

PRESS RELEASE

INALCA JBS (Cremonini Group and JBS) INAUGURATES A NEW FACTORY IN RUSSIA WITH THE “MARR RUSSIA” BRAND

- The new industrial complex includes a very modern distribution platform for food products and a plant for hamburger production.
- Total investment: 100 million Euro.

The investment represents a fundamental stage in the integration of the Russian and Italian agriculture and food chains

Moscow, 2 February 2010 - Inalca JBS (Cremonini Group and JBS) has today inaugurated a new production and distribution complex in Moscow with the “MARR Russia” Brand, in the presence of the Russian Minister of Agriculture, **Elena Borisovna Skrynnik**, the Italian Minister for Agricultural, Food and Forestry Policies, **Luca Zaia** and other important local and international Authorities.

The new industrial complex includes one of the largest and most modern logistical/distribution platforms in Russia for the marketing and distribution of food products and a plant for hamburger production, equipped with the most advanced technologies. Designed and coordinated by **TECNOSTARDUE**, a INALCA JBS company, it was constructed in a strategic position in Odinzovo, in the immediate vicinity of the Moscow main ring road. The new complex covers an area of **25,000 m²** on three floors giving a total covered surface area of 26,000 m², will provide employment for about 400 people and required an investment of 100 million Euro, completely self-financed.

The factory is the fruit of Inalca’s presence of over twenty years in Russia, a market in which the company - through its “MARR Russia” subsidiary - achieved revenues of 140 million Euro in 2009. With the coming on stream of the new factory the company foresees reaching revenues of about 180 million Euro in 2010.

The Odinzovo investment represents a fundamental step forward in the integration between Russian and Italian agriculture, the agricultural and food chains of which have many points of contact and synergy. With regard specifically to the **animal husbandry and beef sectors**, Russia has a tenth of the planet’s arable land with an enormous production capacity of raw material for animal feed, but needs know how, technology and capital expenditure in the farming and transformation sectors for the valorization of local production. At the same time, the food excellence of the **Italian production chain** (including D.O.P - Protected Designation of Origin - and I.G.P - Protected Geographical Identity) are increasingly requested and appreciated by the qualified Russian market.

The **distribution platform**, inaugurated today, permits the strengthening, concentration and rationalization of all the activities already developed by “MARR Russia” in Moscow during these years and that is:

- food service for hotels, restaurants and catering chains, with over **1,500 items** of the best products of the Italian, Russian and international food traditions, **1,300 customers** and a fleet of **50 refrigerated trucks**;
- the sale of food products to traditional retail outlets and super market chains
- the sale of meat to the principal transformation industries.



The **fresh** (meat, cheeses, cured meats), **frozen and deep-frozen** (meat, fish, vegetables) and **dry** (pasta, oil, tomatoes preserves, etc.) foods are stored in modern warehouses at differentiated temperatures from -40°C to +3°C, with an overall capacity of over 13,000 tonnes of product.

The new **hamburger production department** is equipped with the most advanced technologies available on the market. The production process, completely automated, has a capacity of **80,000 hamburgers per hour**, corresponding to **25,000 tonnes per annum**, easily increasable to 50,000 tonnes. The plant will mainly serve the McDonald's restaurants in the Russian Federation.

"The coming on stream of this new industrial complex - explains Luigi Cremonini, founder of INALCA and Chairman of the Cremonini Group - " is particularly satisfying for me because it rewards those, like me, who have always believed and invested in this country and have always understood and respected the high standards and rigid production rules."

"Considering the broad availability of cereals in some Russian areas, it will be increasingly advisable for this country to transform these cereals into animal protein, with the creation of an integrated cattle production chain, for the achievement of which efficient and specialised farms are necessary as well as a modern slaughtering and processing industry. The procurement of live cattle by the slaughterhouse will be ensured by long-term agreements with the Russian farmers, based on a transparent system of definition of the prices similar to that adopted in Italy, and directed at guaranteeing the maximum possible added value to the breeder and avoid speculative intermediations between the latter and the slaughterhouse. "

"At the same time" - Luigi Cremonini continues- "the Russian market will increasingly represent one that is capable of appreciating and valorizing Italian food excellence".

"Thus"- concludes Luigi Cremonini" we are today prominent figures in Russia on both fronts: on the one hand, laying the basis for completing the production chain of the cattle sector, through the new factory inaugurated today, and the start-up of a further investment for the construction of a slaughtering facility in the Orenburg region; on the other hand through the utilisation of the new Moscow distribution platform and that already existing in Saint Petersburg we shall be increasingly capable of distributing and valorizing the excellence of Italian food and products, which are constantly on the increase in the Russian food industry".

JBS S.A. is presently the world's largest producer and exporter of beef, with a slaughtering capacity of over 90,000 head per day. JBS' revenues in the last twelve months on June 30th 2009 were of 24.5 billion Euro (34.6 billion dollars) and 124,000 employees. The company's operations include 25 plants located in 9 Brazilian states and 6 plants located in 4 Argentine provinces, in addition to 16 plants in the USA, 10 in Australia and 8 in Italy. Additionally, JBS S.A. is the third largest pork producer in the USA, with a harvesting capacity of 48.5 thousand heads per day. JBS S.A. has confinement operations in the USA, Australia, Brazil and Italy, totalling 18 units across the world. Its brands "Friboi", "Swift", "Swift and Company", "La Herencia", "1855 Swift Premium", "Maturatta", "Cabaña Las Lilas", "Organic Beef Friboi", "Anglo", "Mouran", "Plate", "King Island", "Beef City", "AMH", "Inalca", "Montana" and "Ibise" are universally known as symbol of quality. www.jbs.com.br/ir.

Cremonini, with over 11,500 employees and 2009 revenues of 2.7 billion Euro, about 30% of which is earned abroad, is one of the largest food groups in Europe and operates in three business areas: production, distribution and catering.

The Group is the leader in Italy in the production of beef and meat-based transformed products (Inalca JBS and Montana) and the marketing and distribution of food products to the food service sector (MARR). It also has a significant presence in the concession catering sector on-board trains and in railway stations, airports and motorway service areas (Chef Express). Finally, It is present in commercial catering with its steakhouse chain (Roadhouse Grill). The international businesses in the production sector are mainly in Europe and various African countries (Angola, Congo Democratic Rep., Congo Brazzaville, Algeria and Nigeria) and in Russia. It is the absolute European leader in on-board railway catering, with subsidiary companies in France, Spain, the United Kingdom and Belgium.

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