



PRESS RELEASE

Cremonini Group: Inalca S.p.A. purchases 51% of Frimo s.a.m., international trading network of the meat sector

Inalca S.p.A., a Cremonini Group company, has acquired 51% of the share capital of Frimo s.a.m., the international trading network of the meat sector based in Montecarlo, from the brothers Fabio e Mirko Albisetti, who will hold the remaining 49% and continue the activity within the company.

The value of the acquisition is equal to 4 million French Francs (Euro 610,000).

The Monegasque company has an annual turnover of about Lire 30 billion (Euro 15.4 million), and has been active for over 30 years in various countries of the world. It has representative commercial offices in: Adzerbaidjan, Saudi Arabia, Egypt, France, Iran, Moldavia, Romania, Russia, South America and the United States.

This acquisition will permit the Cremonini Group to expand into foreign markets, especially outside the EU, and to accelerate the process of internationalization of the business of meat-based transformed products. The Cremonini Group's exports of beef amount to about Lire 260 billion annually (Euro 134.27 million) representing, on their own, over 50% of total Italian meat sector exports.

With its holding in **Frimo's** capital, Inalca will directly control the trading activity and will use the wide international network of commercial offices to take full advantage of the synergies and market opportunities deriving from integration between meat industries and a consolidated marketing structure based in various countries. This will allow Frimo's sales network to expand and to complete the range of products offered, in particular transformed meat-based products such as: hamburgers frozen meat, canned meat, corned beef, cooked meat and other prepared products.

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

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

In the first 6 months of 1999, total consolidated revenues grew by 7.6% with respect to 1998, increasing to Lire 1,048 billion (Euro 541 million), while the consolidated pre-tax profit was equal to Lire 32.6 billion (Euro 16.8 million), an increase of 47%.

Inalca S.p.A. showed total revenues of Lire 856 billion for 1998 (about Euro 442 million. It is estimated that 1999 revenues will exceed Lire 1,200 billion (Euro 619 million).

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The Press Office