Press release

The Board of Directors approves the consolidated financial statements as at 31 December 2012.

Revenues increased to 1,260.0 million Euros (1,249.2 in 2011) and confirmation of profitability levels reached.

Net consolidated profit of 48.9 million Euros and proposal for gross dividend of 0.58 Euros

Rimini, 14 March 2013 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the commercialisation and distribution of food products to the foodservice sector, today approved the consolidated financial statements and the draft of the MARR S.p.A. financial statements for the 2012 business year, that will be submitted to the Shareholders' Meeting on 19 April.

Main consolidated results for the 2012 business year

The 2012 business year closed with total consolidated revenues of 1,260.0 million Euros, an increase of approximately 11 million (+0.9%) compared to 1,249.2 million Euros in 2011.

The EBITDA reached 90.1 million Euros (91.8 in 2011) and the EBIT 76.9 million (79.3 in 2011), confirming the levels of operating profitability achieved, albeit in a complicated context and thanks to a flexible business model.

The net consolidated profit amounted to 48.9 million Euros compared to 49.6 in 2011, and benefitted from 1.5 million Euros from non-recurrent income due to IRES reimbursements for the period from 2007 to 2011, due to the deductibility of IRAP concerning the labour cost.

At the end of 2012, the net financial indebtedness reached 165.2 million Euros, compared to 156.0 million in the previous business year, with a ratio of net financial position to EBITDA of 1.83 (1.70 at the end of 2011 and 1.88 at the end of 2010).
The cash flow generation level was confirmed, with a free cash flow before dividends of 33.5 million Euros, compared to 33.8 million in 2011.

The net consolidated equity at the end of the business year amounted to 230.1 million Euros (223.9 million Euros in 2011).

Results of the Parent Company MARR S.p.A. and dividend proposal

The Parent Company MARR S.p.A. achieved total revenues of 1,160.3 million Euros, compared to 1,150.7 million Euros in 2011, and net profit of 48.8 million Euros, an increase compared to 47.6 million Euros in 2011.

The Board of Directors proposed to the Shareholders' Meeting to be held on 19 April the distribution of a gross dividend of 0.58 Euros with "ex coupon" (no. 9) on 27 May and payment on 30 May. The non distributed profits will be allocated to the Reserves.
The coupon of 0.58 Euros shows an increase of 7.4 % compared to 0.54 Euros for coupon no. 7 detached on 28 May last year; coupon no. 8, for 0.10 Euros, was paid out on 5 July 2012, to mark the 40th anniversary of MARR's business activities.

Results by sector of activity for the 2012 business year

2012 was a difficult year, in which the value of expenditure for “Hotels and meals and out of home consumption” decreased by 3.2% (Confcommercio Studies Office, March 2013), and sales of the MARR Group to clients in the Street Market and National Account categories recorded an increase of 2.1%, thus enabling the Group to further consolidate its own market share, confirming the validity of its sales proposition in a context requiring it to be close to its clients.

In particular, sales to clients in the Street Market and National Accounts sectors reached 1,005.7 million Euros, an increase of over 20 million Euros compared to 985.2 million in 2011.
Sales to the “Street Market” category (restaurants and hotels not belonging to Chains or Groups) amounted to 774.8 million Euros (764.8 million in 2011), while those in the “National Account” category (operators in Chains and Groups and Canteens) reached 230.9 million Euros (220.4 million in 2011).

Sales to clients in the “Wholesale” category (sales to wholesalers) reached 233.7 million Euros, compared to 245.4 million in 2011.

Events following the end of the business year

On 23 February 2013, the contract for the lease of the Scapa Italia S.p.A. (“Scapa”) going concern took effect, through which MARR took over the management of the distribution centres in Marzano (Pavia) and Pomezia (Rome), two large, modern and optimally located structures. The centre in Marzano (opened in 2009) has a total surface area of 22,000 m^2, of which 11,700 are at controlled temperature, while the warehouse in Pomezia has a surface area of 11,000 m^2, of which 4,800 are at controlled temperature.
MARR will concentrate the logistical and distribution activities of this National Account clientele (operators in Canteens and Chains and Groups) at these two structures, further rationalising the activities dedicated to the Street Market segment carried out at its other distribution centres.
The Scapa operation will also enable MARR to access a significant portfolio of clients in the Canteens segment (in which Scapa was positioned as a primary operator with major international clients) and that of Chains and Groups, thus strengthening its leadership.
The management of the Scapa business activities is expected to bring in approximately 80 million Euros in sales revenues in 2013. These revenues will be in the order of approximately 100 million Euros in 2014, with a positive contribution in terms of EBITDA, should the expected logistical synergies be achieved.
The lease of the going concern, with a duration of 12 months, provides for the taking over of active and passive contracts identified as instrumental to carrying out business activities, including the leasing of the two warehouses, in addition to the acquisition of the inventories. The contract also provides for the purchase of the company by MARR S.p.A., subject to the deposit of the homologation of the “concordato” (composition with creditors) with the Milan Law Courts.
The purchase price, inclusive of equipment with an accounting value of approximately 1.7 million Euros, has been established at 3.5 million Euros, from which the leasing fees of 300,000 Euros annually will be deducted.

Outlook

The results of the Group in the first two months of 2013, although not significant in terms of their contribution in the entire business year, are positive, and in particular sales to clients in Street Market and National Account categories recorded better rates of increase compared to those in 2012.

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In 2013, the eating out of home market will again be characterised by a weakness in terms of demand and an ever increasing demand for services by the clients. This difficult context is in any event rewarding for the best equipped operators, and therefore MARR as market leader, which are able to guarantee continuity in terms of products and services.
In 2013, the Group will also be involved in the process of integration of the business activities of Scapa and the development of the relevant synergies, as part of a strategic plan to strengthen its leadership position.
Company management has therefore confirmed its orientations towards strengthening its market presence, keeping the management of the trade net networking capital under control and guiding its own business model in order to combine its service offer and maintain the profitability levels achieved.

MARR (Cremonini Group), listed on the STAR segment of the Italian Stock Exchange, is the leading Italian company in the specialised distribution of food products to the foodservice and is controlled by Cremonini S.p.A..

With an organisation comprising more than 650 sales agents, MARR serves over 38,000 clients (mainly restaurants, hotels, pizza restaurants, holiday villages and canteens), with an offer that includes 10,000 food products, including seafood, meat, various food products and fruit and vegetables.
The company operates nationwide through a logistical-distribution network composed of 33 distribution centres, 5 cash & carry, 4 agents with warehouses and more than 700 vehicles.

In 2012, MARR achieved total consolidated revenues amounting to 1,260.0 million Euros, consolidated EBITDA of 90.1 million Euros and a Group net profit – after the minorities - of 48.3 million Euros.

For more information about MARR visit the company's web site at www.marr.it

The manager responsible for preparing the company's financial reports, Antonio Tiso, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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