

Gruppo Ferruzzi

**FERRUZZI  
AND  
THE GLOBAL MARKET**

The Ferruzzi's profile in brief	The Ferruzzi' structure		The holding's portfolio	The sectors and breakdown of the global turnover of Ferruzzi (million US\$)
	The holding Company	Main Companies		
<p>Ferruzzi, whose activities are headed by the Ferruzzi Finanziaria holding Company, is one of the most important industrial groups on a world level, with aggregated sales accounting for over US\$ 30 billion and more than 85 thousand employees. It is present in agriculture and commodities trading, construction and engineering, insurance and financial services, transport and publishing. But, above all, it is active in industry with sales accounting for over 60% of the entire aggregated sales of the Group.</p> <p>The key features of Ferruzzi are:</p> <ul style="list-style-type: none"> <li>• a remarkable opening on international markets and suitable dimensions for competing on the global market, with over 500 production plants throughout the world and nearly half of the sales generated abroad;</li> <li>• a strong industrial system, based on agro-industry and chemicals, characterized by leadership or co-leadership at European or international levels in all business sectors;</li> <li>• a strong equity structure; in fact, although over 60% of aggregated Group sales are generated by industry, only approx. 25% of the holding's portfolio is related to industrial activities. The remainder is concentrated in insurance and financial activities and in other services sectors;</li> <li>• a series of activities not only capable of generating income but also likely to bring about a considerable increase in value;</li> <li>• a co-ordinated structure in R&amp;D (over US\$ 380 million invested during 1989) and Group services from which all the various business areas benefit;</li> <li>• a remarkable knowledge of international commodity and currency markets serving as an invaluable heritage for the Group.</li> </ul>	Ferruzzi Finanziaria	Eridania Béghin-Say (agro-industry)	Industrial activities 24.0%	Industrial activities 19,591 (63.6%)
		Ferruzzi Agricola Finanziaria (industrial sub-holding Company)	Insurance 52.1%	
		Montedison (chemistry)	Insurance 1,721 (5.6%)	
		La Fondiaria (insurance)	Other activities (agriculture, trading, engineering and construction, publishing) 23.9%	Other activities (agriculture, trading, engineering and construction, publishing) 9,496 (30.8%)
Calcestruzzi and Tecnimont (construction and engineering)				

# The Ferruzzi's Industrial System:

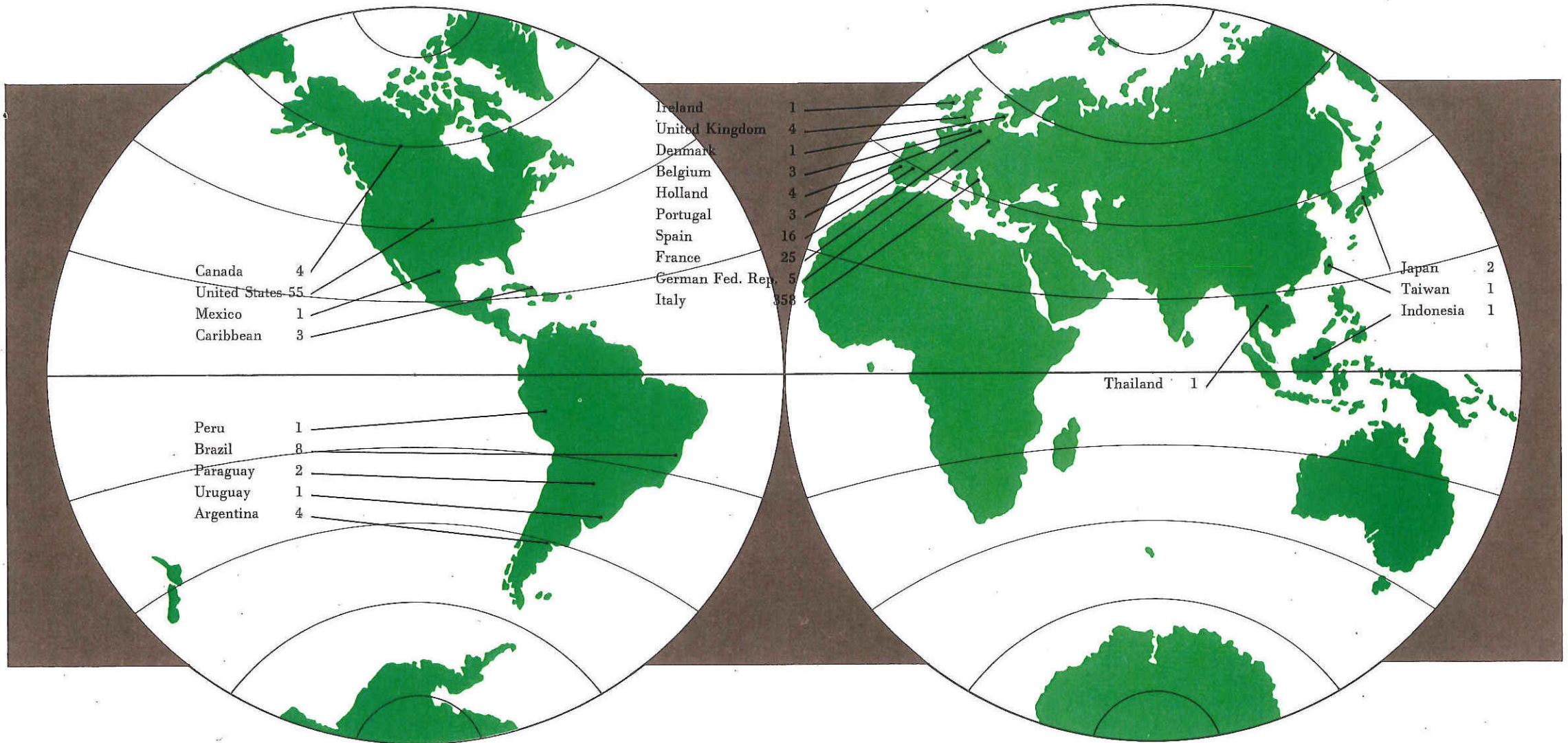
Strategic areas:	The leading Companies	The industries	Main Companies involved	Main products and technologies	Competitive position
Food	Eridania, Béghin-Say	Agro-industry and "green chemistry"	Eridania Béghin-Say	Sugar	Leader in Europe
Environment			Industrie Risi Ravenna	Rice	Leader in Europe
Health			Italiana Olii & Risi Central Soya Lesieur Koipe Carapelli	Oils, proteins and animal feeds	Leader in Europe
Energy			Cerestar	Starch and derivatives	Leader in Europe
Chemicals and advanced materials	Montedison	Pharmaceuticals	Erbamont	Anti-cancer and cardiovascular drugs, pharmaceutical products for the central nervous system	World leader in anti-cancer drugs
		Energy	Selm	Hydroelectric energy, oil and gas	Significant position in Italy
		Polymers, engineering resins and advanced materials	Himont Ausimont	Polypropylene, advanced materials, etc.	World leader in polypropylene, in fluorine chemicals and in advanced plastic materials
	Base chemicals	Enimont Sir	Plastics, rubbers, synthetic fibres, fertilizers, plant care products and thermo-setting resins	European leader in 7 businesses and co-leader in 3 businesses	

# The Complementary Activities to the Ferruzzi's Industrial System

Complementary areas:	Relevance of the areas	Main Companies involved	Main products and technologies	Competitive position
Research	Research represents an important source of technological innovation for development of new processes and products. It involves horizontally the business areas with positive effects on growth, synergies and economies of scale.	Ferruzzi Ricerca e Tecnologia, research labs of the operating Companies, etc.	Agriculture, agro-industry, chemicals, pharmaceuticals, energy, advanced materials	Ferruzzi is in the vanguard of research in its sectors of activity
Agriculture	Agriculture represents the origins of the Group. Today the Group has a vast number of model farms spread over Europe, North and South America, which play an important rôle as "open air" research labs.	Torvis, Le Gallare, Open Grounds Farm, Agropecuaria Mogno, Azucarlito, etc.	Grains, soya-beans, sugar beet, cocoa, coffee, livestock	Leader in Italy
Trading and agricultural services	Ferruzzi has a long-standing experience in this field. It trades approx. 27 million tons of raw agricultural materials annually and has a considerable storage capacity. It is also involved in the trading of petroleum products.	Fermar, Ferruzzi Italia, Ferruzzi France, etc.	Grains, oilseeds, petroleum	Leader in Europe and co-leader at world level in the trading of raw materials
Construction and engineering	Ferruzzi produces materials for the construction industry and is involved in construction and plant engineering. This sector also provides support for the Group's chemical and agro-industrial projects.	Calcestruzzi, Tecnimont	Concrete, inert materials, chemical plants, agro-industrial projects, building	Leading European producer of building materials (concrete, sand, gravel, etc.)
Insurance	This area is complementary to the activities of the Group's pharmaceutical industry and related to the Group's global presence in health care and social security.	La Fondiaria	Insurance products	Third-largest insurance Group in Italy
Other activities	Financial services, computer science, publishing etc.	Gemina, Dalamont, Il Messaggero, Italia Oggi, Ipsoa, Buffetti, etc.	Financial activities, information technologies, newspapers, etc.	Significant position in Italy in the publishing sector

# Plants of Ferruzzi across the World

Note: the map does not include either Enimont plants or the Ferruzzi's research centres, trading, storage and service companies, subsidiaries and representative offices.



# Innovation Growth Internationalization

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the next few years, five major areas of economic and social development will be more and more concerned with the general process of recovery of the quality of life, a process at present underway in all the industrialized countries, and with the by now dramatic deadlines threatening the third world countries. These areas are:

- **Environment:** although economic growth over the last few years has determined a marked increase in well-being, it has also created many serious environmental problems. The most industrialized countries must, therefore, make suitable investments to improve the balance between the requirements of economic growth and the objective of safeguarding the ecosystem. As far as developing countries are concerned it's strictly necessary to avoid any mistake already made by advanced countries and to undertake a wise management of their natural resources;
- **Food:** two objectives are essential here: the achievement of self-sufficient food production in developing countries; the consolidation of food as a science, or rather the achievement of a healthier and more balanced diet, better suited to the life-style of modern man, in the more advanced countries;
- **Health and social security:** the diseases and attacks on man's health are, today, different from those at the beginning of the twentieth century. The rhythms of modern life, pollution and the increase of social and family problems are among the causes of cancer, cardiovascular and nervous system diseases - the most common and dangerous enemies of health today. Therefore, research must make an effort to discover new cures and drugs against these pathologies. Furthermore, the average life-span of the population in advanced countries has increased; there are more and more old people. The needs of the elderly are greater and different, not only in terms of social security but also of social services. Finally, prevention and the consolidation of base medicine are essential factors for the growth of third world countries;
- **Energy:** guarantee of supplies and respect for the environment are the two key factors that will affect energy over the next few years; energy is a production factor that cannot be foregone: its quality, however, can and must improve;
- **Chemistry and advanced materials:** the next few years will mark the turn of an economic development process which during the twentieth century has seen traditional commodities as the raw materials par excellence. Currently goods, machines and accessories of widespread use are becoming lighter, smaller, more easily recyclable and more sophisticated in terms of performance. In short, the age of plastics and advanced materials has already begun. Ferruzzi is ready to accept these five challenges. For this reason it has become a leader in the key sectors of agro-industry and pharmaceuticals, base chemicals and advanced materials, energy and insurance. It is definitely orientated towards the future, so that economic development can work in balanced and harmonious conjunction with the growth of mankind and the quality of human life.