-102.9%	
Operating profit = EBIT	85.9	20.6%	83.6	23.0%	2.8%	+1.0%
<i>Other information:</i>						
Depreciation	(9.3)	-2.2%	(8.5)	-2.3%	10.4%	
EBITDA before one-off's	95.3	22.8%	89.4	24.6%	6.6%	+4.8%
EBITDA	95.2	22.8%	92.0	25.3%	3.5%	+1.7%

(1) According to IAS/IFRS net exceptional income (renamed as one-off's) is reclassified as a component of operating profit.

- > **Gross margin** down from 58.7% to 56.5% on net sales due to perimeter effects (-2.8% on net sales due to new agency brands), in part offset by existing business (+0.6% on net sales due to lower cost of production)
- > **A&P** expenses down from 17.3% to 17.0% due to perimeter effects (new agency brands benefit from A&P third party contributions). A&P up by 0.5% on net sales in existing business
- > **Sales and distribution** at 12.0% on net sales, almost unchanged to last year
- > Change in **trading profit** is composed of 2.0% organic growth, 3.2% external growth and 2.1% currency effect
- > Increase in **G&A and other operating income/expenses** by 10.8% is entirely due to new business. Change in G&A in existing business is 5%.



Consolidated Group's net profit

	H1 2006		H1 2005		Change at actual exchange	Change at constant exchange
	€ m	%	€ m	%	%	
Operating profit = EBIT	85.9	20.6%	83.6	23.0%	2.8%	+1.0%
Net financial income (expenses)	(5.5)	-1.3%	(4.7)	-1.3%	16.2%	
Income from associates	(0.0)	0.0%	(0.2)	-0.1%	-92.7%	
Pretax profit	80.4	19.2%	78.6	21.6%	2.3%	+0.4%
Income taxes	(22.5)	-5.4%	(23.4)	-6.4%	-3.7%	
Net profit	57.9	13.9%	55.2	15.2%	4.8%	
Minority interests	(2.3)	-0.6%	(1.8)	-0.5%	28.4%	
Group's net profit	55.5	13.3%	53.4	14.7%	4.0%	+2.0%

- > Increase in **Net financial expenses** due to higher net debt after payment of Glen Grant acquisition for €128.9 m on 15 March 2006
- > Increase in Skyy **minority interests** due to increase in Skyy's profits. Reduction in the stake held by third parties is offset by positive currency effects



Consolidated free cash flow

€ million	Notes	30 June 2006	30 June 2005
Net profit		55.5	53.4
Depreciation and other non-cash items	(1)	10.2	14.4
Net change in tax credits and liabilities and in other non financial assets and liabilities		2.1	8.8
Cash flow from operating activities before changes in working capital		67.8	76.6
Net change in Operating Working Capital	(2)	(27.3)	(29.3)
Cash flow from operating activities (A)		40.5	47.3
Cash flow from investing activities (capex) (B)		(9.5)	(7.4)
Free cash flow (A+B)		30.9	39.9
Acquisitions	(3)	(128.9)	(118.2)
Other changes		(0.1)	0.5
Dividends paid		(28.1)	(28.1)
Cash flow from other activities (C)		(157.1)	(145.8)
Exchange rate differences and other movements (D)		18.1	(19.9)
Net increase (decrease) in net financial position (A+B+C+D)		(108.1)	(125.8)
Net financial position at start of period		(371.4)	(230.0)
Net financial position at end of period		(479.5)	(355.8)

- Notes:
- (1) In H1 2006 include depreciation € 9.3 m, deferred taxes € 4.3 m, net change in provisions € (1.0) m, other € (2.4) m
 - (2) In H1 2006 increase in Operating Working Capital due to seasonality effect on soft drinks and to new distribution agreements
 - (3) In H1 2005, acquisition of 30.1% minority stake in Skyy Spirits closed in February (€ 118.5 m). In H1 2006, acquisition of Glen Grant, Old Smuggler and Breamar closed in March (€ 128.9 m including stocks).



Financial indebtedness

€ million	30 June 2006	31 December 2005
Cash at bank and marketable securities	361.0	247.5
Borrowings from banks	(353.5)	(112.8)
Real estate leases (current portion)	(3.1)	(3.1)
Private placement and bonds (current portion)	(9.1)	(9.6)
Other assets or liabilities	(1.3)	(1.4)
Total short-term cash/(debt)	(5.9)	120.6
Borrowings from banks	(24.9)	(26.7)
Real estate leases	(17.5)	(19.0)
Private placement and bonds	(386.7)	(397.7)
Other financial liabilities	(2.6)	(3.0)
Total medium to long-term cash/(debt)	(431.6)	(446.5)
Total net cash/(debt) relating to activities	(437.5)	(325.9)
Debt for eventual exercise for put option on remaining Skyy minority stake ⁽¹⁾	(42.0)	(45.5)
Total net cash/(debt)	(479.5)	(371.4)

(1) Expected cost of acquisition of remaining minority stake of 11% in Skyy Spirits in respect of the put option expiring in 2007.

- > Increase in net financial debt by € 108.1 m mainly due to acquisition of Glen Grant for € 128.9 m paid in March 2006
- > Debt to Equity ratio increases from 53.4% at December 2005 to 66.1% at June 2006



Outlook

Enzo Visone, CEO



Recent initiatives

Campari packaging upgrade



- > In order to continue and affirm its leadership, Campari has undergone a revamp, both in style and graphic format
- > Whilst retaining its personality and values, the brand is updating its image aiming at communicating to tomorrow's consumers
- > The transition to the new packaging is expected to be completed in all markets by the first half of 2007

Glen Grant relaunch

- > Business integration completed and brand strategic reassessment ongoing
- > Execution of brand relaunch is planned for 2007



Outlook

- > First half 2006 results were positive, thanks to positive contribution of new business and organic growth
- > Temporary slow down in the second quarter was generated by one-off's effects.
- > Major international markets continue to show solid consumption trends. Italian economy remains challenging, although we remain confident for a positive performance in the medium term.
- > Our medium term organic growth target remains unchanged.



Supplementary schedules

- Schedule - 1 Analysis of net sales growth by segment and region
- Schedule - 2 Consolidated income statement
- Schedule - 3 Consolidated balance sheet – Invested capital and financing sources
- Schedule - 4 Consolidated balance sheet
- Schedule - 5 Consolidated cash flow
- Schedule - 6 Average exchange rates



Net sales analysis by segment and region

Consolidated net sales by segment

	H1 2006		H1 2005		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Spirits	293.2	70.2%	243.1	66.8%	20.6%	13.3%	3.7%	3.7%
Wines	47.5	11.4%	45.8	12.6%	3.9%	3.9%	-0.8%	0.8%
Soft drinks	71.9	17.2%	71.8	19.7%	0.2%	0.0%	0.2%	0.0%
Other revenues	5.1	1.2%	3.2	0.9%	61.1%	48.9%	10.6%	1.6%
Total	417.8	100.0%	363.9	100.0%	14.8%	9.8%	2.5%	2.6%

Consolidated net sales by region

	H1 2006		H1 2005		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
Italy	194.2	46.5%	185.6	51.0%	4.6%	4.8%	-0.2%	0.0%
Europe	69.5	16.6%	64.4	17.7%	7.9%	9.1%	-1.2%	-0.1%
Americas (1)	137.5	32.9%	99.3	27.3%	38.5%	20.4%	8.9%	9.3%
RoW & Duty Free	16.6	4.0%	14.5	4.0%	14.0%	3.2%	9.4%	1.4%
Total	417.8	100.0%	363.9	100.0%	14.8%	9.8%	2.5%	2.6%

(1) Breakdown of Americas

	H1 2006		H1 2005		Change %	of which:		
	€ m	%	€ m	%		external	organic	currency
USA	104.1	75.7%	72.5	73.0%	43.6%	28.0%	10.5%	5.1%
Brazil	28.3	20.6%	22.4	22.6%	26.1%	-0.9%	3.7%	23.4%
Other countries	5.2	3.8%	4.4	4.4%	17.3%	2.8%	7.8%	6.6%
Total	137.5	100.0%	99.3	100.0%	38.5%	20.4%	8.9%	9.3%



Consolidated income statement

	H1 2006		H1 2005		Change
	€ m	%	€ m	%	%
Net sales (1)	417.8	100.0%	363.9	100.0%	14.8%
COGS	(181.6)	-43.5%	(150.3)	-41.3%	20.8%
Gross margin	236.3	56.5%	213.6	58.7%	10.6%
Advertising and promotion	(70.9)	-17.0%	(62.9)	-17.3%	12.8%
Sales and distribution expenses	(50.0)	-12.0%	(43.2)	-11.9%	15.7%
Trading profit	115.3	27.6%	107.5	29.5%	7.3%
G&A and other operating income/expenses	(29.4)	-7.0%	(26.5)	-7.3%	10.8%
EBIT before one-off's	86.0	20.6%	81.0	22.3%	6.2%
One-off's	(0.1)	0.0%	2.6	0.7%	-102.9%
Operating profit = EBIT	85.9	20.6%	83.6	23.0%	2.8%
Net financial income (expenses)	(5.5)	-1.3%	(4.7)	-1.3%	16.2%
Income from associates	(0.0)	0.0%	(0.2)	-0.1%	-92.7%
Pretax profit	80.4	19.2%	78.6	21.6%	2.3%
Minority interests	(2.4)	-0.6%	(1.8)	-0.5%	28.4%
Group's pretax profit	78.0	18.7%	76.8	21.1%	1.6%
<i>Other information:</i>					
Depreciation	(9.3)	-2.2%	(8.5)	-2.3%	10.4%
EBITDA before one-off's	95.3	22.8%	89.4	24.6%	6.6%
EBITDA	95.2	22.8%	92.0	25.3%	3.5%

Notes:

(1) Net of discounts and excise duties



Consolidated balance sheet

Invested capital and financing sources

€ million	30 June 2006	31 December 2005	Change
Inventories	187.0	135.3	51.7
Trade receivables	229.2	237.4	(8.2)
Trade payables	(147.0)	(150.2)	3.2
Operating working capital	269.2	222.5	46.7
Tax credits	5.3	12.2	(6.9)
Other receivables, other current assets	17.3	12.1	5.2
Other current assets	22.6	24.2	(1.6)
Payables to tax authorities	(29.2)	(25.1)	(4.1)
Other current liabilities	(33.2)	(34.8)	1.6
Other current liabilities	(62.4)	(59.8)	(2.6)
Staff severance fund	(14.4)	(14.3)	(0.1)
Deferred tax liabilities	(45.6)	(43.3)	(2.3)
Deferred tax assets	16.7	16.5	0.2
Other non-current assets	6.1	5.8	0.3
Other non-current liabilities	(6.4)	(10.1)	3.7
Other net assets/liabilities	(43.6)	(45.4)	1.8
Net tangible assets (included biological assets and property)	175.5	170.6	4.9
Goodwill and trademarks	842.7	754.4	88.3
Non-current assets for sale	0.1	0.1	0.0
Equity investments and own shares	0.6	0.6	0.0
Total fixed assets	1,018.8	925.7	93.1
Invested Capital	1,204.6	1,067.2	137.4
Shareholders' equity	722.9	693.6	29.3
Minorities	2.2	2.2	0.0
Net financial position	479.5	371.4	108.1
Financing sources	1,204.6	1,067.2	137.4



Consolidated balance sheet (1 of 2)

Assets

€ million	30 June 2006	31 December 2005	Change
ASSETS			
Non-current assets			
Net tangible fixed assets	156.5	152.5	4.0
Biological assets	14.4	13.5	0.9
Property	4.6	4.6	0.0
Goodwill and trademarks	839.0	750.6	88.4
Intangible assets	3.7	3.8	(0.1)
Interests in associates	0.6	0.6	0.0
Pre-paid taxes	16.7	16.5	0.2
Other non-current assets	6.4	11.1	(4.7)
Total non-current assets	1,041.8	953.2	88.6
Current assets			
Inventories	187.0	135.3	51.7
Trade receivables	229.2	237.4	(8.2)
Short-term financial receivables	2.8	3.2	(0.4)
Cash at bank and securities	361.0	247.5	113.5
Other receivables	22.6	24.2	(1.6)
Total current assets	802.5	647.6	154.9
Non-current assets for sale	0.1	0.1	0.0
Total assets	1,844.4	1,600.9	243.5



Consolidated balance sheet (2 of 2)

Liabilities

€ million	30 June 2006	31 December 2005	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	29.0	29.0	0.0
Reserves	693.9	664.5	29.4
Group's shareholders' equity	722.9	693.6	29.3
Minority interests	2.2	2.2	(0.0)
Total shareholders' equity	725.1	695.8	29.3
Non-current liabilities			
Bonds	335.8	374.6	(38.8)
Other non-current financial payables	138.0	122.8	15.2
Staff severance fund	14.4	14.3	0.1
Risks fund	6.4	10.1	(3.7)
Deferred tax	45.6	43.3	2.3
Total non-current liabilities	540.3	565.1	(24.8)
Current liabilities			
Banks borrowings	353.5	112.8	240.7
Other financial payables	16.2	17.2	(1.0)
Trade payables	147.0	150.2	(3.2)
Payables to tax authorities	29.2	25.1	4.1
Other current liabilities	33.2	34.8	(1.6)
Total current liabilities	579.1	340.0	239.1
Total liabilities and shareholders' equity	1,844.4	1,600.9	243.5



Consolidated cash flow (1 of 2)

€ million	30 June 2006	30 June 2005
<i>Cash flow generated by operating activities</i>		
Net profit	55.5	53.4
Non-cash items		
Depreciation	9.3	8.5
Gains on sale of fixed assets	(0.5)	(1.9)
Provisions	0.6	(0.5)
Use of provisions	(1.6)	0.0
Deferred taxes	4.3	7.7
Other non cash items	(2.0)	0.6
Net change in tax credits and liabilities	9.0	5.8
Net change in Operating Working Capital	(27.3)	(29.3)
Net change in other non financial assets and liabilities	(6.9)	3.0
	40.5	47.3
<i>Net cash flow generated (used) by investing activities</i>		
Acquisition of tangible and intangible fixed assets	(10.0)	(10.7)
Income from disposals of tangible fixed assets	0.4	3.3
Acquisition of new subsidiaries	(128.9)	(118.2)
Net change in equity investments	0.9	(15.5)
Other changes	(0.4)	0.1
	(137.9)	(141.0)



Consolidated cash flow (2 of 2)

€ million	30 June 2006	30 June 2005
<i>Cash flow generated (used) by financing activities</i>		
Payment of medium-long term loans	(1.7)	(1.5)
Net change in short-term bank borrowings	240.6	60.4
Change in other financial receivables and payables	(2.6)	25.8
Dividends paid	(28.1)	(28.1)
	208.2	56.7
<i>Exchange rate effects and other equity movements</i>		
Exchange rate effects on Operating Working Capital	3.4	(13.2)
Other exchange rate effects and other movements	0.2	9.2
	3.5	(3.9)
<i>Net increase (decrease) in cash and banks</i>	114.3	(41.0)
Net cash position at the beginning of period	245.1	239.5
Net cash position at the end of period	359.4	198.5



Average exchange rates

	H1 2006	H1 2005	% change
Brazilian Real : 1 Euro	2.693	3.315	
Euro : 1 Brazilian Real	0.3714	0.3017	23.1%
US dollar : 1 Euro	1.229	1.285	
Euro : 1 US dollar	0.8137	0.7781	4.6%
CHF : 1 Euro	1.561	1.546	
Euro : 1 CHF	0.6405	0.6467	-1.0%
JPY : 1 Euro	142.155	136.228	
Euro : 1 JPY	7.0346	7.3406	-4.2%





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