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First Quarter Results as to  
March 31, 2002

Analyst conference call

*13 May 2002*

# First quarter 2002 summary results

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- ◆ Net revenues of €127.7 million, up 38.5%
- ◆ EBITDA of €31.0 million, up 40.8%
- ◆ EBITA of 27.0 million, up 47.4%
- ◆ EBIT of €20.2 million, up 28.5%
- ◆ PBT of €17.5 million, up 18.1%  
(Group PBT of €14.5 million, down 2.4%)
- ◆ Net debt of €223.7 million

## Key items featuring in the first quarter 2002

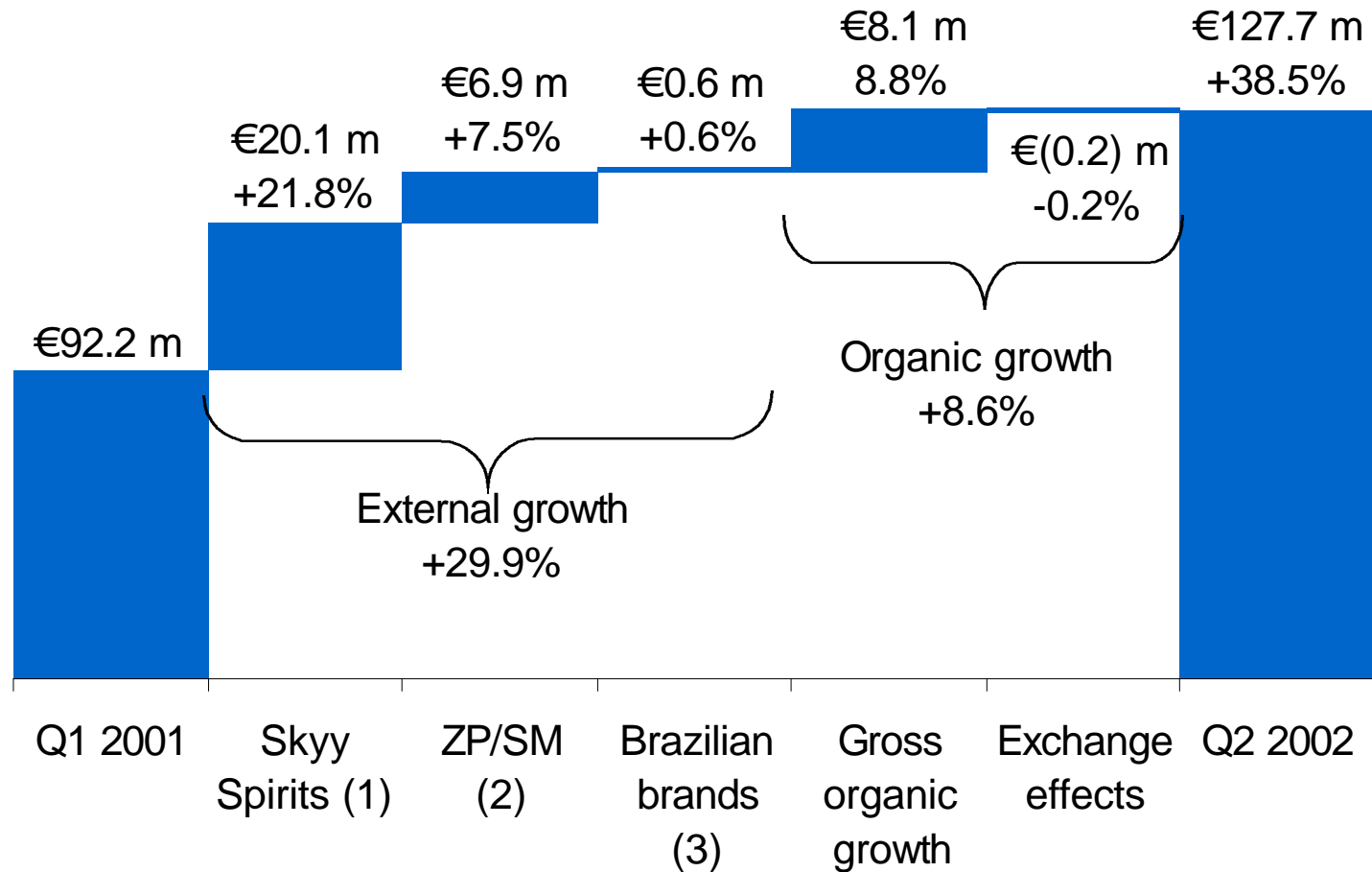
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- ◆ Closing of Skyy Spirits, LLC acquisition on January 15 (enterprise value of €252.1m) <sup>(1)</sup>
- ◆ Closing of Zedda Piras S.p.A. and Sella & Mosca S.p.A. acquisition on February 6, 2002 (total enterprise value of €90m) <sup>(1)</sup>
- ◆ Launch of SKYY Blue in March, the new RTD launched by Skyy Spirits and Miller in the US market

(1) Skyy Spirits, LLC and Zedda Piras and Sella & Mosca are consolidated as of January 1, 2002



# Turnover - organic and external growth



(1) Split by product: SKYY Vodka = €14.3m; other spirits = €5.8m

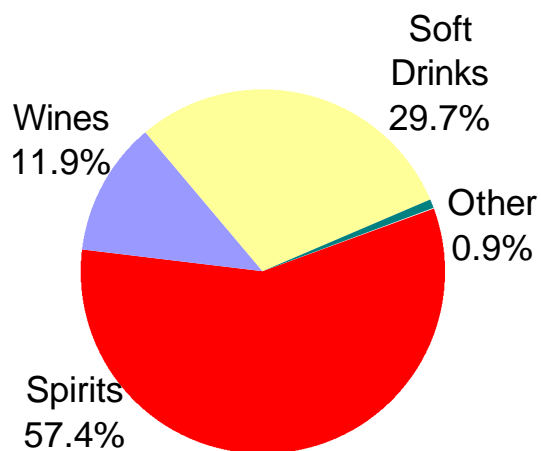
(2) Split by product: Zedda Piras = €2.1m; Sella&Mosca = €4.7m; other = €0.1m

(3) Period not consolidated in 2001

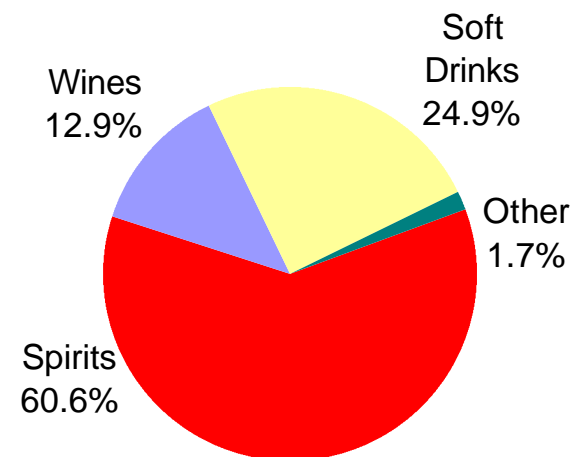


# Net turnover by segment

**First quarter 2001**  
**Net turnover €92.2 m**



**First quarter 2002**  
**Net turnover €127.7 m**

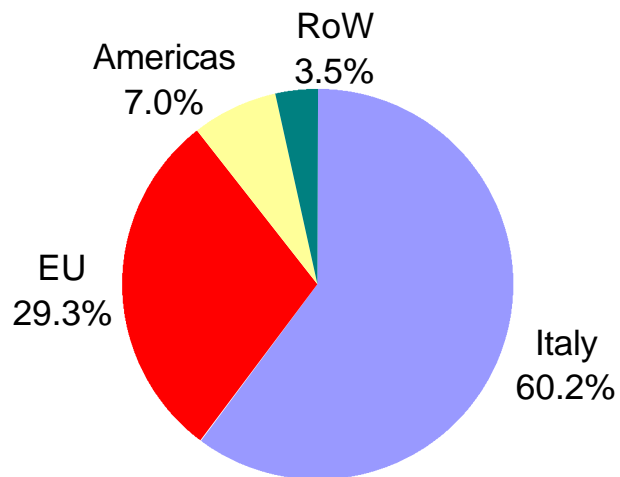


	<b>Net turnover growth</b>	<b>of which: organic growth</b>
	% change in value	
Spirits	46.1%	3.3%
Wines	49.5%	6.3%
Soft Drinks	16.1%	15.9%
Other	142.5%	123.3%
<b>Total</b>	<b>38.5%</b>	<b>8.6%</b>

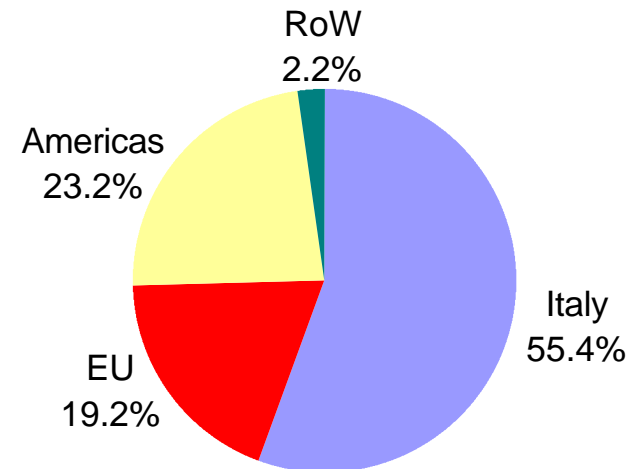
# Net turnover by region

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**First quarter 2001**  
**Net turnover €92.2 m**



**First quarter 2002**  
**Net turnover €127.7 m**



# Product overview (existing portfolio)

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	<b>Q1 2002 / Q1 2001</b>
	<b>% change in value</b>
<b><u>Spirits</u></b>	
Campari	-1.4%
CampariSoda	+3.2%
Skyy Vodka <sup>(1)</sup>	+54.1%
Cynar	+3.5%
Ouzo 12	+16.4%
Brazilian brands	+76.4%
Jaegermeister <sup>(2)</sup>	+6.3%
<b><u>Wines</u></b>	
Cinzano Sparkling wines	+29.7%
Cinzano Vermouth	-11.7%
<b><u>Soft drinks</u></b>	
Crodino	+16.5%
Lemonsoda, Oransoda, Pelmosoda	+22.3%

(1) Net turnover outside the US

(2) Third party brand



# Net turnover to trading profit

	First quarter 2001		First quarter 2002		Change
	value (€)	%	value (€)	%	%
<b>Net turnover</b>	<b>92.2</b>	<b>100.0</b>	<b>127.7</b>	<b>100.0</b>	<b>38.5</b>
COGS	(35.1)	-38.1	(51.0)	-39.9	45.6
<b>Gross margin</b>	<b>57.1</b>	<b>61.9</b>	<b>76.7</b>	<b>60.1</b>	<b>34.1</b>
Advertising & promotion	(18.4)	-20.0	(25.1)	-19.7	35.9
Sales and distribution exp.	(12.5)	-13.6	(16.8)	-13.2	34.6
<b>Trading profit</b>	<b>26.2</b>	<b>28.4</b>	<b>34.8</b>	<b>27.3</b>	<b>32.7</b>

- ◆ COGS up 45.6% due to the organic sales mix, characterised by strong growth by some less profitable products in the soft drinks segment
- ◆ A&P down from 20.0% to 19.7% on consolidated net sales in first quarter 2002 due to lower incidence of A&P spending on Sella & Mosca's net turnover
- ◆ Sales and distribution expenses down from 13.6% to 13.2% on net turnover in first quarter 2002 due to cost savings following sales network restructuring in Italy



# Trading profit to EBIT

	First quarter 2001		First quarter 2002		Change
	value (€m)	% on sales	value (€m)	% on sales	
<b>Trading profit</b>	<b>26.2</b>	<b>28.4</b>	<b>34.8</b>	<b>27.3</b>	<b>32.7</b>
G&A	(7.5)	-8.1	(10.9)	-8.5	45.9
Other operating income	0.2	0.2	3.7	2.9	
<b>EBITA before non-recurring exp.</b>	<b>19.0</b>	<b>20.6</b>	<b>27.6</b>	<b>21.6</b>	<b>45.5</b>
Goodwill & TM amortisation	(2.6)	-2.8	(6.8)	-5.3	
<b>EBIT before non-recurring exp.</b>	<b>16.4</b>	<b>17.8</b>	<b>20.8</b>	<b>16.3</b>	<b>27.1</b>
Non recurring expenses	(0.6)	-0.7	(0.6)	-0.5	
<b>EBIT</b>	<b>15.8</b>	<b>17.1</b>	<b>20.2</b>	<b>15.8</b>	<b>28.5</b>

- ◆ G&A up 45.9% in first quarter 2002 due to consolidation of Skyy Spirits and ZP/SM, full consolidation of Brazilian brands and ongoing listing costs
- ◆ Other operating income includes €3.4m of royalties paid to Skyy Spirits by Miller Brewing Co., the new RTD launched in the US market in March
- ◆ Amortisation of goodwill of Skyy Spirits (€3.1m) and Zedda Piras and Sella & Mosca (€0.7m) acquisitions in first quarter 2002

# EBIT to income before taxes

	First quarter 2001		First quarter 2002		Change
	value (€m)	% on sales	value (€m)	% on sales	%
<b>EBIT</b>	<b>15.8</b>	<b>17.1</b>	<b>20.2</b>	<b>15.8</b>	<b>28.5</b>
Net financial inc.(exp.)	1.6	1.7	(1.3)	-1.0	
Income (losses) on net rates	(3.0)	-3.3	(0.9)	-0.7	
Other non operat. income (exp.)	0.5	0.5	(0.5)	-0.4	
<b>Income before taxes</b>	<b>14.9</b>	<b>16.2</b>	<b>17.5</b>	<b>13.7</b>	<b>18.1</b>
Minority interests	0.0	0.0	(3.0)	-2.3	
<b>Group Income before taxes</b>	<b>14.9</b>	<b>16.2</b>	<b>14.5</b>	<b>11.4</b>	<b>-2.4</b>

- ◆ Net financial expenses of €1.3m following the payment of the acquisitions mostly through bank borrowing
- ◆ Lower losses on net rates in the first quarter 2002
- ◆ Group income before taxes down 2.4% to €14.5m after minorities mainly attributable to 41.1% of Skyy Spirits and 32.38% of Sella & Mosca

# Net financial position

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<b>value (€ m)</b>	<b>31 March 2001</b>	<b>31 March 2002</b>
Cash	177.8	53.6
Bank debt	(112.3)	(261.2)
Capital lease obligation and other financial debt	(15.3)	(30.9)
<b>Net cash</b>	<b>50.2</b>	<b>(238.5)</b>
Marketable securities	46.4	14.8
<b>Net cash and marketable securities</b>	<b>96.6</b>	<b>(223.7)</b>

- ◆ Payment of Skyy Spirits acquisition (equity value of €235.4m, plus net debt of €16.7m) through cash and bank borrowing
- ◆ Payment of ZP/SM acquisition (equity value of €68.5m, plus net debt of €21.5m) through bank borrowing

# Outlook on 2002

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- ◆ Intention to launch a new joint venture with Morrison Bowmore Distillers Ltd (Suntory Group) for the promotion and distribution of Campari, Cinzano and SKYY Vodka in the UK market
- ◆ Distribution of Zedda Piras products to be operated by Campari in the Italian Mainland from May 2002
- ◆ SKYY Vodka contribution expected to be proportionally higher throughout the year due to seasonality effect in the first quarter 2002
- ◆ Overall performance of organic business, with particular reference to Campari sales trend in some key markets

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# Financial appendix

# Q1 2002 consolidated income statement

	First quarter 2001		First quarter 2002		Change
	(€million)	%	(€million)	%	%
<b>Net revenues <sup>(1)</sup></b>	<b>92.2</b>	<b>100.0</b>	<b>127.7</b>	<b>100.0</b>	<b>38.5</b>
Cost of materials	(26.4)	-28.6	(40.0)	-31.3	
Manufacturing costs	(8.7)	-9.4	(11.0)	-8.6	
<b>Total cost of sales</b>	<b>(35.1)</b>	<b>-38.1</b>	<b>(51.0)</b>	<b>-39.9</b>	<b>45.6</b>
<b>Gross Margin</b>	<b>57.1</b>	<b>61.9</b>	<b>76.7</b>	<b>60.1</b>	<b>34.1</b>
Advertising and promotion	(18.4)	-20.0	(25.1)	-19.7	35.9
Selling and distribution expenses	(12.5)	-13.6	(16.8)	-13.2	34.6
<b>Trading margin</b>	<b>26.2</b>	<b>28.4</b>	<b>34.8</b>	<b>27.3</b>	<b>32.7</b>
General and administrative expenses	(7.5)	-8.1	(10.9)	-8.5	45.9
Other operating revenues	0.2	0.2	3.7	2.9	
Amortisation of goodwill and trademarks	(2.6)	-2.8	(6.8)	-5.3	
<b>EBIT before non-recurring expenses</b>	<b>16.4</b>	<b>17.8</b>	<b>20.8</b>	<b>16.3</b>	<b>27.1</b>
Non-recurring expenses	(0.6)	-0.7	(0.6)	-0.5	
<b>EBIT after non-recurring expenses</b>	<b>15.8</b>	<b>17.1</b>	<b>20.2</b>	<b>15.8</b>	<b>28.5</b>
Net interest income (charges)	1.6	1.7	(1.3)	-1.0	
Exchange-rate gains (losses), net	(3.0)	-3.3	(0.9)	-0.7	
Other non operating income (charges)	0.5	0.5	(0.5)	-0.4	
<b>Income before taxes</b>	<b>14.9</b>	<b>16.2</b>	<b>17.5</b>	<b>13.7</b>	<b>18.1</b>
Minority interests	0.0	0.0	(3.0)	-2.3	
<b>Group income before taxes</b>	<b>14.9</b>	<b>16.2</b>	<b>14.5</b>	<b>11.4</b>	<b>-2.4</b>
Depreciation	(3.1)	-3.4	(3.2)	-2.5	2.0
Amortization	(3.1)	-3.4	(7.5)	-5.9	141.3
<b>Total depreciation and amortization</b>	<b>(6.2)</b>	<b>-6.7</b>	<b>(10.7)</b>	<b>-8.4</b>	<b>71.8</b>
<b>EBITDA before non-recurring expenses</b>	<b>22.6</b>	<b>24.5</b>	<b>31.5</b>	<b>24.7</b>	<b>39.4</b>
<b>EBITDA</b>	<b>22.0</b>	<b>23.9</b>	<b>31.0</b>	<b>24.3</b>	<b>40.8</b>
<b>EBITA before non-recurring expenses <sup>(2)</sup></b>	<b>19.0</b>	<b>20.6</b>	<b>27.6</b>	<b>21.6</b>	<b>45.5</b>
<b>EBITA <sup>(2)</sup></b>	<b>18.3</b>	<b>19.8</b>	<b>27.0</b>	<b>21.1</b>	<b>47.4</b>

(1) Net of discounts and excise duty

(2) EBITA = EBIT before amortisation of goodwill and TM

