



## **PRESS RELEASE**

**THE CREMONINI GROUP: Europe's largest factory for the production of beef and beef-based products was inaugurated today at Ospedaletto Lodigiano.**

**The Cremonini meat traceability system is the first in Italy to have conformed to the European Community Regulation 820/97 in terms of food safety.**

The Cremonini Group – Europe's leading food group – today inaugurated the Europe's largest factory for the production of beef and meat products. The ceremony was attended by Paolo De Castro, Minister of Agricultural Policy, Roberto Formigoni, President of the Lombardy Province, Giorgio Guazzaicca, President of Federcarni, Guidalberto Guidi, Vice-President of Confindustria, and Romano Marabelli, Directory of Veterinary Health Services.

Inalca's factory at Ospedaletto covers 377,000 square metres (of which buildings occupy 60,000 square metres) and has the capacity to slaughter 6,000 head a week. The factory's production lines are equipped with state-of-the-art technology, guaranteeing excellent quality standards, which totally comply with the strict European Union health and hygiene regulations.

All phases of the production process within the factory are totally integrated, producing fresh hamburgers and portioned and pre-cooked products, all providing a high service content and destined primarily for large-scale retailers.

The new plant, which has the capacity to produce 10,000 tonnes of fresh hamburgers, 10,000 tonnes of fresh portioned and elaborated meat products and 5,000 tonnes of pre-cooked meat annually, is equipped with process automation of a level to make it a point of reference world-wide for modernity and innovation.

The commissioning of the new plant at Ospedaletto Lodigiano, which represents a total investment of Lire 220 billion (Euro 114 million), forms part of a three-year industrial investment plan recently concluded by the Cremonini Group.

The planned industrial integration with the activities of Guardamiglio Carne, a company acquired in July 1999, at Ospedaletto has been commenced. This will provide for the maximum utilization of the productive facilities of the plant and will permit it to reach 100% capacity in the shortest possible time.

The Ospedaletto establishment will employ a full-time labour force of over 600 persons.

Inalca S.p.A., the Cremonini Group company operating in the beef sector, is equipped with a system of meat traceability, using bar codes, which permits, at any moment of the entire production cycle, reference to the original beast and every phase of production is registered.

This system is, at this moment, the first in Italy to have attained the certificate of conformity with European Community regulation 820/97 from the Ministry of Agricultural Policy for the labelling of meat in terms of health safety.

Cremonini, with over 3.000 employees and a 1998 consolidated turnover of Lire 2,019 billion (Euro 1.04 billion), is one of Europe's leading food groups, with activities focussed in three integrated business areas: production (beef and cured meats), distribution (to the catering sector and door-to-door) and the restaurant sector.

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

For the first six months of 1999 the Group achieved an increase of 7.6% in consolidated revenues with respect to 1998, which grew to Lire 1,048 billion (Euro 541 million) whilst the profit before taxation was equal to Lire 32.6 billion (Euro 16.8 million), an increase of 47%.

Beef sector total turnover in 1998 was Lire 856 billion (about Euro 442 million) which, with the acquisition of Guardamiglio Carni, is expected to exceed Lire 1,200 billion in 1999.

Ospedaletto Lodigiano, 2 October 1999

## INFORMATION SCHEDULE

### CREMONINI GROUP: Ospedaletto Lodigiano factory

<b>Area</b>	<b>377,000 sq. m., of which 60,000 sq. m. are buildings</b>
<b>Labour force employed</b>	<b>Over 600 persons (full time)</b>
<b>Slaughtering capacity</b>	<b>6,000 head per week</b>
<b>Production phases</b>	<b>Slaughtering dissection portioning packaging</b>
<b>Finished products</b>	<b>Fresh hamburgers                      portioned products pre-cooked products</b>
<b>Annual production capacity</b>	<ul style="list-style-type: none"><li>• 10,000 tonnes of fresh hamburgers</li><li>• 10,000 tonnes of portioned and other finished products</li><li>• 5,000 tonnes of pre-cooked products</li></ul>
<b>Total investment</b>	<b>Lire 220 billion</b>

Ospedaletto Lodigiano, 2 October 1999