



Press release

Castelvetro di Modena, September 14th, 2004

## THE BOARD OF DIRECTOR OF CREMONINI SPA APPROVES THE HALF YEAR REPORT AS OF JUNE 30<sup>TH</sup>, 2004

- **Total revenues continue on an upward trend: 941.6 million Euro (+14.4%)**
- **EBITDA and EBIT are also increasing: (+9.3%) and (+10.3%) respectively**
- **Excellent performance in the restaurant services sector: proceeds at +31.9%, EBIT at +56.0%**

The Board of Directors of Cremonini Spa met today to approve the half year report as of June 30th, 2004.

In the first six months of 2004, the **consolidated total revenues** of the Group amounted to 941.6 million Euro, a growth of **14.4%** with respect to the 823.3 million Euro of the first semester of 2003.

The **consolidated EBITDA** recorded an increase of 9.3%, reaching 56.5 million Euro, against the 51.7 million Euro of the first six months of 2003, whereas the **consolidated EBIT** reached the figure of 29.0 million Euro, growing by 10.3% with respect to the 26.3 million Euro of the same period of 2003.

The highly positive trend of the **characteristic management** was also confirmed during the first six months, the results of which reached the figure of 20.9 million Euro, an increase of 67.6% compared to the 12.5 million Euro of the first semester of the previous financial year.

Still on the consolidated level, the **pre-tax profit and minority interests** in the first half of 2004 was Euro 18.4 million, a sharp improvement if we consider that the corresponding result of the first half of 2003 – Euro 38.5 million – included the net capital gains of Euro 34.2 concerning the extraordinary operation of assigning a minority shareholding of subsidiary company Marr Spa. Net of these effects, the pre-tax profit and minority interests are indeed quadrupled, and this confirms ordinary management's positive trend during the first six months of the year.

The Group's **Net debt** as at 30 June 2004 is Euro 497.9 million, which improved over the first quarter 2004's Euro 498.6 million. The Net Debt, which during the first half of the year is historically higher due to the business's seasonality, above all in the distribution sector, grew Euro 46.8 million compared to that as at 31 December 2003. Moreover, payment of dividends totalling Euro 20.6 million and investments for the amount of Euro 34.7 million (Euro 12 million of which were extraordinary and tied to the purchase of Sogema Spa) were concentrated in the first six months of 2004.

**Operating cash flow**, net of the extraordinary items, grew by 26.0% almost during the first semester of 2004, reaching the figure of 45.1 million Euro against the 35.8 million Euro of 2003.



## Results of the three sectors of activity

During the first six months of 2004, the Cremonini Group confirmed the positive trend of proceeds in all three of the sectors in which it operates.

The **production sector** recorded total revenues rising to 478.9 million Euro, (an increase of 17.4% with respect to the 407.8 million Euro of the first six-month period of 2003). The EBITDA reached the amount of 23.7 million Euro, against the 24.8 million Euro of the same period of 2003, whereas the EBIT amounted to 8.3 million Euro against the 10.4 million Euro of the corresponding period of the previous financial year.

Growth also continues in the **distribution sector**, where revenues amounted to 367.2 million Euro (+8.0% with respect to the 340.1 million Euro of the same period of 2003). The EBITDA reached the figure of 20.3 million Euro compared to the 18.1 million Euro of the first six months of 2003, while the EBIT reached the amount of 15.3 million Euro compared to the 13.4 million Euro of the same period of 2003.

An excellent performance was recorded by the **restaurant services sector**, which achieved an increase in revenues equal to 31.9% up to 129.9 million Euro, compared to the 98.4 million Euro of the same period of the previous year. All the main indicators of profitability also show marked signs of growth: the EBITDA reached the figure of 13.5 million Euro compared to the 9.3 million Euro of the first semester of 2003, whereas the EBIT grew to 8.2 million Euro compared to the 5.3 million of the corresponding period of 2003.

Parent company **Cremonini S.p.A.** realized total revenues during the six-month period totalling Euro 63.2 million (+2.6% as to the Euro 61.6 million of the same period of 2003) and a negative pre-tax result of Euro 1.7 million (compared to a profit of Euro 27.0 million in 2003). It should be stated that the result of the first half of 2003 included non-recurring income regarding the previously mentioned operation of selling 33.33% of Marr spa , which also affected Cremonini Spa's statutory result.

### Extraordinary Shareholders' Meeting

The Extraordinary Shareholders' Meeting of Cremonini Spa was also held today to decide on the modification of the corporate by-laws regarding its adaptation to the provisions set forth in Italian Law Decree no. 6/2003.

Cremonini, with approximately 5,500 employees, is one of the most important Food Groups in Europe, working in three areas of business: foodservice distribution, production and catering.

The Group, with total revenues amounting to 1,786.2 million Euro in 2003, is the undisputed leader in Italy in the production of beef and transformed meat-based products (Montana) and in the marketing and foodservice distribution of foodstuff products (Marr). Moreover, it holds an important position in the restaurant services sector and, in particular, the leadership in Italy in the catering service on trains and in train stations (Chef Express).

Cremonini SpA has been quoted on the Italian Stock Exchange since 1998 and, as of 2001, is part of the STAR segment.

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