



## **PRESS RELEASE**

**CREMONINI GROUP: positive figures from the financial statements approved by the Board of Directors of Cremonini S.p.A.**

**Consolidated revenues of Lire 2,544 billion in 1999 (+26%). Net profit up by 23.3%.**

**The distribution of a gross dividend of Lire 110 per share (Euro 0.057) proposed.**

The Cremonini Group – Europe's leading operator in the food sector – produced positive results for the 1999 financial year, with total consolidated revenues equal to Lire 2,544 billion (about Euro 1.314 billion), up by 26% with respect to Lire 2,019 billion (about Euro 1.043 billion) in 1998.

The consolidated net profit was equal to Lire 30 billion (Euro 15.49 million), a growth of 23.3% with respect to Lire 24.3 billion (Euro 12.54 million) in 1998.

These, in brief, are the figures shown by the Financial Statements for the year 1999 approved by the Board of Directors of Cremonini S.p.A. at Castelvetro di Modena. These Financial Statements will be presented to Shareholders for their approval at the Annual General Meeting to be held at the Registered Office on 29 April 2000.

The Board of Directors also agreed to propose the distribution to shareholders of a gross dividend of Lire 110 per share (Euro 0.057), to be paid on 25 May (to shareholders registered on 22 May).

Such a dividend corresponds to a payout ratio of about 50% of the consolidated net profit for the year.

The profit from core operations was Lire 53 billion (Euro 27.37 million), an increase of 32.5% with respect to 1998.

The gross consolidated operating margin (EBITDA) showed growth of 5.4%, increasing from Lire 185 billion in 1998 (Euro 95.54 million) to Lire 195 billion (Euro 100.71) in 1999.

The consolidated operating profit (EBIT), fell from Lire 113 billion in 1998 (Euro 58.36 million) to Lire 101 billion (Euro 52.16 million) in 1999. This was principally due to the amortization relating to the investment in the operating plant at Ospedaletto Lodigiano. The consolidated pre-tax profit was up by 67.7%, increasing from Lire 47 billion (Euro 24.27 million) to Lire 79 billion (Euro 40.8 million) in 1999.

The consolidated operating cash flow also showed a positive trend, growing by 28% from Lire 97 billion (Euro 50.1 million) to Lire 124 billion (Euro 64.04 million).

The results of the Parent Company Cremonini S.p.A. were also positive: Revenues of Lire 703 billion (Euro 363.07 million) and a net profit of Lire 24.2 billion (Euro 12.5 million) were achieved.\*<sup>1</sup>

The increase in total revenues was achieved thanks to the growth in the individual areas of activity of the Cremonini Group: Production revenues grew by 36% in 1999, from Lire 991 billion (Euro 511.81 million) to Lire 1.343 billion (about Euro 693.6 million), due both to

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\* Following the merger of Castelvetro Spa (previously Inalca S.p.A.), the 1998 figures are not comparable with 1999

internal growth and as a consequence of the acquisition of Guardamiglio S.p.A., which took place in July 1999.

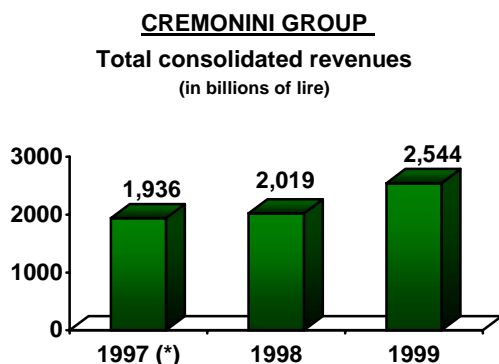
Revenues from distribution, consisting of food distribution to the catering sector and door-to-door distribution of frozen products and ice cream, increased by 20% from Lire 849 billion (Euro 438.47 million) in 1998 to Lire 1,017 billion (Euro 525.24 million) in 1999.

Revenues from restaurant activities, that will benefit from strong acceleration of the internationalization process during the course of 2000, were equal to Lire 211 billion (Euro 108.97 million), a growth of 9 % with respect to 1998.

The distribution and restaurant activities today represent about 50% of total Group revenues and constitute the driver of strategic development with the highest potential for the Cremonini Group's future, both at company and market levels.

Cremonini, with over 3,500 employees, is one of Europe' largest food groups with strongly integrated activities focussed in three business areas: production, distribution and restaurant activities.

The Group is Italy's absolute leader in beef production, meat-based transformed products and in distribution to the catering sector. It has, moreover, an important presence in the restaurant sector with, in particular, the leadership in Italy in the provision of restaurant and catering services on-board trains and in railway stations.



(\*) pro forma figures

Modena 29 March 2000