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RDIF and Italy's Inalca announce joint investments in Russian beef production industry

Press release, 06.06.2019

Saint-Petersburg, June 6, 2019 – A consortium of investors led by the Russian Direct Investment Fund (RDIF), Russia's sovereign wealth fund, and a leading European meat producer Inalca announce a joint investment totaling over RUB1bn into the company's Russian primary beef production operations.

In 2014, Inalca opened an integrated plant "Orenbeef" in the Orenburg region, producing chilled and frozen meat products. The agreement sets out that RDIF together with its co-investors will receive a stake in Orenbeef. The company plans to use the proceeds for further development and vertical integration of the business, including the construction of feedlots.

Kirill Dmitriev, CEO of the Russian Direct Investment Fund (RDIF), said:

"The investments announced today contribute to reaching the goals set out in Russia's national growth project "International Cooperation and Export". Inalca is a recognized leader in the European meat and meat products market. The joint investments will contribute to the development of new production facilities and jobs in Russia, introduce world best practices and advanced technologies into the Russian agriculture, as well as broaden consumer choice by providing high-quality meat products".

Vincenzo Cremonini, CEO of the Cremonini Group, said:

"INALCA is present in Russia with direct operations for 20 years and its successful business model is based on a thorough integration of a sustainable production chain from farming to processing and to distribution. This business model is also instrumental for maximizing the value of the work of thousands of farmers. We are very happy with RDIF's equity investment that will speed up this process, enhancing the country's beef self-sufficiency and contributing to Russia's transformation into a net beef exporter".

Russian Direct Investment Fund (RDIF) is Russia's sovereign wealth fund established in 2011 to make equity co-investments, primarily in Russia, alongside reputable international financial and strategic investors. RDIF acts as a catalyst for direct investment in the Russian economy. RDIF's management company is based in Moscow. Currently, RDIF has experience of the successful joint implementation of more than 70 projects with foreign partners totaling more than RUB 1.5tn and covering 95% of the regions of the Russian Federation. RDIF portfolio companies employ more than 800,000 people and generate revenues which equate to more than 6% of Russia's GDP. RDIF established joint strategic partnerships with leading international co-investors from more than 15 countries that total more than \$40bn. Further information can be found at www.rdif.ru

Inalca S.p.A. is the company of the Cremonini Group that is the European leader in production of beef, cured meats and snacks and in distribution of food products abroad, one of the few Italian companies to oversee the entire production chain. The company with state participation through Cdp Equity (Cassa Depositi & Prestiti Group) reported revenues of more than €2bn in 2018, of which 50% in exports. It vaunts an international presence with 19 manufacturing plants (15 of which in Italy, 2 in Russia, 1 in Algeria and 1 in Canada) and 27 logistics distribution platforms (7 in Russia, 1 in Kazakhstan, 4 in Angola, 3 in Algeria, 5 in Congo, 4 in the Democratic Republic of Congo, 2 in Mozambique and 1 in the Ivory Coast). Inalca sells more than 500,000 tons of meat, produces 100,000 tons of hamburgers and 200 mn cans annually with 7,200 product references (with the brands Montana, Manzotin, Ibis and Cortebuona) and has 6,800 employees. Inalca operates in Russia through the controlled company Inalca Eurasia, participated by an international investor with focus in the region.

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