



**PRESS RELEASE:**

**The Cremonini Group has purchased Guardamiglio Carni, the second largest beef producer in Italy.**

In terms of the Letter of Intent signed on 14 May, the Cremonini Group has formalized the acquisition of Guardamiglio Carni S.p.A., Italy's second largest independent producer of beef and processed beef products, thereby consolidating Cremonini's market leadership of this sector in Italy.

The objective of this agreement, which should be considered in the light of the process of consolidation in this sector, currently highly fragmented in Italy as compared with the European average, is that of achieving significant synergy, both in production and marketing terms.

The progressive transfer of certain of Guardamiglio's activities to the newly-opened Cremonini plant at Ospedaletto Lodigiano (near Milan), will in accordance with the planned integration of Guardamiglio with Cremonini, result in optimum production levels at this factory being reached very rapidly, with resulting cost savings. The Ospedaletto facility is Europe's absolute first in terms of both size and high-technology.

From a marketing point of view, this acquisition will allow the Cremonini Group to consolidate its presence in modern sales networks (large-scale retailers and up-to-date distribution methods), towards which Guardamiglio's sales teams are particularly oriented, thus permitting greater sales volumes of high-added-value products.

The brothers Antonio and Daniele Fiorani, present owners of Guardamiglio, will continue working in the beef sector for the Cremonini Group. This is in accordance with a management collaboration programme, with particular reference to marketing and related matters. Antonio Fiorani will, in addition, be appointed a director of Inalca, the Group company that is operative in the beef sector.

The acquisition, which is subject to the assent of the Antitrust Authorities, is of 78.24% of Guardamiglio Carni S.p.A. and 100% of its associated company, Ge Mark e Allevamenti Fiorani, is for an aggregate value of Lire 30.37 billion (about Euro 15.7 million).

According to the contract the acquisition price will be paid partly in cash – Lire 10.37 billion (Euro 5.4 million) - on closing with another part settled by means of the issue of 2,200,000 Cremonini shares to the Fiorani brothers. These shares represent 1.54% of the Capital Stock of Cremonini S.p.A. and will be subject to a medium-term "lock-up". The balance of the purchase price of Lire 9 billion (Euro 4.6 million) will be paid by instalments over 3 years.

**Guardamiglio Carni**, which holds 67% of Baldi Carni, is the Parent Company of a slaughtering, beef portioning and marketing group based at Piacenza. This Group achieved consolidated revenues of Lire 303 billion (Euro 156.5 million) in 1998. On completion of the transaction, Cremonini will also acquire 100% of Guardamiglio's two associated companies. These are Ge.Mark, specializing in the management of meat stalls in large-scale supermarkets (1998 revenues Lire 44 billion, Euro 22.7 million) and Allevamenti Fiorani (1998 revenues Lire 8 billion, Euro 4.1 million).

**Cremonini**, which has over 3,000 employees and achieved consolidated revenues of Lire 2,019 billion (Euro 1.04 million) in 1998, is one of the largest food groups in Europe, focusing on three integrated business areas: production, distribution and the restaurant business.

The Group, which, is Italy's absolute leader in the production of beef and distribution to the catering sector, also has an important presence in the restaurant business and, in particular, is Italy's leading provider of on-train restaurant services and in-station restaurants.

In 1998 the total revenues of the Group in the beef business was Lire 856 billion (approximately Euro 442 million).

**Transaction Summary (total value Lire 30.37 billion)**

<b>Company</b>	<b>Holding acquired</b>	<b>Sector</b>
GuardamiglioCarni S.p.A. (Parent Company)	78.24%*	Beef
Baldi Carni S.r.l. (subsidiary)	67.00%	Catering distribution
Allevamenti Fiorani S.r.l. (associated company)	100.00%	Cattle rearing
Ge.Mark S.r.l. (associated company)	100.00%	Meat-stall management in large-scale

\* Cremonini S.p.A. holds an option, exercisable after 30/6/2001, to acquire the remaining 23.76% at a price of Lire 3 billion.

Modena, 6 July 1999.