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PRESS RELEASE

Cremonini S.p.A.’s response to JBS SA’s note on the InalcaJbs S.p.A. Joint Venture

With reference to the note issued by JBS SA containing false and instrumental accusations on the case in progress in connection to the management of the Cremonini S.p.A. JV, we intend to make the following necessary specifications as our duty, stating beforehand that JBS’s vigilant position is disconcerting as it is stubbornly orientated to ignore the contracts signed in December 2007.

Transparency in the Joint Venture.

JBS complains of the fact that it alone (and not Cremonini) paid money at the time of the acquisition of the 50% equity investment in Inalca SpA (at that time fully owned by Cremonini).
JBS, in other words, is surprised that as a purchaser it has had to pay the consideration for the acquisition made. It is difficult to comment on the position of the Brazilian Group! That which Cremonini considers it must recall is rather the fact that over 90% of what JBS paid out was destined to the subscription of an issue of share capital increase of Inalca JBS, which allowed the reinforcement of the equity structure of the JV. The portion JBS paid directly to Cremonini was, as a consequence, very meagre.

The Cremonini Group's objective in proceeding with the creation of this Joint Venture was to maximise, in the scope of an exclusive alliances (Europe, Russia, Africa) all the possible synergies between the two groups with the only purpose of ensuring the long-term growth of the JV. This objective is still fully confirmed by Cremonini today.

It is rather JBS which has preferred, in open contractual breach of the shareholders' agreement of December 2007 and in patent conflict of interest, to proceed on its own in the same exclusive area through the acquisition of companies in direct competition with Inalca Jbs.

Cremonini has never declared its wish to exit from the Joint Venture; indeed it has always operated to ensure long-term development, through the Chief Executive Officers that it appointed.

It seems understandable that JBS only now realizes the exact content of the corporate governance agreements that attribute the full management of the company to the two chief executive officers designated by Cremonini.

The option right for sale that was reserved contractually for Cremonini is only a guarantee tool from JBS in the event that the latter would act instrumentally against the interest of the JV itself. The exercise of such option right has to date not been part of Cremonini’s strategy.

The interests of JBS and Cremonini relative to the medium/long-term vision are therefore totally aligned. Cremonini does not pursue “speculative short-term logics”: it counts on the creation of value in the JV.

Significantly, no absence of transparency was invoked by JBS until the first quarter of the current business year, when the major investments made by the JV in Italy and abroad bore fruit and the changed conditions of the cattle market in Italy permitted the company to obtain excellent performances, doubling its marginality. Only at this point did JBS commence to raise problems of transparency of an instrumental nature and to utilise the personalities that it had appointed within Inalca (CFO, internal audit manager, etc.) with the sole purpose of opposing and blocking Inalca's development. Only as a scruple it should be recorded here that the financial statements for the 2008 and 2009 financial years were subjected to a full audit and the JV auditors, Reconta Ernst & Young, issued its fully positive opinion on the result of these, without observations (clean opinions).

In Cremonini's view the true motivation of this changed attitude is JBS' obligation, contained in the December 2007 contract, to pay an earn-out to Cremonini of 65 million euro on condition that InalcaJbs achieves an EBITDA in 2010 exceeding 90 million euro.

The accusations of JBS against Cremonini and against the chief executive officers of InalcaJbs, with the only objective of blocking the natural and positive development of the JV, are therefore all of an instrumental nature and aimed at not paying the amount due. Only to this objective can the chief executive officers of InalcaJbs attribute the departure of the CFO appointed by JBS and the measures taken against the internal audit manager, all personalities who have constantly operated by seeking to damage and obstruct the development of the Italian company, attempting to destabilise the administrative and organisational structure.

Precisely so as to not allow the instrumental utilisation of the false accusations of limited transparency in the InalcaJbs accounts, the Cremonini Group immediately conceded to JBS' request to conduct a full audit by Ernest & Young on the results of the first half year (which has already been in progress for some weeks) that will be concluded in the next few weeks.

The accusations against Luigi Cremonini are also absolutely false and groundless. Luigi Cremonini does not have any proxy or power in connection with the JV, but acts entirely in the commercial consultancy role for meat management with the sole purpose of placing at the company's service his profound experience in the sector and the international acknowledgements he has accumulated during over 50 years in business.

Breach of the non-competition rule by JBS

On the basis of the December 2007 contracts, neither of the Groups should have ever been able to commence any type of operational and industrial business in the geographical areas that were the subject of the agreement. In evident breach of this agreement JBS has acquired, in connection with the business combination with the Bertin company first of all and directly thereafter, structures and businesses competitive with Inalca in Italy, Russia and Africa, without previously submitting these to Inalca, as the acquisition of such businesses is provided for in the contract, JBS also submitted to Inalca, subsequent to this transaction, deficient information and inadequate figures that to date have not allowed Inalca's Board of Directors (different to that asserted by JBS) to appropriately evaluate the investment opportunity.

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In the meantime JBS has breached a series of sales agreements existing with the JV to advantage its own companies commercially instead in open competition with the JV itself.

In connection with the excessive net debt of the JV, Cremonini counts on the full audit already taking place, which will confirm a NET DEBT /EBITDA ratio for Inalca Jbs better than that recently stated by JBS itself in its own interim financial statements.

On the matter of future investments, the Chief Executive Officers of Inalca Jbs already have all the necessary powers to proceed autonomously with the further continuation of such long-term investments.

For the purpose, therefore, of putting an end to the illegitimate actions commenced by JBS with the banks and also to block the discrediting actions that JBS is conducting against the JV with irresponsible accusations to block development, it is recalled that the Chief Executive Officers of Inalca Jbs have notified that they have in the last few days filed a report/complaint at the Modena Public Prosecutor's Office regarding the possible configuration of the offences of market rigging and defamation.

Further penal actions could be evaluated with reference to the unjustified accusations made during today by JBS, which is evidently obstinately pursuing its defeatist and irresponsible design.

Cremonini will accordingly continue to defend its own rights in all the appropriate offices, with the sole purpose of ensuring the maximum possible development that was, and will always be, the objective that led to the creation of the JV with the Brazilian Group from the start.

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