

PRESS RELEASE

INALCA (CREMONINI GROUP): consolidates its position as Italian market leader.

A business rental contract has been signed with Real Food S.p.A., the third private Italian operator in the beef sector (annual turnover about Euro 88 million).

Inalca, a Cremonini Group company, leader in Italy in the beef sector and in meat-based transformed products, has signed a business rental contract with Real Food S.p.A. of Roveleto di Cadeo (Piacenza), taking over the management of all its activities.

The contract, stipulated through Real Food 3 S.r.l., a 100% subsidiary company of Inalca S.p.A., provides for an annual rental of Euro 723,000 for 5 years and an acquisition option to be exercised by the maturity date.

Real Food S.p.A., which realised a turnover of about Euro 88 million in 2001, is the third largest Italian private operator in the slaughtering, production and marketing of beef, and operates prevalently in the modern distribution channels.

In his comments on the agreement Vincenzo Cremonini, Chief Executive Officer of Cremonini S.p.A., stated: "In Italy, the beef market is still very fragmented compared with the European average. We are witnessing a strong concentration process in which our business is increasingly being confirmed as the leader of reference and catalyst of market share. It is in this context that the agreement stipulated with Real Food S.p.A. fits in. This is an operation that will permit us to exploit significant industrial and commercial synergies and further consolidate our leadership in Italy".

The transaction is subject to the consent of the Antitrust Authority.

Cremonini, with over 4,300 employees, is one of Europe's largest food groups, with activities focused in three areas of business: production, distribution to the food service sector and restaurant services.

The Group, with total revenues of Euro 1,364.9 million in 2001, is Italy's absolute leader in the production of beef and meat-based transformed products and the sale/distribution of food products to the food service sector. Moreover, it has a significant presence in the restaurant services sector and, in particular, the leadership in Italy in restaurant services on-board trains and at railway stations.

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