



## **THE CREMONINI GROUP: positive pre-final data for the 1998 accounting period.**

Consolidated operating result: +18% over 1997  
Consolidated turnover grows to over 2 trillion lire.

The Cremonini Group - a European leader in the food sector - closed its 1998 accounting period with positive results, with a pre-final consolidated operating result of 112 billion lire (58 million Euro) showing an 18% increase over 1997, when it amounted to 95 billion (49 million Euro)\*. The pre-final gross operating margin was 183 billion lire (95 million Euro), rising 11.6% from 1997. Consolidated billing also showed positive results, amounting to 2 trillion, 5 billion lire (1.04 billion Euro) up from the 1.936 billion (about 1 billion Euro) of the previous year. These, in brief, are the pre-final balance sheet figures examined in Modena by the Cremonini board of directors.

In terms of turnover, performance was pulled in particular by the distribution sector (up 13% from 1997) and by catering (up 6% net of Agape Card revenue\*\*) which, thanks to high growth rates in these sectors and Cremonini's strategy of focusing on businesses with high service content, gave them greater weight in the Group's business mix.

Beef processing and sales and the industrial products division based on meat and delicatessen meats underwent a drop in the average prices for raw materials (estimated at about 10%) and thus in average sales prices. Nonetheless, the drop in turnover was kept at 4.5% thanks to increased sales volume, and profitability grew due to a policy of focusing on processed products with higher added value.

Within this line of business, the offer breakdown is more and more oriented towards processed industrial products such as hamburgers, which grew in value by 36% over 1997.

\* all the 1997 balance 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.

"1998 performance was perfectly in line with the targets we had set", declared Giuseppe Mangano, Cremonini's managing director. "Especially rewarding was the strategic decision to focus on core businesses and bet decisively on industrializing the beef-production process and on areas with high development potential like hotel/restaurant food supply and catering".

Mangano went on to say that "For 1999 we count on being able boost our growth rates even further thanks to the internationalization we are undertaking, and to further improve efficiency, with noteworthy benefits for profitability."

Cremonini is one of Europe's most important food groups, with three integrated core business areas: production, distribution and catering.

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.

Modena, March 1, 1999