2009 First Quarter Results

Conference call

13 May 2009

Results highlights and sales review

Bob Kunze-Concewitz, CEO

First Quarter ended 31 March 2009 - Highlights

	Q1 2009 € million	% change at actual forex	% change at constant forex	% change organic growth
Net sales	190.1	*-0.4%*	*-2.5%*	*-4.2%*
Contribution after A&P	79.9	*4.2%*	*1.3%*	*0.5%*
EBITDA before one-off's	48.2	*1.9%*	*-1.7%*	*-1.7%*
EBITDA	47.7	*-5.0%*	*-8.4%*	
EBIT before one-off's	43.1	*2.3%*	*-1.8%*	*-1.7%*
Operating profit = EBIT	42.6	*-5.4%*	*-9.2%*	
Group's pretax profit	38.4	*-4.1%*	*-7.9%*	

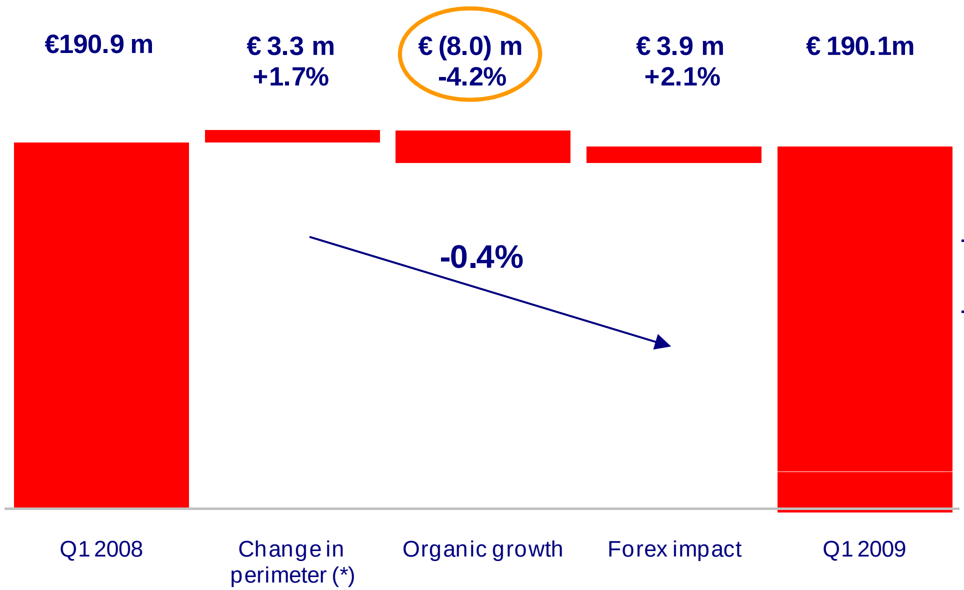
- In a small quarter **organic sales performance** was negatively affected, as expected, by **continuing destocking** in selected markets
- Performance in **consumption** behind key brands **continues to be solid** and **in acceleration**, notwithstanding the difficult economic environment
- **Organic growth** in **CAAP (+0.5%),** driven by favourable sales mix and different phasing of advertising investments
- **EBITDA, EBIT** and **Pre-tax profit negatively impacted** by **unfavourable one off's comparison** vs. 1Q 08
- **Net financial debt down by € 23.9 m** to € 302.3 m after payment of € 14.2 m for Odessa, thanks to **strong cash generation**

Spirits segment key market trends

	Consumption (like-for-like change in value): AC Nielsen data (YTD* Mar09 vs previous year)	Shipments (like-for-like change in value) (YTD* Mar09 vs previous year)
ITALY		
Spirits' market performance	**-2.6%**	
Gruppo Campari Spirits	**0.7%**	**8.1%**
USA		
Spirits' market performance	**2.8%**	
Gruppo Campari Spirits	**11.7%**	**-12.0%**
SKYY vodka	**17.7%**	
BRAZIL		
Spirits' market performance	**1.7%**	
Gruppo Campari Spirits	**7.5%**	**-49.7%**
GERMANY		
Spirits' market performance	**-0.8%**	
Gruppo Campari Spirits	**15.0%**	**3.0%**

(*) YTD Year to date

2009 First quarter net sales - Growth drivers



(*) Breakdown of change in perimeter

	€ m
Acquisitions [1]	**0.6**
Agency brands, net [2]	**2.7**
Total external growth	**3.3**

(1) Destiladora San Nicolas (Tequila Espolon)

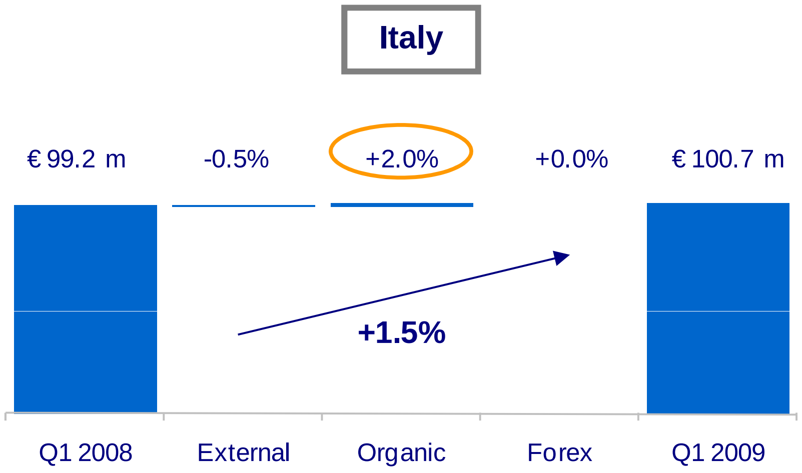
(2) New agency brands for € 3.1 million (Licor 43 in Germany started in March), Cointreau in Brazil and Argentinean agency brands (closing Nov 2008), partially offset by termination of Grants and Glenfiddich in Italy for € (0.4) million

> **Negative organic growth (-4.2%)**, driven by **destocking activities** particularly in US, Brazil and Eastern Europe

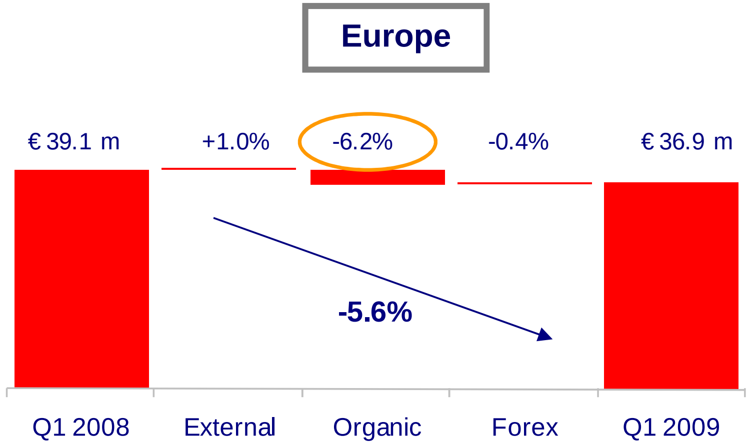
> **Positive change in perimeter (+1.7%)** due to acquisitions of DSN (Mexico) and Sabia (Argentina), together with new agency brands agreements in Germany (Licor 43) and Brazil (Cointreau)

> **Positive forex impact (+2.1%)** due to the **appreciation of USD** (+15.2%), in part offset by **depreciation of BRL** (-13.7%)

Net sales analysis by region



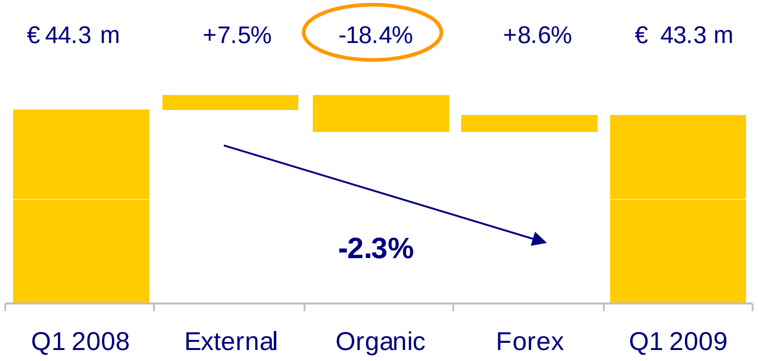
> **Positive results** in very tough environment driven by strong performances of **Campari**, **Aperol** and **CampariSoda,** benefitting from continuing growth of aperitivo culture



> **Negative results** driven by **de-stocking activities in Eastern European markets** (Cinzano vermouth in Russia) not entirely compensated by positive results in **Germany** (double digit growth) and other **Western European countries**

Net sales analysis by region

Americas

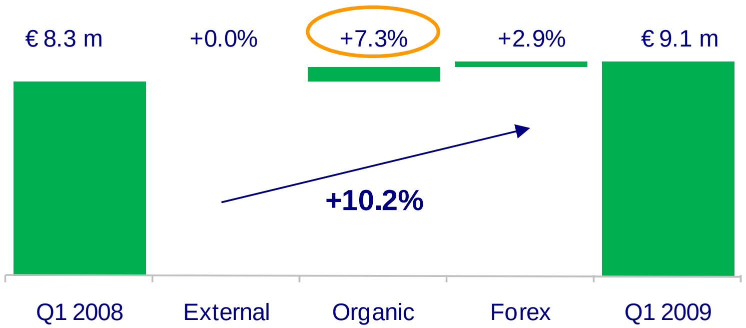


> **Negative organic growth** driven by destocking:
- **in US** (-12.7%) destocking throughout the entire portfolio, although SKYY continues to show positive shipments driven by double digit consumption pattern
- **in Brazil**, strong decline (-49.2%), in a small quarter (10% of annual sales vs. 20% for the Group), notwithstanding positive consumption trend, destocking following credit crunch, deployment of new commercial policy

> **Positive change in perimeter** due to acquisitions of DSN and Sabia, together with new agency brands agreements in Brazil

> **Forex**: strong increase in USD, in part offset by depreciation of BRL

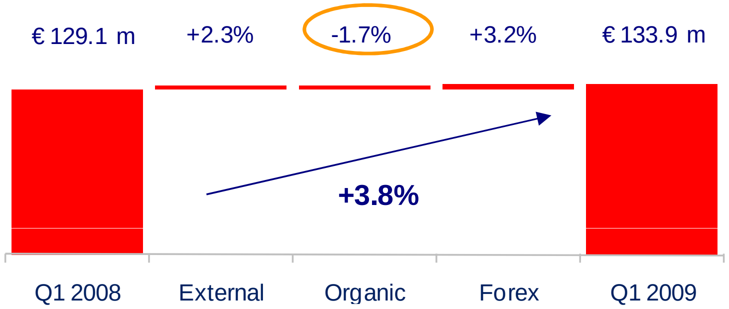
RoW and DF



> **Positive organic growth** driven by **Australia** and **Japan**, in part offset by soft DF sales due to slowdown in travelling

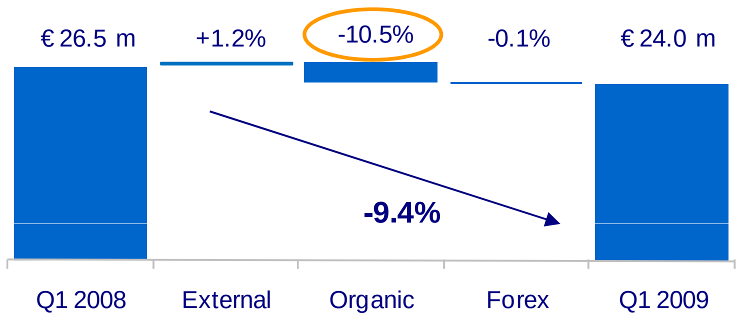
Net sales analysis by segment

Spirits



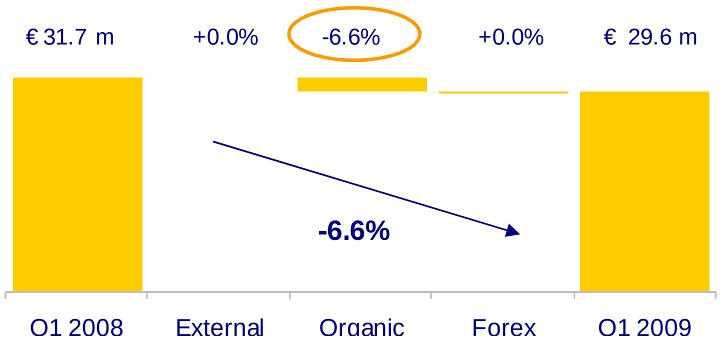
> **Negative organic sales growth**, driven by weak results of third party brands and Cabo Wabo in US, as well as overall Brazilian portfolio, in part offset by **strong results** of **SKYY**, **Aperol** and **CampariSoda**

Wines



> **Negative performance** of **Cinzano** and **Mondoro** in Eastern Europe (continuing destocking), partially offset by strong Riccadonna sales in Australia

Soft drinks



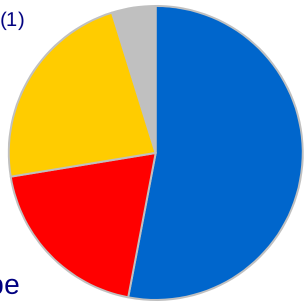
> Negative variation due to poor performance of soft drinks and soft shipments of **Crodino,** ahead of tough comps (Q1 08: +14.1%)

GRUPPO CAMPARI

Net sales breakdown

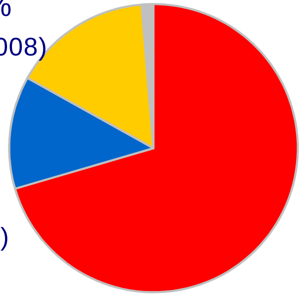
Q1 2009 consolidated net sales : € 190.1 m

Breakdown by region



(1) Include:
USA 18.0%
Brazil 1.7 %
Other 3.0%

Breakdown by segment



Review of main brands

Spirits	% change in sales value Q1 2009 / Q1 2008 at constant FX	at actual FX	
Campari	*-3.5%*	*-3.3%*	> Good performance in Italy, key European markets and Japan, offset by destocking in Brazil
SKYY	*8.2%*	*21.6%*	> Strong result, notwithstanding destocking activities, driven by continuing double digit consumption trend in US and key international markets
CampariSoda	*5.3%*	*5.3%*	> Strong results in core Italian market, following destocking in last quarter of 2008 and improved sell out trend behind successful TV advertising investments
Aperol	*22.6%*	*22.7%*	> Continued double digit organic growth led by strong performance in core Italian market and continued progression in Germany and Austria
X-Rated	*10.0%*	*25.6%*	> Strong result driven by continuing double digit consumption growth in US
Brazilian brands	*-66.1%*	*-70.8%*	> Continuing good consumption performance, offset by tail end of destocking activities and deployment of new commercial policy aimed at fragmenting customer base
Glen Grant	*-6.9%*	*-7.1%*	> Weak performance in particular in Italy where the brand is gaining market share in a declining Scotch whisky category
Cabo Wabo	*-70.0%*	*-66.0%*	> Poor results related to weak performance of ultra premium spirits category in the US and destocking

Review of main brands (cont'd)

	% change in sales value Q1 2009 / Q1 2008		
Wines	*at constant FX*	*at actual FX*	
Cinzano sparkling wines	*-1.4%*	*-1.3%*	> Soft performance in a small quarter led by weak Italian market in addition to tough comps, although consumption trend continues to be positive
Cinzano vermouths	*-34.4%*	*-34.9%*	> Poor results due to destocking in Russia and other Eastern European markets
Sella & Mosca	*-12.6%*	*-12.5%*	> Weak shipments due to destocking in Italy and main international markets
Riccadonna	*114.6%*	*113.9%*	> Strong sales thanks to recovery in Australia and New Zealand
Soft drinks			
Crodino	*-1.3%*	*-1.2%*	> Soft performance in Q1 in addition to tough comps:(+14.1% in Q1 08), but continued positive consumption momentum

Q1 2009 consolidated results

Paolo Marchesini, CFO

Consolidated CAAP

(€ million)	Q1 2009		Q1 2008		Total change	Perimeter	Organic growth	FX
Net sales	**190.1**	***100.0%***	**190.9**	***100.0%***	***-0.4%***	***1.7%***	***-4.2%***	***2.1%***
COGS [2]	(85.6)	*-45.1%*	(86.7)	*-45.4%*	*-1.2%*			
Gross margin after distribution costs	**104.5**	***54.9%***	**104.3**	***54.6%***	***0.2%***			
Advertising and promotion	(24.6)	*-12.9%*	(27.6)	*-14.5%*	*-11.0%*			
Contribution after A&P	**79.9**	***42.0%***	**76.7**	***40.2%***	***4.2%***	***0.8%***	***+0.5%***	***2.9%***

[1] Cost of materials + Production costs + Logistics costs

- Decrease in **COGS** on net sales by 30 bps, due to **favourable sales mix** (increase in spirits own brands vs. remaining portfolio)

- Decrease in **A&P** on net sales by 160 bps, mainly driven by **a different phasing of advertising initiatives** quarter on quarter, as well as, lower media pressure required to maintain share of voice

Consolidated EBIT

(€ million)	Q1 2009		Q1 2008		Total change	Perimeter	Organic growth	FX
Contribution after A&P	**79.9**	***42.0%***	**76.7**	***40.2%***	***4.2%***	***0.8%***	***+0.5%***	***2.9%***
SG&A [1]	(36.8)	*-19.4%*	(34.6)	*-18.1%*	*6.5%*			
EBIT before one-off's	**43.1**	***22.7%***	**42.1**	***22.1%***	***2.3%***	***-0.2%***	***-1.7%***	***4.1%***
One-off's	(0.5)	*-0.3%*	2.9	*1.5%*	-			
Operating profit = EBIT	**42.6**	***22.4%***	**45.0**	***23.6%***	***-5.4%***	***-0.1%***	***-9.1%***	***3.9%***
Other information:								
Depreciation	(5.0)	*-2.7%*	(5.1)	*-2.7%*	*-1.8%*			
EBITDA before one-off's	**48.2**	***25.3%***	**47.3**	***24.8%***	***1.9%***	***0.0%***	***-1.7%***	***3.6%***
EBITDA	**47.7**	**25.1%**	**50.2**	**26.3%**	**-5.0%**	***0.0%***	***-8.3%***	***3.4%***

[1] Selling, general and administrative costs

> Increase in **SG&A (+6.5%)**, mainly driven by FX and perimeter effect. Organic change was +3.0%

> **EBITDA** and **EBIT negatively impacted** by **unfavorable one off's comparison** vs. 1Q 08 (€ 2.9 m)

Consolidated Group's pretax profit

(€ million)	Q1 2009		Q1 2008		Total Change
Operating profit = EBIT	**42.6**	**22.4%**	**45.0**	**23.6%**	**-5.4%**
Net financial income (expenses)	(3.9)	*-2.0%*	(4.5)	*-2.3%*	*-13.5%*
Income from associates	(0.3)	*-0.1%*	0.1	*0.0%*	
Pretax profit	**38.5**	**20.3%**	**40.6**	**21.3%**	**-5.3%**
Minority interests	(0.1)	*0.0%*	(0.6)	*-0.3%*	
Group's pre-tax profit	**38.4**	**20.2%**	**40.1**	**21.0%**	**-4.1%**

- Decrease in **Net financial expenses** driven by **lower cost of debt**, notwithstanding higher average net debt quarter on quarter
- Income from associates relates to J/V's in Belgium, The Netherlands and India

Analysis of net debt

€ million	31 March 2009	31 December 2008
Cash and cash equivalents	183.6	172.6
Payables to banks	(87.1)	(107.5)
Real estate lease payables	(3.4)	(3.4)
Private placement and bond issues	(9.3)	(8.9)
Other assets or liabilities	(4.1)	(7.4)
Total short-term cash/(debt)	**79.7**	**45.5**
Payables to banks	(0.9)	(0.9)
Real estate lease payables	(9.7)	(10.5)
Private placement and bond issues	(347.8)	(337.4)
Other financial payables	3.9	3.7
Total medium to long-term cash/(debt)	**(354.4)**	**(345.1)**
Total cash/(debt) on ordinary activities	**(274.7)**	**(299.7)**
Estimated debt for possible exercise of put options and payment of earn outs	(27.6)	(26.6)
Total net cash/(debt)	**(302.3)**	**(326.2)**

> Decrease in Net Debt by € 23.9 m thanks **to good cash generation** after payment of Odessa acquisition (€ 14.2 m in March 09) and **negative FX effect** (€ 3.5 m)

> Overall exposure of net debt to interest rates:

- fix rate: 91.6%
- floating rate: 8.4%

Net Working Capital

(€ million)	31 Mar 2009	31 Dec 2008	Change	31 Mar 2008
Trade receivables	201.5	272.1	(70.6)	202.9
Inventories	180.5	165.7	14.8	172.8
Trade payables	(126.3)	(152.1)	25.8	(138.9)
Net Working Capital	**255.7**	**285.7**	**(30.0)**	**236.7**
Last 12 months sales	941.3	942.3	(1.1)	951.9
NWC / LTM (%) [(1)]	***27.2%***	***30.3%***		***24.9%***
NWC / LTM (%) [(1)] ***excluding perimeter effects (Sabia and DSN)***	***26.7%***			

(1) LTM = Last 12 Months

> **NWC as of 31 March 09 decreases by € 30 m vs. 31 December 08**, mainly due to reduction in trade receivables following year end seasonal peak

> **NWC as % of sales** up to 27.2% at 31 March 2009 from 24.9% at 31 March 2008 also due to perimeter effects (26.7% at 31 March 09 before perimeter effect)

Update on business initiatives

Bob Kunze-Concewitz, CEO

Update on business initiatives

> **Licor 43**

> **Launch of SKYY Infusions Pineapple**

> **Take control of Belgium J/V**

> **Update on Wild Turkey**

Outlook

Bob Kunze-Concewitz, CEO

Outlook

> **Q1 2009 results** were **satisfactory overall,** given the tough economic environment

> Going forward, we expect to benefit from:
  - **sustained consumption trend** behind key brands and markets
  - **tail end of destocking** activities
  - overall **positive input costs** and **FX outlook**

> Notwithstanding the above, we maintain **cautious stance,** with **focus** on **cost containment, working capital** and **cash generation** throughout the year

Supplementary schedules

Schedule - 1	Analysis of Q1 2009 net sales growth by segment and region
Schedule - 2	Q1 2009 consolidated income statement
Schedule - 3	Average exchange rates in Q1 2009

Supplementary schedule - 1

Analysis of Q1 2009 net sales growth by segment and region

Consolidated net sales by segment

	Q1 2009		Q1 2008		Change	of which:		
	€ m	%	€ m	%	%	*external*	*organic*	*currency*
Spirits	133.9	70.5%	129.1	67.6%	**3.8%**	*2.3%*	*-1.7%*	*3.2%*
Wines	24.0	12.6%	26.5	13.9%	**-9.4%**	*1.2%*	*-10.5%*	*-0.1%*
Soft drinks	29.6	15.6%	31.7	16.6%	**-6.6%**	*0.0%*	*-6.6%*	*0.0%*
Other revenues	2.5	1.3%	3.6	1.9%	**-31.3%**	*0.0%*	*-24.9%*	*-6.4%*
Total	**190.1**	**100.0%**	**190.9**	**100.0%**	**-0.4%**	***1.7%***	***-4.2%***	***2.1%***

Consolidated net sales by region

	Q1 2009		Q1 2008		Change	of which:		
	€ m	%	€ m	%	%	*external*	*organic*	*currency*
Italy	100.7	53.0%	99.2	52.0%	**1.5%**	*-0.5%*	*2.0%*	*0.0%*
Europe	36.9	19.4%	39.1	20.5%	**-5.6%**	*1.0%*	*-6.2%*	*-0.4%*
Americas (1)	43.3	22.8%	44.3	23.2%	**-2.3%**	*7.5%*	*-18.4%*	*8.6%*
RoW & Duty Free	9.1	4.8%	8.3	4.3%	**10.2%**	*0.0%*	*7.3%*	*2.9%*
Total	**190.1**	**100.0%**	**190.9**	**100.0%**	**-0.4%**	***1.7%***	***-4.2%***	***2.1%***

(1) Breakdown of Americas

	Q1 2009		Q1 2008		Change	of which:		
	€ m	%	€ m	%	%	*external*	*organic*	*currency*
USA	34.3	79.1%	34.2	77.1%	**0.2%**	*0.0%*	*-12.7%*	*12.9%*
Brazil	3.3	7.6%	7.4	16.6%	**-55.5%**	*0.7%*	*-49.2%*	*-7.0%*
Other countries	5.8	13.3%	2.8	6.3%	**107.6%**	*117.6%*	*-6.7%*	*-3.3%*
Total	**43.3**	**100.0%**	**44.3**	**100.0%**	**-2.3%**	**7.5%**	**-18.4%**	**8.6%**

Supplementary schedule - 2

Q1 2009 consolidated income statement

	Q1 2009		Q1 2008		Change
	€ m	%	€ m	%	%
Net sales (1)	**190.1**	**100.0%**	**190.9**	**100.0%**	**-0.4%**
COGS [2]	(85.6)	-45.1%	(86.7)	-45.4%	-1.2%
Gross margin after distribution costs	**104.5**	**54.9%**	**104.3**	**54.6%**	**0.2%**
Advertising and promotion	(24.6)	-12.9%	(27.6)	-14.5%	-11.0%
Contribution after A&P	**79.9**	**42.0%**	**76.7**	**40.2%**	**4.2%**
SG&A [3]	(36.8)	-19.4%	(34.6)	-18.1%	6.5%
EBIT before one-off's	**43.1**	**22.7%**	**42.1**	**22.1%**	**2.3%**
One-off's	(0.5)	-0.3%	2.9	1.5%	
Operating profit = EBIT	**42.6**	**22.4%**	**45.0**	**23.6%**	**-5.4%**
Net financial income (expenses)	(3.9)	-2.0%	(4.5)	-2.3%	-13.5%
Income from associates	(0.3)	-0.1%	0.1	0.0%	
Pretax profit	**38.5**	**20.3%**	**40.6**	**21.3%**	**-5.3%**
Minority interests	(0.1)	0.0%	(0.6)	-0.3%	
Group's pretax profit	**38.4**	**20.2%**	**40.1**	**21.0%**	**-4.1%**
Other information:					
Depreciation	(5.0)	-2.7%	(5.1)	-2.7%	-1.8%
EBITDA before one-off's	**48.2**	**25.3%**	**47.3**	**24.8%**	**1.9%**
EBITDA	**47.7**	**25.1%**	**50.2**	**26.3%**	**-5.0%**

(1) Net of discounts and excise duties

(2) Cost of materials + production costs + logistic costs

(3) Selling, general and administrative costs

GRUPPO CAMPARI

Supplementary schedule - 3

Average exchange rates in Q1 2009

	Q1 2009	Q1 2008	% change
US dollar : 1 Euro	1.302	1.500	
Euro : 1 US dollar	0.7678	0.6667	15.2%
Brazilian Real : 1 Euro	3.016	2.602	
Euro : 1 Brazilian Real	0.3316	0.3843	-13.7%

For additional information:

Investor Relations - Gruppo Campari
Phone: +39 02 6225 330; Fax: +39 02 6225 479
E-mail: investor.relations@campari.com; Website:http://investors.camparigroup.com/

WWW.CAMPARIGROUP.COM