# Interim Report

# as at 31 March 2011

12 May 2011

MARR S.p.A.
Via Spagna, 20 – 47921 Rimini – Italy
Capital stock € 33,262,560 fully paid up
Tax code and Trade Register of Rimini 01836980365
R.E.A. Ufficio di Rimini n. 276618
Subject to the management and coordination of Cremonini S.p.A. – Castelvetro (MO)

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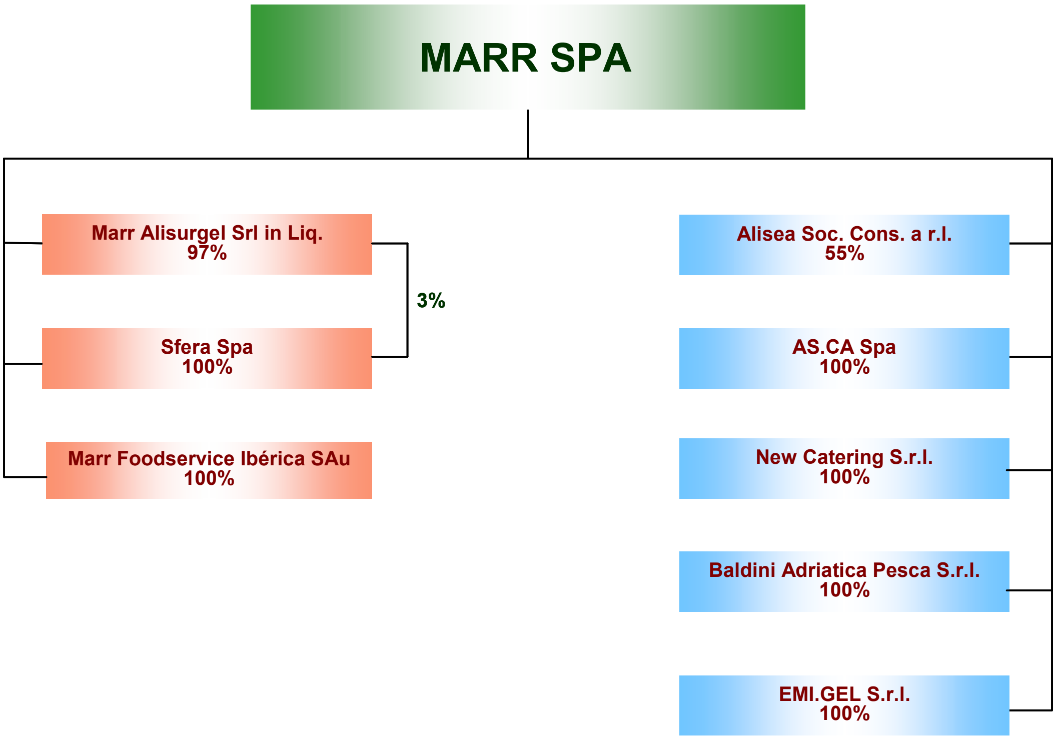
# MARR GROUP ORGANISATION

at 31 March 2011




The structure of the Group as at 31 March 2011 does not differ from that at 31 December 2010, nor from that at 31 March 2010.

The MARR Group's activities are entirely dedicated to the foodservice distribution and are listed in the following table:

| | |
|---|---|
| MARR S.p.A.<br>Via Spagna n. 20<br>Rimini (activities carried out through over 20 distribution centres) | Marketing and distribution of fresh, dried and frozen food products for Foodservice operators. |
| AS.CA. S.p.A.<br>Via del Carpino n. 4<br>Santarcangelo di Romagna (RN) | Marketing and distribution of fresh, dried and frozen food products for Foodservice operators. |
| ALISEA soc. cons. a r.l. – Via Imprunetana n. 231/b, Tavarnuzze (FI) | Hospital catering. |
| NEW CATERING S.r.l.<br>Via del Carpino n. 4 – Santarcangelo di Romagna (RN) | Distribution of foodstuff products to bars and fast food outlets. |
| BALDINI ADRIATICA PESCA S.r.l.<br>Via del Carpino n. 4 – Santarcangelo di Romagna (RN) | Commercialisation and distribution of fresh and frozen seafood products. |
| EMI.GEL. S.R.L.<br>Via del Carpino n. 4 – Santarcangelo di Romagna (RN) | Distribution of foodstuff products to bars and fast food outlets. |

| | |
|---|---|
| SFERA S.p.A. - Via del Carpino n. 4<br>Santarcangelo di Romagna (RN) | Non-operating company leasing going concern to other companies of the MARR Group. |
| MARR FOODSERVICE IBERICA S.A.U.<br>Calle Goya n. 99 - Madrid (Spagna) | Non-operating company. |
| MARR ALISURGEL S.r.l. in liquidation<br>Via del Carpino n. 4 – Santarcangelo di Romagna (RN) | Non-operating company now being liquidated. |

All the subsidiaries are consolidated on a line – by – line basis.

# CORPORATE BODIES OF MARR S.p.A.

## Board of Directors

| | |
|---|---|
| Chairman | Vincenzo Cremonini |
| Chief Executive Officer | Ugo Ravanelli |
| Directors | Illias Aratri |
| | Giosuè Boldrini |
| Independent Directors | Alfredo Aureli(1)(2) |
| | Paolo Ferrari(1)(2) |
| | Giuseppe Lusignani(1)(2) |

(1) Members of the Remuneration committee pursuant to the self-regulatory code

(2) Members of the Internal Auditing committee pursuant to the self-regulatory code

## Board of Statutory Auditors

| | |
|---|---|
| Chairman | Ezio Maria Simonelli |
| Auditors | Mario Lugli |
| | Marinella Monterumisi |
| Alternate Auditors | Davide Muratori |
| | Simona Muratori |

| | |
|---|---|
| Independent Auditors | Reconta Ernst & Young S.p.A. |
| Manager responsible for the drafting of corporate accounting documents | Pierpaolo Rossi |

# DIRECTORS' REPORT

## Group performance and analysis of the results for the first quarter of 2011

The interim report as at 31 March 2011, not audited, has been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

In an economic environment which is still uncertain and showing weak and discontinuous signs of recovery, the value of expenditure for Italian families for "Hotels, meals and out of home consumption" highlighted an increase of 2.9% in the first three months of 2011, sustained due to an increase in prices in the order of 2.1% (Confcommercio Studies Office, May 2011).

During the period Marr Group has registered total consolidated revenues for 249.4 million Euros, increasing by 3.9% and revenues from sales also increasing by 4.2% (+9.9 million Euros), reaching 247.6 million Euros.

The MARR Group has therefore further increased its leadership on the Italian market of the commercialisation and distribution of fresh, dried and frozen food products for operators in the non domestic catering and therefore in the Foodservice sector.

As regards the sector of activity represented by "Distribution of food products to non-domestic catering", the sales – amounting to 247.6 million Euros - can be analysed in terms of client categories as follows.

During the period, sales to clients of the *Street Market* and *National Account* categories amounted to 191.1 million Euros, an increase of 3.6% compared to 184.4 million Euros in the first quarter of 2010.

Among those categories, sales in the Street Market (restaurants and hotels not belonging to groups or chains) reached 134.3 million Euros, an in crease of 3.4% compared to the same period in 2010, which was achieved despite the first quarter of this year non benefitting from the positive contribution of orders for the Easter festivities, which last year occurred in early April. Sales to the National Account (chains and groups and canteens) amounted to 56.8 million Euros compared to 54.5 million euros in 2010, increasing despite the fact that the celebrations for the 150$^{th}$ anniversary of the unification of Italy held on 17 March 2011 negatively affected consumption by canteens clients.

Sales to clients in the Wholesale category reached 56.5 million Euros, an increase compared to 53.3 million in the first quarter of 2010.

Below are the figures, re-classified according to current financial analysis procedures, with the income statement, balance sheet and financial position for the first quarter of 2011 compared to the corresponding periods of the previous year.

## Analysis of the re-classified income statement [1]

| MARR Consolidated (€thousand) | 1st quarter 2011 | % | 1st quarter 2010 | % | % Change |
|---|---|---|---|---|---|
| Revenues from sales and services | 244,735 | 98.1% | 235,479 | 98.1% | 3.9 |
| Other earnings and proceeds | 4,701 | 1.9% | 4,592 | 1.9% | 2.4 |
| Total revenues | 249,436 | 100.0% | 240,071 | 100.0% | 3.9 |
| Cost of raw and secondary materials, consumables and goods sold | (217,019) | -87.0% | (196,923) | -82.0% | 10.2 |
| Change in inventories | 21,641 | 8.7% | 8,875 | 3.7% | 143.8 |
| Services | (31,513) | -12.7% | (30,717) | -12.8% | 2.6 |
| Leases and rentals | (1,816) | -0.7% | (1,802) | -0.8% | 0.8 |
| Other operating costs | (518) | -0.2% | (479) | -0.2% | 8.1 |
| Value added | 20,211 | 8.1% | 19,025 | 7.9% | 6.2 |
| Personnel costs | (8,948) | -3.6% | (8,942) | -3.7% | 0.1 |
| Gross Operating result | 11,263 | 4.5% | 10,083 | 4.2% | 11.7 |
| Amortization and depreciation | (1,096) | -0.4% | (1,134) | -0.5% | (3.4) |
| Provisions and write-downs | (1,481) | -0.6% | (1,331) | -0.5% | 11.3 |
| Operating result | 8,686 | 3.5% | 7,618 | 3.2% | 14.0 |
| Financial income | 451 | 0.2% | 391 | 0.2% | 15.3 |
| Financial charges | (1,437) | -0.6% | (1,404) | -0.6% | 2.4 |
| Foreign exchange gains and losses | (137) | -0.1% | 96 | 0.0% | (242.7) |
| Value adjustments to financial assets | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Result from recurrent activities | 7,563 | 3.0% | 6,701 | 2.8% | 12.9 |
| Non-recurring income | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Non-recurring charges | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Profit before taxes | 7,563 | 3.0% | 6,701 | 2.8% | 12.9 |
| Income taxes | (2,953) | -1.2% | (2,743) | -1.2% | 7.7 |
| Total net profit | 4,610 | 1.8% | 3,958 | 1.6% | 16.5 |
| (Profit)/loss attributable to minority interests | (167) | -0.1% | (147) | -0.1% | 13.6 |
| Net profit attributable to the MARR Group | 4,443 | 1.7% | 3,811 | 1.5% | 16.6 |

The consolidated results as at 31 March 2011 are the followings: total revenues for an amount of 249.4 million Euros (+3.9%), Ebitda[2] amounting to 11.3 million Euros (+11.7%) and Ebit of 8.7 million Euros (+14.0%).

As concerns the operating cost (Cost for services, Costs for leases and rentals, Other operating charges) it should be pointed out that their percentage on total revenues are substantially in line with the same period of the previous year.

Personnel cost, despite the effect of the increases in remuneration concerning the renewal of the labour contract defined during the quarter, is in line with the same period of the previous year, due to a confirmed careful management of the human resources with particular attention to minimize overtime and to increase holiday.

The result of recurrent activities amounts to 7.6 million Euros and highlights a substantial stabilisation of the financial components, despite the fact that interest rates have been rising continuously since the end of the previous business year.

[1] It is specified that the reclassified income statement does not show the item "Other Profits/Losses net of the effect of taxation" reported in the "Comprehensive income statement", as required by IAS 1 revised applicable from 01 January 2009 onwards.

[2] The EBITDA (Gross Operating Margin) is an economic indicator not defined by the IFRS adopted by MARR for the financial statements from 31 December 2005. The EBITDA is a measure used by the company's management to monitor and assess its operational performance. The management believes that the EBITDA is an important parameter for measuring the Group's performance as it is not affected by the volatility due to the effects of various types of criteria for determining taxable items, the amount and characteristics of the capital used and the relevant amortization policies. Today (following the subsequent detailing of the development of the accounting procedures) the EBITDA (Earnings before interests, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges and income tax.

As at 31 March 2011, the total net consolidated profit reached 4.6 million Euros, increasing of 16.5% compared to the previous year.

## Analysis of the re-classified statement of financial position

| MARR Consolidated (€thousand) | *31.03.11* | *31.12.10* | *31.03.10* |
|---|---|---|---|
| Net intangible assets | 100,278 | 100,333 | 100,614 |
| Net tangible assets | 55,347 | 55,817 | 57,017 |
| Equity investments in other companies | 296 | 297 | 296 |
| Other fixed assets | 14,826 | 14,734 | 9,267 |
| Total fixed assets (A) | 170,747 | 171,181 | 167,194 |
| Net trade receivables from customers | 336,216 | 350,583 | 330,911 |
| Inventories | 121,226 | 99,585 | 93,463 |
| Suppliers | (239,750) | (260,020) | (225,624) |
| Trade net working capital (B) | 217,692 | 190,148 | 198,750 |
| Other current assets | 41,500 | 47,883 | 39,930 |
| Other current liabilities | (22,186) | (21,505) | (20,897) |
| Total current assets/liabilities (C) | 19,314 | 26,378 | 19,033 |
| Net working capital (D) = (B+C) | 237,006 | 216,526 | 217,783 |
| Other non current liabilities (E) | (67) | (138) | (17) |
| Staff Severance Provision (F) | (9,851) | (10,035) | (10,042) |
| Provisions for risks and charges (G) | (16,614) | (13,469) | (16,140) |
| Net invested capital (H) = (A+D+E+F+G) | 381,221 | 364,065 | 358,778 |
| Shareholders' equity attributable to the Group | (210,965) | (206,579) | (195,546) |
| Shareholders' equity attributable to minority interests | (744) | (1,131) | (1,145) |
| Consolidated shareholders' equity (I) | (211,709) | (207,710) | (196,691) |
| (Net short-term financial debt)/Cash | (63,446) | (49,285) | (136,467) |
| (Net medium/long-term financial debt) | (106,066) | (107,070) | (25,620) |
| Net financial debt (L) | (169,512) | (156,355) | (162,087) |
| Net equity and net financial debt (M) = (I+L) | (381,221) | (364,065) | (358,778) |

## Analysis of the Net Financial Position[3]

The following represents the trend in Net Financial Position.

| | MARR Consolidated (€thousand) | 31.03.11 | 31.12.10 | 31.03.10 |
|---|---|---|---|---|
| A. | Cash | 5,051 | 4,047 | 7,393 |
| | Cheques | 19 | 165 | 115 |
| | Bank accounts | 24,320 | 51,234 | 30,988 |
| | Postal accounts | 431 | 31 | 24 |
| B. | Cash equivalent | 24,770 | 51,430 | 31,127 |
| C. | Liquidity (A) + (B) | 29,821 | 55,477 | 38,520 |
| | Current financial receivable due to parent comany | 6,221 | 3,098 | 569 |
| | Current financial receivable due to related companies | 0 | 0 | 0 |
| | Others financial receivable | 1,794 | 2,667 | 9,682 |
| D. | Current financial receivable | 8,015 | 5,765 | 10,251 |
| E. | Current Bank debt | (95,453) | (103,392) | (143,567) |
| F. | Current portion of non current debt | (4,243) | (6,173) | (40,075) |
| | Financial debt due to parent company | 0 | 0 | 0 |
| | Financial debt due to related company | 0 | 0 | 0 |
| | Other financial debt | (1,586) | (962) | (1,596) |
| G. | Other current financial debt | (1,586) | (962) | (1,596) |
| H. | Current financial debt (E) + (F) + (G) | (101,282) | (110,527) | (185,238) |
| I. | Net current financial indebtedness (H) + (D) + (C) | (63,446) | (49,285) | (136,467) |
| J. | Non current bank loans | (105,161) | (105,919) | (23,745) |
| K. | Other non current loans | (905) | (1,151) | (1,875) |
| L. | Non current financial indebtedness (J) + (K) | (106,066) | (107,070) | (25,620) |
| M. | Net financial indebtedness (I) + (L) | (169,512) | (156,355) | (162,087) |

The MARR's Group financial debt is affected by the business seasonality, that requires high net working capital during the summer period. Historically, the indebtedness reaches its peak during the first half of the year, and then decrease at the end of the business year.

At the end of the first quarter of 2011, and compared to 31 December 2010, net financial indebtedness was affected by the aforementioned seasonality of the cash flow requirements and, especially with respect to 31 March 2010, by the management policies for supplies, which will be described in the following paragraph.

During the first quarter of 2011, there were no financial movements concerning extraordinary operations and the above-mentioned variation is mainly linked to the performance of  ordinary management.

The net financial position as at 31 March 2011 remains in line with the company objectives.

[3]The Net Financial Position used as a financial indicator of debts is represented by the total of the following positive and negative components of the Statement of financial position:
Positive short term components: cash and equivalents; items of net working capital collectables; financial assets.
Negative short and long term components: payables to  banks; payables to other financiers, payables to leasing companies and factoring companies; payables to shareholders for loans

## Analysis of the Trade net working Capital

| MARR Consolidated (€thousand) | *31.03.11* | *31.12.10* | *31.03.10* |
|---|---|---|---|
| Net trade receivables from customers | 336,216 | 350,583 | 330,911 |
| Inventories | 121,226 | 99,585 | 93,463 |
| Suppliers | (239,750) | (260,020) | (225,624) |
| Trade net working capital | 217,692 | 190,148 | 198,750 |

The trade net working capital amounts to 217.7 million Euros, compared to 198.8 million Euros as at 31 March 2010. The increase is linked to the increase in the value of Inventories and it is due to a specific choice in stocks and purchases management also in view of Easter festivity consumptions, that the previous year occurred in the first days of April and this year at the end of the same month.

Compared to 31 December 2010 and due to the business seasonality, the trade net working capital at the end of the first quarter increased of 27.5 million Euros.

The trade net working capital remains in line with the company objectives.

## Re-classified cash-flow statement

| MARR Consolidated (€thousand) | *31.03.11* | *31.03.10* |
|---|---|---|
| Net profit before minority interests | 4,610 | 3,958 |
| Amortization and depreciation | 1,096 | 1,134 |
| Change in Staff Severance Provision | (184) | (21) |
| Operating cash-flow | 5,522 | 5,071 |
| (Increase) decrease in receivables from customers | 14,367 | 11,832 |
| (Increase) decrease in inventories | (21,641) | (8,875) |
| Increase (decrease) in payables to suppliers | (20,270) | (11,304) |
| (Increase) decrease in other items of the working capital | 10,120 | (3,528) |
| Change in working capital | (17,424) | (11,875) |
| Net (investments) in intangible assets | (32) | 244 |
| Net (investments) in tangible assets | (541) | 117 |
| Net change in financial assets and other fixed assets | (91) | 176 |
| Net change in other non current liabilities | 18 | 439 |
| Investments in other fixed assets | (646) | 976 |
| Free - cash flow before dividends | (12,548) | (5,828) |
| Distribution of dividends | 0 | 0 |
| Capital increase | 0 | 0 |
| Other changes, including those of minority interests | (609) | (2) |
| Casf-flow from (for) change in shareholders' equity | (609) | (2) |
| FREE - CASH FLOW | (13,157) | (5,830) |
| Opening net financial debt | (156,355) | (156,257) |
| Cash-flow for the period | (13,157) | (5,830) |
| Closing net financial debt | (169,512) | (162,087) |

## Investments

During the first quarter of 2011 no extraordinary investments occurred.
We point out that ordinary investments were made mainly for the purchase of plants and machineries in the distribution centres of MARR S.p.A..

The following is a summary of the net investments made in the first quarter of 2011.

| *(€thousand)* | *31.03.11 (3 months)* |
|---|---|
| *Intangible assets* | |
| Patents and intellectual property rights | 32 |
| Total intangible assets | 32 |
| *Tangible assets* | |
| Land and buildings | 30 |
| Plant and machinery | 350 |
| Industrial and business equipment | 39 |
| Other assets | 96 |
| Fixed assets under development and advances | 26 |
| Total tangible assets | 541 |
| | |
| Total | 573 |

## Other information

The Company neither holds nor has ever held shares or quotas of parent companies, even through third party persons and/or companies; during the first quarter of 2011 the company never purchased or sold the above-mentioned shares and/or quotas.

During the first quarter of 2011 MARR S.p.A never purchased or sold its own shares in the context of the plan for the purchase of its own shares (*buy back*); as at today the company holds a total of 705,647 of its own shares, amounting about to 1.061% of the share capital, for a total amount of 3,820 thousand Euros.

During the first half-year period, the Company did not carry out atypical or unusual operations.

## Main events in the first quarter of 2011

In January 2011, MARR S.p.A. was definitively awarded the Consip (Public Authority for the Rationalisation of expenses) tender concerning the agreement for the supply of food products to Public Administrations. The agreement, which has a duration of twelve months (renewable for an additional twelve) and that authorises a maximum expenditure of 34.5 million Euros, could be activated by the Public Administration structures belonging to the regions of the following lots: Lot 1 (Valle d'Aosta, Piedmont and Liguria), Lot 2 (Lombardy), Lot 3 (Friuli Venezia Giulia, Veneto and Trentino Alto Adige), Lot 4 (Emilia Romagna), Lot 5 (Tuscany and Umbria), Lot 6 (Marche e Abruzzi), Lot 7 (Lazio), Lot 9 (Basilicata, Puglia and Calabria) and Lotto 11 (Sardinia).

On 26 February, the National Meeting of the MARR sales organization ("Surely the best!") was held in Rimini, an event that saw the participation of approximately 700 people, including salesmen and commercial managers, and during the course of which new private label products were presented for 2011:

- the *MARR@Breakfast* line for breakfast – a segment which has significant room for growth – has been expanded and renewed with single portions of *Barns* jam products, *La Doucerie* mini pastries, frozen cakes and organic and gluten free yoghurt;
- fillets of Tilapia, a farmed fish which is produced in large quantities worldwide but is still relatively unknown in Italy, which will be commercialised by MARR under the *C BOX* brand quality product distributed in exclusivity in the MARR Selection line;
- the range of new products also includes a line of gratin vegetables under the Tavola Reale brand name, a range of products with a high services content, with selected ingredients and easy to prepare (*ready to cook*).

In January 2011, the subsidiary As.ca suffered a theft of goods, which was found to be covered by an insurance policy. The company management ensured that what happened was promptly notified to the competent authorities and suitable corrective action was taken to reduce the risk of similar events occurring again in the future.

## Events occurred after the closing of the first quarter of 2011

On 28 April, the Shareholders' Meeting approved the financial statements for the business year as at 31 December 2010 and the distribution to Shareholders of a gross dividend of 0.50 Euros per share, with "ex coupon" (no. 6) on 23 May and payment on 26 May.

The Shareholders' Meeting also decided upon the appointment of the Board of Directors and Board of Statutory Auditors, confirming the previous Directors and appointing as effective Auditors Mr. Ezio Maria Simonelli (Chairman), Mr. Mario Lugli and Mrs. Marinella Monterumisi. The Meeting also confirmed Mr. Vincenzo Cremonini in the position of Chairman of the Board of Directors.

The meeting of the Board of Directors, held on 28 April 2011 also confirmed Ugo Ravanelli in the position of Chief Executive Officer, attributing to him the relevant powers.

In the first days of May, a commercial and logistical partnership with Nizzi S.p.A., a company based in Assisi and operating successfully in the commercialisation of food products, especially frozen, since 1970 in the food service sector, has been finalised.
The agreement – under the contractual formula of Agent with warehouse – enables MARR to make use of a warehouse of more than 2,500 $m^2$, that significantly increases the level of service in Umbria, a very interesting region in terms of Food and tourism in Art cities and where MARR achieves more than 9 million Euros annually from sales in the Street Market sector. It is expected that the new agreement, in addition to improving the commercial and distribution network, will lead to an annual increase in sales of approximately 5 million Euros.

## Outlook

In April, and despite the absence of long weekends, the performance of sales consolidated its increase in the first quarter, also thanks the positive contribution of the Street Market category, which registered a further acceleration of turnover compared to the first tree months of the year. On the basis of sales results for the first four months of the year, which is a positive sign for the June-September period, in which approximately 40% of annual revenues is historically concentrated, company management confirms its orientation for 2011, and therefore: to strengthen its market leadership, to keep the management of the trade net wording capital under control and to confirm the levels of profitability achieved in 2010.

# Interim Consolidated Financial Statements

# MARR Group

## Interim Report as at 31 March 2011

# STATEMENT OF FINANCIAL POSITION

| *(€thousand)* | *Note* | *31.03.11* | *31.12.10* | *31.03.10* |
|---|---|---|---|---|
| *ASSETS* | | | | |
| Non-current assets | | | | |
| Tangible assets | | 55,347 | 55,817 | 57,017 |
| Goodwill | | 99,658 | 99,658 | 99,658 |
| Other intangible assets | | 620 | 675 | 956 |
| Investments in other companies | | 296 | 297 | 296 |
| Non-current financial receivables | | 4,587 | 4,679 | 725 |
| Deferred tax assets | | 7,241 | 7,120 | 6,724 |
| Other non-current assets | | 6,750 | 6,427 | 5,012 |
| Total non-current assets | | 174,499 | 174,673 | 170,388 |
| Current assets | | | | |
| Inventories | | 121,226 | 99,585 | 93,463 |
| Financial receivables | | 8,015 | 5,749 | 10,242 |
| *relating to related parties* | | *6,221* | *3,098* | *569* |
| Financial instruments / derivative | | 0 | 16 | 9 |
| Trade receivables | | 332,464 | 347,091 | 327,717 |
| *relating to related parties* | | *4,189* | *4,811* | *3,603* |
| Tax assets | | 6,563 | 6,389 | 5,742 |
| *relating to related parties* | | *0* | *0* | *0* |
| Cash and cash equivalents | | 29,821 | 55,477 | 38,520 |
| Other current assets | | 34,937 | 41,494 | 34,188 |
| *relating to related parties* | | *29* | *69* | *53* |
| Total current assets | | 533,026 | 555,801 | 509,881 |
| *TOTAL ASSETS* | | *707,525* | *730,474* | *680,269* |
| *LIABILITIES* | | | | |
| Shareholders' Equity | | | | |
| Shareholders' Equity attributable to the Group | | 210,965 | 206,579 | 195,546 |
| *Share capital* | | *32,910* | *32,910* | *32,910* |
| *Reserves* | | *123,549* | *123,606* | *115,338* |
| *Retained Earnings* | | *(3,477)* | *(3,477)* | *(3,477)* |
| *Profit for the period attributable to the Group* | | *57,983* | *53,540* | *50,775* |
| Shareholders' Equity attributable to minority interests | | 744 | 1,131 | 1,145 |
| *Minority interests' capital and reserves* | | *577* | *567* | *998* |
| *Profit for the period attributable to minority interests* | | *167* | *564* | *147* |
| Total Shareholders' Equity | | 211,709 | 207,710 | 196,691 |
| Non-current liabilities | | | | |
| Non-current financial payables | | 106,066 | 107,070 | 25,620 |
| Employee benefits | | 9,851 | 10,035 | 10,042 |
| Provisions for risks and costs | | 6,316 | 3,168 | 6,331 |
| Deferred tax liabilities | | 10,298 | 10,301 | 9,809 |
| Other non-current liabilities | | 67 | 138 | 17 |
| Total non-current liabilities | | 132,598 | 130,712 | 51,819 |
| Current liabilities | | | | |
| Current financial payables | | 101,222 | 110,527 | 185,238 |
| *relating to related parties* | | *0* | *0* | *0* |
| Financial instruments/derivatives | | 60 | 0 | 0 |
| Current tax liabilities | | 3,684 | 3,787 | 4,193 |
| *relating to related parties* | | *1,787* | *1,787* | *2,946* |
| Current trade liabilities | | 239,750 | 260,020 | 225,624 |
| *relating to related parties* | | *9,774* | *8,828* | *11,202* |
| Other current liabilities | | 18,502 | 17,718 | 16,704 |
| *relating to related parties* | | *5* | *6* | *2* |
| Total current liabilities | | 363,218 | 392,052 | 431,759 |
| *TOTAL LIABILITIES* | | *707,525* | *730,474* | *680,269* |

# CONSOLIDATED INCOME STATEMENT

| *(€thousand)* | *Note* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|---|
| Revenues | 1 | 244,735 | 235,479 |
| *relating to related parties* | | *3,078* | *2,652* |
| Other revenues | 2 | 4,701 | 4,592 |
| *relating to related parties* | | *45* | *13* |
| Other non-recurring revenues and income | | 0 | 0 |
| Changes in inventories | | 21,641 | 8,875 |
| Capitalised costs | | 0 | 0 |
| Purchase of goods for resale and consumables | 3 | (217,019) | (196,923) |
| *relating to related parties* | | *(8,318)* | *(8,587)* |
| Personnel costs | 4 | (8,948) | (8,942) |
| Amortization, depreciation and write-downs | 5 | (2,577) | (2,465) |
| Other operating costs | 6 | (33,847) | (32,998) |
| *relating to related parties* | | *(1,385)* | *(1,396)* |
| Other non-recurring operating costs | | 0 | 0 |
| Financial income and charges | 7 | (1,123) | (917) |
| *relating to related parties* | | *25* | *2* |
| Non-recurring financial income and charges | | 0 | 0 |
| *relating to related parties* | | *0* | *0* |
| *Pre-tax profits* | | *7,563* | *6,701* |
| Taxes | 8 | (2,953) | (2,743) |
| *Profits for the period* | | *4,610* | *3,958* |
| Profit for the period atributable to: | | | |
| Shareholders of the parent company | | 4,443 | 3,811 |
| Minority interests | | 167 | 147 |
| | | *4,610* | *3,958* |
| basic Earnings per Share (euro) | 9 | 0.07 | 0.06 |
| diluted Earnings per Share (euro) | 9 | 0.07 | 0.06 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| *(€thousand)* | *Note* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|---|
| *Profits for the period (A)* | | *4,610* | *3,958* |
| Efficacious part of profits/(losses) on cash flow hedge instruments, net of taxation effect | | (56) | (1) |
| *Total Other Profits/Losses, net of taxes (B)* | 10 | *(56)* | *(1)* |
| *Comprehensive Income (A) + (B)* | | *4,554* | *3,957* |
| Comprehensive Income attributable to: | | | |
| Shareholders of the parent company | | 4,387 | 3,810 |
| Minority interests | | 167 | 147 |
| | | *4,554* | *3,957* |

# CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHODERS EQUITY

*(in thousand Euros)*

| Description | Share Capital | Other reserves | | | | | | | | | | | | | | Profits carried over from consolidated | Business year profit (losses) | Total Group net equity | Total third party net equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share premium reserve | Legal reserve | Revaluation reserve | Shareholders contributions on capital | Extraordinary reserve | Reserve for residual stock options | Reserve for exercised stock options | Reserve for transition to Ias/Ifrs | Cash-flow hedge reserve | Rserve ex art. 55 (dpr 597-917) | Total Reserves | Trading on share reserve | Reserve for profit (losses) on own share | Total own shares | | | | |
| **Balance at 31 December 2009** | 32,910 | 60,192 | 6,652 | 13 | 36,496 | 1,693 | | 1,475 | 7,296 | 7 | 1,517 | 115,340 | (3,467) | (10) | (3,477) | 46,963 | | 191,736 | 999 |
| Effect of the trading of own shares | | | | | | | | | | | | | | | | | | | |
| Other minor variations | | | | | | | | | | | (1) | **(1)** | | | | 1 | | | (1) |
| Consolidated comprehensive income (1/1 - 31/03/2010): | | | | | | | | | | | | | | | | | | | |
| - Profit for the period | | | | | | | | | | | | | | | | 3,811 | | **3,811** | 147 |
| - Other Profits/Losses, net of taxes | | | | | | | | | | (1) | | **(1)** | | | | | | **(1)** | |
| **Balance at 31 March 2010** | 32,910 | 60,192 | 6,652 | 13 | 36,496 | 1,693 | | 1,475 | 7,296 | 6 | 1,516 | 115,338 | (3,467) | (10) | (3,477) | 50,775 | | 195,546 | 1,145 |
| Allocation of 2009 profit | | | | | | 8,267 | | | | | | **8,267** | | | | (8,267) | | | |
| Distribution of parent company dividends | | | | | | | | | | | | | | | | (30,277) | | **(30,277)** | |
| Distribution of subsidiaries company dividends | | | | | | | | | | | | | | | | | | | (431) |
| Other minor variations | | | | | | | | | | | (4) | **(4)** | | | | (1) | | **(5)** | |
| Consolidated comprehensive income (1/04-31/12/2010): | | | | | | | | | | | | | | | | | | | |
| - Profit for the period | | | | | | | | | | | | | | | | 41,310 | | **41,310** | 417 |
| - Other Profits/Losses, net of taxes | | | | | | | | | | 5 | | **5** | | | | | | **5** | |
| **Balance at 31 December 2010** | 32,910 | 60,192 | 6,652 | 13 | 36,496 | 9,960 | | 1,475 | 7,296 | 11 | 1,511 | 123,606 | (3,467) | (10) | (3,477) | 53,540 | | 206,579 | 1,131 |
| Distribution of parent company dividends | | | | | | | | | | | | | | | | | | | (554) |
| Other minor variations | | | | | | | | | | | (1) | **(1)** | | | | | | **(1)** | |
| Consolidated comprehensive income (1/1 - 31/03/11): | | | | | | | | | | | | | | | | | | | |
| - Profit for the period | | | | | | | | | | | | | | | | 4,443 | | **4,443** | 167 |
| - Other Profits/Losses, net of taxes | | | | | | | | | | (56) | | **(56)** | | | | | | **(56)** | |
| **Balance at 31 March 2011** | 32,910 | 60,192 | 6,652 | 13 | 36,496 | 9,960 | | 1,475 | 7,296 | (45) | 1,510 | 123,549 | (3,467) | (10) | (3,477) | 57,983 | | 210,965 | 744 |

# CASH FLOWS STATEMENT (INDIRECT METHOD)

| Consolidated (€thousand) | *31.03.11* | *31.03.10* |
|---|---|---|
| Result for the Period | 4,610 | 3,958 |
| *Adjustment:* | | |
| Amortization | 1,096 | 1,134 |
| Allocation of provison for bad debts | 1,386 | 1,247 |
| Capital profit/losses on disposal of assets | 1 | (64) |
| *relating to related parties* | *0* | *0* |
| Financial (income) charges net of foreign exchange gains and losses | 986 | 1,014 |
| *relating to related parties* | *3* | *2* |
| Foreign exchange evaluated (gains)/losses | 83 | (28) |
| Dividends Received | *0* | *0* |
| | 3,552 | 3,303 |
| Net change in Staff Severance Provision | (184) | (21) |
| (Increase) decrease in trade receivables | 13,291 | 9,980 |
| *relating to related parties* | *622* | *(86)* |
| (Increase) decrease in inventories | (21,641) | (8,875) |
| Increase (decrease) in trade payables | (20,270) | (11,303) |
| *relating to related parties* | *946* | *2,264* |
| (Increase) decrease in other assets | 6,184 | (4,901) |
| *relating to related parties* | *40* | *29* |
| Increase (decrease) in other liabilities | 3,861 | (8) |
| *relating to related parties* | *(1)* | *1* |
| Net change in tax assets / liabilities | (401) | 2,090 |
| *relating to related parties* | *0* | *0* |
| Income tax paid | 0 | 0 |
| *relating to related parties* | *0* | *0* |
| Interest paid | (1,437) | (1,404) |
| *relating to related parties* | *9* | *(2)* |
| Interest received | 451 | 390 |
| *relating to related parties* | *(12)* | *0* |
| Foreign exchange gains | 68 | 151 |
| Foreign exchange losses | (151) | (123) |
| Cash-flow form operating activities | (12,067) | (6,763) |
| (Investments) in other intangible assets | (32) | (6) |
| Net disposal in other intangible assets | 0 | 0 |
| (Investments) in goodwill | 0 | 0 |
| Devaluation of goodwill | 0 | 0 |
| (Investments) in tangible assets | (825) | (405) |
| Net disposal of tangible assets | 284 | 586 |
| Net (investments) in equity investments no consolidated on a line-by-line basis | 0 | 0 |
| Net (investments) in equity investments in other companies | 0 | 0 |
| Outgoing for (acquisition)/divestment of subsiaries or going concerns during the year | 0 | 0 |
| Dividends Received | 0 | 0 |
| Cash-flow from investment activities | (573) | 175 |
| Distribution of dividends | 0 | 0 |
| Increase in capital and reserves paid-up by shareholders | 0 | 0 |
| Other changes, including those of third parties | (609) | (2) |
| Net change in financial payables (excluding the new non-current loans received) | (10,249) | (5,407) |
| *relating to related parties* | *0* | *346* |
| New non-current loans received | 0 | 10,000 |
| *relating to related parties* | *0* | *0* |
| Net change in current financial receivables | (2,250) | (27) |
| *relating to related parties* | *(3,123)* | *0* |
| Net change in non-current financial receivables | 92 | 760 |
| Cash-flow from financing activities | (13,016) | 5,324 |
| Increase (decrease) in cash-flow | (25,656) | (1,264) |
| Opening cash and equivalents | 55,477 | 39,784 |
| Closing cash and equivalents | 29,821 | 38,520 |

# EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## Structure and contents of the interim condensed consolidated financial statements

The interim report as at 31 March 2011 has been prepared in accordance with the accounting policies and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedures in art. 6 of (EC) Regulation 1606/2002 of the European Parliament and Council dated 19 July 2002, while for information and the purposes of this report, reference is made to article 154-ter of the Legislative Decree 58 dated 24 February 1998.

In the "Accounting policies" section, the international accounting principles adopted in the drawing up of the quarterly report as at 31 March 2011 do not differ from those used in the drawing up of the consolidated financial statements as at 31 December 2010, excepted for the amendments and interpretations effective from the 1st January 2011.

For the purposes of the application of IFRS 8 it is noted that the Group operates in the "Distribution of food products to non-domestic catering" sector only; with regard to performance levels in the first quarter of 2011, see what described in the Directors' Report.

The consolidated financial statements as at 31 March 2011 show, for comparison purposes, for the income statement the figures for the first quarter of 2010 and for the balance sheets the figures as at 31 December 2010 and 31 March 2010.

The following classifications have been used:

- "Statement of financial position" by current/non current items
- "Income statement" by nature
- "Cash flows statement" (indirect method)

It is believed that these classifications provide information which better represent the patrimonial, economic and financial situation of the company.

The figures are expressed in Euros.

The statements and tables contained in this quarterly report are shown in thousands of Euros.

The interim report is not subject to auditing.

This report has been prepared using the principles and accounting policies illustrated below:

## Consolidation method

Consolidation is made by using the line-by-line method, which consists in recognizing all the items in the assets and liabilities in their entirety. The main consolidation criteria adopted to apply this method are the following:

- Subsidiaries have been consolidated as from the date when control was actually transferred to the Group, and are no longer consolidated as from the date when control was transferred outside the Group.
- Assets and liabilities, charges and income of the companies consolidated on a line-by-line basis, have been fully entered in the consolidated financial statements; the book value of equity investments has been written off against the corresponding portion of shareholders' equity of the related concerns, by assigning to each single item of the balance sheet's assets and liabilities, the current value as at the date of acquisition of control (purchase method as defined by IFRS 3, "Business combinations"). Any residual difference, if positive, is entered under "*Goodwill*" in the assets; if negative, in the income statement.
- Mutual debt and credit, costs and revenues relationships, between consolidated companies, and the effects of all significant transactions between these companies, have been written off.
- The portions of shareholders' equity and of the results for the period of minority shareholders have been shown separately in the consolidated shareholders' equity and income statement.

## Scope of consolidation

The interim consolidated financial statements as at 31 March 2011 include the financial statements of the Parent Company MARR S.p.A. and those of the companies it either directly or indirectly controls. The complete list of shareholdings included in the consolidation area as at 31 March 2011, with an indication of the method of consolidation, is included in the Group Organisation section.

The scope of consolidation as at 31 March 2011 does not differ from that at 31 December 2010 and from that at 31 March 2010.

## Accounting policies

The criteria for assessment used for the purpose of predisposing the consolidated accounts up for the quarter closed on 31 March 2011 do not differ from those used for the drafting of the consolidated financial statements as at 31 December 2010, with the exception of the accounting principles, amendments and interpretations applicable as from 1st January 2011, as indicated below, which however did not significantly affect the Group's financial statements.

- IFRIC 14 *"Advance payments concerning an expected minimal contribution"*. This amendment was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRIC) with the aim of eliminating an undesirable consequence of IFRIC 14 in cases in which entities subject to expected minimal contribution made through an advance payment of contributions by which, under specific circumstances, the entity making the advance payment would be bound to include an expenditure in its accounts. In the case in which a defined benefits plan is subject to an expected minimal contribution, the amendment to IFRIC 14 imposes that this advance payment should be dealt with as an asset, in the same way as any other advance payment. This interpretation has not been applied to these intermediate consolidated financial statements.
- IFRIC 19 "Extinction of financial liabilities with instruments representing capital". This interpretation was emanated during November 2009 by the International Financial Reporting Interpretations Committee (IFRIC) and provides clarifications on the accounting by the debtor of the instruments representing capital issued in order to completely or partially extinguish a financial liability following the re-negotiation of the relevant conditions. This interpretation has been applicable from the first business year subsequent to 30 June 2010, but has not been applied to these intermediate consolidated financial statements.
- IAS 24 "Financial statements information on operations with related parties". In November 2009, the International Accounting Standards Board (IASB) published a review of International Accounting Standard (IAS) 24 "Financial statements information on operations with related parties". The amendments introduced by the review of IAS 24 simplify the definition of a related party, simultaneously eliminating certain incoherencies and dispensing public entities from certain informative requirements concerning operations with related parties. This interpretation, applicable since 1 January 2011, has not had any effect from the viewpoint of assessing the items in the financial statements, but only affects the information concerning relations with related parties.
- *IAS 32 – "Financial instruments: presentation and classification of securities issued*". This amendment, emanated in October 2009, disciplines the accounting of the issuing of nominative securities in currencies other than that in which the issuer operates. This amendment has not been applied to these intermediate consolidated financial statements.

In May 2010, the IASB emanated a series of amendments to the IFRS ("Improvements") which will be applicable from 1 January 2011. The following are some of those which will imply changes to the presentation, recognition and assessment of items in the financial statements, leaving aside those which only imply terminological changes.

- IFRS 3 – "Business combinations": Clarifies the accounting treatment of holdings of third parties and give the right to the owners to receive a quota proportional to the net assets of the subsidiary.
- IFRS 7 – "Financial instruments: additional information": accentuates the interaction of the additional qualitative and quantitative information required as regards the nature of the risks concerning financial instruments.
- IAS 1 – "Presentation of financial statements": requires the reconciliation of the changes in each component of the net equity in the notes and tables of the financial statements.
- IAS 34 – "Intermediate financial statements": provides clarifications as regards the additional information to be provided in the drafting of intermediate financial statements.

## Main estimates adopted by management and discretional assessments

The figures herein are partly derived from estimates and assumptions made by the top Management, variations in which are currently unpredictable and could affect the economic and equity situation of the Group.
These estimates do not differ significantly from those usually used in the drafting of annual and consolidated accounts.

## Comments on the main items of the consolidated income statement

### 1. Revenues

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Revenues from sales - Goods | 273,011 | 240,403 |
| Adjustments to Revenues | (33,450) | (9,709) |
| Revenues from Services | 3,677 | 3,472 |
| Other revenues from sales | 169 | 146 |
| Manufacturing on behalf of third parti | 4 | 6 |
| Rent income (typical management) | 21 | 20 |
| Other services | 1,303 | 1,141 |
| Total revenues | 244,735 | 235,479 |

Revenues from services provided mainly include charges to customers for processing, transport and dispatch.

For a comment on the trend of the revenues from sales see the Directors' Report.

The breakdown of the revenues from sales of goods and from services by geographical area is as follows:

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Italy | 221,283 | 212,332 |
| European Union | 18,376 | 17,208 |
| Extra-EU countries | 5,076 | 5,939 |
| Total | 244,735 | 235,479 |

### 2. Other revenues

The Other revenues are broken down as follows:

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Contributions from suppliers and others | 4,055 | 3,812 |
| Other Sundry earnings and proceeds | 282 | 509 |
| Reimbursement for damages suffered | 195 | 103 |
| Reimbursement of expenses incurred | 153 | 98 |
| Recovery of legal taxes | 4 | 4 |
| Capital gains on disposal of assets | 12 | 66 |
| Total other revenues | 4,701 | 4,592 |

The "Contributions from suppliers and others" consist mainly of contributions obtained from suppliers for the commercial promotion of their products with our customers and its change is proportional to the increase in the cost for purchase of goods sold.

## 3. Purchase of goods for resale and consumables

This item is composed of:

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Purchase of goods for resale and consumables | 216,201 | 195,807 |
| Purchase of packages and packing material | 835 | 883 |
| Purchase of stationery and printed paper | 162 | 152 |
| Purchase of promotional and sales materials and catalogues | 45 | 36 |
| Purchase of various materials | 108 | 118 |
| Discounts and rebates from suppliers | (431) | (173) |
| Fuel for industrial motor vehicles and cars | 99 | 100 |
| Total purchase of goods for resale and consumables | 217,019 | 196,923 |

## 4. Personnel costs

This item amounts to 8,948 thousand Euros as at 31 March 2011 (8,942 thousand Euros as at 31 March 2010) and includes all expenses for employed personnel, including holiday and additional monthly salaries as well as related social security charges, in addition to the severance provision and other costs provided contractually.

As highlighted in the Directors' Report, the personnel costs, despite the effect of the increases in remuneration provided by the renewal of the employment contract during this quarter, has remained in line with the same period of the previous business year, due to a confirmed careful management of the human resources with particular attention to holiday and overtime.

## 5. Amortizations, depreciations and write-downs

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Depreciation of tangible assets | 1,009 | 1,014 |
| Amortization of intangible assets | 87 | 120 |
| Provisions and write-downs | 1,481 | 1,331 |
| Total amortization and depreciation | 2,577 | 2,465 |

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Taxable provisions for bad debts | 854 | 1,133 |
| Non-taxable provisions for bad debts | 532 | 114 |
| Provision for risk and loss fund | 4 | 0 |
| Provision for supplementary clientele severance indemnity | 91 | 84 |
| Total provisions and write-downs | 1,481 | 1,331 |

## 6. Other operating costs

The details of the "Other operating costs" are as follows:

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Operating costs for services | 31,513 | 30,717 |
| Operating costs for leases and rentals | 1,816 | 1,802 |
| Operating costs for other operating charges | 518 | 479 |
| Total other operating costs | 33,847 | 32,998 |

The operating costs for services mainly include the following items: remuneration and premiums for agents for 8,064 thousand Euros (8,170 thousand Euros in the first quarter of 2010), transport on sales for 10,112 thousand Euros (10,203 thousand Euros in the first quarter of 2010), transport and additional costs on purchases for 2,343 thousand Euros (2,328 thousand Euros in the first quarter of 2010), technical industrial services for 4,889 thousand Euros (4,885 thousand Euros in the first quarter of 2010), service costs for 1,396 thousand Euros (1,497 thousand Euros in the first quarter of 2010), various consultancies for 843 thousand Euros (1,249 thousand Euros in the first quarter of 2010) and maintenance costs amounting to 1,036 thousand Euros (912 thousand Euros in the first quarter of 2010).

The costs for the use of third party assets mainly concern the rental fees for industrial buildings (amounting to a total of 1,650 thousand Euros); it should be pointed out that these include the rental fees of 167 thousand Euros paid to the associate companies Le Cupole S.r.l. of Castelvetro (MO) for the rental of the property in which the branch MARR Uno carries out its activities (Via Spagna 20 – Rimini) and for 276 thousand Euros paid to the associate Consorzio Centro Commerciale Ingrosso Carni S.r.l. of Bologna for the rental of the property in which the Carnemilia Division carries out its activities (Via Francesco Fantoni, 31 – Bologna).

The operating costs for other management costs mainly include the following items: "other indirect duties, taxes and similar costs" for 311 thousand Euros, expenses for credit recovery for 106 thousand Euros and "local council duties and taxes" for 34 thousand Euros.

## 7. Financial income and charges

The following are details of the main items under "Financial income and expenses":

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Financial charges | 1,437 | 1,404 |
| Financial income | (451) | (390) |
| Foreign exchange (gains)/losses | 137 | (97) |
| Total financial (income) and charges | 1,123 | 917 |

The net effect of foreign exchange mainly reflects the performance of the Euro compared to the US dollar, which is the currency for imports from non-EU countries.

The financial charges are in line with the same quarter of the previous business year, despite the effects of the rise in interests rates, which has been occurring since the last quarter of the previous business year.

## 8. Taxes

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Ires-Ires charge transferred to Parent Company | 2,329 | 2,301 |
| Irap | 728 | 649 |
| Net provision for deferred tax liabilities | (104) | (207) |
| Total taxes | 2,953 | 2,743 |

## Earnings per share

The following table is the calculation of the basic and diluted Earnings:

| *(Euros)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Basic Earnings Per Share | 0.07 | 0.06 |
| Diluted Earnings Per Share | 0.07 | 0.06 |

It must be pointed out that the calculation is based on the following data:

Earnings:

| *(€thousand)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Profit for the period | 4,610 | 3,958 |
| Minority interests | (167) | (147) |
| Profit used to determine basic and diluted earnings per share | 4,443 | 3,811 |

Number of shares:

| *(number of shares)* | 1st quarter 2011 | 1st quarter 2010 |
|---|---|---|
| Weighted average number of ordinary shares used to determine basic earning per share | 65,819,473 | 65,819,473 |
| Adjustments for share options | 0 | 0 |
| Weighted average number of ordinary shares used to determine diluted earning per share | 65,819,473 | 65,819,473 |

We point out that for the calculation of profits per share, as at March 31, 2011 the weighted average of ordinary shares in circulation has been used, taking into consideration the purchases of own shares made until this date.

## 9. Other profits/losses

The other profits/losses accounted for in the consolidated comprehensive income statement consists of the effects produced and reflected in the period with reference to the effective part of the term exchange purchase transactions carried out by the Group to hedge the underlying goods purchasing operations, net of a positive taxation effect that as at 31 March 2011 amounts to approximately 21 thousand Euros.
According to the IFRS these profits/losses have been entered in the net equity and highlighted (according to IAS 1 revised, in force from 1st January 2009) in the consolidated comprehensive income statement.

° ° °

Rimini, 12 May 2011

The Chairman of the Board of Directors

Vincenzo Cremonini

# STATEMENT BY THE RESPONSIBLE FOR THE DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS PURSUANT TO ART. 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE 58 DATED 24 FEBRUARY 1998

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

Rimini, 12 May 2011

Pierpaolo Rossi
Manager responsible for the drafting
of corporate accounting documents