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EMPIRE STATE DEVELOPMENT ANNOUNCES NUOVA CASTELLI GROUP TO PURCHASE CHEESE COMPANY IN CHAUTAUQUA COUNTY

Acquisition of Empire Specialty Cheese will save 80 jobs in Ashville and support more than 90 regional dairy farmers

Empire State Development (ESD today announced that Nuova Castelli Group, an Italian cheese processor, will invest several million dollars to purchase Empire Specialty Cheese manufacturing plant in Chautauqua County and acquire new machinery and equipment for the facility. The acquisition will retain the 80 full-time positions that were at-risk in Ashville, as well as safeguard the relationships with more than 90 local milk suppliers. The balance of milk used at this facility comes from local farmers, including the Amish which rely on the Ashville plant as its main delivery site. With the additional investment and upgrades to make the Ashville plant a state-of-the-art dairy manufacturing facility, it will be able to achieve market efficiency levels and potentially become the manufacturer's industrial consolidation platform for Castelli's new U.S. subsidiary, which is intended to be a sizable U.S. specialty cheese manufacturer.

Empire State Development President, CEO & Commissioner Howard Zemsky said, "We want to make sure the dairy industry continues to thrive in Western New York. For more than a century Castelli has worked to consistently produce high quality cheese products in Italy and its purchase of the Ashville facility, as well as its commitment to retaining all of the plant's jobs, is a huge win."

Castelli America, LLC President Paul Bensabat said, "We are delighted to have chosen Chautauqua County as our new home," and added that Castelli intends to make several acquisitions in the U.S. in the near future and become a leading specialty cheese manufacturer in this country. "Everyone here has gone out of their way to make

us feel so welcome, that we are very excited at the prospect of being an active and key member of this wonderful community.”

Empire Specialty Cheese, a manufacturer of fresh mozzarella and ricotta cheese, was in a difficult financial situation due to the various constraints which this new plant created for them and the need for many required improvements. These improvements will be made under the new ownership. The R&D at the plant will also be enhanced at the plant to formulate several new premium Italian cheese products to expand the existing line of business

Empire State Development, the state’s economic development agency, will provide a \$500,000 capital grant and \$5.5 million loan in return for Castelli’s job and investment commitments.

New York State Agriculture Commissioner Richard A. Ball said, "Our dairy sector is the cornerstone of the New York agricultural industry and its critical that we ensure our producers and suppliers have a home for their milk, especially during this challenging time in the marketplace. Castelli's investment in this facility will not only benefit our dairy farmers, but also the local economy through the retention of dozens of jobs in Chautauqua County. I am pleased to see that Castelli, a company with a proven track record, will now join our other world-class dairy products manufacturers in New York State."

Nuova Castelli Group, founded in 1892, is based in Reggio Emilia, Italy. It is the leading Italian “Protected Denomination of Origin” cheese manufacturer and runs 14 plants and 11 distribution centers throughout Europe.

Senator Catharine Young said, "Today is an exciting day for Chautauqua County and our state’s dairy industry. New York’s cheese producers are renowned for their quality products and they are a central part of our state’s thriving agricultural economy. Nuova Castelli’s entrance into the American cheese market and their purchase of the plant in Ashville will reinvigorate our local economy, maintaining and adding hundreds of valuable manufacturing jobs, giving an expanded market for our dairy farmers and promoting Chautauqua County-produced cheese products around the world. I sincerely thank Nuova Castelli for their investment and faith in our community. I also thank all the local and state officials who worked together to preserve and expand this important local employer."

Assemblyman Andrew Goodell said, “In addition to employing about 90 people at its plant in Ashville, Empire Specialty Cheese provides a critical market for hundreds of

local dairy farmers. Thanks to quick action by New York Empire State Development and others, Nuova Castelli, a well-established successful international cheese manufacturer, was able to acquire the Ashville facility. This change in ownership will enable local operations to expand, increasing local employment activity and stabilizing the local market for milk. I appreciate all the hard work and expedited processing by Empire State Development and local economic development officials in making this change a reality."

Chatauqua County Executive Vince Horrigan said, "We are thrilled that Castelli America has chosen our Ashville Plant in Chautauqua County to become a premier specialty cheese manufacturer in the United States. The incredible management team of this high quality international company combined with the wonderful support from NY Empire State Development will deliver a major boost to our economy, jobs, and our dairy industry."

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