



PRESS RELEASE

INALCA (CREMONINI GROUP): McDonald's chooses Cremonini for the production of hamburgers in Russia.

Construction of a new production plant in Moscow is underway: initial annual revenues of 40 million Euros.

Cremonini's turnover with McDonald's is expected to double.

The Cremonini Group, through its subsidiary Inalca S.p.A., European leader in beef production has been selected by McDonald's to produce and supply hamburgers in Russia.

The agreement provides for the construction of a production plant in Moscow, which will supply hamburgers to all McDonald's restaurants in Russia, with initial annual revenues of about 40 million Euros.

The production plant, which is estimated to be completed by the end of 2007, will be located inside the new Inalca Distribution Centre – currently under construction - and will have a total annual production capacity over 20,000 tonnes.

The Capex related to this specific investment is about 10,0 million Euro.

This agreement, once the production activities started, will allow Cremonini to double its business with McDonald's and to consolidate its presence on the Russian market, one of the most significant in terms of growth potential.

Cremonini has been a supplier of McDonald's since 1996: it currently serves 5 countries on a stable base – Italy, Denmark, Greece, Malta and Cyprus – and occasionally other European countries with promotional products (UK, Spain, Belgium, France, Germany and Portugal).

Currently, 147 **McDonald's** restaurants are operating in 37 Russian cities, employing about 18,000 employees and serving more than 500,000 customers on a daily basis. McDonald's receives products from over 130 Russian suppliers who have created more than 80,000 jobs in their companies

Inalca S.p.A., leader in Italy and one of the main European operators in the beef sector, in 2005 has realised consolidated revenues of 903.3 million Euro, 34% of which was generated by exports to European, Eastern European and Central African countries

The Cremonini Group, with about 6,700 employees, is one of the most important foodstuff groups in Europe, and operates in three business areas: production, distribution and catering.

The Group, with total revenues of 2,128.9 million Euro in 2005, is the overall leader in Italy in the production of beef and meat-based processed products (**Montana**) and the commercialisation and distribution of foodstuff products to foodservice (**Marr**). It also has a significant presence in the catering sector and, in particular, is the leader in Italy in catering on board trains and in railway stations (**Chef Express**). Lastly, the Group is 2nd in the Italian market in motorway catering (**Moto**).

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