



**THE CREMONINI GROUP: a positive 1998 balance sheet signed by the board.**

Total revenues of 2,019 billion lire (up 4.3%).  
Operating result: up 19% from 1997.

The Cremonini Group - a European leader in the food sector - closed the 1998 accounting period with positive results: consolidated total revenue of 2,019 billion lire (1.04 billion Euro), a rise of 4.2% over the 1,936 billion (about 1 billion Euro) of 1997.

The gross operating margin showed growth of about 13%, going from 164 billion lire (84.7 million Euro) in 1997 to 185 billion (58.4 million Euro) in 1998.

The operating result instead rose from 95 billion lire (49.1 million Euro) in 1997 to 113 billion (58.4 million Euro) in 1998, up 19%.

Consolidated net profits totaled 24 billion lire.

These, in brief, are the figures for the 1998 balance-sheet approved in Modena by Cremonini's board of directors, which will be submitted to shareholders at the assembly called for next May 29th at company headquarters.

In line with corporate plans, the board of directors does not foresee distributing dividends for 1998.

The positive outcome in terms of total consolidated 1998 revenue was pulled by the hotel/restaurant food supply sector, which registered total revenue of 849 billion lire (438 million Euro) in a big rise (+13.7%) from 1997.

At the present time the hotel/restaurant food supply sector accounts for 42% of Cremonini's total revenue, demonstrating the weight the businesses with a high service content have in the Group's mix.

Total revenues of beef, delicatessen meat and spice production amounted to 991 billion lire (down 4.5% from 1997) due to the drop in sales prices (caused by an estimated 10% drop in average raw materials prices) but this was offset by a bigger volume of sales. Profitability also improved. The incidence of the gross operating margin on total revenue grew from 7.6% in 1997 to 8.3% in 1998 thanks to a policy of focusing on processed products with high added value, and to increased output.

Total revenue in the catering sector amounted to 194 billion lire (100 million Euro), standing for growth of 6% over 1997, net of revenue from the Agape Card\*.

The Cremonini Group is the Italian leader in absolute in beef production and hotel and restaurant food supply; it is also important in the catering sector and is the Italian leader in train and railway station food service.

N.B. all the 1997 balance and assets data refers to the pro-forma consolidated balance sheet.

\* To make data comparable, 14 billion lire relating to the Agape Card division (sold at the end of 1997) were excluded.

Modena, April 16, 1999