



GRUPPO CREMONINI

Press Release

EXCLUSIVE AGREEMENT FOR THE DEVELOPMENT OF INALCA (Cremonini Group) IN RUSSIA AND OTHERS 11 EURASIAN COUNTRIES

- **Inalca and the Knightsbridge Group have signed a partnership for the development of food distribution and meat production activities in Russia and the neighbouring countries through the founding of a new company, “Inalca Eurasia Holdings”.**
- **The Knightsbridge Group will invest 60 million Euro to acquire 40% of the holding company that manages Inalca’s business in Russia.**

Castelvetro di Modena, March 25, 2014 - Inalca (Cremonini Group), and the Austrian investment company, the Knightsbridge Group, through Cascade International Holding, have signed a strategic partnership for the joint development of food distribution and meat production of activities in the Eurasian markets on an exclusive basis.

In execution of the agreement Inalca Eurasia Holdings was created, which will manage all activities currently developed by Inalca in Russia. The company, 60% owned by Inalca, will be 40% owned by Cascade International (Knightsbridge Group). The investment of the Knightsbridge Group is 60 million Euro, corresponding to an Equity Value of over 150 million Euro, with a multiple equal to 8 times the Ebitda.

The Cremonini Group has been present in Russia since 1985, currently operating a plant for the production of hamburgers in Moscow and 5 logistics platforms (2 in Moscow, St. Petersburg, Rostov and Novosibirsk) for the distribution of more 2,000 food products to over 2,500 customers including restaurants, hotels and the community. In addition, in two months, a slaughterhouse with a capacity of 50,000 head per year is scheduled to open in the Orenburg region. In 2013, the Group recorded a turnover in the Russian market of over 250 million Euro, with an Ebitda of 25 million Euro (+25% compared to 2012).

Given the specific know-how of the Cremonini Group in the food sector and the strong expertise of the Knightsbridge Group in the Eurasian area, the new company will develop significant synergies and will permit the acceleration of the expansion of Inalca’s business in the territory of the Russian Federation and 11 Eurasian countries: **Armenia, Azerbaijan, Belarus, Georgia, Ukraine, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan**. An area of 345 million people, with various countries that enjoy a high level of economic growth favoured by natural resources and a young population. The first market outside Russia where it is planned to open a logistics and food distribution platform will be Kazakhstan.

For the agreement, the parties have availed themselves of the support of the consulting firm Appeal Strategy & Finance, the company managed by Alessandro Profumo e Isidoro Lucciola.



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Cremonini, with over 9,000 employees and a turnover in 2013 of 3.5 billion Euro, of which more than 34% abroad, is one of the largest food groups in Europe and operates in three business areas: **production, distribution and catering**. The Group is leader in Italy in the production of beef and processed meat (**Inalca and Montana**) and in the marketing and distribution of food products to the foodservice sector (**MARR**). It is leader in Italy in the train station buffets, has a significant presence in the major Italian airports and motorway restaurants and is one of the largest operators in Europe in the management of onboard catering (**Chef Express**). Finally, it is present in commercial catering with the steakhouse chain branded **Roadhouse Grill**.

The **Knightsbridge Group** is one of the leading investment and consulting companies in Eastern Europe and the CIS countries, focusing on Russia and Kazakhstan. With a global business experience and expertise, Knightsbridge consists of over 25 companies operating in a wide range of industries: food and agriculture, energy, utilities, real estate, multimedia, cyber-security, high-tech and telecommunication. Knightsbridge has a consistent record of significant achievements extending to over more than a decade. The Knightsbridge Group has enabled multinational companies to enter new markets, increase their market share in certain segments and participate successfully in tenders to optimise their offers and bids.

During the last decade, the Knightsbridge Group's partners and clients have included large international companies and global corporations, including but not limited to **Agfa, Alcatel-Lucent, Areva, Huawei, BP, CNOOC, Telefonica, Thales**.

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