

**PRESS RELEASE**

**CREMONINI GROUP: consolidated profits before taxation of 54.4 million euros (+208.5%) in 2003.**

**Total revenues of 1,786.2 million euros (+12.4%), EBITDA +9.9% and EBIT +16.2%.**

**Net indebtedness down by 36.7 million euros to 451.1 million euros.**

**Net investments of 61.1 million euros.**

At Castelvetro di Modena, the Board of Directors of Cremonini S.p.A. today approved the quarterly report at 31/12/2003 which highlights the following results:

**Main consolidated financial results in 2003**

In 2003, total consolidated revenues for the Group were 1,786.2 million euros, with an increase of 12.4% compared to 1,589.3 million euros in 2002.

Gross operating margin (EBITDA) was 117.7 million euros, with an increase of 9.9% against 107.0 million euros in 2002, whereas operating profit (EBIT) rose by 16.2% to 61.8 million euros compared to 53.2 million euros in 2002.

Confirming the Group's positive trend, profits from ordinary operations, before the effect of all extraordinary components, amounted to 35.9 million euros, with an increase of 70.6% compared to 21.1 million euros in 2002.

Consolidated profits before taxation were 54.4 million euros compared to 17.6 million euros in 2002 (+208.5%). The Group's profit before taxation, calculated net of third-party components, was 44.1 million euros compared to 16.4 million euros in 2002 (+169.1%).

**Results of the three segments of activity**

In 2003, there was significant performance by all three of the Group's segments of activity. Specifically:

(MLN/euros)	PRODUCTION			DISTRIBUTION			RESTAURANT		
	2002	2003	%	2002	2003	%	2002	2003	%
<b>TURNOVER</b>	760.1	859.9	+13.1	665.9	744.2	+11.8	192.7	235.1	+22.0
<b>EBITDA</b>	47.9	52.6	+10.0	41.0	46.0	+12.1	19.9	22.3	+11.7
<b>EBIT</b>	19.5	21.8	+11.8	28.9	34.4	+19.0	13.1	13.2	+1.3

### Net financial position and investments

During 2003, the financial position dropped by 36.7 million euros to 451.1 million euros compared to 487.8 million euros in the previous financial year, bringing the net debt/equity ratio to 1.8\* (it was 2.8 at end 2002).

The structure of the net financial position has also improved thanks to the medium/long-term relocation of part of the debt, in line with management objectives:

<b>NET FINANCIAL POSITION</b>		
(MLN/euros)	<b>2002</b>	<b>2003</b>
Medium/long-term indebtedness	(167.4)	(200.8)
Short-term indebtedness	(390.2)	(312.3)
<b>Total Indebtedness</b>	<b>(557,6)</b>	<b>(513,1)</b>
Liquid assets and other financial activities	69,8	62,0**
<b>Net Financial Position</b>	<b>(487.8)</b>	<b>(451.1)</b>

\*\* of which 50.9 million euros in active current accounts and cash

The drop in indebtedness is even more significant given that, during 2003, the Group invested 61.1 million euros, 25.4 million euros of which in acquisitions aimed at developing businesses which will come into operation as early as this year:

- 8.5 MLN/euros: overall investments linked to the acquisition of the Ibis S.p.A. factory, a historical brand in the cured meats sector;
- 3.0 MLN/euros: overall investments for the acquisition of the former F.lli Traversi factory located in Valtellina and specialising in the production of bresaola and speck;
- 2.7 MLN/euros: the purchase of agro-zootechnical land and buildings for the "veal production cycle";
- 7.7 MLN/euros: overall investments for the acquisition of 50% of Moto S.p.A., a joint venture with Compass for motorway restaurant services;
- 3.5 MLN/euros: the acquisition of restaurant activities at the Reggio Emilia, Florence Campo di Marte and Turin Porta Nuova railway stations;

### Results registered on 2003, 4<sup>th</sup> quarter

In the 4<sup>th</sup> quarter of 2003, total consolidated revenues for the Group were 446.9 million euros, with an increase of 11.5% compared to 400.8 million euros for the 4<sup>th</sup> quarter of 2002.

EBITDA was 25.4 million euros, with an increase of 4.8% compared to 24.2 million euros for the 4<sup>th</sup> quarter of 2002, whereas EBIT was 9.3 million euros, registering a drop compared to 10.5 million euros for the 4<sup>th</sup> quarter of 2002. Profit from ordinary operations, which felt the negative

\* This figure is calculated on the basis of forecast taxation impact



effect produced by exchange rates, was 1.3 million euros against 3.2 million euros for the 4<sup>th</sup> quarter of 2002.

Consolidated profit before taxation for the quarter was negative at 6.8 million euros compared to the positive result of 2.7 million euros for the 4<sup>th</sup> quarter of 2002. This result was affected by extraordinary charges concerning depreciation in assets and, in particular, by the 4.2 million euro devaluation of its shares.

Lastly, the Group's profit before taxation, net of third-party components, was negative at 8.8 million euros against Group earnings before taxation of 3,1 million euros for the 4<sup>th</sup> quarter of 2002.

The drop in indebtedness continued into the last quarter, from 470.5 million euros at 30/09/2003 to 451.1 million euros at 31/12/2003.

With over 5000 employees, **Cremonini** is one of Europe's major food groups and it operates in three business areas: distribution to the foodservice, production and restaurant services.

With total revenues of 1,786.2 million euros in 2003, the Group is Italy's absolute leader for the production of beef and processed beef-based products (**Montana**), and for the sale and distribution of food products (**Marr**) to the foodservice. It also has a considerable presence in the restaurant sector and, in particular, it is the leader in Italy for restaurant services on board trains and at railway stations (**Chef Express**).

Castelvetro di Modena, 9 February 2004