



PRESS RELEASE

CREMONINI GROUP: A letter of intent has been signed for a strategic alliance with Guardamiglio Carni. The second largest Italian private beef producer.

The Cremonini Group and Guardamiglio Carni S.p.A., the second largest private beef producer in Italy, have signed a provisional letter of intent for the acquisition by Cremonini of 100% of Guardamiglio, and for a partnership programme with the Fiorani brothers, the present owners of Guardamiglio.

The two companies have agreed to conclude the transaction before the middle of June, when the sale price will be fixed. The transaction is, however, subject to confirmation by the Antitrust Authorities.

According to the agreement the acquisition price will be paid partly in cash, partly in installments over a period of time and in part by means of the issue of Cremonini shares to the brothers Antonio and Daniele Fiorani, the present owners of Guardamiglio Carni. The brothers will have a minority interest in Cremonini S.p.A. which will be held in moratorium for a number of years.

Moreover, in terms of a long-term partnership programme which will include a managerial role, the Fiorani brothers will continue in the beef business within the beef-producing division of the Cremonini Group.

The Piacenza-based business of Guardamiglio in slaughtering, portioning and selling beef, achieved consolidated revenues in 1998 of Lire 303 billion (about Euro 156 million) – a market share of 3% - is the second largest private Italian beef producer after the Cremonini Group (which has a market share of 14%).

Cremonini, which has over 3,000 employees and achieved consolidated revenues of Lire 2,019 billion (Euro 1.04 billion) in 1998, is one of the largest food groups in Europe, focusing on three integrated business areas: production, distribution and the restaurant business.

The Group, which is Italy's absolute leader in the production of beef and distribution to the catering business, also has an important presence in the restaurant business and, in particular, is Italy's leading provider of on-train restaurant services and in-station restaurants.

In 1998 the total revenues of the beef business in Italy was Lire 856 billion (approximately Euro 442 million).

Modena, 14 May 1999