



**Press release**

**CREMONINI AND SBERBANK SIGN IN MOSCOW A FIVE-YEAR  
STRATEGIC COOPERATION AGREEMENT**

**AGREEMENT FOR AN INITIAL 38 MILLION EUROS LOAN**

**Moscow, 30 July 2012** - The CEO of the Cremonini Group, Vincenzo Cremonini, and the Vice President of Sberbank and President of Sberbank - Bank of Moscow, Maxim Poletaev signed in Moscow a 5 year strategic cooperation agreement. The agreement is designed to support in the coming years the development in Russia of the activities of the Italian Group which is leader in Europe in the industry of beef-based products, food distribution and commercial and concession catering business with the brands Inalca, Marr and Chef Express.

For Sberbank this is the first strategic cooperation agreement with a foreign industrial partner in the food sector, to which it also provides an initial 1.5 billion roubles financing (38 million euros).

Sberbank is one of the credit giants in the world, with a market capitalization exceeding 60 billion euros. Sberbank, controlled by the Russian government which owns 64% of its capital, with over 20,000 branches, is the leading savings bank in the country and one of the key lenders to the economy with about 48% of retail deposits and approximately 31% of loans to individuals and businesses. Sberbank is taking its first steps in loans to foreign businesses operating in Russia and the Modena based group will rely on it in a market that is growing at double digits in the food industry.

The Cremonini Group has been present in Russia since 1985 where it has direct investments of over 110 million Euros. In 2011 the Group recorded a turnover in the Russian market of over 190 million euros (+33% compared to 2010) with EBITDA of approximately 16 million euros (+43% compared to 2010). This year it expects to exceed 250 million euros in sales and growing EBITDA.

Cremonini, through its subsidiary MARR Russia, has a plant for the production of hamburgers and a distribution platform in Moscow, in addition to distribution branches in St. Petersburg and Rostov. The Cremonini activities in Russia include the production of 26,000 tons of hamburgers (about 250,000 pieces per day) delivered to major restaurant chains, and the daily distribution of food products to over 2500 between restaurants, hotels, institutions and corporations. These products are derived mainly from small and medium Italian companies that represent the excellence of the "*food made in Italy*", which individually would not be able to achieve a widespread presence on the Russian market.

The double challenge faced by Cremonini in Russia is the opening of new food distribution platforms to obtain a comprehensive coverage of the various scattered regions of this great country, and the backward integration in the meat business, where today imported beef accounts for more than 50% of production.

In this context, the strategic objectives of Sberbank and Cremonini coincide and the bank has undertaken to assess the expansion projects of the Italian group in Russia as a priority. Russia, with annual expenditures of about \$ 2.6 billion, is one of the main world importers of meat. However one of the strategic objectives set by the Russian government is to boost domestic production of beef to deal with the constant increase in per capita consumption (currently amounting to 17 kg per year) and increase its level of self-sufficiency, aiming at 85% over the next ten years.



## GRUPPO CREMONINI

To achieve this objective, the Government is funding a \$ 1 billion plan to develop the livestock sector nationally and has established appropriate safeguard clauses to protect its domestic production also in the recent WTO accession agreement

In this context, the Cremonini Group is an ideal partner for Russia, given the high level of expertise, technology and know-how available across all the stages of beef farming, slaughtering and processing.

Currently, the Cremonini Group is building a slaughterhouse equipped with the latest technology in Orenburg in southern Russia, bordering Kazakhstan, with the aim of encouraging the development of local farming where beef can be efficiently marketed through the distribution channels (fast food chains, catering and retail) already thoroughly covered by the Group in the Russian Federation. Also this project is part of the agreement with Sberbank and will be completed by the end of 2013. In the following years, this slaughterhouse will be replicated in other regions of the Russian Federation favourable to livestock farming.

Vincenzo Cremonini said: "This strategic agreement with Sberbank is important because the bank is a crucial point of reference for the development of activities in Russia, one of the most promising markets in terms of growth for our business. I am pleased that an agreement has been made between a major international financial institution and an Italian group, which has been recognized for its courage to grow through direct investment and continuous technological innovation in a sector now seen as strategic in Russia. "

The strategic agreement with Sberbank was signed in the presence of Isidoro Lucciola, the CEO of Appeal Strategy & Finance which acted as financial advisor to the Cremonini Group.

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*Cremonini, with over 12,500 employees, and a consolidated turnover in 2011 of approximately 3.3 billion Euros, of which over 35% achieved abroad, is one of Europe's most important food groups and operates in three business areas: production, distribution and catering. The Group is Italy's leader in the production of beef and processed meat-based products (Inalca and Montana) and in the marketing and distribution of food products to the food service sector (MARR). It is the European leader in the management of catering activities on-board trains and holds the leadership in Italy in railway station buffets; it also has a significant presence in major Italian airports and motorway catering (Chef Express). Finally it is also active in commercial catering with the steakhouse chain under the Roadhouse Grill brand.*

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*Inalca Spa, parent of MARR Russia, is the Cremonini Group company leader in Europe in the production of beef and processed meat-based products, cured meats and snacks under the brand names Inalca, Montana and Ibis. In 2011 it recorded total revenues of over 1.4 billion euros. The company has ten factories in Italy specialized by product type (six for the production of beef and four in the cured meats, snacks and ready meals sector), and 16 overseas plants and distribution platforms, with significant presence in Russia and in various African countries. Over 50% of production turnover comes from foreign activities.*

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