



PRESS RELEASE

APPROVAL OF QUARTERLY RESULTS AS AT 31ST MARCH 2005: GROWTH IN REVENUES AND PRE-TAX PROFIT

- **Total consolidated revenues were 460.7 mln/€ (+7.8% compared to first quarter 2004).**
- **Consolidated pre-tax profit 5.9 mln/€ (+34.9%).**

Today, in Castelvetro di Modena, the Board of Directors of Cremonini approved the Quarterly Report as at 31st March 2005.

Main consolidated financial results for the first three months of 2005

In the first quarter of 2005, the Cremonini Group generated total consolidated revenues of 460.7 million Euros, an increase of 7.8% compared to the 427.3 million Euros in the first quarter of 2004.

In the same period the profit before tax and third-party share reached 5.9 million Euros, a rise of 34.9% compared to the 4.4 million Euros earned in the first quarter of 2004.

Consolidated EBITDA was 20.0 million Euros (compared to 22.6 mln/€ in 2004), while consolidated EBIT came to 6.8 million Euros (compared to 8.4 mln/€ in 2004).

The result generated by ordinary operations and before all extraordinary items was 5.8 million Euros, an increase of 13.1% compared to the 5.1 million Euros in the previous year.

Results from the three business areas

The *distribution sector*¹, specifically the foodservice activity, generated total revenues of 170.8 million Euros, an increase of 12.9% compared to the 151.3 million Euros of the first quarter of 2004. EBITDA reached 6.4 million Euros (5.7 mln/€ in 2004) while EBIT came to 3.6 million Euros (3.3 mln/€ in 2004).

The *production sector* showed total revenues of 236.0 million Euros, a growth of 3.7% compared to the 227.6 million Euros in the first quarter of 2004. EBITDA was 9.5 million Euros (11.6 mln/€ in 2004) and EBIT was 1.8 million Euros (3.8 mln/€ in 2004). Profitability in the quarter was affected by sudden increases in the cost of raw materials in Italy and Europe during the period, which are being recovered on the sales prices since March.

The *catering sector* increased its revenues by 8.5% reaching 67.1 million Euros (61.8 mln/€ in 2004). EBITDA was 5.0 million Euros (6.1 mln/€ in 2004), while EBIT came to 2.9 million Euros (3.5 mln/€ in 2004).

¹ It should be noted that the data regarding the distribution sector differs from the data shown in the Marr pro-forma consolidated financial report as at 31st March 2005. This is mainly due to consolidation entries related to the different historical composition of goodwill and time differences regarding the start of amortisation.



When evaluating margins in catering sector it is important to highlight that during the first quarter of 2004 there was a concentration of income due to contractual bonuses in the year related to the subsidiary Momentum Services Ltd which will be spread evenly in the various quarters in 2005. Moreover, sector margins during the quarter felt the effect of concession payments after the lengthening of concessions following contract renewals with Grandi Stazioni and Cento Stazioni. These renewals lengthened the average length of concessions in the 30 railway stations managed by the Group in Italy from 4.5 to 14.5 years.

Financial Position at 31st March 2005

The Net financial position was 481.5 million Euros, an improvement compared to the 498.6 million Euros on the 31st March 2004, while it rose compared to the 425.8 million Euros as at the 31st December 2004 due to effects deriving from the seasonality of the business and investments carried out during the quarter.

***The Cremonini Group** employs around 6,000 staff, and is one of the most important European food groups, active in three business areas: production, distribution and catering.*

In 2004 the Group generated total revenues of 1,993.1 million Euros, and is Italian market leader for the production of beef and meat-based products (**Montana**) and in the marketing and distribution of food products to the foodservice sector (**Marr**). The Company also has an important presence in the catering sector and, in particular, is Italian market leader for railway catering, both on-board trains and in railway stations (**Chef Express**).

Castelvetro di Modena, 13th May 2005